



DATE: April 7, 2026

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Adopt a Resolution Designating City-Owned Properties at City Center Drive (APNs 415-0250-111-02, 415-0250-112-00, 415-0250-113-00), C Street and Main Street (1026 C Street & 22696 Main Street; APNs 428-0066-037-00, 428-0066-038-02, 428-0066-038-01), and Cinema Place (22631 Foothill Boulevard; APNs 428-0066-085-00, 428-0066-086-00) as Surplus Land, Authorizing Notices of Availability, and Finding the Action Exempt from California Environmental Quality Act Review

RECOMMENDATION

That the City Council adopt a resolution declaring three City-owned properties as surplus land pursuant to the California Surplus Land Act (Government Code Section 54220 et seq.) and authorizing the City Manager to issue Notices of Availability consistent with the requirements of the Act. The properties include the City Center Drive site (APNs 415-0250-111-02, 415-0250-112-00, and 415-0250-113-00), the C Street and Main Street parcels located at 1026 C Street and 22696 Main Street (APNs 428-0066-037-00, 428-0066-038-02, and 428-0066-038-01), and the Cinema Place property located at 22631 Foothill Boulevard (APNs 428-0066-085-00 and 428-0066-086-00). Adoption of the resolution will allow the City to initiate the Surplus Land Act notification process prior to any potential future disposition or redevelopment of the properties. The action is also recommended to be found exempt from the California Environmental Quality Act (CEQA) because it does not constitute a project under CEQA.

SUMMARY

The Surplus Land Act (SLA), Government Code section 54220, et seq., requires a local agency to follow specific procedural steps before disposing of land or negotiating to dispose of land that is no longer needed for the agency's use. The steps generally involve (1) adopting a resolution declaring the property surplus or exempt surplus, (2) sending notices of availability to entities designated in the SLA, primarily affordable housing developers/sponsors, and (3) negotiating in good faith for ninety (90) days with any entity that submits a notice of interest within sixty (60) days of the issuance of the notice of availability.

This item involves the City Center Drive site, totaling approximately 5.79 acres across three parcels (APNs 415-0250-111-02, 415-0250-112-00, and 415-0250-113-00); the C Street and

Main Street parcels, located at 1026 C Street and 22696 Main Street, totaling approximately 0.70 acres (APNs 428-0066-037-00, 428-0066-038-02, and 428-0066-038-01); and the Cinema Place property, located at 22631 Foothill Boulevard, consisting of approximately 1.54 acres (APNs 428-0066-085-00 and 428-0066-086-00).

Staff recommend that the City Council adopt a resolution declaring these parcels as surplus pursuant to the SLA. Staff also recommend that the Council authorizes the City Manager or their designee to begin the surplus property notice of availability process consistent with the SLA. If the City receives notices of interest in the parcels, staff will return to Council for further direction.

FISCAL IMPACT

There is no fiscal impact from the adoption of the attached resolution. The sale of these parcels will result in potential revenue for the City to restore the City's General Fund reserves. The price for the properties will be determined by staff based primarily on current market rates and as part of any subsequent land sale negotiation process.

BACKGROUND

The City of Hayward is initiating the process to declare several City-owned properties as surplus land in accordance with the SLA. This action includes the City Center Drive site, the C Street and Main Street parcels, and the Cinema Place property. Designating these properties as Surplus allows the City to begin the required Notices of Availability and explore opportunities for redevelopment, strategic disposition, or partnership that support the City's ongoing efforts to revitalize key areas, enhance economic activity, and optimize underutilized public assets.

The City Center Drive site (APNs 415-0250-111-02, 415-0250-112-00, 415-0250-113-00) became Hayward's municipal center in 1969, originally housing the City Hall and Centennial Hall Convention Center. During the 1980s, the adjacent Plaza Center retail and commercial complex was constructed on the former Hayward High School grounds. The Convention Center closed in November 2009 and was later demolished. In 2019, the City repurchased the middle parcel and demolished the former City Hall building. Today, the approximately 5.79-acre site consists primarily of vacant land with an existing three-story parking structure and is located within the City's civic district near the Hayward Senior Center, Japanese Gardens, and Douglas Morrisson Theatre.

