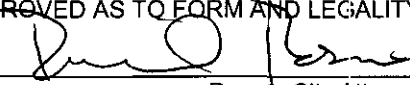


2005 OCT 27 PM 12:05

APPROVED AS TO FORM AND LEGALITY:

By: 
Deputy City Attorney

OAKLAND CITY COUNCIL

79598

RESOLUTION No. _____ C.M.S.

A RESOLUTION APPROVING THE SALE OF REAL PROPERTY LOCATED ON PORTIONS OF THE BLOCK BOUNDED BY SAN PABLO AVENUE, 18TH STREET, 19TH STREET, AND TELEGRAPH AVENUE, ADJACENT TO THE FOX THEATER TO RESOURCES FOR COMMUNITY DEVELOPMENT FOR ITS DEVELOPMENT AS AFFORDABLE HOUSING,

WHEREAS, the California Community Redevelopment Law, Health and Safety Code Section 33430, authorizes a redevelopment agency within a survey (project) area or for purposes of redevelopment to sell real property; and

WHEREAS, the California Community Redevelopment Law, Health and Safety Code Section 33433, requires that before any property of a redevelopment agency that is acquired in whole or in part with tax increment moneys is sold for development pursuant to a redevelopment plan, the sale must first be approved by the legislative body, i.e., the City Council, by resolution after a public hearing; and

WHEREAS, the Redevelopment Agency of the City of Oakland (the "Agency") and the City have initiated the "10K Downtown Housing Program" to attract ten thousand new residents into the Central District; and

WHEREAS, the Agency owns real property on the block bounded by San Pablo Avenue, 18th Street, 19th Street, and Telegraph Avenue, adjacent to the Fox Theater (the "Property"), located within the Central District; and

WHEREAS, RCD desires to purchase the Property from the Agency in order to develop the Fox Courts project consisting of 80 residential rental units, 79 of which will be affordable to low income and very low income households, along with parking and approximately 4,000 square feet of community space (the "Project"); and

WHEREAS, staff has negotiated and proposes entering into a Disposition and Development Agreement ("DDA") with RCD which sets forth the terms and conditions of the sale of the Property to RCD or RCD's affiliate and governs the development of the Project and the use of the Property by RCD and any successors to the Property subsequent to sale through recorded covenants running with the land, including occupancy and rent limits; and

WHEREAS, the DDA requires that RCD or RCD's affiliate construct and operate the Project consistent with the Redevelopment Plan and restricts the use of the Property to affordable housing and related uses; and

WHEREAS, the DDA and the grant deed that will convey the Property to RCD or RCD's affiliate adequately condition the sale of the Property on the redevelopment and use of the Property in conformity with the Central District Redevelopment Plan, and such documents prohibit discrimination in any aspect of the Project as required under the Central District Redevelopment Plan and the California Community Redevelopment Law; and

WHEREAS, the Project uses are in conformity with the Central District Redevelopment Plan, the Project will assist in the elimination of blight in the Central District, the Project will increase the supply of low and moderate income housing in the Central District, and the Project will help meet the objectives of the Central District Redevelopment Plan; and

WHEREAS, the City of Oakland's Consolidated Plan for Housing and Community Development indicates that there is a need for affordable rental housing, and has identified this activity as a priority; and

WHEREAS, as required by the California Community Redevelopment Law, the Agency has made available to the public for inspection, no later than the first date of publication of the notice for the hearing, a report that contains a copy of the draft DDA and a summary of the cost of the agreement to the Agency, the estimated fair market value of the Property at its highest and best use permitted under the Redevelopment Plan, the estimated value of the Property determined at the use and with the conditions, covenants and development costs required by the sale, an explanation of the reasons for the difference between the two values, and an explanation of why the sale of the Property and development of the Project will assist in the elimination of blight, with supporting facts and material; and

WHEREAS, a joint public hearing between the Agency and the City Council was held to hear public comments on the sale of the Property for the Project; and

WHEREAS, notice of the sale of the Property and the public hearing was given by publication at least once a week for not less than two weeks prior to the public hearing in a newspaper of general circulation in Alameda County; and

WHEREAS, the City, as the Lead Agency for the Project for purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"), has prepared a focused Environmental Impact Report, the Uptown Mixed Use Project Environmental Impact Report (the "EIR"), which covers the Project, analyzing the significant environmental effects and mitigation measures in accordance with the California Environmental Quality Act, Public Resources Code § 21000, et seq.; and

WHEREAS, on February 18, 2004, the City Council in accordance with CEQA Guidelines § 15090 certified that the Final EIR has been completed in compliance with CEQA and the Guidelines for Implementation of the California Environmental Quality Act (14 CCR sections 15000, et seq.); now, therefore, be it

