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OAKLAND  
2019 SEP 12 AM 2:17

# AGENDA REPORT

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

**FROM:** Mark Sawicki  
Director, EWD

**SUBJECT:** 500 Kirkham DDA Amendment

**DATE:** August 30, 2019

City Administrator Approval

Date:

9/11/19

## RECOMMENDATION

**Staff Recommends That The City Council Adopt An Ordinance To Amend Ordinance No. 13368 C.M.S. To Authorize A First Amendment To The Disposition And Development Agreement Between The City of Oakland And 500 Kirkham, LLC To (1) (a) Change The Project Definition To Allow Development Consisting Of Three Buildings And 1,032 Residential Units, (b) Adjust The Affordable Housing Requirement To Include 85 Very Low Income Units On-Site And A \$7.1 Million Payment To The Affordable Housing Trust Fund, (c) Allow The Project Schedule To Be Extended Annually For Up To Ten Years If Payment Of Extension Fees Are Made According To The Extension Schedule Shown In Exhibit A, And (d) Require Evidence Of A Funding Commitment For The West Oakland Shuttle, And (2) Make The Determination That An Addendum Pursuant To CEQA Guidelines Section 15164 Is Appropriate And Alternatively, The Project Is Exempt From CEQA Pursuant To CEQA Guidelines Sections 15168, 15183, and 15183.3.**

## EXECUTIVE SUMMARY

The City of Oakland (the City) and, an affiliate of Panoramic Interests, LLC, 500 Kirkham, LLC (Developer), as assignee of TL Partners V, L.P. (the Original Developer), are parties to a Disposition and Development Agreement dated as of October 24, 2016 (the DDA) for the development of a transit-oriented mixed-use residential and commercial development (the Project) on property located at 500 Kirkham Street in West Oakland (the Property). The Project Schedule attached as Exhibit B to the DDA provides that the Project must be completed by December 1, 2022 (the Outside Date). The original Project authorized under the DDA includes 417 residential units, 31 of which (7.4 percent) were to be set aside as below market rate housing for Moderate Income households. The DDA also required the Developer to make a \$3.15 Million payment to the City's Affordable Housing Trust Fund (AHTF) and a \$1 Million payment to the City for a workforce training fund for local residents, and to build and maintain open space on the Property to be made available to the public.

Under the proposed DDA amendment, the Developer is seeking (a) to extend the Outside Date by 10 years to December 1, 2032 and (b) authorization for a new Project, summarized in **Table**

Item: \_\_\_\_\_  
CED Committee  
September 24, 2019

1 below, containing 1,032 residential units, 85 of which, or 8 percent of the total units, will be set aside as affordable to Very Low Income (VLI) households, to be built over three phases, exceeding the City's housing impact requirement for 5 percent of onsite units to be affordable to VLI households. The City will require that the Developer increase its contribution to the AHTF to \$7.1 Million. In addition, staff is recommending the City allow the Outside Date to be extended annually for ten (10) years if Developer makes the required annual extension fee payments according to an extension fee schedule provided in **Table 2** below. Lastly, staff is recommending that the proposed DDA amendment includes a requirement for Developer to submit evidence of a written commitment to provide funding for the launch of the West Oakland shuttle (the "Shuttle Funding Commitment"). The Shuttle Funding Commitment will be due prior to completion of construction of Building 1.

All other terms in the DDA, including the requirement for privately constructed and maintained public open space on the Property and a \$1 Million Developer contribution for workforce training, remain the same. Per Section 7.2 of the DDA, the \$1 Million contribution is due to the City or to an entity or entities designated by the City Administrator to provide job training for local residents, at the time of the first building/construction permit application of the Project.

## **BACKGROUND / LEGISLATIVE HISTORY**

The Property was formerly California Department of Transportation (Caltrans) excess land following removal of the former Cypress Freeway. In 2012-13, Caltrans offered the Property for lease or sale to a public agency for a public purpose; and the City responded to the offer with a request to purchase the Property for development as a transit-oriented mixed-use project, thereby satisfying the public purpose requirement.

On May 17, 2016, the City Council adopted Ordinance No. 13368 C.M.S which authorized the City Administrator to exercise an option to purchase the Property from Caltrans pursuant to an Option to Purchase-Cash Sale (Option Agreement) and to negotiate and execute a DDA to sell the Property to the Original Developer under a double escrow for the same amount of \$4,253,977 to build a transit-oriented mixed-use residential and commercial development consistent with the West Oakland Specific Plan (WOSP). The City entered into the DDA with the Original Developer on October 24, 2016. Pursuant to the Option Agreement, the purchase price was \$3,271,325, plus \$10,681 for each unit entitled to be developed on the Property over 325 units.

