

# CITY OF OAKLAND

OFFICE OF THE CITY CLERK  
2005 OCT 27 PM 12:02

## Agenda Report

TO: Office of the City Administrator  
ATTN: Deborah Edgerly, City Administrator  
FROM: Community and Economic Development Agency  
DATE: November 8, 2005

RE: **ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALES AGREEMENT TO SELL TO 800 CENTER LLC , THE ADJOINING PROPERTIES OWNER, APPROXIMATELY 6,900 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTY LOCATED AT 1430 8<sup>TH</sup> STREET AND 816 CENTER STREET (APN# 004-0067-015 AND APN# 004-0067-017) FOR THE FAIR MARKET VALUE OF \$120,000.**

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### SUMMARY

Approval from the City Council is requested for the sale of a City-owned surplus properties located at 1430 8<sup>th</sup> Street and 816 Center Street to the adjoining property owner at the fair market value. The Real Estate Division is renewing its efforts to generate additional revenue and reduce the City's maintenance expenses through the proactive identification and disposal of surplus property. The City-owned properties located at 8<sup>th</sup> and Center Streets have been declared surplus property and available for disposal.

The staff initiated discussions with the adjoining property owner, 800 Center LLC, for the purchase of the two (2) City-owned surplus properties. A legal description was developed which determined that the rectangular surplus parcels contain approximately 6,900 square feet. Parcel 17 contains approximately 2,494 square feet and parcel 15 contains approximately 4,400 square feet. After further negotiations, an agreement was reached to sell the two (2) surplus properties at their combined fair market value of \$120,000.

Staff recommends adoption of the Ordinance authorizing the City Administrator to enter into an Offer to Purchase and Sales Agreement with 800 Center LLC for the sale of surplus properties located at 1430 8<sup>th</sup> Street and 816 Center Street for their fair market value.

### FISCAL IMPACT

The two (2) parcels at 8<sup>th</sup> and Center were acquired in 1988 for a total cost of \$26,000, and will be sold for their present market value of \$120,000. Proceeds from the sale will be placed in the Community Development Block Grant Program Income Fund (#2108). Maintenance costs for the West Oakland lots have averaged about \$3,000 annually in recent years. The City will receive its share of the future property taxes once the property is returned to the property tax rolls and will save the ongoing maintenance costs associated with the properties. The purchaser will be responsible for all escrow and closing costs and liability exposure.

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## **BACKGROUND**

The City-owned properties consist of two vacant rectangular shaped parcels containing a total of approximately 6,900 square feet. CEDA Housing staff's previous RFP's with other developers did not produce any development opportunities, and staff now recommends the sale of the properties to the adjacent owner. The recommendation is based on a CEDA Housing request to assemble the parcels to increase the potential development density. This higher density will still be in character with the surrounding properties.

## **PROJECT DESCRIPTION**

The City's Real Estate Division has determined the fair market value of the surplus properties is \$120,000. The adjoining property owner has agreed to purchase the surplus properties at the fair market value of \$120,000 in "AS-IS" condition. There are no City subsidies involved in the sale of these surplus properties. The key impact from the sale of these lots is to develop housing. While these units will not be formally restricted as affordable, market housing costs in West Oakland are relatively low, so the supply of lower-cost housing will be expanded. As a condition of the sale, the buyer will develop the two (2) city parcels along with his parcel into much needed housing in the area. The City will record a Grant Deed against the properties that requires the buyer to develop housing on the site as well as to obtain building permits within one (1) year after the transfer.

These properties are presently a burden on the City because of maintenance and liability concerns. The selling of these properties will maximize the City's economic and non-economic returns by returning the properties to the property tax rolls, eliminating the ongoing maintenance, reducing future litigation exposure and generating additional property tax revenue to the City.

## **SUSTAINABLE OPPORTUNITIES**

**Economic:** This action will provide more private sector housing. In the short term this will provide construction jobs for Oakland-based workers and companies, and the sale of this property will take underutilized sites and produce increased tax revenue for the City.

**Environmental:** The proposed housing development will bring all the advantages that urban infill development has over similar type development in the suburban edge: reduced driving time, better access to public transit, efficient use of existing infrastructure, and preservation of agricultural and undeveloped land. These properties will provide private ownership and will relieve the City of ongoing abatement issues for weed abatement and fire suppression for vacant land.

**Social Equity:** The sale of these properties will provide an opportunity for citizens to participate in owning real estate in the City of Oakland and assist in promoting real estate activity in the area, which is consistent with the environmental and recreational goals of the City.

