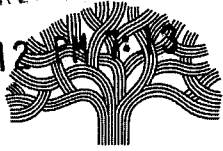


2017 JAN 12



CITY OF OAKLAND

## AGENDA REPORT

**TO:** Sabrina B. Landreth  
City Administrator

**FROM:** Mark Sawicki  
Director, EWD

**SUBJECT:** ENA for Disposition of Three City-  
Owned Parcels on the Oak Knoll  
Development Site

**DATE:** January 3, 2017

City Administrator Approval

Date

1/12/17

### RECOMMENDATION

**Staff recommends That The City Council Adopt A Resolution Authorizing An Exclusive Negotiating Agreement With Oak Knoll Venture Acquisitions, LLC, Or Affiliates For One Year, With One Optional Six Month Administrative Extension, For The Disposition and Development Of City-Owned Parcels At Oak Knoll.**

### EXECUTIVE SUMMARY

The City owns three parcels within the Oak Knoll Project Area, and Oak Knoll Venture Acquisitions, LLC is interested in acquiring the parcels to add to their proposed new master planned residential community. Because the parcels will be used for the development of single family homes, the sale of the property to the developer is recommended over a lease. Staff is seeking authorization to negotiate and execute an Exclusive Negotiating Agreement for a 12 month period with an optional six month administrative extension.

### BACKGROUND/LEGISLATIVE HISTORY

#### ***Oak Knoll Project and Proposed Development:***

The Oak Knoll Redevelopment Project was adopted by City Council on July 14, 1998. The site housed the 183-acre Naval Medical Center, which ultimately closed in 1996, with 167 acres of the property being sold via public auction in 2005 to a private developer, Sun-Cal/Lehman Brothers. Oak Knoll Venture Acquisitions, LLC, (the "Developer") is a subsidiary of SunCal Properties, LLC, and is the current master developer for the Oak Knoll property.

The proposed Oak Knoll project will consist of a mixed-use residential community of approximately 935 residential units of varying types, 72,000 square feet of neighborhood

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commercial retail, and approximately 67.6 acres of open space and recreation areas including restored creeks (**Attachment A**). The master planned Oak Knoll community will feature a variety of home styles, designed to appeal to potential homeowners looking for new residential ownership housing. The master planned community will include townhomes, single family homes and larger estate homes set within approximately one-third of open space and nearly four miles of bike and walking trails.

**City-Owned Parcels in Oak Knoll Project Area:**

The City owns three separate parcels at the Oak Knoll site (together, the "Properties") (**Attachment B**). The first is a 5.4 acre parcel, commonly referred to as the Barcelona property (APN #: 048-6870-002) combined with portions of Barcelona Street and St. Andrews Road, which are existing right-of-ways (**Attachment C**). The second is a 0.94 acre parcel (with no existing APN #) along the Mountain Boulevard right-of-way at the intersection of the main entrance to Oak Knoll. The third is a 1.57 acre parcel (APN #: 037A-3152-008) located along the southern right-of-way portion of Keller Avenue.

The Barcelona Street property was originally land banked by Oakland's Redevelopment Agency in 2005, and then transferred to the City as a future development property under the Long Range Property Management Plan in 2012 after the Redevelopment Agency was dissolved. Under a Compensation Agreement the City entered into with the other local taxing entities, the City is required to share any net sales proceeds from this parcel with the other taxing entities based on property tax shares, with the City retaining only its 29 percent share. For the smaller right-of-way parcels, the City will retain all sales proceeds.

The Developer is currently interested in purchasing the Properties from the City at fair market value based on a third party independent appraisal. The Properties would be incorporated into the overall Oak Knoll master development project. The Developer has studied the potential environmental impacts of incorporating these parcels into the proposed development plans, as documented in the recently published Oak Knoll Draft Environmental Impact Report (EIR).

**ANALYSIS AND POLICY ALTERNATIVES**

The City has received a Letter of Interest from the Developer expressing the desire to purchase the City-owned Properties at fair market value to incorporate into the overall Oak Knoll master planned development (**Attachment D**).

The City is currently negotiating with the developer regarding an affordable housing component in its plans. The Developer is prepared to offer the unrestricted fair market value for the Barcelona property but may also be amenable to providing additional consideration to be applied towards some affordable housing program for the project, such as participation in the Mortgage Assistance Program (MAP). With the City's recent adoption of development impact fees, the City will also realize substantial impact fees to apply towards affordable housing programs. The Developer is currently proposing market rate ownership housing at the proposed development but may be willing to explore further options to support the City's goal of providing affordable ownership housing.