The original Project that was entitled and approved under the existing DDA consisted of 417 residential units. Staff negotiated the following community benefits under the DDA: (a) 15 percent affordable housing (which is in excess of the City housing impact fee requirement) to be met by (i) 7.4 percent of the original Project's on-site units (31 units) affordable to Moderate-Income households and (ii) a \$3.15 Million payment to the AHTF which could fund 31 units off-site at an average subsidy of \$100,000 per unit; (b) a local jobs requirement to be met with a \$1 million payment to the City or to an entity or entities to be designated by the City Administrator to provide job training for local residents; and (c) a requirement for open space on the Property to be built, maintained and made available to the public.

When the Original Developer had difficulty attracting investor commitments for the approved 417 unit Project, it asked the City to consent to the assignment of the DDA to Developer, who was ready to purchase the Property with its own funds before the Caltrans purchase deadline and was also willing to pursue Planning approval for a scope of development that it believed would be consistent with the WOSP but have a better chance of getting financed and built in the current economic climate. The City Council approved the DDA's assignment to Developer on March 28, 2017, pursuant to Ordinance No. 13423 C.M.S. On April 12, 2017, Developer acquired the Property from Caltrans via a double escrow sale with the City acting as a "middle-man". Since then, the Developer has acquired an adjacent corner lot located at 1255 7th Street (the 7<sup>th</sup> Street Property) to expand the development footprint of the Property and held six community meetings and pursued Planning approvals and California Environmental Quality Act (CEQA) review for the Project on the larger development footprint comprised of the Property and the 7<sup>th</sup> Street Property (collectively, the Development Site).

**ANALYSIS AND POLICY ALTERNATIVES**

Staff recommends approval of the larger Project, with Developer contributing \$7.1 Million to the AHTF. When Developer assumed the DDA from the Original Developer in 2017, its stated intention was to obtain a new project entitlement and approval under the DDA. Except for the reduced number of parking spaces, Developer's larger Project conforms to the project description under the DDA, which is defined as: "a transit-oriented mixed-use residential and commercial development with a minimum of 400 residential units, a minimum of 28,100 square feet of commercial space including retail, live-work, incubator space, and other commercial uses, approximately 264 parking spaces and approximately 72,354 square feet of open space."

Table 1 below summarizes how Developer's larger Project compares with the original project.

**Table 1: Larger Project vs Original Project**

	LARGER PROJECT				ORIGINAL PROJECT	PROJECT CHANGE
	Building 1	Building 2	Building 3	Total Buildings 1, 2, & 3		
Studio	0	0	0	0	44	-44
1 BR (420 SqFt)	7	0	28	35	295	-260
2 BR (425 SqFt)	129	125	0	254	78	+176
2 BR Suite (660 SqFt)	126	102	242	470	0	+470
3 BR (600 SqFt)	7	14	0	21	0	+21
4 BR (665 SqFt)	42	24	155	221	0	+221
5 BR (880 SqFt)	0	0	31	31	0	+31
<b>Total Unit Count</b>	<b>311</b>	<b>265</b>	<b>456</b>	<b>1,032</b>	<b>417</b>	<b>+615</b>
	30%	26%	44%	100%	100%	
On-Site Affordable Units	25	22	38	85	31	+54
AHTF Contribution	\$2,139,632	\$1,823,159	\$3,137,209	\$7,100,000	\$3,150,000	+\$3,950,000
Parking Spaces	(59 Temporary)	(59 Temporary)	59 Permanent	59 Permanent	264	-205
Commercial/Flex Space (SqFt)	16,956	14,445	3,650	35,051	21,961	+13,090
Residential Open Space (SqFt)	9,449	7,006	10,570	27,025	22,246	+4,779
Public Open Space (SqFt)				40,088	19,500	+20,588
Stories	9	8	32	n/a	8	

Staff supports the larger Project because it offers:

- more housing;
- more on-site affordable units at deeper affordability, with no government subsidy;
- \$7.1 Million for AHTF;
- and phasing which allows a portion to be financed and built sooner, subject to approval of subdivision of the Development Site.