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**DISABILITIES AND SENIOR CITIZEN ACCESS**

Adoption of this Ordinance will have no direct impact on disabled and senior citizen access. However, any public improvements that may be required will provide appropriate access for disabled citizens and senior citizens.

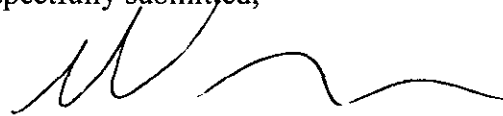
**RECOMMENDATION AND RATIONALE**

Staff recommends that the City Council approve an ordinance authorizing the City Administrator to enter into an Offer to Purchase and Sales Agreement to sell, to the adjoining property owner, approximately 6,900 square feet of City owned surplus properties located at 1430 8<sup>th</sup> Street and 816 Center for their combined fair market value of \$120,000 for housing development.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends adoption of the ordinance authorizing the City Administrator to enter into an Offer to Purchase and Sales Agreement, to sell to the adjoining property owner approximately 6,900 square feet of City owned surplus properties located at 1430 8<sup>th</sup> Street and 816 Center Street for their combined fair market value of \$120,000.

Respectfully submitted,



Daniel Vanderprie, Director, Redevelopment,  
Economic Development and Housing  
Community and Economic Development Agency

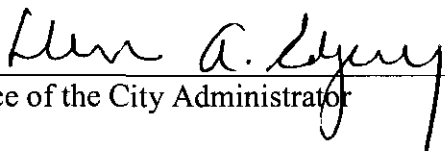
Forwarded by:

Frank Fanelli, Manager  
Real Estate Services

Prepared by:

Barbara James, Real Estate Agent

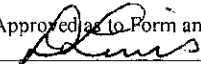
APPROVED FOR FORWARDING TO THE  
FINANCE AND MANAGEMENT COMMITTEE

  
Office of the City Administrator

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FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

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Approved as to Form and Legality  
  
Oakland City Attorney's Office

## OAKLAND CITY COUNCIL

Ordinance No. \_\_\_\_\_ C.M.S.

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**A CITY ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALES AGREEMENT TO SELL TO 800 CENTER LLC, THE ADJOINING PROPERTIES OWNER, APPROXIMATELY 6,900 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTY LOCATED AT 1430 8<sup>TH</sup> STREET AND 816 CENTER STREET (APN# 004-0067-015 AND APN# 004-0067-017) FOR THE FAIR MARKET VALUE OF \$120,000.**

**WHEREAS**, the City of Oakland is the owner of the vacant lots (the "Properties") in the City of Oakland, Alameda County, State of California, commonly known as 1430 8th Street (Assessor's Parcel No. 004-0067-015), and 816 Center Street (Assessor's 004-0067-017) and shown as cross-hatched parcels on the Site Maps attached hereto and made a part hereof; and

**WHEREAS**, on April 6, 2005, the City Planning Commission determined the zoning classification for the parcel and supported the staff recommendation to the City council; and

**WHEREAS**, a legal description has been developed that indicated that the Properties contain approximately 6,900 square feet in area; and that no easements encumber the Properties; and

**WHEREAS**, the Properties are to be sold in "AS-IS" condition and the City makes no representations regarding land use or other permitting issues that may affect the Properties; and

**WHEREAS**, the City Council has adopted Ordinance No. 11602 C.M.S., which established procedures for the sale and lease of City-owned property which is surplus; and

**WHEREAS**, information about the surplus Properties was circulated pursuant to Government Code requirements and the Properties may be sold through a negotiated sale; and

**WHEREAS**, Real Estate Service' market analysis of the Properties indicates a combined market value of \$120,000 for both lots; and

**WHEREAS**, 800 Center LLC, the owner of the abutting property, has tendered an offer to purchase the Properties in the amount of \$120,000; and

**WHEREAS**, a non-refundable security deposit in the amount of \$1,000 was received for the subject properties; and

**WHEREAS**, 800 Center LLC, or an affiliated entity, (the “Developer”) proposes to combine the Properties with his adjacent parcel and develop on the Properties residential housing; and

**WHEREAS**, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary of Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; now, therefore

**THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** The City Council finds and determines that the herein-described two real properties are not needed for any public purpose, and are surplus to the needs of the City, and the City is not required to put the Properties out for competitive bidding, and the sale of the Properties to the adjoining or abutting owner is in the City's best interests.

