



H A Y W A R D A R E A P L A N N I N G A S S O C I A T I O N

November 24, 2009

Fran David, City of Hayward
Robert Macpherson, Caltrans
Steve Ronfeldt, Tenants attorney

Dear friends:

The proposed settlement of tenants issues creates a problem for the Quarry Village proposal for four houses on the west side of Overlook: 1138 and 1139 Palisade and 1138 and 1174 Overlook. I've mentioned our concern verbally from time to time and not known what to do about it, because HAPA supports both tenants rights and the development proposal.

HAPA requests, in order to protect the project, that these four houses be treated almost the same as the four houses on the east side of Overlook, whose tenants will be able to buy a comparable house, but not the one in which they are living. However, if the Quarry Village project should become infeasible, then those tenants would be able to buy the house they currently rent. The City would determine feasibility in a timely way.

HAPA, after considerable effort, has found a competent real estate consultant, David Jacobson, who is helping us upgrade our proforma to a professional level. The time line is fuzzy, but my sense is that if we don't get some serious interest from investors in the first half of 2010, we should give up the project.

What concerns me is not the cost of buying the properties at some appraised value, but the ability of a single Caltrans tenant with a purchase right, or a new owner, not being willing to sell. Such an action would prevent the assembly of land we think we need to make the project big enough to support the grocery store and shuttle bus, which are critical to the success of Quarry Village.

A small tweaking of the agreement among the City, Caltrans, and the tenants would be a good way of balancing the goals of the various parties, allowing HAPA to approach investors with less risk, and at the same time having a minor effect on the four renters.

Sincerely,

Sherman Lewis, President
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