



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: CONS 21-653, **Version:** 1

DATE: December 14, 2021

TO: Mayor and City Council

FROM: Assistant City Manager

SUBJECT

Adopt a Resolution: (1) Finding a Statutory Conflict between the Local Alternative Transportation Improvement Program Statutes (Government Code 14528.6 and 14528.65) and the Surplus Lands Act; and (2) Declaring City-Owned Properties Associated with the Former 238 Bypass Project, and Subject to the 2016 Purchase and Sale Agreement between the State of California Department of Transportation and the City of Hayward, as Exempt Surplus Lands

That Council adopts a resolution and Exhibit A to the resolution (Attachments II and III): (1) finding a statutory conflict between the Local Alternative Transportation Improvement Program Statutes (Government Code Sections 14528.6 and 14528.65) and the Surplus Lands Act; and (2) declaring City-owned properties associated with the former 238 Bypass Project, and subject to the 2016 Purchase and Sale Agreement between the State of California Department of Transportation and the City of Hayward, as exempt surplus lands. Exhibit A to the resolution in Attachment III includes legal descriptions for Parcel Groups 3, 4, 5, 6, 8, and 9.

SUMMARY

In the mid-1960s, the California State Department of Transportation (Caltrans) purchased more than 400 parcels of property for the construction of a 14-mile Route 238 Corridor Bypass Freeway to run through the City of Hayward (City) and parts of unincorporated Alameda County. In 1971, a lawsuit, filed in federal court on behalf of residents to be displaced by the freeway construction, blocked the project. Caltrans subsequently abandoned the freeway plan and began to individually auction off these properties with the sole purpose of disposing of the land, without any larger land use or community considerations. To ensure the productive development of this land in a manner that maximizes land value, while balancing public benefits and the desires of the surrounding neighborhood and larger community, the City entered into a Purchase and Sale Agreement with Caltrans in 2016 (2016 PSA) to manage the disposition and development of the 238 properties. The 2016 PSA divides the properties into 10 parcel groups. The disposal of the 238 properties to and by the City is authorized subject to conditions established by the Local Alternative Transportation Improvement Program statutes under Government Code Sections 14528.6 and 14528.65 (LATIP Statutes), which are in direct conflict with the Surplus Lands Act.

Caltrans transferred these properties to the City in trust subject to the City managing the disposition and development of these former 238 parcel groups on behalf and for the benefit of Caltrans with the goals of removing blight, enhancing community involvement in the development process, and creating economic and public benefits. As the City sells or transfers particular parcels, the City is obligated to repay Caltrans the negotiated purchase prices for the various parcel groups under the 2016 PSA.

Pursuant to the revised Surplus Lands Act, the City must declare land as either surplus or exempt surplus prior to beginning a disposition process. The transfers of the 238 properties are subject to the more specific LATIP Statutes, which conflict directly with the terms of the Surplus Lands Act and are inapplicable to the 238 properties. Nonetheless, City staff recommends that Council take an action to adopt a resolution (Attachment II) declaring the properties as exempt surplus land, in addition to finding them in statutory conflict with the Surplus Lands Act.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution
Attachment III	Exhibit A to Resolution