

CITY OF OAKLAND

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OFFICE OF THE CITY CLERK  
OAKLAND

2017 NOV 21 PM 3:47

# AGENDA REPORT

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

**FROM:** Mark Sawicki  
Director, EWD

**SUBJECT:** Amend Fruitvale Transit Village Phase II ENA

**DATE:** November 13, 2017

City Administrator Approval

Date:

11/21/17

## RECOMMENDATION

Staff Recommends That City Council Adopt The Following Legislation:

**A Resolution Amending Resolution No. 85271 C.M.S. To Amend And Restate the Exclusive Negotiating Agreement ("Amended And Restated ENA") With The Spanish Speaking Unity Council ("Unity Council") For Development Of The Fruitvale Transit Village Phase II ("FTV Phase II") as Follows: 1) Formalize The Subdivision of FTV Phase II Into Two Projects, Phase IIA And Phase IIB; 2) Extend The Term Of The Amended And Restated ENA Phase IIB Project By One Year Through December 30, 2018, With One Six Month Administrative Extension; and 3) Add BRIDGE Housing Corporation And Or Affiliated Entities As A Party To The Amended And Restated ENA For The Development Of The Fruitvale Transit Village Phase IIB Project ("Phase IIB Project")**

## EXECUTIVE SUMMARY

The proposed Amended and Restated ENA will allow the Unity Council and BRIDGE Housing Corporation to: (1) evaluate the feasibility of the Fruitvale Transit Village (FTV) Phase IIB Project and (2) identify, apply for, and secure additional sources of Phase IIB Project financing including Low-Income Housing Tax Credits. The exclusive negotiation period is proposed to be extended until December 30, 2018 with one optional six-month administrative extension to allow for the completion of all requisite Phase IIB Project deadlines.

## BACKGROUND

### **Fruitvale Transit Village (FTV) Phase I**

Located in the heart of the vibrant Fruitvale neighborhood, Fruitvale Transit Village Phase I is a mixed-use development that includes retail spaces, offices, and apartments. The ground floor of the existing Fruitvale Transit Village is home to locally owned retail spaces. The second-floor offers office spaces for important community resources and organizations. Finally, on the third floor, there are 47 mixed-income one-and two-bedroom apartments. Fruitvale Village is adjacent

Item: \_\_\_\_\_  
CED Committee  
December 5, 2017

to the Fruitvale BART station with a major AC Transit hub, making the property an internationally renowned Transportation Oriented Development (TOD). Wide pedestrian plazas running through the village are host to weekly farmer's markets and event spaces. Fruitvale Village is also adjacent to the bustling Fruitvale commercial district that has experienced a dramatic transformation over the past 10 years.

**FTV Phase II**

FTV Phase II located between 35<sup>th</sup> and 37<sup>th</sup> Avenues and East 12<sup>th</sup> Street (See **Attachment A**) is the continuation of the City's revitalization vision for the Fruitvale area. This plan will bring new residents and rental units to the village and foster 24-hour, 7-day vibrancy and a sense of community that will further strengthen the commercial and retail components located at the village retail plaza. The guiding principles for the Phase II development are to provide mixed-income residential units, to incorporate state of the art green building and energy savings systems, and well-designed buildings. The project site is governed by the S-15 TOD Zone capitalizing on both the BART transit resource as well as the Alameda County Bus Rapid Transit (BRT) line along the International Boulevard line currently being developed one block north of the project. The entire site currently serves as a surface parking lot for BART commuters and the public. The surface parking lot will be phased out during the construction of the proposed project.

The FTV Phase II project site has been further divided into two development parcels, Phase IIA and Phase IIB. The Phase IIA component is approximately 1.23 acres (APN 033-2177-021) and is being separately developed through a partnership between the Unity Council and East Bay Asian Local Development Corporation (EBALDC).

