



MEMORANDUM

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Elizabeth Lake
Deputy City Administrator

Larry Gallegos
Department of
Economic and Workforce
Development

SUBJECT: Conclusion of Surplus Lands Act **DATE:** June 30, 2020
Process: Coliseum Complex

City Administrator
Approval

Date
June 30, 2020

INFORMATION

This Information Memorandum documents the Surplus Land Act (SLA) compliance process for the City's 50% interest in the 112-acre Coliseum Complex site in East Oakland.

EXECUTIVE SUMMARY

On December 2, 2019, in accordance with City Council direction, staff issued the SLA Notice of Availability (NOA) for the City's 50% interest in the Coliseum Complex. (See Attachment A).

Pursuant to legislative amendments to the SLA which became effective on January 1, 2020, the City Council held a public meeting on January 21, 2020, and approved Resolution C.M.S., No.88000 which declared the Coliseum Complex as surplus. (See Attachment B).

The City received one letter, from East Bay Housing Organizations (EBHO) on January 31, 2019 in response to the NOA. (See Attachment C). The City subsequently met with and negotiated in good faith with EBHO, and EBHO confirmed that neither the organization or its members were ultimately interested in buying or leasing the City's 50% ownership of the Coliseum Complex.

The statutory time frame for the negotiation period expired on May 2, 2020. Due to the COVID-19 pandemic, the City extended the period to June 1, 2020.

The SLA process has now concluded, and although the City received one letter of interest, no offers for sale or lease were received and no sale or lease was consummated.

In accordance with the SLA, any subsequent development of 10 or more residential units on the site must include at least 15 percent of units as affordable. This requirement must be contained in a deed restriction recorded against the land prior to future land use entitlement.

BACKGROUND / LEGISLATIVE HISTORY

The Coliseum Complex

The Coliseum Complex is located at 7000 Coliseum Way and consists of two parcels (APN:041-3901-008-00 and 041-3901-009-00), housing the Arena, the Coliseum and associated parking lots, together “the Coliseum Complex”.

The Coliseum Complex is currently owned jointly by the City and the County of Alameda (County) as tenants in common, and operated by the Oakland Alameda County Coliseum Authority, a joint powers agency established by the City and the County to finance improvements to the Coliseum Complex and to manage the Coliseum Complex on behalf of the City and the County. There is no written tenancy in common agreement between the City and the County governing their respective rights as co-owners of the Complex.

On December 23, 2019, the County entered into a disposition agreement with Coliseum Way Partners (CWP), an affiliate of the Oakland Athletics, to sell its 50% interest in the Coliseum Complex to CWP.

As described in the Executive Summary above, the City determined its interest in the Coliseum Complex to be surplus and staff completed the SLA process as required by state law and outlined below.

The Surplus Land Act

Effective January 1, 2020, Assembly Bill (AB) No.1486 amended the SLA. As revised, the SLA requires a local agency to declare property as “surplus land” in a public hearing by the legislative body of the local agency and prohibits local agencies from commencing negotiations over the sale or lease of surplus property prior to declaring such property as surplus. The SLA further requires the local agency to send an NOA for specified uses, including affordable housing, parks and recreation, and schools to designated entities (“Eligible Entities”), including:

- California Department of Housing and Community Development (“HCD”)¹
- Any local public entity within the jurisdiction where the surplus local land is located

¹ Note the Coliseum Complex NOA was issued pursuant to the prior law, which did not include HCD as an Eligible Entity.

- Developers who have notified HCD of their interest in developing affordable housing on surplus local land.

An Eligible Entity desiring to purchase or lease the surplus land for any of the purposes described above must notify the City in writing of its intent to purchase or lease the land within 60 days after receipt of the City's notification of intent to dispose of the land.

If the City receives notice of interest from any Eligible Entities, the SLA mandates a 90-day negotiation period with any designated entities that submit timely offers. If no notice of interest is received or negotiations do not result in a disposition, the City may proceed with disposing of the land. The SLA does not require the City to dispose of surplus land at less than fair market value. However, the SLA requires that, at a minimum, any subsequent development of 10 or more residential units on the site must include at least 15 percent of units as affordable as defined in the Health & Safety Code Section 50052.5 and 50053.

CONCLUSION

The SLA process for the Coliseum Complex is complete. Although the City received one letter of interest, no offers for sale or lease were received and no sale or lease was consummated as part of the SLA process for the City's 50% interest in the Coliseum Complex.

As required by the SLA, subsequent development of 10 or more residential units on the site must include at least 15 percent of units as affordable. This requirement must be contained in a deed restriction recorded against the land prior to land use entitlement.

For questions regarding this report, please contact Larry Gallegos, Department of Economic and Workforce Development, at lgallegos@oaklandca.gov or (510) 238-6174.

Attachments:

- A. NOA
- B. Resolution C.M.S., No.88000
- C. EBHO Letter

Respectfully submitted,

Elizabeth Lake

ELIZABETH LAKE
Deputy City Administrator

CITY OF OAKLAND



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

OFFICE OF THE CITY ADMINISTRATOR

(510) 238-3301

FAX: (510) 238-2223

TDD: (510) 238-3254

TO: Eligible Entities

FROM: Elizabeth Lake, Deputy City Administrator, Real Estate and Major Projects

DATE: December 2, 2019

RE: NOTICE OF AVAILABILITY AND OFFER TO CONVEY SURPLUS PROPERTY PURSUANT TO GOVERNMENT CODE SECTION 54220 et seq.

