



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: CONS 22-618, **Version:** 1

DATE: November 1, 2022

TO: Mayor and City Council

FROM: Assistant City Manager/Development Services Director

SUBJECT

Adopt a Resolution: (1) Authorizing the City Manager to Negotiate and Execute the First Amendment to the Disposition and Development Agreement with Eden Housing, Pacific West Communities, and Strategic Growth Partners and Other Affiliated Entities for Transfer of Specified City Owned Properties within Parcel Group 3 and Amendments to Exhibits Attached Thereto including the Restrictive Use Covenant Agreement; and (2) Approving Modifications to the Parcel Group 3 Affordable Housing Plan (Planning Application #202001594)

RECOMMENDATION

That the Council adopts a resolution (Attachment II): (1) authorizing the City Manager to negotiate and execute the First Amendment to the Disposition and Development Agreement with Eden Housing, Pacific West Communities, and Strategic Growth Partners and other affiliated entities for transfer of specified City owned properties within Parcel Group 3 and amendments to exhibits attached thereto including the Restrictive Use Covenant Agreement; and (2) approving modifications to the Parcel Group 3 Affordable Housing Plan (Planning Application #202001594) (Attachment III).

SUMMARY

After abandoning the State Route 238 Bypass Project in the 1970s, Caltrans began selling parcels that had previously been acquired for the planned freeway. In order to ensure that future development of the State Route 238 parcels located in Hayward align with the City's land use policies and overall vision, the City negotiated a Purchase and Sale Agreement (PSA) with Caltrans to assume responsibility for the sale of some of these properties to private developers. The City-controlled State Route 238 properties are divided into ten "parcel groups." Parcel Group 3, located north of Tennyson Road between 16th Street and the future La Vista Park, is the subject of this staff report.

In October 2021, Council adopted resolutions authorizing the City Manager to negotiate and execute a Disposition and Development Agreement (DDA) and related documents, with Eden Housing, Pacific West Communities, and Strategic Growth Partners (Developer) for the transfer of specified Parcel Group 3 properties and for the development of new affordable housing and a school on the Parcel Group 3 property, as well as final approval of the Parcel Group 3 Affordable Housing Plan.

Since approval of the DDA, the Developer has requested changes to the DDA and Affordable Housing Plan to allow development of housing and all of the off-site project related infrastructure to commence ahead of the development of the school parcel, to provide more flexibility in the timing of development and the proposed allowable uses of the Adjacent Parcel (formerly the school parcel), and to address feasibility issues related to interest rate increases and cost escalation factors. Staff is recommending that the Council authorize the City Manager to negotiate and execute amendments to the DDA consistent with the Developer's request. The City findings and reports approved pursuant to Government Code Sections 52201 and 54221(f) are unaffected by the requested amendment.

ATTACHMENTS

Attachment I Staff Report

Attachment II Resolution