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***Affordable Housing Area Production Requirements:***

Even with the dissolution of redevelopment agencies, Oak Knoll is still a Redevelopment Project Area, and as a result, state redevelopment law requires that at least 15 percent of all residential units developed in a redevelopment project area be affordable to low and moderate income households, with 40 percent of those affordable units being affordable to very low income households. However, in 2006, the Oak Knoll Redevelopment Plan was amended to merge the affordable housing area production requirements for Oak Knoll with the area production requirements for the Central City East Project Area. This means that any surplus affordable housing units developed in Central City East over and above its required production levels can be allocated to Oak Knoll and used to offset Oak Knoll's area production requirements if certain conditions are met.

The merger amendment requires that Central City East redevelopment funds be compensated by Oak Knoll redevelopment funds in exchange for any allocation of Central City East units to satisfy Oak Knoll affordable housing requirements. Unfortunately, since redevelopment agencies were dissolved, redevelopment funds are no longer allocated or tracked by individual project areas, plus any redevelopment funds may only be used to satisfy preexisting enforceable obligations listed on the Recognized Obligation Payment Schedule. Therefore it may be difficult to compensate Central City East redevelopment funds from Oak Knoll redevelopment funds. Regardless, the Oak Knoll and Central City East Redevelopment Areas were merged and to the extent that Central City East has a surplus of constructed affordable housing units, that surplus may be allocated to the Oak Knoll Project Area for purposes of satisfying the affordable housing production requirements of the Oak Knoll Redevelopment Plan if the City is able to meet the conditions of the merger amendment. The Oak Knoll production requirement could be met as long as sufficient affordable housing was developed in Central City East during a specific time.

The use of the Central City East surplus units can only be from those units that were constructed during the overlap between Central City East's ten-year production requirement period of 2003-2013 and Oak Knoll's ten-year production requirement period of 2011-2021; specifically, only the surplus units constructed from 2011-2013 in the Central City East Area would be eligible for consideration. Additionally, those units must not be required to achieve Central City East's production requirement during its respective ten-year production period. From 2011-2013, Central City East constructed 354 applicable units (291 affordable to very low income household units, 57 affordable to low income household units, and 6 affordable to above moderate income household units) and the projected production requirement for Oak Knoll is 141 total units (at least 57 of which must be affordable to very low income household units). Affordable housing production requirements in Oak Knoll could be met by the surplus of affordable housing units constructed in Central City East during the 2011-2013 overlap of the two production requirement periods (***Attachment E***).

***Affordable Homeownership Opportunities***

Even as a market rate development, the project has the potential for providing homeownership opportunities for moderate-income first-time homebuyers through a mortgage assistance program, or other financial programs. It is likely that the program would assist in bridging the gap between the purchase price of project units and an affordable loan amount for moderate-

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income first-time homebuyers. The City's Housing and Community Development Department staff is working with the Developer, their sales team and any preferred lender to facilitate the use of any potential first-time homebuyer program. It is expected that options will be developed as part of the final development program presented to the City for review and consideration.

### ***Lease vs Sale***

In December 2014, Council adopted a policy establishing a preference for entering into long-term ground leases over fee sales of property. The intent of the policy was to help retain valuable City assets to maximize community benefits, retain long-term value appreciation and the City's control over properties in the future. However, the policy also allows Council to authorize a sale, instead of a lease, on a case by case basis if the City Administrator recommends sale as necessary or in the City's best interests. Since the current plans call for building single family homes on the Barcelona Street parcel, staff sees both practical financial reasons for pursuing sale of these properties. Selling homes on land that is ground leased would significantly impact sales values and the feasibility of development. In addition, conventional mortgage financing would likely be seriously impaired if the house and land are not owned in fee simple.

### ***Compliance with Real Property Conveyance Laws***

Since the properties would be used to meet the City's economic development purposes, the properties are not subject to the California Surplus Land Act. The statute only applies to property that is determined to be "no longer necessary for the [City's] use." Additionally, the Barcelona Street parcel was never in City governmental use.