The C Street and Main Street parcels (1026 C Street and 22696 Main Street; APNs 428-0066-037-00, 428-0066-038-02, 428-0066-038-01) were purchased by the City in 2014 for approximately \$950,000 as a strategic acquisition to encourage redevelopment and support downtown revitalization. The parcels total approximately 0.70 acres and currently consist of vacant land with a small, unoccupied office building at the corner of C Street and Main Street. Due to structural damage, the building is anticipated to be demolished as part of future redevelopment. The site is adjacent to the historic Green Shutter property, which was acquired by Structure Properties in 2016 and redeveloped into a mixed-use project featuring residential units and ground-floor commercial space.

The Cinema Place property (22631 Foothill Boulevard; APNs 428-0066-085-00 and 428-0066-086-00) was originally developed in 2008 through a partnership between the former Hayward Redevelopment Agency and a private developer to support downtown revitalization. The approximately 1.54-acre site is improved with a 52,928-square-foot retail and theater building, including multiple retail tenant spaces and a movie theater that anchors entertainment and dining activity in downtown Hayward. In March 2024, the City of Hayward Economic Development Corporation acquired the property as a strategic investment to sustain economic activity and continued revitalization within the downtown core.

DISCUSSION

Before disposing of, or negotiating disposition of surplus land, the SLA requires the City to follow specific procedural steps.

1. The City Council must declare the land to be surplus or exempt surplus at a public meeting.
2. The City must send notices of availability (NOA) of the property to (1) the California Department of Housing and Community Development (HCD), (2) specified public entities within whose jurisdiction the surplus land is located, and (3) any housing sponsors certified by California Housing Finance Agency (CalHFA) that have provided notice to HCD of their interest in receiving SLA notices.
3. The City must negotiate in good faith for no less than ninety (90) days with any entity that submits a notice of interest within sixty (60) days of the issuance of NOA.
4. If no notices of interest are received in a timely manner, or good faith negotiations do not result in an agreement on disposition within the ninety (90) day negotiating period, the City may dispose of the property without further regard to the SLA, subject only to the requirement that a covenant is recorded against the property imposing affordability conditions on any development involving construction of ten (10) or more residential units on the property. At least 15% of the total units must be sold or rented at affordable housing cost to lower income households as defined by state law and must remain affordable for at least 55 years for rental housing and 45 years for ownership housing.

HCD and the Attorney General have authority to enforce the SLA. A local agency that is found to be in violation of the SLA for the first time faces monetary penalties of 30% of the property's disposition value, which is the greater of the fair market value and the actual sale price. Subsequent violations result in penalties of 50% of disposition value. The penalty is required to be deposited in a local housing trust fund and used within five (5) years, otherwise the funds will revert to the State.

Staff have determined that properties are no longer necessary for the City's use and may be declared surplus.

ENVIRONMENTAL REVIEW

The designation of the parcels as surplus does not have the potential for creating a significant effect on the environment and is therefore exempt from further review under CEQA pursuant to State CEQA Guidelines Section 15060(c)(3) because it is not a project as defined by the

CEQA Guidelines Section 15378. Adoption of the Resolution does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Development applications related to the parcels will be subject to environmental review as required by law.

ECONOMIC IMPACT

Designating these properties as surplus will also attract private investment and support redevelopment and mixed-use projects, which can create jobs, expand the tax base, and draw new businesses and residents. Redeveloping these key sites, especially in the civic and downtown core, will enhance commercial activity, strengthen economic vitality, and advance long-term community goals such as improved public spaces, cultural amenities, and housing.

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not relate to any of the six priorities outlined in the Council’s Strategic Roadmap.

PUBLIC CONTACT AND NEXT STEPS

Upon adoption of the attached resolution, the City Manager and staff will send a notice of availability to all entities required to receive notice under the Surplus Land Act and HCD’s Surplus Land Act Guidelines. If notices of interest are received within the 60-day NOA timeframe, staff will return to Council for further direction prior to commencing negotiations.

Prepared by: Tracy Irvin, Real Property Manager
Michael Vigilia, Senior Assistant City Attorney

Recommended by: Mary Thomas, Assistant City Manager
Michael Lawson, City Attorney

Approved by:



Jennifer Ott, City Manager