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# REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

## AGENDA REPORT

**TO:** Office of the City/Agency Administrator  
**ATTN:** Dan Lindheim  
**FROM:** Community and Economic Development Agency  
**DATE:** October 7, 2008

**RE:** An Informational Report on the Proposed Development at 1158 14<sup>th</sup> Street and 1401 Adeline Street by Bobbie and Arrece Jameson

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### SUMMARY

This is an informational report on the status of the proposed development on the vacant parcel at 1158 14<sup>th</sup> Street and 1401 Adeline Street by Bobbie and Arrece Jameson. At the January 15, 2008 City Council meeting, staff brought forward a proposed amendment to the Disposition and Development Agreement (DDA) executed in 1995 with Fourteenth Street Project, Inc. 1) substituting Bobbie and Arrece Jameson as Developer, 2) increasing the number of units allowed by the DDA from four to six, and 3) modifying the requirement to sell units to first-time homebuyers. At the January 15, 2008 meeting, City Council directed that the proposed DDA amendment permitting a modified project be sent back to the Planning Commission for discussion and consideration. This report summarizes the results of the March 5, 2008 Planning Commission meeting and presents new information related to the validity of the DDA, project approvals and recent changes to the project design.

### FISCAL IMPACT

This project involves private development and does not require or request public funds. This project has no negative fiscal impact on the City of Oakland.

### BACKGROUND

In February 2005, Bobbie and Arrece Jameson purchased the vacant parcel at 1158 14<sup>th</sup> Street in West Oakland. The owners developed a proposal to construct six single-family townhomes on the site. In April 2006, the six unit development was approved by the Planning Commission and later appealed. On June 20, 2006, the City Council denied the appeal and sustained the decision of the Planning Commission to approve the six unit project. Bobbie and Arrece Jameson obtained building permits and subdivision approval for the project.

In late 2007, the title company for the Jamesons' construction lender noted that a DDA, executed in 1995 between the Redevelopment Agency and Fourteenth Street Project, Inc.,

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the previous owners of the site, was recorded on title. The 1995 DDA included the following terms and restrictions governing development on the site: 1) develop four single family homes, 2) restrict the initial sales of the four Project homes to first-time homebuyers, and 3) restrict the buyers from renting their homes for five years following the purchase. The Jamesons contacted Agency staff and asked that the DDA be waived or modified in order to close their construction loan and begin construction on the project. Since the approved six unit project did not conform to the 1995 DDA, staff determined that the project could only move forward as approved if the existing DDA was amended.

On January 15, 2008, staff brought forth to Council a proposed amendment to the DDA. The proposed amendment included 1) substituting Bobbie and Arrece Jameson as Developer, 2) increasing the number of units allowed by the DDA from four to six, and 3) modifying the requirement to sell units to first-time homebuyers.

On January 15, 2008, the City Council, acting as Redevelopment Agency, voted 5-2 to send the item to the Planning Commission for discussion, a closer examination of the DDA, and analysis based upon the current market and community input regarding home ownership. The Redevelopment Agency requested that the Planning Commission consider whether they would have approved the six unit development project in 2006 if the DDA, which limits the number of units on the site to four, had been disclosed.

On March 5, 2008, staff presented the proposed DDA amendment to the Planning Commission for their consideration. The Planning Commission determined that the new information would not affect their support of the six unit project at 1158 14<sup>th</sup> Street. The Planning Commission approved a motion (4-0) recommending that the Agency approve the proposed DDA amendment.

## **KEY ISSUES AND IMPACTS**

### *DDA Status*

After the March 5, 2008 Planning Commission meeting, the attorney of a former owner of the property informed redevelopment staff that the property had been sold in a tax sale by the County in 2000 as a result of a lien for unpaid property taxes due in FY 92-93. This tax sale occurred prior to the Jamesons' purchase of the site.

According to the City Attorney's office, by operation of law, the County tax sale in 2000 terminated the 1995 DDA, since the FY 92-93 tax lien was superior in priority to the DDA. It appears that the Jamesons' lender's title company erroneously listed the DDA as a current encumbrance on the property. The City Attorney's office determined that since the 1995 DDA was terminated by the tax sale, the Jamesons' project, as approved by the Planning Commission in 2006, was not subject to the DDA restrictions and thus could move forward without an amendment to the DDA.

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### *Oak Center Redevelopment Plan*

After the March 5, 2008 Planning Commission meeting it was also brought to staff's attention that the Jamesons' approved project design was not fully consistent with the Oak Center Redevelopment Plan. The Redevelopment Plan includes specific setback regulations that impact this project. The Plan states that no buildings shall be constructed within ten feet of any street right-of-way line. At the time the planning approvals were granted, the building on Parcel 6 of the Jamesons' development proposal was set back only five feet nine inches from the right-of-way line, where ten feet was required. The proposed five foot nine inch setback at the building on Parcel 6 was consistent with the City's zoning regulations which require a Street Side Setback of five feet in the R-70, High Density Residential Zone. However, the setback requirements of the Oak Center Redevelopment Plan are more stringent than the City's zoning regulations and the setback did not conform to the Oak Center Plan.

