



AGENDA REPORT


TO: Jestin D. Johnson,
City Administrator

FROM: Ashleigh Kanat
Director, Economic &
Workforce Development
Department

SUBJECT: Sale of 1226 73rd Avenue

DATE: September 10, 2025

City Administrator Approval


Jestin Johnson (Sep 19, 2025 18:39:47 PDT)

Date:

Sep 19, 2025

RECOMMENDATION

Staff Recommends That The City Council Adopt:

An Ordinance (1) Declaring The City-Owned Residential Real Property Located At 1226 73rd Ave (Property) Exempt Surplus Land And (2) Authorizing The City Administrator To: (A) List The Property On The Open Market, (B) Negotiate With Any Or All Interested Purchasers, And (C) Enter Into An Agreement To Dispose Of The Property To The Selected Purchaser For Its Fair Market Value As Determined By The City Administrator

EXECUTIVE SUMMARY

The recommended ordinance would authorize the City Administrator to negotiate an open market sale of a City-owned residential property located at 1226 73rd Avenue, a three-unit residential property that suffers from significant deferred maintenance and recent fire damage. The eventual sales price would be for its fair market value determined as part of a future competitive sale process. Net proceeds from the sale would be deposited in the General Purpose Fund.

BACKGROUND / LEGISLATIVE HISTORY

The City of Oakland (City) owns a two-story residential building currently configured as a triplex with two one-bedroom units and one two-bedroom unit that contains approximately 2,400 square feet of gross living area located on an approximately 5,744 square foot lot at 1226 73rd Avenue (Property).

On February 19, 1970, the City Council adopted Ordinance No. 8099 C.M.S. authorizing the purchase of a residential property needed for construction of the Hegenberger Expressway, and on March 23, 1970, the City took title to the Property. After the expressway was constructed, the property was reduced to an approximately 5,744 square foot lot.

On January 17, 1989, the City Council adopted Resolution No. 65925 C.M.S., which declared the Property to be surplus and authorized a sale of the Property by auction.

On April 4, 1989, the City Council adopted Ordinance No. 11094 C.M.S., which authorized the sale of the Property to a particular buyer for \$151,000. Ultimately, this sale did not close for reasons unknown, and the City was unable to sell the Property despite multiple attempts.

On July 27, 1993, the City Council adopted Ordinance No. 11618 C.M.S., which authorized a lease of the Property to Catholic Charities for use as long-term housing under the United States Department of Housing and Urban Development's Shelter Plus Care Program and authorized a grant of up to \$75,000 to Catholic Charities for rehabilitation of the Property. This amount was increased by \$11,000 by the City Council pursuant to Resolution No. 71889 C.M.S., adopted on May 30, 1995.

From approximately 1993 to 2024, the City leased the Property to various non-profit organizations, including Catholic Charities, Mercy Properties, and East Oakland Community Project (EOCP), to provide housing for low-income households under the Shelter Plus Care Program. This period of use concluded in or around August 2024 when EOCP surrendered the Property back to the City with significant deferred maintenance and unauthorized occupants who refused to vacate.

In May 2025, the Property was badly damaged by a fire that was likely ignited by people residing on the Property without authorization. The City posted an Unsafe to Occupy order (i.e., "red tag") declaring the Property unsafe, and unauthorized individuals were removed from the Property.

The photos in **Attachment A** illustrate the extent of damages to the building and its overall poor condition.

ANALYSIS AND POLICY ALTERNATIVES

The City acquired the Property over fifty years ago for right-of-way purposes and it has fulfilled that original intent. After failing to sell the Property thereafter, it went on to serve a productive use as a residence for low-income households for much of the last thirty years. However, since the last service provider returned the Property to the City in 2023, it has been difficult to stabilize and secure the Property. It is in poor and hazardous condition, badly damaged from the recent fire, and is persistently breached and occupied by unauthorized individuals.

