



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

File #: CONS 21-299, **Version:** 1

DATE: June 1, 2021

TO: Mayor and City Council

FROM: Assistant City Manager/Development Services Director

SUBJECT

Adopt a Resolution Authorizing the City Manager to Negotiate and Enter into an Amendment to Extend the Exclusive Negotiating Rights Agreement with Trumark Properties (Caltrans Parcel Group 5)

RECOMMENDATION

That the Council adopts the attached resolution (Attachment II) authorizing the City Manager to negotiate and enter into an amendment to extend the Exclusive Negotiating Rights Agreement (ENRA) with Trumark Properties until June 16, 2022, allowing the developer to complete entitlements and negotiate a Disposition and Development Agreement (DDA) for a 74-lot subdivision including eight deed restricted affordable Accessory Dwelling Units on the former Route 238 Parcel Group 5: Bunker Hill.

SUMMARY

The City of Hayward entered into a Purchase and Sale Agreement (PSA) with the California Department of Transportation (Caltrans) in January 2016 to manage the disposition and development of former right of way for the now defunct 238 Bypass. This land is divided into 10 parcel groups and must be disposed of by 2027. This report covers Parcel Group 5.

On July 17, 2019, the Council adopted a resolution approving a Master Development Plan (MDP), certifying an Addendum to the 2014 General Plan Environmental Impact Report (2014 GP EIR) and approving issuance of a Request for Proposals (RFP) from developers to entitle and construct a 74-lot subdivision including eight deed restricted affordable Accessory Dwelling Units (ADUs) and related site improvements.

On December 16, 2019, the Council adopted a resolution authorizing the City Manager to negotiate and enter into an Exclusive Negotiating Rights Agreement (ENRA) with Trumark Properties (Development Team) to design and entitle the development project and to negotiate the DDA. Per the terms of the ENRA, it was extended on December 16, 2020 and again on March 17, 2021.

On August 6, 2021, the Development Team submitted an entitlement application based on the MDP; however, further geotechnical and feasibility analysis conducted after that submittal revealed that there are slope stability issues, fault setbacks, landslide removal requirements, and other geotechnical issues not known or in the initial entitlement submittal. Since that initial submittal, the Development Team has worked diligently to understand and resolve the geotechnical issues to ensure that the development can remain as similar to the proposed development plan while remaining feasible.

The applicant resubmitted the entitlement package with supporting geotechnical analysis on May 17, 2021. Given the amount of cost and effort expended thus far in analyzing and working through these issues, as well as the applicant's commitment to moving the entitlement forward, staff recommends authorizing the City Manager to enter into an amendment to extend the ENRA with the Development Team for six months to December 16, 2021, with two 90-day administrative extensions at the City's sole discretion which, if exercised, would extend the ENRA to June 16, 2022.

The proposed Project will add a total of 74 above market units and eight deed restricted low-income units to the City's housing stock, which would bring the City about 1.5% closer to the RHNA goal for low-income households. In addition, the project proponent will pay \$2 million of housing in lieu fees, which will subsidize affordable housing developments in the City's pipeline.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Resolution