RESOLVED: That the City Council hereby finds and determines on the basis of substantial evidence in the record that the EIR fully analyzes the potential environmental effects of the Project and incorporates mitigation measures to substantially lessen or avoid any potentially significant impacts in accordance with CEQA; and that: none of the circumstances necessitating preparation of additional CEQA review as specified in CEQA and the CEQA Guidelines, including without limitation Public Resources Code Section 21166 and CEQA Guidelines Section 15162, are present 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 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 described in CEQA Guidelines Section 15162(a)(3); and be it further

RESOLVED: That the City Council hereby finds and determines that the sale of the Property by the Agency to RCD or RCD's affiliate for the Project furthers the purposes of the California Community Redevelopment Law, contributes to the elimination of blight in the Central District Redevelopment Project Area, conforms to the Central District Redevelopment Plan, including its Implementation Plan, and furthers the goals and objectives of said Redevelopment Plan in that: (1) the Project will increase the stock of housing affordable to low and very low income households in the Central District, and reestablish residential areas for all economic levels within the Central District; (2) the Project will provide necessary community facilities lacking in the Central District; (3) the Project, once developed, will create permanent jobs for low and moderate income people, including jobs for area residents; (4) the Project will create a stable 24-hour residential community which will enhance the viability of retail businesses in the area; (5) the Project will redevelop a key underutilized site in the Central District; (6) the Project will improve environmental design within the Central District; and (7) the Project, once developed, will enhance depreciated and stagnant residential and commercial property values in the surrounding Uptown areas, and will encourage efforts to alleviate economic and physical blight conditions in the area, including high business vacancy rates, excessive vacant lots, and abandoned buildings, by enhancing the development potential and overall economic viability of neighboring properties; and be it further

RESOLVED: That the City Council hereby approves the sale of the Property to RCD by the Agency, subject to the terms and conditions of the DDA; and be it further

RESOLVED: That the City Council finds and determines that the consideration for the sale of the Property is not less than its fair reuse value at the use and with the covenants and conditions and development costs authorized under the DDA, for the reasons set forth in the report prepared in accordance with Health and Safety Code Section 33433; and be it further

RESOLVED: That the City Administrator or his or her designee is directed to file a Notice of Determination within five (5) working days of this Resolution in accordance with CEQA Guidelines Section 15094; and be it further

RESOLVED: That the custodians and locations of the documents or other materials which constitute the record of proceedings upon which the Agency's decision is based are respectively: (a) the Community and Economic Development Agency, Redevelopment Division, 250 Frank H. Ogawa Plaza, 5th Floor, Oakland; (b) the Community and Economic Development Agency, Planning Division, 250 Frank H. Ogawa Plaza, 3rd Floor, Oakland; and (c) the Office of the City Clerk, 1 Frank H. Ogawa Plaza, 1st Floor, Oakland; and be it further

RESOLVED: That the City Council hereby appoints the City Administrator or his or her designee to take any other action with respect to the Property or the Project, consistent with this Resolution and its basic purpose.

NOV 15 2005

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2005

PASSED BY THE FOLLOWING VOTE:

AYES- ~~BROOKS~~, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND PRESIDENT DE LA FUENTE -7