Given these challenges and the relatively small number of housing units associated with the Property, the Community Homelessness Services Division of the Health and Human Services Department (HSD) and the Real Estate Division of the Economic and Workforce Development Department (EWDD) recommend that the City sell the Property on the open market.

The recommended ordinance would authorize the City Administrator to list the Property for sale on the open market, negotiate with any or all of the interested purchasers, and ultimately sell the Property to the selected purchaser for its fair market value as determined by the City Administrator and informed by this competitive process.

Alternatively, the City would need to identify funds to repair and ongoing funds to operate the Property. This is expected to be costly and difficult to sustain, while reclaiming only three housing units.

Approval of the recommended action would advance the Citywide priority of ***responsive, trustworthy government*** by addressing a blighted condition on public property.

FISCAL IMPACT

The sale price will be determined through a future competitive process and is, therefore, not currently known. However, it is expected to be in the hundreds of thousands of dollars.

Per the City's Consolidated Fiscal Policy, proceeds from land sales should be used to pay down long-term obligations, augment reserves, and retire debt. Given the current City fiscal condition, staff recommends that the net proceeds of this transaction be deposited in the General Purpose Fund to ensure that the City is compliant with its emergency reserve policy. The sale proceeds, net of any transaction-related costs such as escrow fees, would be deposited into General Purpose Fund (1010), Citywide Activities Organization (90591), Sale of Building Revenue Account (48112), Project to be determined, Fiscal Management Program (IP51).

PUBLIC OUTREACH / INTEREST

The recommended ordinance will be considered at a public meeting of the Community & Economic Development Committee and the full City Council and will be publicly noticed consistent with standard City Council public noticing provisions.

COORDINATION

EWDD's Real Estate Division coordinated with HSD's Community Homelessness Services Division, the Office of Homelessness Solutions in the City Administrator's Office, Budget Bureau, and the City Attorney's Office on this ordinance.

SUSTAINABLE OPPORTUNITIES

Economic: The recommended ordinance would remove a source of blight in an East Oakland neighborhood, return it to the tax roll, and generate one-time and ongoing revenue for the City.

Environmental: The recommended ordinance will facilitate the clean-up of any toxic or dangerous materials, once the Property is sold and renovated, that may have resulted from the recent fire.

Race & Equity: Because the highest and best use of the Property is for housing, its sale on the open market is expected to result in renovation of the Property into habitable condition. Consequently, the recommended ordinance would remove a source of blight and restore housing to a neighborhood that is identified as a Highest Priority Neighborhood in the Oakland Department of Transportation's Geographic Equity Toolbox, with approximately 92% of residents identified as Black or Hispanic.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

This action is exempt from further environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines 15312 (sale of surplus property), and the "common sense" exemption (CEQA Guidelines 15061(b)(3)) applies to this action.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt:

An Ordinance (1) Declaring The City-Owned Residential Real Property Located At 1226 73rd Ave (Property) Exempt Surplus Land And (2) Authorizing The City Administrator To: (A) List The Property On The Open Market, (B) Negotiate With Any Or All Interested Purchasers, And (C) Enter Into An Agreement To Dispose Of The Property To The Selected Purchaser For Its Fair Market Value As Determined By The City Administrator

For questions regarding this report, please contact Brendan Moriarty, Director of Real Estate and Special Projects at b Moriarty@oaklandca.gov or (510) 238-6354.

Respectfully submitted,



Ashleigh Kanat (Sep 15, 2025 16:56:05 PDT)

Ashleigh Kanat, Director
Economic & Workforce Development

Prepared by:

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Reviewed by:

Sasha Hauswald, Chief Homelessness Solutions
Officer

Bradley Johnson, Budget Administrator

Kelley Kahn, Assistant Director, Economic &
Workforce Development

Attachments (1):

A: Property Photos











Aug 11, 2025 at 11:20:06 AM



Aug 11, 2025 at 11:21:49 AM



Aug 11, 2025 at 11:21:05 AM