The City's real property disposition law (Chapter 2.42, Article IV, of the OMC) generally requires that real property be marketed through a public and competitive NODO process. However, the real property disposition law does allow the City Administrator and the City Council to waive the NODO process if disposition through a process other than a competitive process would be in the best interests of the City. The City Council must adopt findings justifying the waiver of the NODO process if and when the conveyance of the Property to the Developer is approved by Council. Initiating and carrying out a full NODO process would require significant staff time and resources, which the department may not be able to execute expediently. There is also no guarantee that the City would receive additional or acceptable bids. There would also be no guarantee that any selected proposal would be compatible with the proposed development project, leading to potential conflicts with project design, surrounding neighbors and with the Oak Knoll master developer of the site.

### **FISCAL IMPACT**

1. SOURCE OF FUNDING: The City is not providing funding to the Developer for the predevelopment costs of the project.
2. FISCAL IMPACT: There is no fiscal impact for the development and execution of the ENA with the Developer besides staff time and resources of the Economic and Workforce

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Development Department and Office of the City Attorney. The City will require a Project Expense Payment of \$25,000 during the ENA process to cover any reasonable expenses for the City related to the ENA. All Project Expense Payment funds will be appropriated and deposited into a Fund and Project related to the administration and management of the ENA process (specific Project and Fund information to be determined later).

The ultimate conveyance and development of the Property could lead to more direct fiscal impacts. The proposed transaction with the Developer would be conducted at current fair market value, determined by a third-party appraiser within six months of disposition, if ultimately approved. The last appraised value for the Barcelona property alone was \$4.5 million based on an independent appraisal by J.W. Tom and Associates in 2007. The Barcelona site is a former Redevelopment Agency property transferred to the City under the Long Range Property Management Plan.

The site was purchased with unrestricted funds, and under the terms of the Compensation Agreement, the sales proceeds must be shared with all of the taxing entities. As one of the taxing entities, the City would receive 29% of the proceeds. These would be considered "boomerang funds", and under the City's "boomerang" ordinance, 25 percent of the distribution received by the City as a taxing entity from the sale would be deposited into the City's Affordable Housing Trust Fund. Net proceeds from the sale of the property (after sharing the proceeds from the Barcelona property with the other taxing entities per the Compensation Agreement and making the contribution to the Affordable Housing Trust Fund) could be reinvested in another asset for long term appreciation or for another City purpose.

The development of Oak Knoll will provide substantial new property tax revenue to the City and the proposed 72,000 square feet of commercial space would add sales tax revenue.

### **PUBLIC OUTREACH/INTEREST**

The property is located in the Oak Knoll Redevelopment Project Area. There have been numerous public outreach efforts in relation to the Oak Knoll Project Area over the past several years regarding potential development possibilities. In regards to the specific Oak Knoll Development Project from the Developer, community meetings were held throughout 2015 and 2016. In addition, the project has been discussed at Landmarks Preservation Advisory Board meetings, Bicyclist and Pedestrian Advisory Commission meetings, Zoning Update Committee meetings, and Planning Commission/ Planning Commission Design Review meetings. The Draft Supplemental Environmental Impact Report was prepared and submitted for public review on August 29, 2016 and the 45-day public comment period on the report concluded October 12, 2016. The most recent meeting to discuss the project was with the Design Review Committee on December 14, 2016.

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## **COORDINATION**

The Economic and Workforce Development Department is currently working with the Planning and Building Department on the Oak Knoll Development Project, which is aware of the potential addition of the City-owned parcels to the overall project. The Housing and Community Development Department has also been consulted regarding affordable housing and homeownership programs. The Office of the City Attorney assisted in preparation of the staff report and will assist in preparing the Exclusive Negotiating Agreement.

## **SUSTAINABLE OPPORTUNITIES**

***Economic:*** There is no direct economic impact connected to the request for an ENA with Oak Knoll Venture Acquisitions, LLC. However, the proposed Oak Knoll Development project, including the City-owned parcels, would complement and increase the housing stock in Oakland as well as increase the opportunities for homeownership, and provide 72,000 square feet of neighborhood serving commercial space in the proposed Village Center. The project would improve neighborhood conditions and make the neighborhood area more attractive to current and prospective homeowners.

***Environmental:*** There is no direct environmental impact connected to the request for an ENA. However, the proposed development project would remove blight from the area. It would relocate the historic Club Knoll to the center of the Project site. A total of 84.3 acres of parks and open space

is proposed: approximately 62 acres of undisturbed or revegetated open spaces, hillsides and grasslands; 16.7 acres of the restored creek corridor and riparian areas; and 5.6 acres of parks (several small neighborhoods parks, a larger memorial park, and a large centralized community park). Much of the open space will provide passive recreation space with opportunities for walking, bicycling, and picnicking, but the project also proposes active use park areas.