Pursuant to Ordinance No. 13312 C.M.S. dated June 22, 2015 and subsequent requisite actions, the City entered into a Lease Disposition and Development Agreement (LDDA) with the Unity Council and the East Bay Asian Local Development Corporation (EBALDC) for Phase IIA. Phase IIA will consist of 94 residential units (92 affordable and 2 market rate units) and is expected to close financing in December 2017.

Fruitvale Transit Village (FTV)		
FTV Phase I	FTV Phase II (3.4 acres)	
Completed	FTV Phase IIA (1.23 acres)	FTV Phase IIB (2.18 acres)
Unity Council developed 357,000 square feet of retail, office, and 47 residential units.	Status: Lease Disposition & Development Agreement (LDDA) executed July 1, 2015 with the Unity Council and EBALDC with 92 affordable units and 2 market rate housing units (1.23 acres)  Ground Lease to be finalized by December 2017. Phase IIA is in the final stages of construction financing and is expected to close in December 2017.	Status: Proposed ENA amendment to extend to December 2018 with 6-month option.  Proposed 181 units of rental housing and a community health center on the ground floor.  The Unity Council has a Memorandum of Understanding (MOU) with BRIDGE Housing Corporation for Phase IIB.

## FTV Phase IIB Project Description

The Phase IIB component (APN 033-2197-019) is approximately 2.18 acres and is the subject of this report. Phase IIB is the final parcel proposed to be developed as part of the Fruitvale Transit Village through a joint venture between the Unity Council and BRIDGE Housing Corporation. Currently, the site is a surface parking lot with paid public parking owned by the City of Oakland. There are no known major environmental issues, and much of the needed infrastructure is already available in the area. The Unity Council is now interested in moving forward with the FTV IIB. The Unity Council currently has a Memorandum of Understanding (MOU) with BRIDGE Housing Corporation to move forward with the development of the FTV Phase IIB to build the remaining 181 units of mixed-income units (with a current range of 80-90% affordable and 20-10% market rate units).

The proposed amendment to extend the term of the ENA and add BRIDGE Housing Corporation to the ENA will allow the partners to apply for financing from the next round of Affordable Housing and Sustainable Communities (AHSC) in January 2018, as well as California Tax Credit Allocation Committee (TCAC) for Low-Income Housing Tax Credits and negotiate the terms of the Lease Disposition and Development Agreement (LDDA) with the City.

The project is proposed as 4 and 5 stories of Type V construction covering a concrete podium (see **Attachment B**). The project is entitled for 181 units of mixed-income housing (currently with a range of 80-90% affordable and 20-10% market rate units). The residents of the project will have access to a large exterior courtyard podium, in addition to interior common spaces. The ground floor will include an approximately 7,200-square foot space for La Clinica de la Raza, which will provide low-cost health care for low-income patients in the neighborhood. The podium will also include between 100 and 120 parking spaces which will be shared between the residential and commercial uses.

## Legislative History/Previous Approvals

In July 2010, the Board of the former City of Oakland Redevelopment Agency (the "Agency") approved Resolution No. 2010-0100 C.M.S. (the "Agency Resolution") and authorized the Agency Administrator to purchase the parking lot from BART to develop the site for the FTV Phase II project. Phase II was originally entitled by the Unity Council in 2010 when the City was in the process of acquiring the site from BART.

In January 2012, all redevelopment agencies in the State of California were dissolved, the Oakland Redevelopment Successor Agency ("ORSA") became the Successor Agency to the Agency and pursuant to the long-range property management plan approved by the California Department of Finance in May 2014, the property was transferred to the City.

In October 2013, City Council approved Resolution No. 84660 C.M.S. which authorized the City Administrator to apply for, accept, and appropriate funds in a total amount not to exceed \$8 million from the California Department of Housing and Community Development (HCD) under the Transit Oriented Development (TOD) program for the FTV Phase II Housing Project.

In February 2014, the City received the maximum \$4,000,000 HCD grant and the Unity Council separately received the maximum \$4,000,000 HCD loan amount for Phase II of the FTV project, with a total of \$8,000,000 of HCD TOD funds for the FTV Phase II project.