Staff also recommends that the DDA amendment include a 10-year extension on the DDA Project Schedule to allow the Project to be built over three phases (with full build-out by December 2032) if Developer makes the required annual extension fee payments, beginning the year after the original construction completion deadline (December 1, 2022), according to the agreed-upon Extension Fee Schedule, as shown in **Table 2** below. If the buildings are completed at a slower pace, partially, or not at all, then the fee increases accordingly. Staff estimates the annual extension fee could range between \$25,000 and \$363,000 by Year 10, depending on the number of buildings completed.

**Table 2: Annual DDA Extension Fee Schedule for 10 Years**

500 Kirkham Extension Fee Schedule										
Year	1	2	3	4	5	6	7	8	9	10
<i>Due January 15,</i>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
If No Building Started Construction	\$53,000	\$63,000	\$74,000	\$114,000	\$128,000	\$143,000	\$286,000	\$311,000	\$337,000	\$363,000
If Building 1 Started Construction	\$25,000	\$25,000	\$25,000	\$77,000	\$86,000	\$96,000	\$234,000	\$255,000	\$277,000	\$298,000
If Building 1 & 2 Completed, Building 3 Started Construction	\$0	\$0	\$0	\$25,000	\$25,000	\$25,000	\$129,000	\$141,000	\$153,000	\$164,000

Staff also recommends the DDA amendment include the requirement for Developer to submit the Shuttle Funding Commitment at completion of construction of Building 1.

**FISCAL IMPACT**

Developer acquired the Property on April 12, 2017 and was responsible for all acquisition costs. No City funds were spent on this transaction other than the staff time required to facilitate the land transfer and negotiate the Option Agreement, DDA, and now the DDA amendment. The investment of Economic and Workforce Development (EWD) Department staff time on this opportunity site will result in a Developer payment of \$7.1 Million to the AHTF (an increase from \$3.15 Million in the original agreement), up to \$1 Million to the City for a workforce training fund for local residents, and funding for a West Oakland shuttle service. Compared to the original Project, adoption of the proposed legislation will result in greater ongoing fiscal benefits to the City in the form of property tax, sales tax, and business license tax. Staff estimates the total ongoing property tax revenue to City will be over \$1.3 Million at full build-out. Also, the City will have the ability to receive funds in the form of extension fees from the Developer.

## **PUBLIC OUTREACH / INTEREST**

Since acquiring the Property in 2017, the Developer has hosted six community meetings to present its larger Project proposal to the West Oakland community. In addition, it has held over 40 meetings with interested neighborhood groups, businesses, and stakeholders. The larger Project was heard three times at the Design Review Committee (DRC) in 2018 and was heard and approved by the Planning Commission at its meeting on August 21, 2019.

## **COORDINATION**

This report has been prepared by the staff in the Public Private Development Division of EWD Department in consultation with the Council District 3 Office, City Attorney's Office, Planning and Building Department, the Department of Transportation and the City Administrator's Office.

## **SUSTAINABLE OPPORTUNITIES**

***Economic:*** The Project will transform contaminated, vacant and underutilized land into a dense transit-oriented mixed-use development that will provide much-needed housing units, including very-low income housing units, neighborhood-serving retail, and further stimulus to the local economy. Development of the Development Site will produce hundreds of construction jobs and 175 permanent jobs. The property tax revenue generated to the City is projected to be approximately \$378,000 from Building 1, \$332,000 from Building 2, and \$584,000 from Building 3, which all together total close to \$1,300,000 in annual property taxes to the City projected at full build out.

***Environmental:*** As a City infill project with high density use, the Project reduces the pressure to construct on agricultural and other undeveloped land, and thereby contributes to the prevention of urban sprawl. Remediating a contaminated site and bringing it into productive use contributes greatly to the revitalization of West Oakland. The Project's low parking ratio, establishment of a West Oakland shuttle service, and the location of the project in proximity to major public transportation nodes will likely encourage residents and retail customers to use BART and AC Transit and reduce automobile reliance, which will decrease the use of fossil fuels and resulting greenhouse gas emissions.

***Social Equity:*** In addition to the Project's 85 units that will be set aside as affordable to Very Low-Income households, the Developer is committing to a \$7.1 Million payment to AHTF (which exceeds the City housing impact fee requirement) and a \$1 Million contribution for a City workforce development fund for local residents.