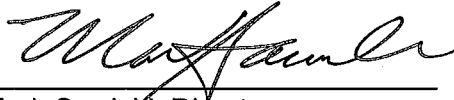
***Social Equity:*** There is no direct social impact connected to the request for an ENA. The proposed development project would be a positive stimulus to the neighborhood and would provide a number of homeownership opportunities to current or new residents of Oakland. Staff continues to negotiate for affordable housing benefits in addition to the development impact fees the project will pay. Access to the open space, recreation areas, creeks, and trails will be available to all residents.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution Authorizing An Exclusive Negotiating Agreement With Oak Knoll Venture Acquisitions, LLC, Or Affiliates For One Year, With One Optional Six Month Administrative Extension, For The Disposition and Development Of City-Owned Parcels At Oak Knoll

For questions regarding this report, please contact Larry Gallegos, Area Manager at (510) 238-6174.

Respectfully submitted,



Mark Sawicki, Director  
Workforce and Economic Development

Reviewed by:

Larry Gallegos, Area Manager

Prepared by:

Kimani Rogers, Urban Economic Analyst IV  
Project Implementation

**Attachments:**

- Attachment A** – Oak Knoll Master Plan
- Attachment B** – City Parcels at Oak Knoll
- Attachment C** – Barcelona St. Parcel Map
- Attachment D** – Developer LOI
- Attachment E** – Affordable Housing Production Requirements