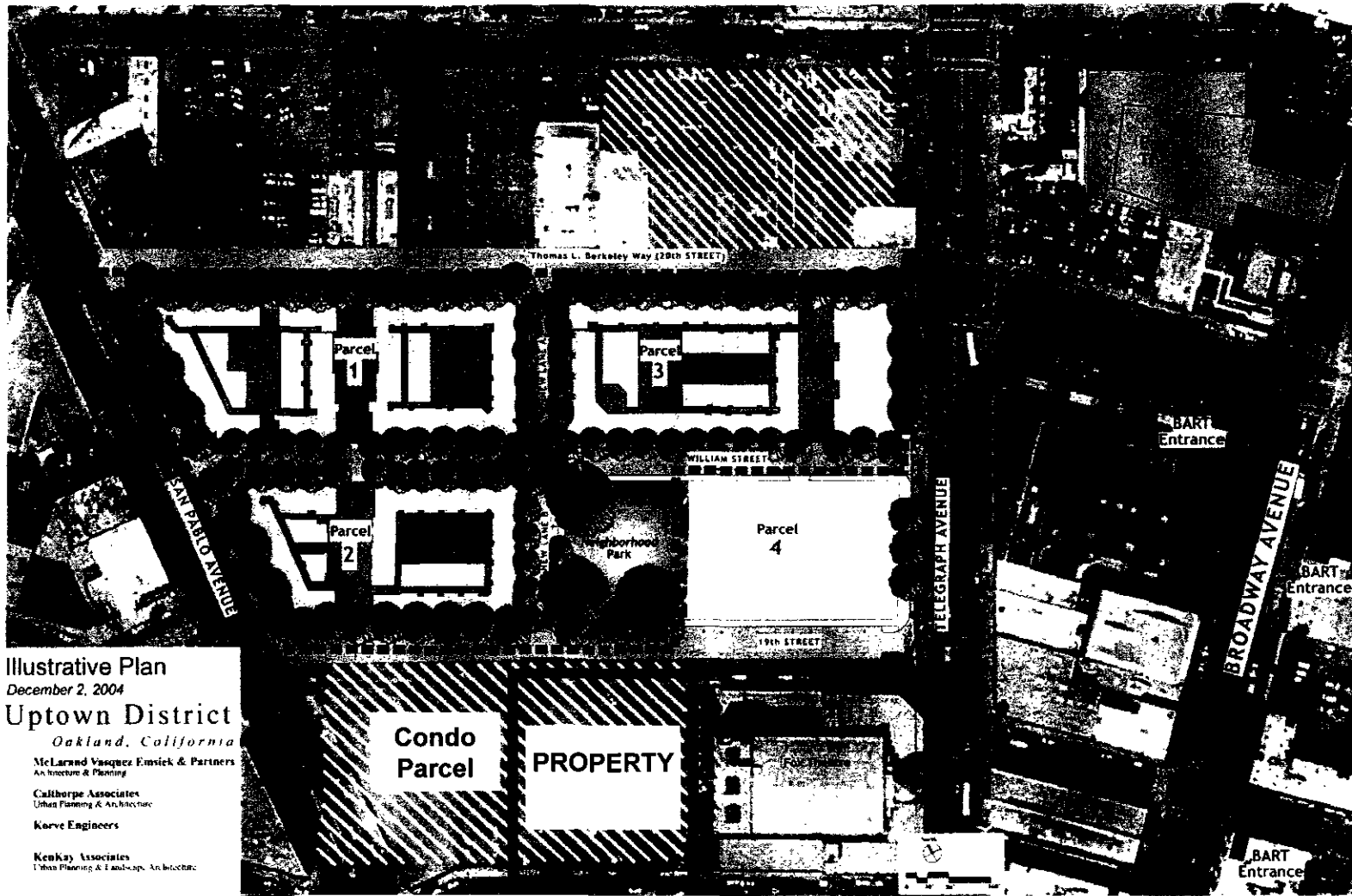
NOES- Brooks - 1

ABSENT- 0

ABSTENTION- 0

ATTEST: *Latonda Simmons*
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland

Attachment A
Project Site - Property



Illustrative Plan
December 2, 2004
Uptown District
Oakland, California

McLarand Vasquez Emsiek & Partners
Architecture & Planning

Calhorne Associates
Urban Planning & Architecture

Korve Engineers

KenKey Associates
Urban Planning & Landscape Architecture

Condo
Parcel
PROPERTY

**ATTACHMENT B-1
TERM SHEET AND PROJECT SUMMARY**

Terms of Disposition and Development Agreement

The terms of the proposed Disposition and Development Agreement (“DDA”) include the following:

- RCD to build 80 residential rental units (see Attachment B-1, Affordability Levels Chart);
- 79 of the 80 Project units to be restricted at an affordable rent to households at or below 60% of area median income for a period of 55 years;
- RCD to build 4,000 square feet of community retail space;
- The Property to be sold to RCD or its affiliate at no cost;
- Agency to provide the following funding to RCD:
 - \$1,600,000 from the Central District Tax Allocation Bond Series 2003: Central District TA Bond Series 2003 Fund (#9532), Uptown Forest City DDA 9532 Project (#T245610);
 - \$100,000 from the proceeds of the sale of Preservation Park from Preservation Park Loan Repayment Fund (#9562), Project Retail/Entertainment District Catalyst Project FY01 (#P132780);
 - \$414,400 for hazardous materials remediation from the proceeds of the sale of Preservation Park from Preservation Park Loan Repayment Fund (#9562), Project Retail/Entertainment District Catalyst Project FY01 (#P132780); and
 - \$400,000 for potential cost overruns resulting from the Agency’s inability to deliver the Property to RCD by September 1, 2007, from the Central District Tax Allocation Bond Series 2003: Central District TA Bond Series 2003 Fund (#9532), Uptown Forest City DDA 9532 Project (#T245610); and
 - \$350,000 from the Agency’s Low and Moderate Operations Fund (#9580), Housing Development Program (#P209310) for Fiscal Year 2006-07.
- Agency will be responsible for the cost of off-site improvements in connection with the Project, up to \$500,000, via agreement with FC Oakland, Inc.;
- If the Agency cannot make the Property available to RCD by January 1, 2008, RCD may terminate the DDA and the unsecured predevelopment loan of \$1.4 million will be forgiven;
- RCD or RCD’s affiliate to take the Property in its “as-is” condition, subject to an Agency contribution of \$414,400 for hazardous abatement;
- RCD and RCD’s affiliate to comply with provisions of the Central District Redevelopment Plan and nondiscrimination provisions of redevelopment law;
- The plans and specifications for the Project to be reviewed and approved by the Agency;
- Transfer of the Property to be restricted prior to Project completion;

