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APPROVED AS TO FORM AND LEGALITY



Deputy City Attorney

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

ORDINANCE AUTHORIZING THE SALE OF A CITY-OWNED PARCEL AT 319 CHESTER STREET TO THE ALLIANCE FOR WEST OAKLAND DEVELOPMENT FOR A PURCHASE PRICE OF \$94,000, AUTHORIZING SELLER FINANCING FOR THE PURCHASE PRICE, AUTHORIZING A \$400,000 CONSTRUCTION LOAN, AND AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH THE DEVELOPER TO DEVELOP THE PARCEL WITH A SINGLE-FAMILY HOME

WHEREAS, the City of Oakland is the owner of the property in the City of Oakland at 319 Chester Street, APN: 004-0103-035-00, (the "Property"); and

WHEREAS, the City desires to enter into a disposition and development agreement with the Alliance For West Oakland Development ("Developer") for the sale of the Property for its appraised fair market value, and development of one single family home on the Property; and

WHEREAS, the City is the Lead Agency for this project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"); and

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

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

Section 1. The City Council hereby authorizes the sale of the Property to the Developer for a purchase price of \$94,000 subject to a Disposition and Development Agreement ("DDA") to be negotiated and executed by the City Administrator or his designee. The DDA shall require the Developer to develop and sell one single-family home on the Property.

Section 2. The City of Oakland, in lieu of cash, will accept a promissory note for the purchase price, to be secured by a deed of trust recorded against the Property, which will be due and payable upon the development and sale of the developed home on Property by the Developer or 18 months from the start of construction, whichever is earlier. No interest shall be charged on this loan. The City Administrator is hereby authorized to negotiate terms for the seller financing by the City.

Section 3. The City Council hereby authorizes a construction loan to the Developer in the amount of \$400,000 to be used for development of the single family home on the Property. The construction loan shall be secured by a deed of trust on the Property. No interest shall be charged on this loan. The loan shall be due and payable upon the development and sale of the developed home on the Property or 18 months from the start of construction, whichever is earlier. Should the net sales proceeds from the sale be insufficient to repay both the seller financing from the City and the construction loan, the City Administrator is authorized to forgive a portion of the construction loan equal to the amount of the difference between the loan amounts due and the net sales proceeds. The City Administrator is hereby authorized to negotiate terms for the construction financing by the City.

Section 4. 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 Property by negotiated sale due to the intended use of the Property for the development and sale of a single family housing unit.

Section 5. All net proceeds shall be repaid to the Housing and Community Development Division's Miscellaneous Grants (fund 2999), Municipal Lending Unit (88939), Neighborhood Housing Revitalization (fund 2108) Project (G08760) and Home Ownership and Rehabilitation Program (NB32).

Section 6. 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 property sales), 15280 (lower-income housing projects), and 15332 (infill housing development) of the CEQA Guidelines.

Section 7. The City Administrator or his or her designee shall cause to be filed with the County of Alameda a Notice of Exemption for this project.

Section 8. The City Administrator is hereby authorized to negotiate and execute documents and take whatever other action is necessary with respect to the Property, the DDA, and the loans consistent with this Ordinance and its basic purposes. All documents shall be approved as to form and legality by the City Attorney.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF, and
PRESIDENT REID

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California

NOTICE AND DIGEST

ORDINANCE AUTHORIZING THE SALE OF A CITY-OWNED PARCEL AT 319 CHESTER STREET TO THE ALLIANCE FOR WEST OAKLAND DEVELOPMENT FOR A PURCHASE PRICE OF \$94,000, AUTHORIZING SELLER FINANCING FOR THE PURCHASE PRICE, AUTHORIZING A \$400,000 CONSTRUCTION LOAN, AND AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH THE DEVELOPER TO DEVELOP THE PARCEL WITH A SINGLE-FAMILY HOME

This ordinance authorizes transfer of one lot, 319 Chester Street, to the Alliance for West Oakland Development (AWOD) for development and sale of one home through a Disposition and Development Agreement, and authorizes seller financing and a construction loan from the City in the amount of \$400,000.