

Daniel Rossi

Daniel Rossi (Jun 8, 2026 10:54:25 PDT)

CITY ATTORNEY'S OFFICE

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

ORDINANCE AMENDING ORDINANCE NO. 13104 C.M.S., WHICH AUTHORIZED THE SALE OF A CITY-OWNED PARCEL AT 319 CHESTER STREET TO THE ALLIANCE FOR WEST OAKLAND DEVELOPMENT, AUTHORIZED SELLER FINANCING FOR THE PURCHASE PRICE, AUTHORIZED A CONSTRUCTION LOAN, AND AUTHORIZED A DISPOSITION AND DEVELOPMENT AGREEMENT WITH THE DEVELOPER TO DEVELOP THE PARCEL WITH A TWO FAMILY HOME FOR-SALE, TO (1) CONVERT THE PROJECT INTO AN AFFORDABLE RENTAL PROJECT, AND (2) CONSOLIDATE THE CITY PURCHASE AND CONSTRUCTION LOANS INTO A LONG TERM AFFORDABLE RENTAL LOAN

WHEREAS, Ordinance No. 13104 C.M.S. authorized the sale of 319 Chester Street, APN: 004-0103-035-00 (the "Property"), to the Alliance for West Oakland Development (the "Developer") for a purchase price of \$94,000, authorized seller financing for the purchase price, authorized a \$400,000 construction loan, and authorizing a Disposition and Development Agreement with the Developer to develop the Property with a two family home for sale; and

WHEREAS, the Developer and the City of Oakland (City) entered into a Disposition and Development Agreement on May 2, 2014, for the Chester Street project, and the Developer is now the owner of the Property and has commenced construction of the project; and

WHEREAS, the City and the Developer desire to amend and extend the Disposition and Development Agreement to convert the Chester Street project into a long term affordable rental project; and

WHEREAS, Resolution No. 90308 C.M.S. authorized the City Administrator to provide up to \$30 million as permanent financing to take out loans provided by the Housing Accelerator Fund (the "HAF") for the purchase and rehabilitation of affordable housing in Oakland, and allocated Measure U housing bond funds (Fund 5343) for this purpose; and

WHEREAS, the City Administrator is providing \$1 million from funds allocated under Resolution No. 90308 C.M.S. to take out additional construction loan financing provided by the

HAF to the Chester Street project, increasing the City's permanent financing of project construction to a total of \$1,494,000; and

WHEREAS, the City and the Developer desire to convert the City purchase and construction loans into one long term affordable rental loan; and

WHEREAS, the City is the Lead Agency 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;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

SECTION 1. The City Council hereby amends Ordinance No. 13104 C.M.S. as set forth in this Ordinance.

SECTION 2. The City Council hereby authorizes the City Administrator to negotiate and enter into an amendment to the Disposition and Development Agreement for the Chester Street project to extend the Disposition and Development Agreement and change the project into an affordable rental housing project.

SECTION 3. The City loans for seller financing and construction financing for the Chester Street project shall be consolidated, and the terms of the consolidated loan shall be changed to have a maximum term of 55 years, with repayment to the City from a share of surplus cash flow from the project and other available funds during the term of the loan, with the balance due at the end of the term, or on such other repayment terms and schedule as the City Administrator determines are in the best interests of the City and the project. The consolidated loan shall be secured by a deed of trust on the Property. Three (3) percent interest shall be charged on this consolidated loan. The consolidated loan shall be contingent on and subject to such other appropriate terms and conditions as the City Administrator may establish.

SECTION 4. As a condition of the loan as consolidated and extended and the amendment to the Disposition and Development Agreement, the City shall require that appropriate restrictions on project occupancy, rents and operations be recorded against the Property in the form of a Regulatory Agreement.

SECTION 5. The City hereby authorizes the City Administrator in his or her discretion to subordinate the priority of any City deed of trust to the liens or encumbrances of other private or governmental entity providing assistance to the project; provided, however, that the City's Regulatory Agreement shall not be subordinated in priority to other liens or encumbrances, with the exception of preexisting liens or encumbrances or refinancings of preexisting liens, or the liens or encumbrances of other governmental entities providing assistance to the project.

SECTION 6. All documents shall be reviewed and approved by the City Attorney's Office for form and legality prior to execution, and copies will be placed on file with the City Clerk.

SECTION 7. 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 development of the Property 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 8. The City Council hereby appoints the City Administrator as agent of the City to conduct negotiations, execute documents, administer the loan, extend or modify the repayment terms, and take any other action with respect to the loan and the project consistent with this Ordinance and its basic purpose.

SECTION 9. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, clause or phrase thereof irrespective of the fact that one or more other sections, subsections, clauses or phrases may be declared invalid or unconstitutional

SECTION 10. Effective Date. This Ordinance shall become effective immediately on final adoption if it receives six or more affirmative votes; otherwise it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROWN, FIFE, GALLO, HOUSTON, RAMACHANDRAN, UNGER, WANG, AND
PRESIDENT JENKINS

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____
ASHA REED
City Clerk and Clerk of the Council of the
City of Oakland, California

NOTICE AND DIGEST

ORDINANCE AMENDING ORDINANCE NO. 13104 C.M.S., WHICH AUTHORIZED THE SALE OF A CITY-OWNED PARCEL AT 319 CHESTER STREET TO THE ALLIANCE FOR WEST OAKLAND DEVELOPMENT, AUTHORIZED SELLER FINANCING FOR THE PURCHASE PRICE, AUTHORIZED A CONSTRUCTION LOAN, AND AUTHORIZED A DISPOSITION AND DEVELOPMENT AGREEMENT WITH THE DEVELOPER TO DEVELOP THE PARCEL WITH A TWO FAMILY HOME FOR-SALE, TO (1) CONVERT THE PROJECT INTO AN AFFORDABLE RENTAL PROJECT, AND (2) CONSOLIDATE THE CITY PURCHASE AND CONSTRUCTION LOANS INTO A LONG TERM AFFORDABLE RENTAL LOAN

This Ordinance authorizes an amendment to an existing Disposition and Development Agreement with the Alliance for West Oakland Development for the sale and development of 319 Chester Street to change the project from a for-sale project into a long term affordable rental project. This Ordinance also authorizes a change to the terms of the purchase loan and construction loan provided to this project to consolidate these loans and make the consolidated loan a long term loan at 3% interest.