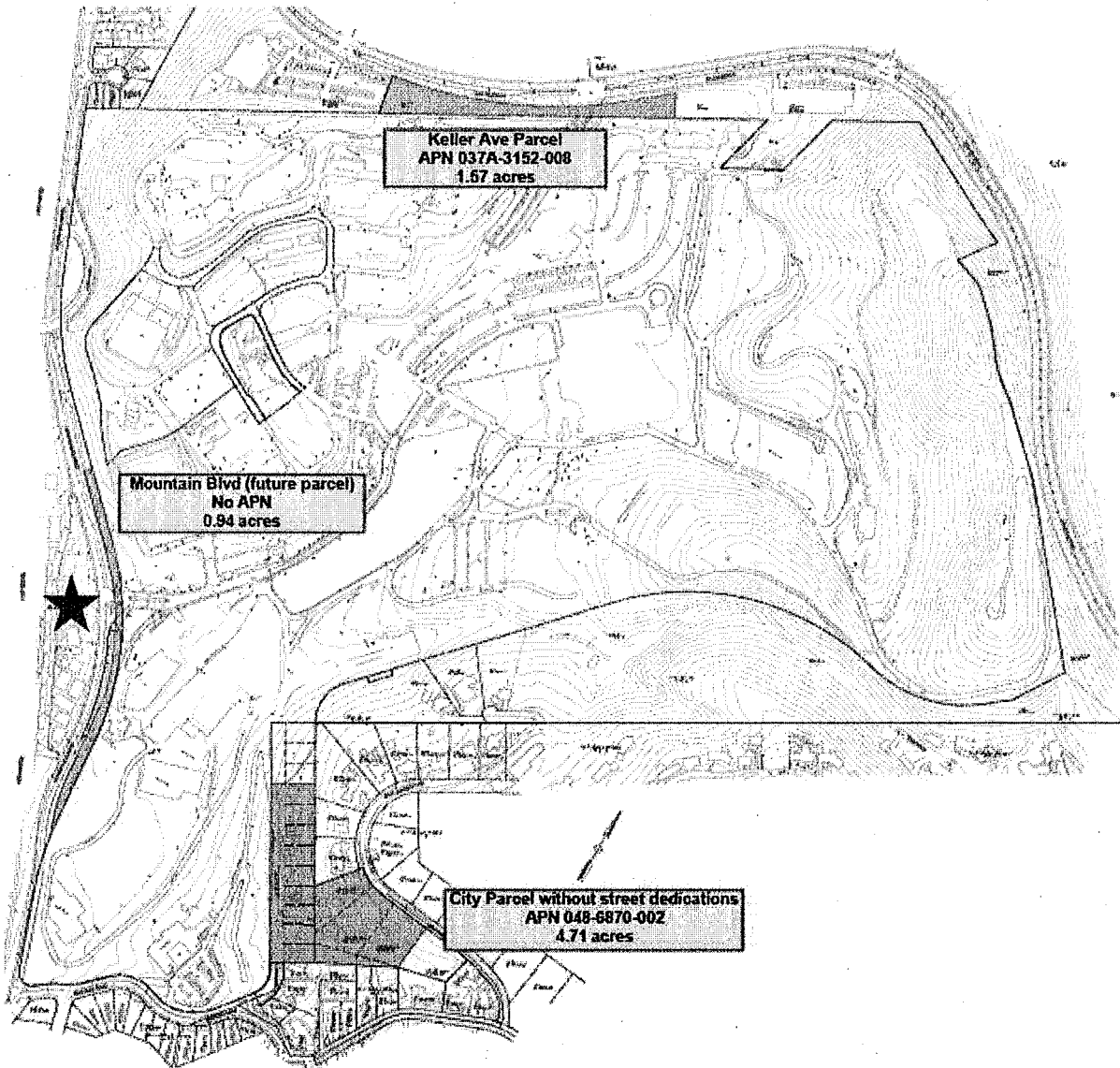
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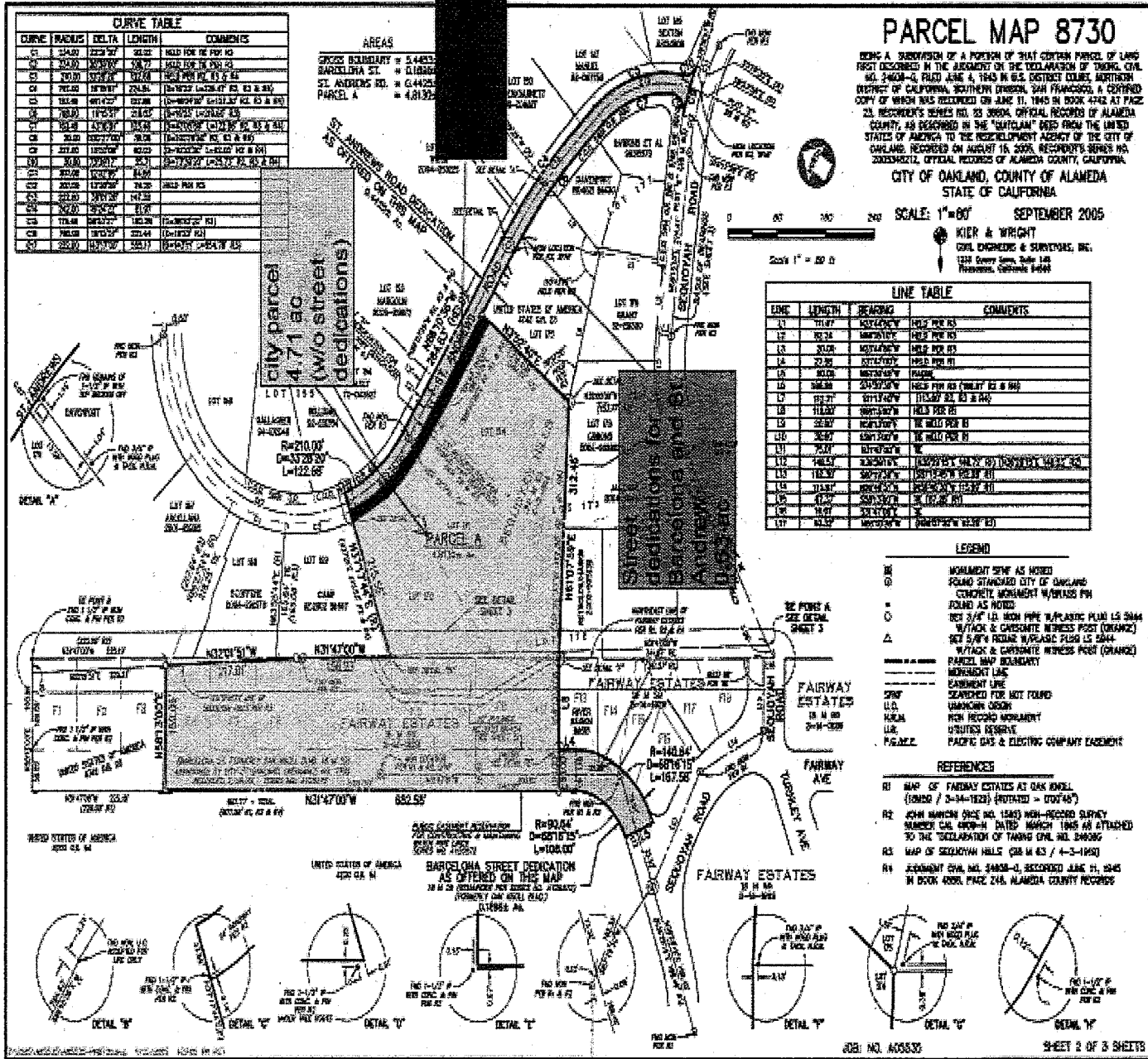
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**OAK KNOLL**