- Project commencement and completion dates to be set in the DDA as negotiated by the Agency Administrator;
- RCD or its affiliate to comply with the Agency's employment and contracting programs (prevailing wage, local employment, local/small local business enterprise contracting, apprenticeship, living wage, and first-source hiring) for the Project;
- The Project to be restricted to residential, parking, and retail uses; and
- Any other appropriate terms and conditions as the Agency Administrator or his or her designee may establish in his or her discretion or as the California Community Redevelopment Law or the Redevelopment Plan may require.

Project Summary – Current Proposal

Project Type	Residential with commercial and parking
Address/Location	Bounded by San Pablo Avenue, San Pablo Avenue, and Telegraph Avenue, adjacent to the Fox Theater in the Central District Redevelopment Project Area
Developer	Resources for Community Development (RCD)
Architect	Castro and Associates
General Contractor	JH Fitzmaurice
Type of Construction	New construction, Class V, wood-frame, four-story residential building over a subterranean parking garage
Number of Units	80 units ranging from approximately 450 to 1,375 sf <ul style="list-style-type: none"> ▪ 18 Studio and Loft units ▪ 11 One Bedroom units ▪ 11 Two Bedroom units ▪ 35 Three Bedroom units ▪ 5 Four Bedroom units
Special Requirements (A11D)	<ul style="list-style-type: none"> ▪ 79 units will be affordable to persons and families earning incomes not greater than 80% AMI for at least 30 years.
Retail Area	4,000 sf <ul style="list-style-type: none"> ▪ 1,520 sf MOCHA arts center & teen center ▪ 2,480 sf childcare space administered by the Community Child Care Coordinating Council (“4C’s”) of Alameda County
Other Features	Two large courtyards 20,000 sq ft recreation room for residents
Parking Garage	80 spaces
Special Requirements (A11D)	79 units will be affordable to low and very low income households
Total Development Costs	\$27,031,020
Funding Sources	<ul style="list-style-type: none"> ▪ California Housing Finance Agency (CalHFA) ▪ State’s Multifamily Housing Program ▪ OHA project-based Section 8 ▪ Alameda County Housing Opportunities for Persons with Aids (HOPWA) ▪ Federal Home Loan Bank Affordable Housing ▪ Low Income Housing Tax Credits ▪ Deferred developer fee

**ATTACHMENT B-2
AFFORDABILITY LEVELS CHART**

Assisted Unit Type	Number of Assisted Units	Affordability Type		Maximum Tenant Household Income	Maximum Annual Rent
		Very Low Income	Low Income		
Studio	3	[X]		30% of AMI	30% of 30% of AMI
Studio	9	[X]		35% of AMI	30% of 35% of AMI
Studio	6	[X]		40% of AMI	30% of 40% of AMI
One bedroom	2	[X]		30% of AMI	30% of 30% of AMI
One bedroom	2	[X]		35% of AMI	30% of 35% of AMI
One bedroom	2	[X]		50% of AMI	30% of 50% of AMI
One bedroom	1	[X]		55% of AMI	30% of 55% of AMI
One bedroom	4		[X]	60% of AMI	30% of 60% of AMI
Two bedroom	1	[X]		30% of AMI	30% of 30% of AMI
Two bedroom	3	[X]		35% of AMI	30% of 35% of AMI
Two bedroom	2	[X]		50% of AMI	30% of 50% of AMI
Two bedroom	4		[X]	60% of AMI	30% of 35% of AMI
Three bedroom	17	[X]		35% of AMI	30% of 60% of AMI
Three bedroom	11		[X]	55% of AMI	30% of 55% of AMI
Three bedroom	7		[X]	60% of AMI	30% of 60% of AMI
Four bedroom	3	[X]		35% of AMI	30% of 35% of AMI
Four bedroom	2	[X]		50% of AMI	30% of 50% of AMI

ATTACHMENT B-3
DEVELOPER'S ESTIMATED DEVELOPMENT COSTS FOR FOX COURTS

Land Acquisition, Environmental, Title Costs	\$424,000
Construction Costs	\$17,506,171
Construction Contingency	\$2,727,637
Soft Costs	\$1,388,259
Financing Costs	\$2,081,949
Legal Costs	\$10,000
Reserves	\$320,000
Developer Costs	\$1,300,000
Syndication Costs	\$95,000
Other (Permit fees, marketing, reports, soft cost contingency, security, etc.)	\$1,128,004
Total Project Costs	\$27,031,020

**ATTACHMENT B-4
FOX COURTS DESIGN**

[attached]



Elevation