**SECTION 2.** Pursuant to Section 6 of Ordinance No. 11602 C.M.S., it is determined to be in the best interest of the City to sell the Properties by negotiated sale due to the intended use of the Properties for the development of housing units, in numbers greater than otherwise possible due to sale to an abutting owner and subsequent combination of lots.

**SECTION 3.** As a condition of the sale, the City will record a grand deed against the properties that will require the buyer to develop housing on the site as well as to obtain building permits within one (1) year after the transfer.

**SECTION 4.** The City Council has independently reviewed and considered this environmental determination, and the City Council finds and determines that this action complies with CEQA because the sale and development of the Properties is exempt from CEQA pursuant to Sections 15303 (new construction of small structures), 15312 (surplus government Properties sales) and 15332 (infill housing development) of the CEQA Guidelines.

**SECTION 5.** The City Administrator or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this project.

**SECTION 6.** Sales proceeds will be allocated to Community Development Block Grant Funds, Program Income, Fund (#2108).

**SECTION 7.** The City Administrator or her designee is hereby authorized to take and all actions necessary, consistent with this ordinance, to complete the sale of the Properties.

**SECTION 8.** The Offer to Purchase Agreement for the purchase of these Properties shall be approved as to form and legality by the City Attorney's Office and a copy shall be filed with the Office of the City Clerk.

**SECTION 9. Effective Date.** This ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2005

**PASSED BY THE FOLLOWING VOTE:**

AYES - BRUNNER, KERNIGHAN, NADEL, QUAN, BROOKS, REID, CHANG, AND  
PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST:

\_\_\_\_\_  
**LATONDA SIMMONS**  
City Clerk and Clerk of the Council of  
the City of Oakland, California