*Oakland, California*







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**CORPORATE OFFICE**  
2392 MORSE AVE  
IRVINE, CA 92614

MAIN 949 777 4000  
FAX 949 777 4050

WWW.SUNCAL.COM

July 12, 2016

Mr. Larry Gallegos  
City of Oakland  
250 Frank H. Ogawa Plaza  
Suite 5313  
Oakland, CA 94612

*sent via email: LGallegos@oaklandnet.com*

**Re: The acquisition of real property located within and contiguous to the Oak Knoll Master Plan in the City of Oakland, County of Alameda, State of California (the "Property").**

Dear Mr. Gallegos,

Oak Knoll Venture Acquisition, L.L.C., a Delaware limited liability company, (the "Buyer") is pleased to submit this offer to acquire the Property from the City of Oakland (the "Seller"). The proposed terms of Buyer's offer are set forth in this Letter of Intent. In addition to the terms described in this Letter of Intent, Buyer and Seller desire to negotiate on an exclusive basis for the purchase and sale of the Property.

**Terms**

**Property:** The acquisition of approximately 7.27 gross acres of real property located within and contiguous to the Oak Knoll Master Plan in the City of Oakland, County of Alameda, State of California (the "Property").

The Property consists of three (3) separate parcels:

1. APN 048-6870-002-00: A 4.71 gross acre parcel located between Barcelona Street and St. Andrews Road. The parcel detail is in Exhibit A.
2. APN 037A-3152-008-00: A 1.33 gross acre parcel located between the Keller Road right-of-way and the Oak Knoll Master Plan at the proposed intersection of Creekside

Buyer   
Seller \_\_\_\_\_

Parkway. The parcel detail is in Exhibit B.

3. APN (to be determined): Approximately 0.94 gross acres of the Mountain Boulevard right-of-way at the intersection of Mountain Boulevard and the proposed Creekside Parkway. The subject area was previously used as parking for the former naval hospital. The parcel is highlighted in Exhibit C at "Mountain Blvd".

**Seller:** The City of Oakland (the "Seller").

**Buyer:** Oak Knoll Venture Acquisition, L.L.C., a Delaware limited liability company, (the "Buyer") and/or any entity in which Oak Knoll Venture Acquisition, L.L.C. or its principals possess an ownership interest and are responsible for the day-to-day management of such entity.

**Purchase Price:** The Purchase Price for the Property shall be determined utilizing a fair market value appraisal process at a time and in a manner to be mutually agreed upon by Buyer and Seller in the definitive Purchase and Sale Agreement (the "Purchase Price").

**Purchase Structure:** At Close of Escrow, Buyer shall pay Seller the Purchase Price, less the applicable Deposit, as defined below.

**Due Diligence Period:** Buyer shall have sixty days (60) days from the mutual execution of a definitive Purchase and Sale Agreement to perform various due diligence tasks (the "Due Diligence").

**Due Diligence Materials:** Seller to provide copies of all reports, studies, and any entitlements to Buyer at the commencement of the Due Diligence Period.

**Due Diligence Approval:** Buyer's written approval during or at the conclusion of the Due Diligence Period will be at the Buyer's sole and absolute discretion.

**Deposit:** Buyer shall deposit an amount to be determined during the negotiation of the definitive Purchase and Sale Agreement (the "Deposit") into escrow upon Buyer's written approval of Due Diligence. The Deposit shall be nonrefundable except in the event of Seller default and, together with any accrued interest, will be credited against the Purchase Price at the Close of Escrow as defined below.

**Close of Escrow:** Provided Buyer has approved Due Diligence, Buyer shall close escrow thirty (30) days following Buyer's receipt of Entitlements, which may include a Specific Plan, Development Agreement and Vesting Tentative Tract Map (VTTM) ("Entitlements"), and the expiration of applicable appeal periods associated with the Entitlements.