**California Environmental Quality Act (CEQA)**

A detailed CEQA analysis was published for the Project and made publicly available on April 26, 2019. That analysis concluded that the Project satisfies each of the following CEQA Guidelines:

- Section 15164 – Addendum to EIRs;
- Section 15168 – Prior EIRS and Redevelopment Projects;
- Section 15183 – Projects Consistent with Community Plan, General Plan, or Zoning; and
- and Section 15183.3 – Qualified Infill Projects.

Each of the foregoing provides a separate and independent basis for CEQA compliance. The CEQA analysis document may be viewed at the Bureau of Planning Offices, located at 250 Frank Ogawa Plaza, 2<sup>nd</sup> Floor or online as Item #85 at

<http://www2.oaklandnet.com/government/o/PBN/OurServices/Application/DOWD009157>

The Project and CEQA determination was heard and approved by the Planning Commission on August 21, 2019. By adopting the proposed Ordinance, the City Council is adopting the CEQA Addendum (CEQA Guidelines Section 15164) and CEQA exemptions (CEQA Guidelines Sections 15168, 15183, and 15183.3) and making the determination that no further environmental review is required for development of the Project.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt An Ordinance To Amend Ordinance No. 13368 C.M.S. To Authorize A First Amendment To The Disposition And Development Agreement Between The City of Oakland And 500 Kirkham, LLC To (1) (a) Change The Project Definition To Allow Development Consisting Of Three Buildings And 1,032 Residential Units, (b) Adjust The Affordable Housing Requirement To Include 85 Very Low Income Units On-Site And A \$7.1 Million Payment To The Affordable Housing Trust Fund, (c) Allow The Project Schedule To Be Extended Annually For Up To Ten Years If Payment Of Extension Fees Are Made According To The Extension Schedule Shown In Exhibit A, And (d) Require Evidence Of A Funding Commitment For The West Oakland Shuttle, And (2) Make The Determination That An Addendum Is Exempt From CEQA Pursuant To CEQA Guidelines Section 15164 Is Appropriate And Alternatively, The Project Is Exempt From CEQA Pursuant To CEQA Guidelines Sections 15168, 15183, and 15183.3.

For questions regarding this report, please contact Hui-Chang Li at [hli@oaklandca.gov](mailto:hli@oaklandca.gov) or 510.238.6239.

Respectfully submitted,



MARK SAWICKI  
Director, Economic & Workforce  
Development Department

Reviewed by:  
Alexa Jeffress, Managing Director of Real  
Estate

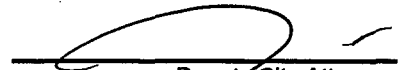
Jens Hillmer, Redevelopment Area Manager  
Public/Private Development Division

Prepared by:  
Hui-Chang Li, Urban Economic Analyst IV  
Public/Private Development Division

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Approved as to Form and Legality

  
Deputy City Attorney

## OAKLAND CITY COUNCIL

ORDINANCE NO. \_\_\_\_\_ C.M.S.

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**AN ORDINANCE TO AMEND ORDINANCE NO. 13368 C.M.S. TO AUTHORIZE A FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF OAKLAND AND 500 KIRKHAM, TO (1)(A) CHANGE THE PROJECT DEFINITION TO ALLOW DEVELOPMENT CONSISTING OF THREE BUILDINGS AND 1,032 RESIDENTIAL UNITS, (B) ADJUST THE AFFORDABLE HOUSING REQUIREMENT TO INCLUDE 85 VERY LOW INCOME UNITS ON-SITE AND A \$7.1 MILLION PAYMENT TO THE AFFORDABLE HOUSING TRUST FUND, (C) ALLOW THE PROJECT SCHEDULE TO BE EXTENDED ANNUALLY FOR UP TO TEN YEARS IF PAYMENT OF EXTENSION FEES ARE MADE ACCORDING TO THE EXTENSION SCHEDULE SHOWN IN EXHIBIT A, AND (D) REQUIRE EVIDENCE OF A FUNDING COMMITMENT FOR THE WEST OAKLAND SHUTTLE, AND (2) TO MAKE THE DETERMINATION THAT AN ADDENDUM PURSUANT TO CEQA GUIDELINES SECTION 15164 IS APPROPRIATE AND ALTERNATIVELY, THE PROJECT IS EXEMPT FROM CEQA PURSUANT TO CEQA GUIDELINES SECTIONS 15168, 15183, AND 15183.3**

