



CITY OF
HAYWARD
HEART OF THE BAY

**Agreement for the Purchase and Sale of the
Residual Burbank School Site**

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Staff Recommendation:

That the City Council Approve the Purchase and Sale of the Burbank Residual School site by the City of Hayward to Urban Dynamic, LLC

The Purpose/Project:

The Construction and Sale of Fifty-Seven Detached Single Family Homes

Project Location:

Burbank Residual School Site located at 353 B Street between B, C, Myrtle and Filbert Streets



Background

- The Cannery Area Design Plan allowed for relocation of the new Burbank school to the west of the original location
- Redevelopment Agency acquired the Burbank Residual School Site from the Hayward Area School District (HUSD) in July 2008



Background

- In an agreement between the Agency, the City, HUSD, and the Hayward Area Recreation Department (HARD) the site was conveyed to the Agency as partial payment for the new Burbank Elementary School.



Background

- The new school was completed and open for the new school year in August 2007



Negotiations

- Previous offer from Citation Homes for the site at \$6.0 million dollars did not move forward
- May 2009 – Urban Dynamic, LLC offered to purchase the site for \$4.0 million dollars in an unsolicited proposal
- The reduced price was reflective of changes in the housing market conditions
- June 2010 – the Agency Board authorized the Agency Executive Director to enter into an Exclusive Negotiating Agreement (ENA) for 90 days
- January 2011 – the Agency Board authorized the Agency Executive Director to grant a 90-day extension to the ENA
- March 2011, the Agency Board authorized the transfer of the property and the Exclusive Negotiating Agreement to the City in response to Governor's proposal to eliminate Redevelopment Agencies



The Project

- Construction and Sale of 57 Detached Single Family Homes
- Designed to reflect and compliment the neighborhood character
- Implements many green features including solar panels



Key Deal Points

- **Soil Clean-up & Removal:** low levels of arsenic, lead, and /or mercury will be removed and condition approved by the Department of Toxic Substance Control prior to sale of the site.

Original cost estimate: \$250,000 – Current estimate of cost: \$62,000

- **Development Fees & Charges:** to ensure feasibility of the project through completion the following fees will be fixed at today's rates and paid prior to certificate of occupancy
 - ✓ Supplemental Building Construction & Improvement Tax
 - ✓ Park-Dedication-in lieu Fees
 - ✓ Inclusionary Housing In-Lieu Fees
 - ✓ Sewer and Water Connection Fees – various rates apply



Burbank Residual School Site – 353 B Street

Key Deal Points:

- **Prevailing Wages:** all contractors and subcontractors will be paid prevailing wages.
- **Inclusionary Housing Ordinance:**
 - ✓ The Inclusionary Housing Interim Relief Ordinance allows developers to pay an inclusionary housing in-lieu fee rather than build affordable units on site.
 - ✓ The Interim Relief Ordinance expires December 31, 2012, but will be extended for this project.
 - ✓ Anticipated final sales to occur May 31, 2014.



Burbank Residual School Site – 353 B Street

Key Deal Points:

- Green Features:
 - ✓ Solar Panels and other green features



Burbank Residual School Site – 353 B Street

Fiscal and Economic Impact

- Proposed Purchase Price: 4 million dollars
- Tax Increment: \$250,000 to \$300,000 dollars per year
- Creation of construction jobs at prevailing wages

Next Steps:

- Continued negotiation and execution of the Purchase & Sales Agreement
- Urban Dynamic will continue to work toward complying with conditions of approval.
- Return to Council for policy discussion on use of sale proceeds once nearer to close of escrow



Time Line:

- Final Map approval expected November 30, 2011.
- Close of escrow shortly after Final Map approval.
- Phase I Construction scheduled: April 2012
- Project Closeout: May 2014