Buyer   
Seller \_\_\_\_\_

- Specific Performance:** Seller shall agree to Specific Performance in the Purchase Agreement.
- Seller's Cooperation:** Seller shall cooperate in all respects with Buyer's Due Diligence efforts.
- Condition of Property:** "As-Is".
- Escrow:** Escrow as to be agreed between parties. Buyer's preference is Fidelity National Title, attention Rada Garcia.
- Title Policy:** Title as to be agreed between parties. Buyer's preference is Fidelity National Title, attention Rada Garcia.
- Right to Negotiate and Execute Letter of Intent:** Seller hereby represents that it has the ability, capability and authority to negotiate and execute a binding Purchase and Sale Agreement for the Property and that Seller is not in a binding contract with another potential buyer for purchase of the Property at the time this Letter of Intent is executed.
- Exclusive Negotiation Period:** Buyer shall have the exclusive right to negotiate with Seller for the purchase of the Property for a period commencing on the date of Seller's execution of this letter (the "Commencement Date") and continuing up to 5:00 p.m., Pacific Daylight Time, on the date thirty (30) business days from the Commencement Date. The Purchase and Sale Agreement will be negotiated during this time.
- During the Exclusive Negotiation Period, Seller and Buyer agree to use their respective best efforts to negotiate in good faith in an attempt to execute a definitive Purchase and Sale Agreement for the Property based on the terms within this Letter of Intent. Seller agrees that during the Exclusive Negotiation Period, Seller will not sell nor negotiate for the sale of the Property with any other person or entity.
- Confidentiality:** This Exclusive Right to Negotiate and General Term Sheet are to be held in strict confidence and cannot be distributed to any parties other than Seller and Seller's counsel. The contents of the offer (or the fact that an offer was made) shall not be discussed with any other prospective purchaser or investor.

Notwithstanding language above indicating otherwise, this letter does not constitute either an offer or an acceptance by either party. The terms and provisions of this letter are in no way binding, except for the exclusivity and confidentiality provisions, on any party and the parties will only be bound when and if a definitive contract is executed by all parties, and the terms and provisions of such a contract are subject to the approval and acceptance by all parties. Either party may decline to enter into such a definitive contract for any reason or no reason in the exercise of their sole and arbitrary discretion.

Buyer   
Seller \_\_\_\_\_

If you have any questions regarding this proposal, please feel free to call me at (949) 777-4078. We look forward to speaking with you soon.

Very truly yours,

**Oak Knoll Venture Acquisition, L.L.C.**  
a Delaware limited liability company



Ian J. Vickers  
Vice President, Land Acquisitions

THE FOREGOING IS AGREED TO AND  
ACCEPTED ON THE DATE  
SET FORTH BELOW:

**Seller:**

**City of Oakland**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

Buyer   
Seller \_\_\_\_\_

## CCE Affordable Units Constructed between 2011-2013

Project Name	Units	Type	Year Completed	Affordability Level			
				Very Low	Low	Mod	Above Mod
Clinton Commons (720 E. 11th St)	55	Family	2012	37	17		1
Eldridge Gonaway Commons <sup>a</sup>	40	Family	2013	39			1
Hugh Taylor House <sup>a</sup>	43	Special Needs	2012	42			1
Kenneth Henry Court <sup>a</sup>	51	Family	2012	22	29		
MacArthur Apartments (9800 MacArthur)	32	Family	2013	30	1		1
Posada de Colores <sup>a</sup>	100	Senior	2011	99			1
Oakland 34	33	Senior	2013	22	10		1
<b>Proposed Total Units Applied to Oak Knoll Prod Req</b>	<b>354</b>			<b>291</b>	<b>57</b>	<b>0</b>	<b>6</b>
<b>Total CCE Production:</b>				<b>476</b>	<b>76</b>	<b>33</b>	<b>214</b>
CCE Production LESS Proposed Units to be applied to Oak Knoll (i.e. units to be applied to CCE prod req for 2003-2013 compliance period):				<b>185</b>	<b>19</b>	<b>33</b>	<b>208</b>

<sup>a</sup> "Substantial Rehabilitation" (as per State Redevelopment law) of existing affordable housing with renewed 55 year affordability restrictions

**CCE Affordable Unit Production Requirements  
Based on Completed/Underway Projects**

	Total	Total Affordable <sup>a</sup>	VLI Only
Total Units Completed/Underway	799	585	476
Less Required Affordable Units (15% total, 6% VLI)		120	48
<b>Surplus/(Deficit)</b>		<b>465</b>	<b>428</b>

a. Includes units for very low, low and moderate income households.