**WHEREAS**, the California Department of Transportation ("Caltrans") owned approximately 2.85 acres of excess land that was the site of the former Cypress Freeway on the block bounded by 5th Street, 7th Street, Kirkham Street and Union Street in West Oakland, commonly known as 500 Kirkham Street (the "Property"); and

**WHEREAS**, on October 14, 2014, the City of Oakland (the "City") and Caltrans entered into an Option to Purchase-Cash Sale Agreement ("Option") to establish the Property's purchase price and facilitate the transfer of the Property for a transit-oriented development project, for a term that expired on April 12, 2017; and

**WHEREAS**, the City Council adopted Ordinance No. 13368 C.M.S. on May 17, 2016, approving the purchase of the Property from Caltrans and authorizing a Disposition and Development Agreement ("DDA") with TL Partners V, L.P. ("Original Developer") to convey the Property to the Original Developer via a double escrow sale, relying solely on the Original Developer's funds for the purchase, for development as a transit-oriented mixed-use residential



and commercial project; and

**WHEREAS**, the DDA, which was executed on October 24, 2016, provides the terms and conditions under which the City agreed to sell the Property to the Original Developer, and the Original Developer agreed to develop the Property; and

**WHEREAS**, when the Original Developer was unable to attract the investment capital to close the sale by the April 12, 2017 deadline, it asked the City to approve the assignment of the DDA to 500 Kirkham, LLC ("Developer"), an affiliate of Panoramic Interests; and

**WHEREAS**, the City Council adopted Ordinance No. 13423 C.M.S. on March 28, 2017, to approve the assignment of the DDA from the Original Developer to Developer; and

**WHEREAS**, Developer provided the \$4,253,977 in funds necessary to exercise the Option on April 12, 2017 to acquire the Property from Caltrans and simultaneously convey the Property to Developer via a double escrow sale for development of the Property; and

**WHEREAS**, Developer acquired an adjacent corner lot located at 1255 7<sup>th</sup> Street (the "7<sup>th</sup> Street Property") to expand the development footprint of the Property and pursued Planning approval and California Environmental Quality Act ("CEQA") review for the Project on the Property and the 7<sup>th</sup> Street Property (collectively, the "Development Site"); and

**WHEREAS**, Developer is now seeking an amendment to the DDA to include: (1) change the project definition to allow development consisting of three buildings totaling 1,032 residential units, approximately 32,127 square feet of ground floor retail and/or flex space; approximately 32,965 square feet of privately-owned and maintained open space available to the public, and a minimum of 59 parking spaces; (2) allow the project schedule to be extended annually for ten (10) years if Developer makes the required annual extension fee payments according to the extension fee schedule as shown in the attached Exhibit A (the "Extension Fee Schedule"); (3) adjust the affordable housing requirement to include 85 very low income units on-site and a \$7.1 Million payment to the Affordable Housing Trust Fund ("AHTF"); and (4) require the Developer submit evidence of a written commitment to provide funding for the launch of a West Oakland Shuttle service; and

**WHEREAS**, staff's review of the Project and its financial proforma models indicate these four modifications to the DDA (collectively, the "First Amendment") are justified and necessary to keep the development moving forward to produce 1,032 homes, including 85 at below market rents without government subsidy, a \$7.1 Million payment to the AHTF, a \$1 Million payment by Developer to either be paid to the City or to an entity or entities designated by the City Administrator for workforce development, hundreds of construction jobs, 175 permanent jobs, and over \$1.3 Million in ongoing annual tax revenue to the City upon full build-out; and

**WHEREAS**, Section 12.23 of the DDA provides any amendments to the DDA must be in writing, approved as to form and legality by the City of Attorney of Oakland, and must be executed by both City and the Developer; and

**WHEREAS**, the City Council desires to authorize the First Amendment to the DDA by adoption of this Ordinance; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** The City Council hereby finds, that it is in the best interests of the City to amend Ordinance No. 13368 C.M.S. to amend the DDA by the First Amendment.

**SECTION 2.** The City Council hereby authorizes the City Administrator or his/her designee, without returning to the City Council, to negotiate and execute: (1) the First Amendment, in a form and content substantially in conformance with the terms described herein; (2) such other additions, amendments or other modifications to the foregoing document that the City Administrator, in consultation with the City Attorney's Office, determines are in the best interests of the City, do not materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transaction contemplated by this Ordinance, to be conclusively evidenced by the execution and delivery by the City Administrator of any such amendments; and (3) such other documents as necessary or appropriate, in consultation with the City Attorney's Office, to facilitate the First Amendment an development of the Property in order to consummate the transaction in accordance with this Ordinance, or to otherwise effectuate the purpose of this Ordinance and its basic purposes.

