



DATE: June 2, 2026

TO: Mayor and City Council

FROM: City Manager

SUBJECT: Adopt a Resolution Designating City-Owned Properties at 24491, 24331, 24321, and 24311 Mission Blvd (APNs 444-0033-018-01, 444-0033-019-00, 444-0033-020-00, and 444-0033-023-00) and Spring Drive (APNs 445-0220-114-00, 445-0220-113-00, 445-0220-112-00, 445-0220-111-00, 445-0220-110-00), 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 two groupings of 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 24491, 24331, 24321, and 24311 Mission Blvd properties (APNs 444-0033-018-01, 444-0033-019-00, 444-0033-020-00, and 444-0033-023-00), and the Spring Drive properties (APNs 445-0220-114-00, 445-0220-113-00, 445-0220-112-00, 445-0220-111-00, 445-0220-110-00). 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. Staff further recommends that this action 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 Spring Drive properties, totaling approximately 0.56 acres across five parcels (APNs 445-0220-114-00, 445-0220-113-00, 445-0220-112-00, 445-0220-111-00, 445-0220-110-00); and the Mission Blvd parcels, located 24491, 24331, 24321, and 24311 Mission Blvd, totaling approximately 1.51 acres across four parcels (APNs 444-0033-018-01, 444-0033-019-00, 444-0033-020-00, and 444-0033-023-00).

Staff recommends 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 Surplus Land Act. If the City receives notices of interest in the parcels, staff will return to Council for further direction.

FISCAL IMPACT

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.

For the properties owned by the Successor Agency, the sale of the parcels will go to all taxing entities in Alameda County that receive property tax. Hayward would receive its portion of the proceeds.

BACKGROUND

The City of Hayward is initiating the process to declare several City-owned properties as surplus land in accordance with the California Surplus Land Act. This action includes the Mission Blvd. parcels and the Spring Drive parcels. Declaring 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 Spring Drive properties (APNs 445-0220-114-00, 445-0220-113-00, 445-0220-112-00, and related parcels) were acquired by the City in 1980 for the development of a neighborhood park. The City Council authorized the acquisition through Resolution No. 80-303, approving a negotiated land purchase contract for the Alves property following unsuccessful efforts to acquire other nearby parcels better suited for recreational use. Due to topographical constraints, only a portion of the assembled land was ultimately developed as parkland, with several parcels remaining unused. The Hayward Area Recreation and Park District (HARD) has confirmed that it has no present or future need for these remaining parcels.

The Mission Boulevard properties located at 24491, 24331, 24321, and 24311 Mission Blvd. (APNs 444-0033-018-01, 444-0033-019-00, 444-0033-020-00, and 444-0033-023-00) were formerly owned by the Redevelopment Agency of the City of Hayward and were transferred to the City in March 2011 as part of redevelopment dissolution activities. In 2012, pursuant to Assembly Bill x1 26 and AB 1484, the City approved the transfer of these properties to the Hayward Successor Agency to facilitate the orderly wind-down of redevelopment affairs and future disposition planning. In 2013, the properties were formally conveyed via grant deed between the City and the Successor Agency in accordance with state law requirements.

As a result, the City has determined that the subject properties are surplus to its needs and is now pursuing their disposition to return the sites to productive use consistent with City goals and applicable regulations.

DISCUSSION

Before disposing of, or negotiating disposition of surplus land, the SLA requires the City to follow specific procedural steps. First, the City Council must declare the land to be surplus or exempt surplus at a public meeting. Next, 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. Thirdly, 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.

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 is exempt from review under CEQA pursuant to CEQA Guidelines Section 15378(b)(5) and 15061(b)(3). The action is an organizational or administrative activity that will not result in direct or indirect physical changes to the environment and does not have the potential for causing a significant effect on the environment. If the parcels are subsequently conveyed, any development applications related to the parcels will be subject to environmental review as required by law.

ECONOMIC IMPACT

Declaring these properties surplus will 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 NOA to all entities required to receive notice under the SLA 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.

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Approved by:



Jennifer Ott, City Manager