**CITY OF OAKLAND**

2007 JUL 10 PM 6:42

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Deborah Edgerly, City Administrator
FROM: Community and Economic Development Agency
DATE: July 10, 2007

RE: **An Ordinance Authorizing The City Administrator To Negotiate And Execute A Purchase And Sale Agreement With Olivet Institutional Missionary Baptist Church For The City's Purchase Of 3233 Market Street, A Special Use Building, For The Fair Market Value Of Eight Hundred Fifty Thousand Dollars (\$850,000) Plus Real Estate Closing Costs**

SUMMARY

An Ordinance has been prepared authorizing the City Administrator, or her designee, to enter into and execute a Purchase and Sale Agreement to acquire 3233 Market Street (APN 009-0721-001), henceforth referred to as the "Property", from Olivet Institutional Missionary Baptist Church, a California corporation. The 11,130 square foot corner lot is improved with a building that was most recently used for religious purposes. The acquisition cost for the Property is \$850,000 plus customary real estate closing costs and will be funded from District 3 PayGo and Ms. Nadel's Priority Project Funds. The Property will be held by the City of Oakland, and will be occupied by The City of Oakland Parks and Recreation Department, for a teen youth center in West Oakland, a critical need to provide services to young people, specifically in the Hoover-Foster area of West Oakland.

The Owner has agreed to sell the Property to the City for the fair market value of \$850,000 plus customary real estate closing costs. The purchase price is consistent with the appraised fair market value of the property. Staff recommends the passage and adoption of this Ordinance authorizing the City to purchase the Property.

FISCAL IMPACT

Funds to purchase the property will come from District 3 PayGo Municipal Improvement Funds (Fund 5500) and Priority Project Funds (Fund 1010) and other carryforward funds set aside in District 3.

The Public Works Agency (PWA) has estimated that the annual cost to maintain the Property in a "mothball" state is \$12,000. The cost includes graffiti removal, vandalism repairs, and periodic

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checking of the Property. In addition to the costs above, it is estimated that the annual minimal utility cost for PG&E, water, and an alarm system is \$6,000, for a total of \$18,000 in the first year as a “mothballed” building. Funds to “mothball” the Property will come from District 3 PayGo Municipal Improvement Funds (Fund 5500). Once the building is operational, PWA will need to request from Council funding for custodial and increased utility and maintenance relative to the operation. Councilmember Nadel and several community organizations will work to secure additional funding (e.g., grants) to supplement operations, when needed.

There are no additional funding sources in PWA for this building. Facility maintenance is provided through the Internal Service Fund (4400) and each client department (e.g., OPR) contributes toward facility maintenance from their budget. By adding a new unfunded facility to Fund 4400 it will impact service levels at other Parks and Recreation facilities, as well as increase the shortfall in funding for hard costs such as utilities and building maintenance.

BACKGROUND

In September 2005, staff was instructed to identify strategies to expend one time Measure Y carryforward monies. Specifically, staff was asked by the City Council to examine the concept of teen centers as a way to reduce violence among Oakland youth. Staff recommended funding Youth UpRising in East Oakland and funding the development of two youth centers in Central and West Oakland through unspent carryforward funds from fiscal year 2005-06. City Council approved \$1.5 million to support a portion of operating costs at Youth UpRising in East Oakland over a five-year period (\$300,000 per fiscal year). However, \$2 million in funding for the development of youth centers in North and West Oakland and Central Oakland was not approved by Council. While supportive of the general concept of youth centers, Council did not feel there was adequate funding to create two entirely new youth centers. Recognizing the urgency of the issue and the opportunity of a property for sale, Councilmember Nadel, who has been saving her PayGo funds for this purpose, is proposing to pay for the real estate entirely through these saved funds. Operating costs will be addressed through future funding, yet to be identified.

The subject property is ideally located for its intended use and is considered an “opportunity” purchase. There is no current, or projected, funding in the City’s budget for a Teen Center in West Oakland. The Property will have to be converted into a Teen Center, so project, building alteration, and program funds need to be identified. The City will conduct its due diligence on the building before it acquires the Property.

KEY ISSUES AND IMPACTS

West Oakland young people face many challenges. Nearly half of the residents in West Oakland live at or below the poverty level, where the Median Household Income is \$17,945. The rate of unemployment in West Oakland is very high, 10%, compared to about 3.6% in Alameda County. The teen pregnancy rate in West Oakland is also higher than the rates in Alameda County and the City as a whole; 17.6% of the births in West Oakland are to teen mothers, compared to 7.2% countywide, and 11.5% Citywide.

According to the 2000 Census, approximately 33% of West Oakland's population is under 18 years of age. Only about 19% of the students in West Oakland are reading at grade level. More than half of the children in West Oakland are from families that receive assistance from federal Temporary Assistance for Needy Families (TANF), and nearly 4/5 of West Oakland middle school students are eligible for federally subsidized free breakfast and lunch programs. Over half of the children in West Oakland live with someone other than their biological parents.