The Oak Center Redevelopment Plan allows the Redevelopment Agency to grant an adjustment or variance from its land use requirements where "unnecessary hardships, practical difficulties, or consequences inconsistent with the general purposes of this Plan result from literal interpretation and enforcement of the restrictions and limitations imposed by this Plan." Upon receiving the information about the setback discrepancy, the Jamesons submitted a request for a variance to the Oak Center Redevelopment Plan to allow a five foot nine inch setback at Parcel 6 where ten feet was required.

In June 2008, staff planned to bring the Jameson's request for a variance to the Oak Center Plan forward to City Council for approval. If granted, the variance would have allowed a five foot nine inch setback at Parcel 6 where ten feet was typically required. The June council item was pulled and rescheduled to September 23, 2008 to allow more time for community outreach and education on the DDA and setback requirement issues related to this project.

The Jamesons have since decided to re-configure the site and re-design their project to conform with the site requirements of the Oak Center Redevelopment Plan. In July 2008, the Jamesons applied for and received approval for a Parcel Map Waiver to adjust the lot lines of the four parcels along Adeline Street, including Parcel 6. The internal lot line of Parcel 6 was shifted 1.875 feet. The lot line adjustment, combined with a smaller building proposed on Parcel 6, allows for the ten foot setback required in the Oak Center Redevelopment Plan.

At this time, the project appears to meet the requirements of the Oak Center Redevelopment Plan. Additionally, since the tax sale terminated the 1995 DDA, it appears that the project may move forward without restrictions at this time.

### *Community Concerns*

At the January City Council meetings and March Planning Commission hearing,

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members of the Oak Center Neighborhood Association (OCNA) voiced their opposition to this project. Since their 2006 Planning Commission appeal, OCNA members have continued to request a lower density project.

When the variance for Parcel 6 was requested, the OCNA expressed opposition to the variance based on density and safety concerns. Members of the group felt that the project density was not consistent with the existing neighborhood fabric and that a maximum of four units should be built on the site. Neighbors were also concerned that the proposed five foot nine inch setback of the building on Parcel 6 from the street right-of-way would present a safety hazard for both the new residents of the new home on Parcel 6 and to drivers whose visibility would be obstructed by the new building on the corner of 14<sup>th</sup> & Adeline Streets. As an alternative to granting a variance for the building on Parcel 6, the group recommended the following: 1) Keep Parcel 6 as open space and encourage either the new residents to use the space as a garden or enlist a non-profit organization to create and maintain a community garden on the parcel or 2) Merge Parcels 5 and 6 to create one large parcel and build one large home on the merged parcels. This alternative would reduce the project from six to five units.

The community has also expressed concerns over the environmental conditions of the site. The site was formerly a gas station and neighbors continue to question the suitability of the site for residential development. The planning approvals for this project included four requirements regarding hazardous materials: 1) A Phase II Work Plan for the geological assessment of the soil and groundwater on the site, 2) A minimum of four exploratory borings to the depth of 17 feet below ground surface, 3) Collection of soil samples and groundwater grab samples from borings and analysis of samples to determine levels of lead, petroleum, diesel, motor oil, gasoline, benzene, toluene, ethyl benzene, xylenes, and MTBE using EPA Methods, 4) A report describing the investigation and results of the soil and groundwater samples analyses and conclusions regarding the suitability of the site for residential development. The Closure Report and analysis of the soil and groundwater investigation, dated January 5, 2007, is on file with the City of Oakland Fire Department – Fire Prevention Bureau, 250 Frank H. Ogawa Plaza, Suite 3341. Based on the sample analyses and environmental remediation completed at the site, the report concludes that the site is suitable for residential development.

Despite these on-going community concerns, the Jamesons' current project conforms with all existing regulations and does not require any discretionary approvals to proceed.

## **SUSTAINABLE OPPORTUNITIES**

### ***Economic:***

The proposed project will increase homeownership opportunities in the Oak Center Redevelopment Project Area. The construction of six new homes will increase property tax and business license tax for the City of Oakland.

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***Environmental:***

The proposed project will convert an underutilized parcel and former Brownfield site to a productive use. Infill housing will increase density in the urban core and promote a sustainable land use pattern.

***Social Equity:***

The proposed project will increase homeownership opportunities in West Oakland. The project will create construction jobs.

**DISABILITY AND SENIOR CITIZEN ACCESS**

The project will be required to comply with City, State, and Federal ADA requirements.

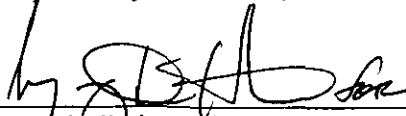
**RECOMMENDATION AND RATIONALE**

This is an informational report and no action is being requested of the Redevelopment Agency/City Council.

**ACTION REQUESTED OF THE CITY COUNCIL**

This is an informational report. No action is being requested of the Agency/City Council.

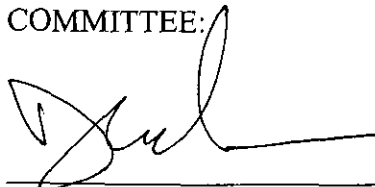
Respectfully submitted,



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Dan Lindheim, Director  
Community and Economic Development Agency

Reviewed by:  
Gregory D. Hunter, Deputy Director  
Economic Development & Redevelopment

APPROVED AND FORWARDED  
TO THE COMMUNITY AND  
ECONOMIC DEVELOPMENT  
COMMITTEE:



\_\_\_\_\_  
Office of the City/Agency  
Administrator

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