Pursuant to Resolution No. 85271 C.M.S approved on November 18, 2014, the City entered into an Exclusive Negotiating Agreement ("Original ENA") with the Unity Council for FTV Phase II for a proposed lease on the City-owned 3.4-acre parcel located between 35<sup>th</sup> and 37<sup>th</sup> Avenues and East 12<sup>th</sup> Street (See **Attachment A**). The Original ENA was subsequently extended one year to November 18, 2015 and six months to May 19, 2016 pursuant to the terms of the Original ENA.

### **Project Developers**

#### *The Unity Council*

The Unity Council was founded in 1964, incorporated in 1967, and received 501(c) (3) tax exempt status in 1968. The Unity Council is a non-profit community development corporation committed to enriching the quality of life of families primarily in the Fruitvale District of Oakland. Its mission is to help families and individuals build wealth and assets through comprehensive programs of sustainable economic, social, and neighborhood development. To move forward with the development of the affordable housing on the FTV Phase IIB site, the Unity Council partnered with BRIDGE Housing Corporation to undertake the FTV Phase IIB Project.

#### *BRIDGE Housing Corporation*

In 1983, BRIDGE was formed from a major anonymous grant given to the San Francisco Foundation to spearhead new solutions to the worsening shortage of affordable housing. BRIDGE has experience in building a range of development types in many settings and forms. BRIDGE is known for creating award-winning affordable homes that not only reflect the character of the community but also display the same quality of design and construction as market-rate housing. As a nonprofit and seasoned developer, BRIDGE is uniquely equipped to find and leverage capital, lower development costs, and forge community partnerships.

BRIDGE has a specialized real estate development team and network of relationships which allows BRIDGE to offer a range of cost and quality advantages with every project. BRIDGE's expertise can also help other developers meet their affordable housing requirements. As a leading development partner, BRIDGE can respond creatively to development opportunities and community needs.

### **ANALYSIS AND POLICY ALTERNATIVES**

Staff recommends adoption of the resolution to amend and restate the Original ENA with the Unity Council to acknowledge the subdivision of the FTV Phase II Project, extend the term of the Amended and Restated ENA, and add BRIDGE Housing Corporation as a party to the Amended and Restated ENA for FTV Phase IIB. The Amended and Restated ENA will allow the City to negotiate the terms of a Lease Disposition and Development Agreement (LDDA) for the Phase IIB development of 181 residential units. Phase IIB is the next critical piece to help

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revitalize the areas around the BART station, adding urgently needed mixed-income residential units, and La Clinica's community-serving health center on the ground floor. This development will help alleviate Oakland's ongoing shortage of housing while meeting goals to add residential and commercial density to transit-rich locations.

If the Resolution is not approved, the Unity Council and BRIDGE Housing Corporation will lose an opportunity to apply by mid-January for State financing for affordable housing through the Affordable Housing Sustainable Communities (AHSC) program as well as the California Tax Credit Allocation Committee (TCAC) for Low-Income Housing Tax Credits. In order to apply for these competitive funds, the developer must be able to demonstrate site control.

### **FISCAL IMPACT**

There are no fiscal impacts for the execution of the Amended and Restated ENA for the FTV IIB Project besides staff time and resources of the Public/Private Development division of EWD and Office of the City Attorney. This property was purchased with restricted bond funds; therefore, any future ground lease income would be considered restricted funds under the Long-Range Property Management Plan and Compensation Agreement which could only be used for other redevelopment purposes in the Coliseum Redevelopment Project Area.

### **PUBLIC OUTREACH / INTEREST**

Local Neighborhood Crime Prevention Council (NCPC) meetings have been held on a regular basis regarding the status of the project and community members are overwhelmingly supportive of the project. The proposed development was presented and approved for entitlements by the Planning Commission on May 6, 2015.