Public services and community resources are scarce in West Oakland, where there are more than 40 liquor stores, but not one traditional grocery store. Surveys indicate that a majority of youth interviewed after a violent incident attribute lack of productive activities as the number one cause. Young people in West Oakland need, and have repeatedly requested, a safe place to gather. There is no Teen Center in the Hoover-Foster area of West Oakland, and due to turf issues, many young people will not travel from Hoover-Foster to the small Teen Center newly undertaken by Parks and Recreation at Campbell Village.

Siting a Teen Center in West Oakland would provide much-needed protective factors for youth, including a safe place for positive relationships with caring adults, opportunities for self-efficacy through participation and contribution, and programs that provide clear behavioral norms and high expectations. A Teen Center in West Oakland would shift the focus of youth development from youth problems to building the capacity of youth to experience success and contribute meaningfully to society.

The proposed site is in an area that is suitable for a Teen Center. Several traffic-calming measures have been implemented in the vicinity of the proposed site, and the 4-lane Market Street will be narrowed to two auto lanes (plus bike lanes) within the next eight months. This will make it safer for young people to get to and from the proposed Teen Center. There is also an AC Transit bus stop nearby. McClymonds High School Educational Complex is less than half a mile away. The proposed Teen Center would be easily accessible to the young people in the neighborhood. Several nearby churches add to the general supportive community environment on this block. At least one church provides entrepreneurial classes, but could expand or maximize this service by providing classes at the proposed Teen Center, since young people are already present in the immediate area. The Alameda County Health Department has committed to some future program funds for the Teen Center use. Digital Underground Storytelling for Youth (DUSTY) and Restorative Justice for Oakland Youth (RJOY) are also interested in providing services.

There are many youth-serving organizations throughout Oakland that provide quality services and programs for older youth. However, West Oakland lacks an organization with the sole mission of providing a comprehensive spectrum of programs and services to youth and young adults in a youth friendly manner in one location. Further, while there are several community based organizations that provide programs in the area, including the Moses Robinson Baker (MRB) YMCA across the street from the proposed Teen Center, none have the funding or the capacity to provide consistent services to teens. Many of the elementary and middle school students who attend programs at the YMCA have indicated that they "grow out of" the YMCA programs, and need a place specifically for teens. Moreover, the MRB YMCA is not open past

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6:00 p.m. and currently has no weekend programs planned for the summer – the time when young people are most in need of safe things to do and a safe place to gather.

There is a critical need in West Oakland for structured, constructive, safe activities, particularly those which help students with skill-building and academic performance. An attractive and functional space dedicated to teenagers would help create the social support that is essential in providing key psycho-social “protective” factors that reduce an individual’s vulnerability to the environmental stressors and behavioral risk factors that exist in West Oakland.

PROJECT DESCRIPTION

The 8,182 square foot building will be converted from a church to a youth center. A Teen Center at 3233 Market Street is strongly supported by community members and organizations, including Hoover Elementary, Attitudinal Healing, People’s Grocery, and the MRB YMCA, which recognizes that teen-specific programs are needed in the neighborhood. Currently, the following teen programs are crowded into the MRB YMCA, all of which could be expanded or maximized by relocating to a Teen Center across the street: ‘The Dominators’ (academic sports learning program), Brotherhood and Sisterhood Workshops (life skills training), Self-Awareness Workshops, ‘Dare To Dream’ (job training program), the cheerleading and dance program, tutoring and homework support classes, and SAT/ACT prep classes. The neighborhood residents and community groups have expressed a desire for programs at the Teen Center to include entrepreneurial/business training, computer certification classes, apprenticeship classes or resources, and conflict resolution or mediation training.

SUSTAINABLE OPPORTUNITIES

Economic:

The use of the Property for a teen youth center will expand and centralize teen youth programs available at the YMCA, as well as add new programs. This project will improve neighborhood conditions and make the neighborhood area more attractive to current and prospective residents, tenants, and businesses that can provide employment within Oakland.

Environmental:

The acquisition of the parcels is exempt from the California Environmental Quality Act (CEQA) under Section 15183 (projects consistent with a General Plan), Section 15301 (existing facilities), and Section 15303 (new construction or conversion of small structures) of the CEQA Guidelines. The acquisition is expected to contribute to smart growth by stimulating neighborhood use of the facility and expanding the existing teen-youth programs.

Social Equity:

The proposed acquisition and use of the Property for a teen youth center provides a positive stimulus to the Hoover-Foster area of West Oakland where public services and community resources are scarce.

DISABILITY AND SENIOR CITIZEN ACCESS

Adoption of this Ordinance will have no direct impact on disabled and senior citizen access. Any innovations or changes to this property will comply with the Americans with Disabilities Act in providing equal access for the disabled and senior citizens. Any public improvements that may be required will provide equal access for disabled citizens and senior citizens.

There are three Senior Housing Developments within one or two blocks of the Property. The proposed Teen Center could act to facilitate volunteer opportunities for young people at the Senior Housing facilities, as well as support programs where seniors participate in activities at the Teen Center.

