

**ALAMEDA COUNTY COMMUNITY DEVELOPMENT AGENCY  
PLANNING DEPARTMENT**



**STAFF REPORT**

TO	CASTRO VALLEY MUNICIPAL ADVISORY COUNCIL
HEARING DATE	December 14, 2009

SUBJECT	<i>Update on 238 Corridor</i>
LOCATION & SIZE OF PARCEL	<i>Various parcels located generally south of I-580, east of Foothill Boulevard, and north of A Street</i>

**LAND USE PLANNING**

CalTrans currently owns roughly 355 acres of land, located in the Unincorporated County and the City of Hayward, which were originally intended to serve as right-of-way (ROW) for the planned Route 238 Bypass Freeway. CalTrans has determined that it will not be pursuing this freeway project and has begun the process of disposing of the ROW properties. The land extends primarily along the east side of Foothill Boulevard, from just south of the I-580 freeway on the northern edge, to Industrial Boulevard in the south (see Exhibit 1).

The County and the City of Hayward participated in a land use study of the corridor properties (completed in June 2009) in which the County and the City determined appropriate land uses for the parcels in their respective jurisdictions. The proposed designations on parcels in the Unincorporated area are based for the most part on land use designations in the Draft Eden and Castro Valley General Plans which were both developed through multi-year public processes. Approximately 47 acres, located in the northern portion of the corridor, are in the Unincorporated County (see Exhibit 2). Of these 47 acres, approximately 21 acres are not likely to be developable due to their proximity to on and off ramps for I-580 and State Route 238. These properties are designated “Public and Quasi Public” on Exhibit 3a. The County’s proposed land use designations for the unincorporated properties also include nearly 11 acres of land for parks and open space, leaving less than 15 acres that are either already developed or may be developable. The land use designations for these parcels include a mix of various densities of residential development, General Commercial, and Neighborhood Commercial Mixed Use (see Exhibits 3a. & 3b.).

The CalTrans parcels in the County’s jurisdiction are in two different general plan areas: Eden and Castro Valley. Unincorporated properties located generally northwest of Apple Avenue are in the Eden Area Plan, and unincorporated properties located generally southeast of Apple Avenue are in the Castro Valley Plan. Draft plans for both the Castro Valley Plan Area and the Eden Plan Area are near completion. The land use designations proposed for the CalTrans parcels as part of the 238 corridor planning process are generally consistent with the designations shown in the draft general plans. Any minor land use changes will be incorporated into the appropriate plan, but will not constitute significant changes to these plans.

## **SETTLEMENT AGREEMENT AND MEMORANDUM OF UNDERSTANDING**

### Background

There have been ongoing negotiations on the Route 238 Bypass lawsuit involving the City of Hayward, CalTrans and the tenants in the CalTrans properties. A draft Settlement Agreement was presented to a meeting of the CalTrans tenants on September 28th (with Assemblywoman Mary Hayashi and Senator Ellen Corbett in attendance) and was approved by the Hayward City Council on October 6<sup>th</sup>.

The County Community Development Agency has worked with the City to assure that the CalTrans tenants in the Unincorporated County would receive benefits equal to those benefits received by the CalTrans tenants in the City of Hayward. The City proposed that it would pay stipend payments to all tenants in the CalTrans residential properties, including those located in the Unincorporated County, in order to move the process forward and in exchange for in-kind services to be provided by the County. The details of that agreement are being negotiated and will be formalized in a Memorandum of Understanding between the County and the City.

### Summary of Settlement Agreement

The broad components of the Settlement Agreement, in summary, include:

- Lump Sum Stipend – Payments to tenants who are living in the units as of December 31, 2009. The amount is roughly equivalent to a State Relocation benefit, and is calculated in the same manner, including variations in amounts based on the type and size of the unit and the income of the household.
- New Housing Units – The City must use its best efforts to create 237 new affordable housing units by 2023 throughout the corridor and in other parts of Hayward. This number will be reduced by the number of CalTrans tenants who are able to purchase CalTrans homes or another home using assistance under the Settlement Agreement. The number of new units will also be reduced by the number of units that remain affordable from those ‘replacement’ units previously financed by the City in 1989. That number is being determined.
- Opportunities for Home Ownership – Those CalTrans tenants who have lived in their units for two years or more, who are living in qualified Single Family Homes (not duplexes, tri-plexes or apartments and not units on parcels with multiple units or parcels zoned for other uses) and who are income qualified to receive both a mortgage and participate in local and State first-time homebuyer purchase programs, may receive local funding to assist with acquiring homes.

### City/County MOU

Broadly, the City will cover the Lump Sum Stipends costs for all CalTrans tenants, including those in the Unincorporated County. The City is also responsible for creating the replacement units, although a portion (10%) of any that the County creates will count towards achievement of the total number required. The City and the County (Redevelopment Agency) would each provide local home buying assistance to qualified CalTrans tenants in their respective jurisdictions. The costs of administering the housing program will be covered out of proceeds from the sale of the CalTrans 238 Bypass properties.

In exchange for the City covering all of the out of pocket Lump Sum Stipends, the County (CDA) would provide mutually beneficial 'in kind' services, to be memorialized in the MOU. These are still being discussed with the City, but may include items such as:

- Joint planning activities in the 238 Corridor on areas of interest to both the City and the County, namely the Foothill Blvd. area;
- Technical assistance from County housing staff in creating and administering the housing programs under the Settlement Agreement, including drafting income qualification information and tenant surveys, drafting program guidelines, selecting contractors to implement the programs, and potentially supervising such contracts;
- Good faith effort to assist the City in meeting the requirement to create 237 new affordable housing units throughout the corridor (no specific number of County units or specific sites for development would be included in the MOU);

The MOU would also memorialize a commitment by the County Redevelopment Agency to provide financial assistance to qualified CalTrans tenants living in the Unincorporated County for purchasing their properties (up to \$40,000 per qualified household). This is the equivalent of what the City is providing to tenants of properties in the City.

## **ATTACHMENTS**

Materials from City of Hayward and CalTrans Community Meeting of 238 Corridor Residential Tenants, September 28, 2009

## **EXHIBITS**

Exhibit 1 – Route 238 Bypass Corridor

Exhibit 2 – Route 238 Bypass Corridor Aerial Photo, Unincorporated and Incorporated Areas

Exhibit 3a. – Land Use Study Map, Opportunity Site Clusters ~~4~~3 to 6

Exhibit 3b. - Land Use Study Map, Opportunity Site Clusters 7 to 8