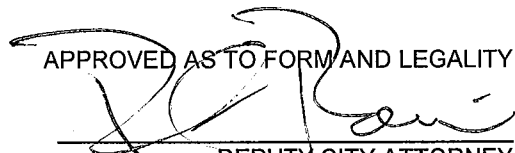


FILED
OFFICE OF THE CITY CLERK
OAKLAND

2017 JUN 28 PM 4:35

APPROVED AS TO FORM AND LEGALITY


DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE NO. 13453 C.M.S.

ORDINANCE AUTHORIZING (1) THE SALE OF AN UNDIVIDED 50 PERCENT INTEREST IN THE AFFORDABLE HOUSING PARCELS AT BROOKLYN BASIN TO THE OAKLAND HOUSING AUTHORITY OR AFFILIATE FOR A PURCHASE PRICE OF \$10 MILLION, AND (2) A JOINT OWNERSHIP AGREEMENT WITH THE OAKLAND HOUSING AUTHORITY OR AFFILIATE GOVERNING THE JOINT OWNERSHIP, DISPOSITION AND OPERATION OF THE PROPERTY

WHEREAS, in 2014 and 2017, the City acquired Project Parcels A and F (the “affordable housing parcels”) at the Brooklyn Basin development project (formerly the Oak to 9th project) for the development of 465 units of affordable housing for a purchase price of \$21,508,462, and now holds sole fee ownership of the affordable housing parcels; and

WHEREAS, the Housing Authority of the City of Oakland, California (“OHA”) has proposed purchasing an undivided 50 percent tenant-in-common interest in the affordable housing parcels for a purchase price of \$10 million; and

WHEREAS, the City and OHA as tenants-in-common plan to jointly convey the affordable housing parcels by long-term ground lease to a nonprofit housing developer subject to disposition and development agreements for phased development of affordable housing; and

WHEREAS, as a condition of the acquisition of an interest in the affordable housing parcels, OHA will commit to provide Project-Based Section 8 rental assistance vouchers for a portion of the developed units, subject to all HUD rules, regulations and conditions; and

WHEREAS, as a condition of the sale of an interest in the affordable housing parcels, the City will commit the net proceeds of the sale to development of affordable housing units on the affordable housing parcels; and

WHEREAS, Chapter 2.42, Article IV, of the Oakland Municipal Code authorizes the City to sell real property for development, including affordable housing development, by ordinance; and

WHEREAS, Section 2.42.180 of the Oakland Municipal Code authorizes the City to dispose of property at its fair reuse value as assessed based on the property's proposed development and use, prevailing market conditions, development climate at the time of disposition, and other economic and noneconomic factors, and requires findings to justify any below-market disposition; and

WHEREAS, California Government Code Section 6500, et seq., authorizes public agencies to enter into agreements for the joint exercise of powers common to both agencies; and

WHEREAS, the City and OHA intend to enter into a Joint Ownership Agreement under the authority of California Government Code Section 6500, et seq., to govern the joint ownership, management, operation, and disposition of the affordable housing parcels by the City and OHA; and

WHEREAS, the Environmental Impact Report for the Oak to Ninth Mixed Use Development Project prepared under the California Environmental Quality Act ("CEQA") and certified by the City Council in 2006 and recertified in 2009 (the "EIR") provides a project-level analysis of the environmental impacts of the Brooklyn Basin development project and supports all levels of approval necessary to implement the project; and

WHEREAS, the proposed transaction would not result in any significant effect that has not already been analyzed in the EIR, and there will be no significant environmental effects caused by the transaction that have not already been analyzed in the EIR; now, therefore

The Council of the City of Oakland does ordain as follows:

SECTION 1. The City Council hereby authorizes the City to convey an undivided 50 percent interest in Brooklyn Basin Project Parcels A and F to OHA, or to an affiliated entity approved by the City Administrator, for a purchase price of \$10 million.

SECTION 2. The City Council hereby authorizes the City Administrator or her designee to negotiate and execute a purchase and sale agreement with OHA or affiliate for the conveyance consistent with the terms of this Ordinance, as well as negotiate and execute grant deeds and any other agreements or documents as necessary to effectuate the transaction.

SECTION 3. The City Council, pursuant to Oakland Municipal Code Section 2.42.170.B., hereby waives a competitive Notice of Development Opportunity ("NODO") process for disposition of a property interest in the affordable housing

parcels, and finds and determines that disposition of said property interest without a competitive NODO process is in the best interest of the City because of the City's commitment and desire to ensure affordable housing development on the site, OHA's experience and resources generally in developing affordable housing, and OHA's commitment to support affordable housing development on these parcels, including providing rental assistance in order to make affordable housing development economically feasible.

SECTION 4. The City Council hereby finds that the sale of a 50% interest in the affordable housing parcels to OHA for a price of \$10 million represents the fair reuse value of said property interest, given the commitment to ensure affordable housing development on the parcels and the financial subsidies that will be required in order to make such development economically feasible.

SECTION 5. The City Council hereby authorizes the City Administrator or her designee to negotiate and execute a Joint Ownership Agreement with OHA, or an affiliated entity approved by the City Administrator, to govern the joint ownership, management, operation, and disposition of the affordable housing parcels.

SECTION 6. The City Council hereby finds and determines on the basis of substantial evidence in the record that none of the circumstances necessitating preparation of additional environmental review, as specified in CEQA and the CEQA Guidelines, including, without limitation, Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 or 15163, are present because of the transaction, in that (1) there are no substantial changes proposed in the project or the circumstances under which the project is undertaken that would require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and (2) there is no "new information of substantial importance," as defined in CEQA Guidelines Section 15162(a)(3). The City Council further finds and determines, each as a separate and independent basis, that this action is exempt from CEQA pursuant to CEQA Guidelines Sections 15183 (projects consistent with General Plan and Zoning), 15378(b)(5) (the exchange will not independently result in a physical change in the environment) and 15061(b)(3) (no significant effect on the environment). The City Administrator or her designee is hereby authorized to file a notice of determination with the Office of the Alameda County Recorder and the State Office of Planning and Research.

SECTION 7. The City Administrator or her designee is hereby authorized to take any other action necessary in furtherance of this transaction consistent with this Ordinance and its basic purposes.

SECTION 8. 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.

Introduction Date

JUL 1 8 2017

IN COUNCIL, OAKLAND, CALIFORNIA, SEP 19 2017, 2017

PASSED BY THE FOLLOWING VOTE:

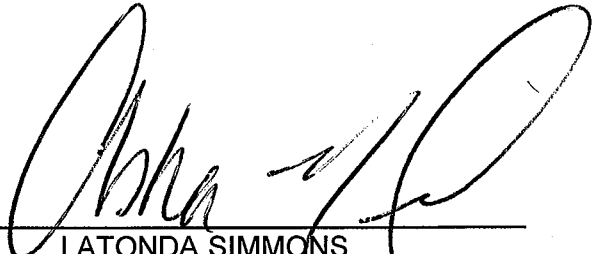
AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY,
GUILLEN, KALB, KAPLAN, AND PRESIDENT REID 8

NOES- 0

ABSENT- 0

ABSTENTION 0

ATTEST:



LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

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NOTICE AND DIGEST

This Ordinance authorizes the sale of a 50 percent interest in the affordable housing parcels at the Brooklyn Basin development to the Oakland Housing Authority for a purchase price of \$10 million. This Ordinance also authorizes the City to enter into a Joint Ownership Agreement with the Oakland Housing Authority governing the joint ownership, management, operation, and disposition of the affordable housing parcels. This Ordinance also makes associated findings with respect to the California Environmental Quality Act (CEQA).