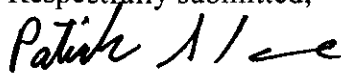
RECOMMENDATION AND RATIONALE

Staff recommends that the City Council approve the Ordinance authorizing the City Administrator to enter into and execute a Purchase and Sale Agreement for the acquisition of the property at 3233 Market Street for an amount not to exceed \$850,000 plus customary real estate closing costs.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council approve the Ordinance.

Respectfully submitted,



for

GREGORY HUNTER

Interim Director of Redevelopment, Economic
Development, Housing and Community Development

Reviewed by:

Frank Fanelli, Manager Real Estate Services

Prepared by:


Ava Jourdain, Real Estate Agent

Marisa Arrona, Policy Analyst

Office of Councilmember Nancy J. Nadel

District 3

APPROVED AND FORWARDED
TO THE FINANCE AND MANAGEMENT COMMITTEE


Office of the City Administrator

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INTRODUCED BY COUNCIL MEMBER _____

DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C. M. S.

ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT WITH OLIVET INSTITUTIONAL MISSIONARY BAPTIST CHURCH FOR THE CITY'S PURCHASE OF 3233 MARKET STREET, A SPECIAL USE BUILDING, FOR THE FAIR MARKET VALUE OF EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$850,000) PLUS REAL ESTATE CLOSING COSTS.

WHEREAS, the City of Oakland Office of Parks and Recreation has indicated that they intend to acquire a site for a teen youth center in West Oakland and the Council member for the District has identified an available site for sale at 3233 Market Street; (APN 009-0721-001); and

WHEREAS, the parcel at 3233 Market Street is currently improved, with an 8,182 square foot vacant building owned by the Olivet Institutional Missionary Baptist Church; and

WHEREAS, the City wishes to purchase the referenced 11,130 square foot parcel for a teen center, pending the satisfactory results of the environmental review, title search and other due diligence to be completed; and

WHEREAS, Olivet Institutional Missionary Baptist Church has offered to sell 3233 Market Street to the City for the price of \$850,000, determined to be the fair market value by the Real Estate Services Department, plus customary real estate closing costs; and

WHEREAS, the City has funds available from PayGo Funds and Municipal Funds (Fund 5500), Priority Funds (Fund 1010) to purchase the property; and

WHEREAS, the acquisition of the parcel is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b) (3) (no possibility of significant environmental impact), Section 15183 (projects consistent with a General Plan), Section 15301 (existing facilities), no significant external changes are planned for the existing building and Section 15303 of the CEQA Guidelines; now, therefore

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

Section 1: The City Administrator, or her designee, is authorized to negotiate and execute a Purchase and Sale Agreement to purchase the real property located at 3233 Market Street, (APN 009-0721-001), the legal description of which is set forth in Exhibit "A", attached hereto and incorporated herein, for the fair market value of \$850,000, plus customary real estate closing costs.

Section 2: Funding to purchase the Property will be allocated from PayGo Funds and Municipal Funds (Fund (5500), Priority Funds (Fund 1010) and other carryforward funds set aside in District 3. (WHICH CARRYOVER FUNDS??? NEED TO SPECIFY)

Section 3: The Manager of Real Estate Services or other City Administrator designee is hereby authorized to take all actions as may be required to carry out the intent and purpose of the Purchase and Sale Agreement and this Ordinance.

Section 4: That the City Council has independently reviewed and considered this environmental determination, and the Council finds and determines that this action complies with CEQA because this action on the part of the City is exempt from the California Environmental Quality Act (CEQA) under Section 15061(b)(3) (no possibility of significant environmental impact), Section 15183 (projects consistent with a General Plan), Section 15301 (existing facilities), and Section 15308 (actions by regulatory agencies to protect the environment) of the CEQA Guidelines, and an Environmental Report, pursuant to and the Council directs the City Administrator to file a Notice of Exemption with the County of Alameda.

Section 5: In accordance with the requirements of the City Charter Article IV, the Purchase and Sale Agreement shall be approved as to form and legality by the City Attorney's Office prior to execution and a copy shall be filed with the Office of the City Clerk.

Section 6: This Ordinance shall become effective immediately upon 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, _____, 2007

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

Exhibit A

The land referred to in this Report is described as follows:

All that certain real property situated in the City of Oakland, County of Alameda, State of California, described as follows:

Lots 8 and 9, "Map of the College View Tract, a part of Plot No. 10 of Kellersberger's Map of the Ranchos of D. & V. Peralta", filed March 23, 1872, Map Book 3, Page 19, Alameda County Records.

NOTICE AND DIGEST

ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE A PURCHASE AND SALE AGREEMENT WITH OLIVET INSTITUTIONAL MISSIONARY BAPTIST CHURCH FOR THE CITY'S PURCHASE OF 3233 MARKET STREET, A SPECIAL USE BUILDING, FOR THE FAIR MARKET VALUE OF EIGHT HUNDRED FIFTY THOUSAND DOLLARS (\$850,000) PLUS REAL ESTATE CLOSING COSTS.

This Ordinance authorizes the City Administrator to purchase 3233 Market Street from Olivet Institutional Missionary Baptist Church for \$850,000 plus customary Real Estate closing costs for a future teen youth center in West Oakland.