

2018 MAR 29 PM 5:05


DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE NO. 13484 C.M.S.

ORDINANCE AUTHORIZING THE PURCHASE OF A 70 UNIT SINGLE ROOM OCCUPANCY RESIDENTIAL HOTEL LOCATED AT 641 WEST GRAND AVENUE FOR \$7,000,000 FOR USE AS TRANSITIONAL HOUSING, ALLOCATING AN ADDITIONAL AMOUNT NOT TO EXCEED \$20,000 FOR ASSOCIATED CLOSING COSTS AND FEES, AND MAKING CEQA FINDINGS

WHEREAS, at the November 2016 general election, Oakland voters passed Measure KK, the Infrastructure and Housing Bond; and

WHEREAS, on November 29, 2016, the City Council approved Ordinance No. 13403 C.M.S., which enacted the City of Oakland Affordable Housing and Infrastructure Bond Law, and which identified, among other things, the purchase and/or rehabilitation of rental properties that are currently affordable as an eligible use for the City's affordable housing bond funds; and

WHEREAS, on June 19, 2017, City Council approved Resolution No. 86774 C.M.S., which authorized issuance of the first tranche of Measure KK housing bond funds in an amount not to exceed \$50 million (subsequently amended on June 29, 2017 per Council Resolution No. 86814 C.M.S. to increase the amount to \$55 million), including funds for the purchase of a transitional housing facility or facilities in an amount up to \$14 million; and

WHEREAS, since last summer, City staff have diligently been pursuing possible SRO properties to purchase to serve as transitional housing facilities; and

WHEREAS, the property located at 641 West Grand Avenue (the "Property"), which has 70 units that could serve up to 140 residents at a time, is currently available for sale by owner Uptown Residences, LLC; and

WHEREAS, the City and the Property owner have negotiated a sales price of \$7,000,000, which is supported by an independent City appraisal by CBRE; and

WHEREAS, the Property is currently being renovated, and will be sold to the City in turnkey condition; and

WHEREAS, closing costs and fees associated with the purchase transaction are estimated at an amount not to exceed \$20,000; and

WHEREAS, Section 2.41.020, et seq., of the Oakland Municipal Code authorizes the City to purchase real property by ordinance; and

WHEREAS, Planning staff has determined that the purchase of the Property is exempt from review under the California Environmental Quality Act ("CEQA") under Sections 15301 and 15326 of the CEQA guidelines, which, respectively, exempt the operation and minor alteration of existing facilities, and the acquisition of housing units by public agencies for the use of housing assistance; now, therefore

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

SECTION 1. The City Council hereby authorizes the City to acquire the 641 West Grand Avenue Property from Uptown Residences, LLC, once property renovations are completed, for a purchase price not to exceed \$7,000,000. The Property shall be sold to the City in turnkey state, ready to occupy.

SECTION 2. The City Council hereby finds that the transaction authorized by this Ordinance is exempt from the moratorium on the conversion, demolition, reconfiguration and rehabilitation of Residential Hotels adopted under Oakland Ordinance No. 13415 C.M.S., as the property will be turned into an Affordable Housing Project, as determined by the City of Oakland Housing and Community Development Department.

SECTION 3. The City Council hereby allocates \$7,000,000 from the Measure KK Housing and Infrastructure Bond Affordable Housing Fund (Fund 5331) to cover the purchase price, plus an additional amount not to exceed \$20,000 to cover associated closing costs and fees.

SECTION 4. The City Council hereby authorizes the City Administrator or her designee to negotiate and execute agreements and grant deeds with Uptown Residences, LLC, for the purchase of the Property, and to take any other action with respect to the purchase of the Property consistent with this Ordinance and its basic purposes.

SECTION 5. The City Council hereby finds and determines on the basis of substantial evidence in the record that this transaction is exempt from CEQA under Sections 15301 and 15326 of the CEQA guidelines, which, respectively, exempt the operation and minor alteration of existing facilities and the acquisition of housing units by public agencies for the use of housing assistance. 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 6. 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.

IN COUNCIL, OAKLAND, CALIFORNIA, MAY 01 2018

PASSED BY THE FOLLOWING VOTE:

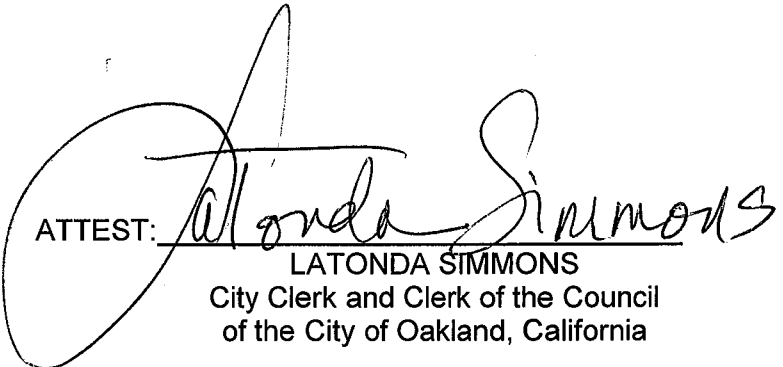
AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN,
KALB, KAPLAN AND ~~WASHINGTON~~ - 7

NOES- 0

ABSENT- 0

ABSTENTION- 0

-EXCUSED- Reid

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

Introduction Date

APR 17 2018

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NOTICE AND DIGEST

This Ordinance authorizes the purchase of a 70 unit Single Room Occupancy Residential Hotel located at 641 W. Grand Avenue, for a purchase price of \$7,000,000, with an additional \$20,000 allowance for closing costs and fees, for use as transitional housing. This Ordinance also authorizes the City Administrator to negotiate and enter into a purchase and sale agreement for this transaction, and makes associated findings with respect to the California Environmental Quality Act (CEQA) and other matters.