**Oak Knoll Affordable Unit Production Requirements if All Pending Units are Built**

	Total	Total Affordable <sup>a</sup>	VLI Only	If use CCE Units to comply with production requirement, and it needs to be 2 CCE units for each 1 Oak Knoll unit needed, then there are still plenty of units.	
Total units Completed/Underway plus Pending Units	0				
Required Affordable Units (15% total, 6% VLI)		141	57	282	114
Affordable units Completed/Underway plus Pending Units		0	0		
<b>Net Surplus/(Deficit) including Pending</b>		<b>(141)</b>	<b>(57)</b>		

a. Includes units for very low, low and moderate income households.

2017 JAN 12 PM 7:13

Approved as to Form and Legality:

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**RESOLUTION AUTHORIZING AN EXCLUSIVE NEGOTIATING AGREEMENT WITH OAK KNOLL VENTURE ACQUISITIONS LLC, OR AFFILIATES, FOR ONE YEAR, WITH ONE OPTIONAL SIX MONTH ADMINISTRATIVE EXTENSION, FOR THE DISPOSITION AND DEVELOPMENT OF CITY-OWNED PARCELS AT OAK KNOLL**

**WHEREAS**, on July 14, 1998, the City adopted the Oak Knoll Redevelopment Project on the 183 acre site of the former Naval Medical Center; and

**WHEREAS**, the City owns three parcels within the Oak Knoll project area: the first parcel is approximately 5.4 acres of property located on portions of Barcelona Street and St. Andrews Road, the second parcel is approximately 1.57 acres of property located along the southern right of way portion of Keller Avenue, and the third parcel is approximately 0.94 acres of property located along Mountain Boulevard right-of-way at the intersection of the main entrance to the Oak Knoll project (together, the "Properties"); and

**WHEREAS**, SUNCAL PROPERTIES LLC purchased 167 acres of the Oak Knoll project area from the United States Navy in 2005, and has proposed a plan to develop 935 residential units, over 84 acres of parks and open space and over 72,000 square feet of neighborhood serving commercial space; and

**WHEREAS**, Oak Knoll Venture Acquisitions LLC ("the developer"), a subsidiary of SUNCAL, has submitted a letter of interest to the City to purchase the Properties to augment their development project; and

**WHEREAS**, the City and the developer wish to enter into a period of preliminary study and exclusive negotiations over the proposed disposition of the Properties for their project, with the understanding that this does not constitute a binding commitment on the part of the City to any project or developer for the Properties; now, therefore, be it

**RESOLVED:** That the City hereby authorizes the City Administrator to negotiate and enter into an Exclusive Negotiating Agreement ("ENA") with Oak Knoll Venture Acquisitions LLC, or a related affiliate or affiliates approved by the City Administrator, for the purposes of developing a project



proposal for City review and approval, undertaking the necessary environmental review process, and negotiating the terms and conditions of a Disposition and Development Agreement; and be it

**FURTHER RESOLVED:** That the initial exclusive negotiating period will be for twelve (12) months from the date of this Resolution, with the option by the City to extend said period by an additional six months at the discretion of the City Administrator in his/her sole discretion; and be it

**FURTHER RESOLVED:** That the ENA shall be reviewed and approved as to form and legality by the City Attorney's Office prior to execution; and be it

**FURTHER RESOLVED:** That the City shall require a \$25,000 nonrefundable Project Expense Payment from the developer to reimburse the City for its staff costs and third party expenses; and be it

**FURTHER RESOLVED:** That the City authorizes the City Administrator or their designee to accept, appropriate, authorize, and administer the nonrefundable Project Expense Payment of \$25,000 in a Fund and Project to be determined later; and be it

**FURTHER RESOLVED:** That the City Council finds and determines, after independent review and consideration, that this action complies with CEQA because it is exempt from CEQA pursuant to Section 15262 (feasibility and planning studies), Section 15306 (information collection) and Section 15061(b)(3) (general rule) of the CEQA Guidelines; and be it

**FURTHER RESOLVED:** That the City Administrator or their designee shall cause to be filed with the County of Alameda a Notice of Exemption for this action; and be it

**FURTHER RESOLVED:** That the City Administrator is further authorized to negotiate and enter into agreements and take whatever action is necessary with respect to the ENA and the Properties consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and  
PRESIDENT GIBSON McELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California