# ASSESSOR'S MAP 4

Code Area Nos. 17-046 17-014

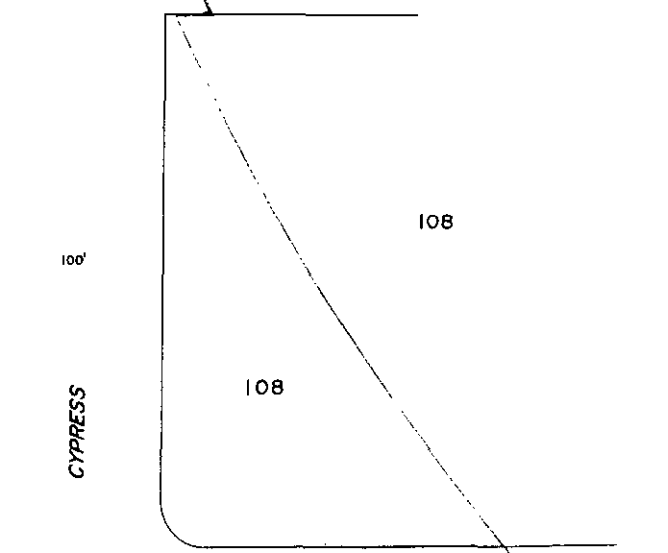
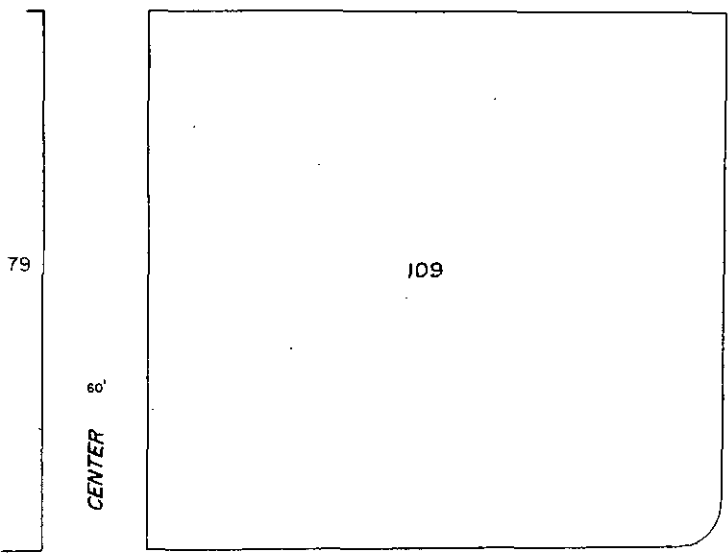
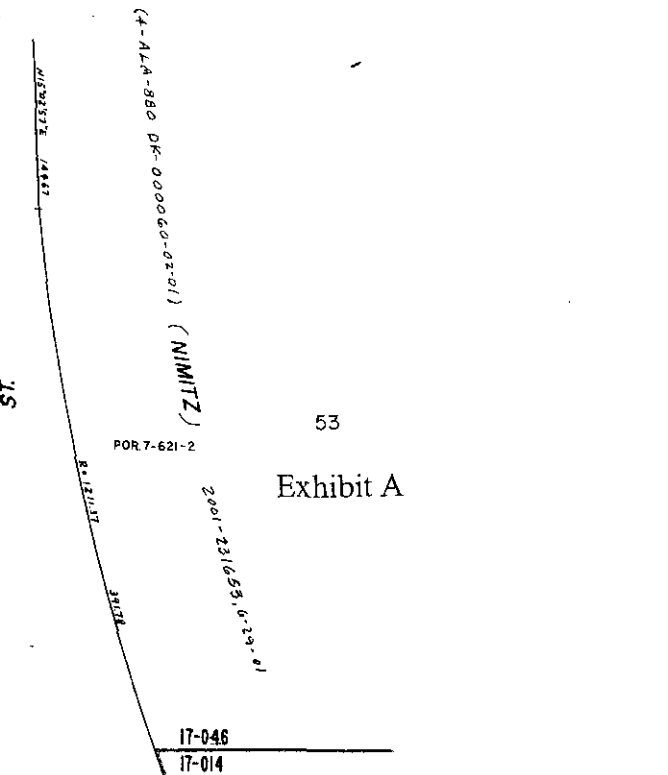
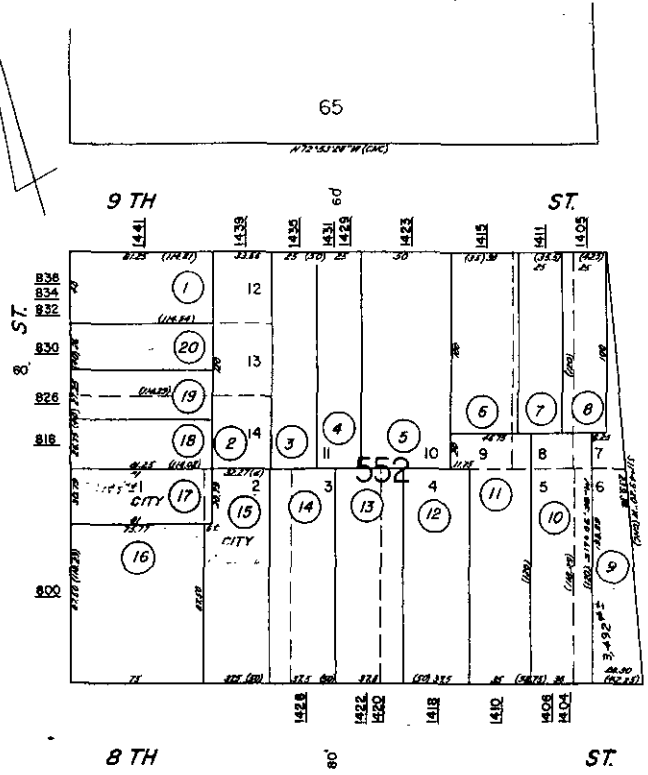
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67

Scale: 1" = 60'

OAKLAND AND VICINITY (BOARDMAN) (Bk. 17 Pg. 14)  
EIGHTH ST. TRACT (Bk. 7 Pg. 22)

Drawn: 11-68 RG  
Revised: 2-25-87/AM  
2-18-03 LL  
4-21-01 UNTP  
7-19-86 CSL  
9-09-03 EG  
8-22-89 BV  
4-19-02 WL



Formerly Bks. 314, 315, 336

OFFICE OF THE CITY CLERK  
OF SEASIDE

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NOTICE AND DIGEST

**A CITY ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO ENTER INTO A PURCHASE AND SALES AGREEMENT TO SELL TO 800 CENTER LLC, THE ADJOINING PROPERTY OWNER, APPROXIMATELY 6,900 SQUARE FEET OF CITY OWNED SURPLUS REAL PROPERTY LOCATED AT 1430 8<sup>TH</sup> STREET AND 816 CENTER STREET (APN# 004-0067-015 AND APN# 004-0067-017) FOR THE FAIR MARKET VALUE OF \$120,000.**

An ordinance has been prepared authorizing the City Administrator to sell surplus City-owned property to the adjoining property owner at 8<sup>th</sup> and Center Streets.

The City-owned property is two rectangular shaped properties containing approximately 6,900 square feet. The two parcels have frontage along 8<sup>th</sup> Street and Center Street. There are no City subsidies involved in the sale of the surplus property.