### **COORDINATION**

Planning and Building Department staff worked with the Developer on the proposed new Fruitvale Transit Village Phase II project. Economic and Workforce Development's Real Estate Services and Public/Private Development staff have worked on the Phase IIA project and will continue to work on the FTV Phase IIB Project as well.

### **SUSTAINABLE OPPORTUNITIES**

**Economic:** The proposed transit oriented development will complement and increase both affordable and market rate housing opportunities in the Fruitvale district and in Oakland in general. This project will improve neighborhood conditions and make the neighborhood area more attractive to current and prospective residents, tenants, and businesses that can provide employment within Oakland.

**Environmental:** The proposed transit oriented development is expected to contribute to smart growth by stimulating neighborhood use of the existing Fruitvale district and the expansion of the Fruitvale Transit Village.

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**Social Equity.** The project will provide 181 mixed-income residential units which are in great demand in the Fruitvale area and the City of Oakland.

**CEQA**

The Fruitvale Transit Village Environmental Impact Report (EIR) was certified in May 2010 for FTV Phase II. The Planning Commission approved FTV Phase IIA on May 6, 2015 and adopted requisite CEQA findings for such action. A Notice of Determination for the FTV Phase IIA was issued on June 10, 2015. Pursuant to Sections 15162-15164 of the California Environmental Quality Act (CEQA) Guidelines, no additional environmental review is necessary for this action.

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**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that City Council adopt the following legislation:

**A Resolution Amending Resolution No. 85271 C.M.S. To Amend And Restate the Exclusive Negotiating Agreement ("Amended And Restated ENA") With The Spanish Speaking Unity Council ("Unity Council") For Development Of The Fruitvale Transit Village Phase II ("FTV Phase II") as Follows: 1) Formalize The Subdivision of FTV Phase II Into Two Projects, Phase IIA And Phase IIB; 2) Extend The Term Of The Amended And Restated ENA Phase IIB Project By One Year Through December 30, 2018, With One Six Month Administrative Extension; and 3) Add BRIDGE Housing Corporation And Or Affiliated Entities As A Party To The Amended And Restated ENA For The Development Of The Fruitvale Transit Village Phase IIB Project ("Phase IIB Project")**

For questions regarding this report, please contact Theresa Lopez, Urban Economic Coordinator at (510) 238-6250.