**SECTION 3.** The City Council authorizes the City Administrator to accept, deposit and appropriate the Annual Extension Fee proceeds, an amount which will range from as low as \$25,000 in Year 1 to as high as \$363,000 in Year 10 according to the Extension Fee Schedule as shown in *Exhibit A*, into the Miscellaneous Capital Project Fund (5999), West Oakland Redevelopment Organization (85241), West Oakland Transit Village Project (1001500), West Oakland Redevelopment Project (SC06) for purposes of reimbursing the City for its project-related staff costs and third-party expenses.

**SECTION 4.** The City Council authorizes the City Administrator or his/her designee to accept and appropriate a \$7.1 Million payment from the Developer, which could be made in up to three (3) installments over the term of the DDA, and deposit said payment into the Affordable Housing Trust Fund (1870), Housing Development Organization (89929), for a project(s) to be determined for housing development activities.

**SECTION 5.** The City Council authorizes the City Administrator to accept, deposit and appropriate up to \$1 Million ("Workforce Training Payment") from the Developer into Miscellaneous Trusts Fund (7999), Workforce Development Organization (85311) for a project(s) to be determined for workforce development services to be rendered by the City or by an entity or entities approved by the City Administrator.

**SECTION 6.** The City Council authorizes the City Administrator to negotiate and execute all third-party contracts for use of the Workforce Training Payment without returning to City Council.

**SECTION 7.** The City Council authorizes the City Administrator to require Developer to provide written evidence to the City Administrator of payments of all or a portion of the Workforce Training Payment Developer made directly to an entity or entities designated by the City Administrator.

**SECTION 8.** All agreements associated with the Property and the Project shall be reviewed and approved as to form and legality by the City Attorney's Office prior to execution by the City and shall be placed on file with the City Clerk.

**SECTION 9.** The City Council finds and determines that an Addendum pursuant to CEQA Guidelines Section 15164 is appropriate, and alternatively, the Project is exempt from CEQA pursuant to CEQA Guidelines Sections 15168, 15183, and 15183.3.

**SECTION 10.** The City Administrator or his/her designee is hereby directed to file a notice of determination and a notice of exemption with the Office of the Alameda County Recorder and the State Office of Planning and Research, and to take any other action necessary in furtherance of the Project, consistent with this Ordinance and its basic purposes.

**SECTION 11.** The recitals contained in this Ordinance are true and correct and are an integral part of the City Council's decision.

**SECTION 12.** This Ordinance shall be in full force and effect immediately upon its passage as provided by Section 216 of the City Charter if adopted by at least six members of Council, or upon the seventh day after final adoption if adopted by fewer votes.

IN COUNCIL, OAKLAND, CALIFORNIA \_\_\_\_\_, 2019

PASSED BY THE FOLLOWING VOTE:

