



# CITY OF HAYWARD

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
[www.Hayward-CA.gov](http://www.Hayward-CA.gov)

## Cover Memo

---

**File #:** PH 22-037, **Version:** 1

---

**DATE:** June 28, 2022

**TO:** Mayor and City Council

**FROM:** Acting Assistant City Manager

### **SUBJECT**

Sale of Parcel Group 8 for Development of Affordable Housing: Adopt a Resolution Approving the Government Code Section 52201 Summary Report for the Project; and Authorizing the City Manager to Negotiate and Execute a Disposition, Development, and Loan Agreement with RCD GP IV, LLC and Parcel Group 8, L.P. for Transfer of Specified City Owned Properties and for the Development of Housing and Making Specified Findings in Association with Government Code Section 65913.4 Exemption from the California Environmental Quality Act

### **RECOMMENDATION**

That Council holds a public hearing and adopts a resolution (Attachment III) approving the Government Code Section 52201 Summary Report for the project (Attachment IV) and authorizing the City Manager to negotiate and execute a Disposition Development and Loan Agreement (DDA) and related documents, with Resources for Community Development (Developer) for the transfer of specified properties and for the development of new affordable housing and rehabilitation of units for affordable housing, finding the project is consistent with prior California Environmental Quality Act (CEQA) determinations.

### **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 in 2016 to manage the disposition and development of former right of way for the now defunct 238 Bypass. The City-controlled State Route 238 properties are divided into ten "parcel groups."

On September 15, 2020, the Council provided authorization for the City Manager to negotiate and enter into an Exclusive Negotiating Rights Agreement (ENRA) with Resources for Community Development (Developer), to develop an affordable housing project on the 2.36-acre Affordable Housing Segment, including new construction of affordable housing on the portion of the property within the City (City Portion) and exploration and identifying the development approach for the 11 units of naturally occurring affordable housing on the County Portion (see Attachment II for map). At the same time,

Council also adopted a resolution memorializing that the provisions of affordable housing and an expansion of Carlos Bee Park will satisfy the affordable housing and park dedications for Parcel Group 8. Shortly thereafter, Caltrans authorized the subdivision of Parcel Group 8 to allow for the disposition of the affordable housing, park, and market segments during separate transactions.

During the second phase of the negotiating period, Developer explored three potential scenarios for the County portion, including: (1) Partnering with a community land trust to rehabilitate the existing improvements on the County portion; (2) Rehabilitating the existing improvements on the County portion, consisting of the naturally occurring affordable housing and managing the units as rental units; and (3) Demolishing existing improvements on the County Portion and constructing new rental housing. After extensive community and tenant engagement, Developer determined that their development approach is to rehabilitate the existing improvements on the County Portion, consisting of at least 11 units of naturally occurring affordable housing. Additionally, Developer's project includes total of 96 new affordable housing units, along with, along with 3,900 square feet of commercial space on the ground floor on the City Portion.

Developer submitted their entitlements application under Senate Bill 330/Senate Bill 35 and Density Bonus and on March 30, 2022. Given that the project was deemed consistent with the objective standards for the Commercial/High Density Residential General Plan land use designation and related Commercial and Neighborhood Commercial/Residential zoning districts, the proposal was approved through the streamlined ministerial review with a Density Bonus and related concessions and waivers.

Now that the planning entitlements have been approved, City staff recommend entering into a DDA with the Developer for the disposition from the City to Developer for a total purchase price of \$0 for the 2.36-acre Affordable Housing Segment of Parcel Group 8 for 96 new affordable housing units, with 3,900 square feet of commercial space on the ground floor on the City Portion, and 11 rehabilitated units on the County Portion.

## **ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Map
Attachment III	Resolution
Attachment IV	52201 Summary Report