Respectfully submitted,



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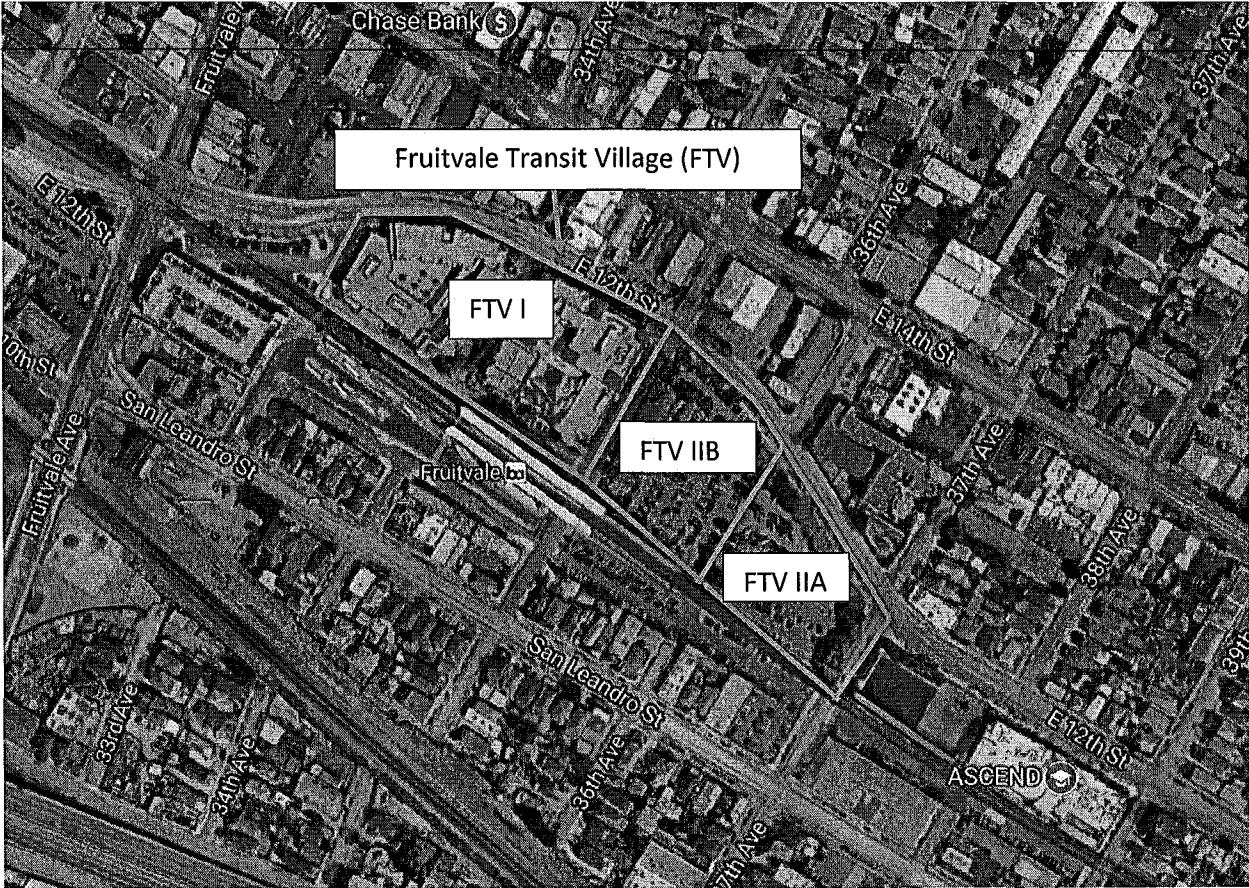
Mark Sawicki  
Director, Economic and Workforce  
Development Department

Reviewed by:  
Patrick Lane, Division Manager  
Larry Gallegos, Area Manager

Prepared by:  
Theresa Lopez, Urban Economic Coordinator

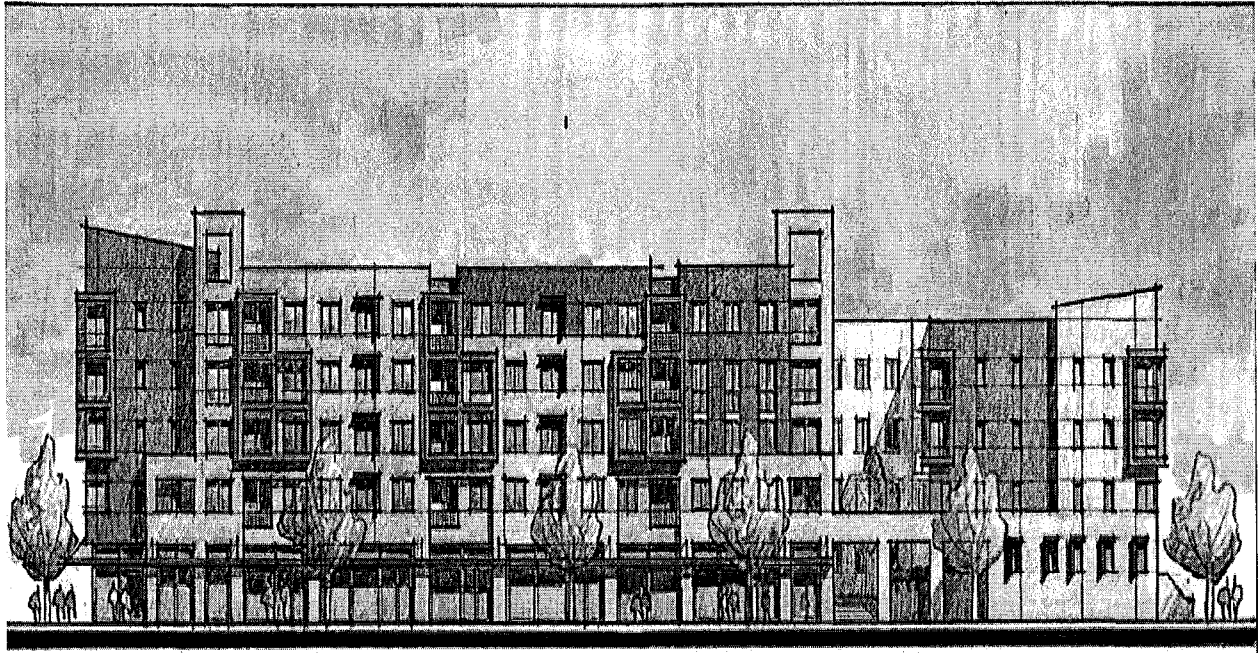
Attachments:  
Attachment A: Aerial of site  
Attachment B: Conceptual Designs