AYES – BAS, GALLO, GIBSON McELHANEY, KALB, TAYLOR, THAO and PRESIDENT KAPLAN

NOES -

ABSENT -

ABSTENTION –

ATTEST: \_\_\_\_\_  
LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

**Exhibit A: 500 Kirkham - Amended Project Schedule For Ten 1-Year Extensions And Related Extension Fee Schedule**

Performance Benchmark	ORIGINAL DDA Due Dates	NEW Due Dates		
		Phase I & II	Phase III	Phase IV
		Building 1	Building 2	Building 3
1. Submit draft Remediation Program to DTSC	Dec 2016	completed	completed	completed
2. City completes Poplar Street vacation	Dec 2016	completed	completed	completed
3. Submit form of Environmental Insurance policy	Dec 2016	completed	completed	completed
4. Submit Financial Statements	Dec 2016	completed	completed	completed
5. Submit Preliminary Financial Plan	Dec 2016	completed	completed	completed
7. Close of Escrow	April 12 2017	completed	completed	completed
8. Submit Schematic Design Plans	Jan 2017	completed	completed	completed
9. Submit Design Development Plans	June 2017	completed	completed	completed
12. Submit DTSC approvals to City	Dec 2017	August 2019	August 2019	August 2019
10. Submit Final Construction Plans including Public Art Plan	Nov 2017	Nov 2019	May 2024	June 2028
6. Submit Completion Guaranty	May 2018	Sept 2020	March 2025	April 2029
17. Submit Payment and Performance Bonds	May 2018	Sep 2020	March 2025	April 2029
11. Submit Governmental Approvals	Dec 2017	Oct 2020	April 2025	May 2029
13. Submit Final Financial Plan	May 2018	Oct 2020	April 2025	May 2029
14. Submit form Financing Documents	May 2018	Oct 2020	April 2025	May 2029
15. Submit final Financing Documents	May 2018	Oct 2020	April 2025	May 2029
16. Submit Construction Contract	May 2018	Oct 2020	April 2025	May 2029
18. Commencement of Site Preparation	Dec 2019	Nov 2020	May 2025	June 2029
19. Commencement of Construction	April 2020	Nov 2020	May 2025	June 2029
20. Completion of Construction	Dec 2022	Nov 2022	May 2027	Dec 2032

500 Kirkham Extension Fee Schedule										
Year	1	2	3	4	5	6	7	8	9	10
Due January 15,	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>
If No Building Started Construction	\$53,000	\$63,000	\$74,000	\$114,000	\$128,000	\$143,000	\$286,000	\$311,000	\$337,000	\$363,000
If Building 1 Started Construction	\$25,000	\$25,000	\$25,000	\$77,000	\$86,000	\$96,000	\$234,000	\$255,000	\$277,000	\$298,000
If Building 1 & 2 Completed, Building 3 Started Construction	\$0	\$0	\$0	\$25,000	\$25,000	\$25,000	\$129,000	\$141,000	\$153,000	\$164,000

## NOTICE AND DIGEST

**AN ORDINANCE TO AMEND ORDINANCE NO. 13368 C.M.S. TO AUTHORIZE A FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF OAKLAND AND 500 KIRKHAM, LLC TO (1)(A) CHANGE THE PROJECT DEFINITION TO ALLOW DEVELOPMENT CONSISTING OF THREE BUILDINGS AND 1,032 RESIDENTIAL UNITS, (B) ADJUST THE AFFORDABLE HOUSING REQUIREMENT TO INCLUDE 85 VERY LOW INCOME UNITS ON-SITE AND A \$7.1 MILLION PAYMENT TO THE AFFORDABLE HOUSING TRUST FUND, (C) ALLOW THE PROJECT SCHEDULE TO BE EXTENDED ANNUALLY FOR UP TO TEN YEARS IF PAYMENT OF EXTENSION FEES ARE MADE ACCORDING TO THE EXTENSION SCHEDULE SHOWN IN EXHIBIT A, AND (D) REQUIRE EVIDENCE OF A FUNDING COMMITMENT FOR THE WEST OAKLAND SHUTTLE, AND (2) TO MAKE THE DETERMINATION THAT AN ADDENDUM PURSUANT TO CEQA GUIDELINES SECTION 15164 IS APPROPRIATE, AND ALTERNATIVELY, THE PROJECT IS EXEMPT FROM CEQA PURSUANT TO CEQA GUIDELINES 15168, 15183, AND 15183.3.**

This Ordinance authorizes the City Administrator to execute a First Amendment to the Disposition and Development Agreement between the City of Oakland and 500 Kirkham, LLC, the developer of 500 Kirkham Street, and an affiliate of Panoramic Interests, LLC, to: (1) change the Project definition to allow development consisting of three buildings totaling 1,032 residential units, approximately 32,127 square feet of ground floor retail and/or flex space; approximately 32,965 square feet of privately-owned and maintained open space available to the public, and approximately 59 parking spaces; (2) to allow the project schedule to be extended annually up to ten years if payment of annual extension fees are made beginning the year after the original construction completion deadline (December 2022), according to the Extension Fee Schedule shown in *Exhibit A* of the Ordinance; (3) adjust the affordable housing requirement to include 85 very low income units on-site and a \$7.1 Million payment to the Affordable Housing Trust Fund; and (4) require the Developer submit evidence of a written commitment to launch a West Oakland shuttle service. Also, by adopting the Ordinance, the City Council is making the determination that an Addendum pursuant to CEQA Guidelines Section 15164 is appropriate, and alternatively, the Project is exempt pursuant to CEQA Guidelines Sections 15168, 15183, and 15183.3.