Attachment A- Aerial View of Fruitvale Transit Village Development

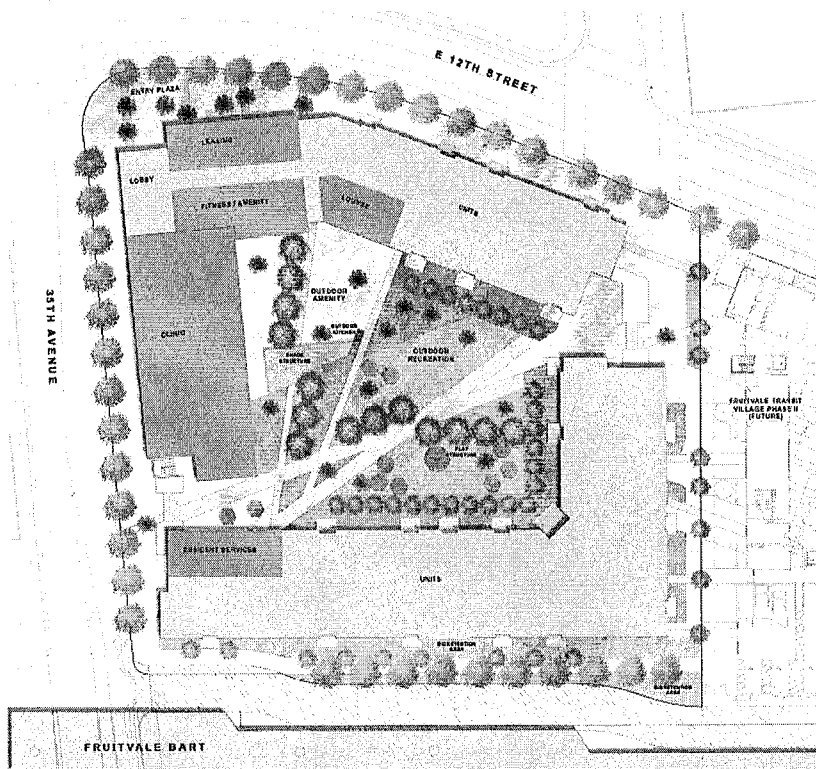




Attachment B - Fruitvale Transit Village Phase IIB Schematics

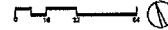


# Attachment B - Fruitvale Transit Village Phase IIB Schematics



FRUITVALE TRANSIT VILLAGE PHASE IIB  
OAKLAND, CALIFORNIA

OPEN SPACE CONCEPT STUDY  
06.12.2017



**FOA**  
ARCHITECTURE  
PLANNING  
LANDSCAPE ARCHITECTURE  
INTERIOR DESIGN

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Approved as to Form and Legality:  
*[Signature]* 11/21/17

# OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

A Resolution Amending Resolution No. 85271 C.M.S. To Amend And Restate the Exclusive Negotiating Agreement (“Amended And Restated ENA”) With The Spanish Speaking Unity Council (“Unity Council”) For Development Of The Fruitvale Transit Village Phase II (“FTV Phase II”) as Follows: 1) Formalize The Subdivision of FTV Phase II Into Two Projects, Phase IIA And Phase IIB; 2) Extend The Term Of The Amended And Restated ENA Phase IIB Project By One Year Through December 30, 2018, With One Six Month Administrative Extension; and 3) Add BRIDGE Housing Corporation And Or Affiliated Entities As A Party To The Amended And Restated ENA For The Development Of The Fruitvale Transit Village Phase IIB Project (“Phase IIB Project”)

**WHEREAS**, on November 18, 2014 an Exclusive Negotiating Agreement (ENA) was authorized with Resolution No.85271 C.M.S. between the City of Oakland and the Spanish Speaking Unity Council for the development of a City of Oakland 3.4 acre property located between 35<sup>th</sup> and 37<sup>th</sup> Avenues and East 12<sup>th</sup> Street ( APN 033-2177-021 and APN 033-2197-019); and

**WHEREAS**, the FTV Phase II is now in two phases, the Phase IIA component is approximately 1.23 acres (APN 033-2177-021) and Phase IIB component (APN 033-2197-019) is approximately 2.18 acres; and

**WHEREAS**, the Unity Council has successfully moved forward with the requirements of the ENA and has signed a Lease Disposition and Development Agreement (LDDA) for Phase IIA for 94 units of housing and is now in the final stages of closing on the FTV Phase IIA site; and

**WHEREAS**, the Unity Council has a Memorandum of Understanding (MOU) with BRIDGE Housing Corporation for the development of Phase IIB; and

**WHEREAS**, the Unity Council and BRIDGE Housing Corporation as “Developer” desire to commence the development of Phase IIB of the Fruitvale Transit Village as a proposed mixed-use transit oriented development with approximately 181 residential units, up to 120 parking spaces, and a 7,200-square foot non-profit clinic, La Clinica de la Raza, on the ground floor; and

**WHEREAS**, the Unity Council and BRIDGE Housing Corporation desire to amend and restate the original ENA in order to provide additional time for the preliminary study and exclusive negotiations of the proposed project, with the understanding that such study and

negotiations do not constitute a binding commitment on the part of the City to the proposed Project, Unity Council or any developer; and now therefore be it

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**RESOLVED:** That the City Administrator (the "City Administrator") or his/her designee is authorized to amend the existing Exclusive Negotiating Agreement ("ENA") with the Unity Council for purposes of studying and evaluating the feasibility of, and negotiating terms and conditions for the potential development of Phase IIB of the Fruitvale Transit Village at the Fruitvale BART Station parking lot, including, but not limited to approximately 181 residential units, up to 120 parking spaces and a 7,200 square foot clinic; and be it

**FURTHER RESOLVED:** That the exclusive negotiating period shall be extended until December 2018 with the option to extend said period an additional six months at the discretion of the City Administrator or his/her designee; and be it

**FURTHER RESOLVED:** That the City finds and determines, after independent review and consideration, that the authorization to enter into the ENA with Unity Council is exempt from CEQA pursuant to Section 15262 (feasibility and planning studies), Section 15306 (information collection) and Section 15061(b)(3) (general rule) of the CEQA Guidelines; and be it

**FURTHER RESOLVED:** That the City Administrator or his/her designee shall cause to be filed with the County of Alameda a Notice of Exemption from CEQA requirements; and be it

**FURTHER RESOLVED:** That all documents shall be reviewed and approved as to form and legality by the City Attorney's Office prior to execution; and be it

**FURTHER RESOLVED:** That the City hereby authorizes the City Administrator or his/her designee, to negotiate and enter into other agreements and take all other actions necessary with respect to the ENA and the Project consistent with this Resolution and its basic purpose.

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

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON McELHANEY, GUILLEN, KALB, KAPLAN, and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_

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