To Whom It May Concern:

Pursuant to Government Code Section 54220 et seq., as it may be amended, the City of Oakland ("City") is hereby giving notice of availability and its intent to convey its undivided 50% interest in the property identified as Assessor Parcel Numbers ("APN's") 041-3901-008 & 041-3901-009 and commonly known as the Oakland Alameda County Coliseum Complex (the "Site") by sale or lease. Pursuant to Government Code Section 54222, the City is hereby providing this written offer to your agency/organization to sell or lease said property for certain purposes or uses consistent with your agency's/organization's mission. Please be advised that the City owns the Site with the County of Alameda, as tenants in common, and the City is providing this offer of only its undivided 50% interest. We also note that the City is concurrently providing this written offer to all eligible entities designated in Government Code Section 54222.

If your agency/organization desires to purchase or lease the Site, you have up to **60 days** from the date of this offer to notify the City of your intent. Priority shall be given to the development designated in Section 54222(a) to any offers received. Your response should include a description of your intended development proposal. If you submit a response, the City will enter into good faith negotiations with your agency/organization to discuss your proposed development proposal or use and to determine a mutually satisfactory sales price or lease terms.

Please address the notice of intent to purchase or lease to:

Larry Gallegos
Coliseum Area Manager
City of Oakland
250 Frank Ogawa Plaza, 5th Floor
Oakland, CA 94612

The City will carefully consider any reasonable offer or proposal, but it has previously expressed its intent that the property be developed into a project that maximizes the regional development opportunity of this Site. Please note all the relevant information regarding the Coliseum Area Specific Plan and zoning regulations pertaining to this Site can be located on the City's website at:

<https://www.oaklandca.gov/topics/coliseum-area-specific-plan>

ABOUT THE PROPERTY

The property is zoned D-CO-2 Coliseum Area Commercial District Zone-2 (Coliseum District) and described in the Coliseum Area Specific Plan as follows: *"The D-CO-2 Zone is intended to create, maintain and enhance areas that allow a broad mixture of residential, retail, commercial, office, and light industrial uses, and serve as region-drawing centers of sports, entertainment, and business activities."*

The Site includes two parcels with the first consisting of approximately 104 acres which includes the Oakland-Alameda County Coliseum and corresponding north and south Coliseum parking lots; and the second parcel contains approximately 8.5 acres and includes the Oakland-Alameda County Arena. The site is generally bounded by the Damon Slough Channel to the north and east, Coliseum Way to the west, and South Elmhurst Creek to the south. A parcel map is attached.

If you need additional information, please contact Larry Gallegos at (510) 238-6174 or via email at lgallegos@oaklandca.gov

Sincerely,



Elizabeth Lake

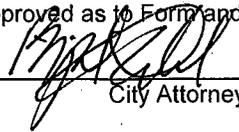
Deputy City Administrator

Attachment: Parcel Map

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2020 JAN -9 PM 3:48

Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL
RESOLUTION No. 88000 C.M.S.

RESOLUTION RATIFYING PRIOR ACTIONS OF THE CITY ADMINISTRATOR REGARDING THE DISPOSITION OF THE CITY'S UNDIVIDED 50% INTEREST IN THE PROPERTY IDENTIFIED AS ASSESSOR PARCEL NUMBERS 041-3901-008 & 041-3901-009 AND COMMONLY KNOWN AS THE OAKLAND ALAMEDA COUNTY COLISEUM COMPLEX AND DECLARING SUCH PROPERTY "SURPLUS LAND" PURSUANT TO GOVERNMENT CODE SECTION 54221(b)(1)

WHEREAS, the City of Oakland ("City") owns a 50% undivided interest in the property identified as Assessor's Parcel Numbers 041-3901-008 & 041-3901-009 and commonly known as the Oakland Alameda County Coliseum Complex ("Complex"); and

WHEREAS, in recent years, all or portions of the Complex, which includes the Oakland Arena, an indoor arena seating up to 19,000 patrons, and the RingCentral Coliseum, an outdoor stadium seating up to 63,000 patrons, together with approximately 10,000 parking spaces, has been burdened by license agreements with the Oakland Athletics ("Athletics"), Oakland Raiders ("Raiders"), and the Golden State Warriors ("Warriors"); and

WHEREAS, in 2019, the Warriors vacated the Oakland Arena and commenced play at Chase Center, their new facility in San Francisco's Mission Bay; and

WHEREAS, in 2017, the Oakland Raiders announced their intent to vacate RingCentral Coliseum and move the team to a new stadium currently under construction in Paradise, Nevada, where the team is expected to commence their 2020 season; and

WHEREAS, in 2018, the Oakland Athletics announced their intent to vacate RingCentral Coliseum and pursue development of a new ballpark at Howard Terminal; and

WHEREAS, following departure of the Warriors, Raiders and Athletics, the Complex is anticipated to be vacant; and

WHEREAS, the Surplus Land Act, codified as California Government Code Section 54220 et seq. ("SLA"), governs the disposition of surplus public land; and

WHEREAS, effective January 1, 2020, Assembly Bill 1486 amends the SLA to require local agencies to formally declare agency-owned properties as surplus land prior to taking actions to dispose of such properties and to issue Notices of Availability instead of Offer once disposition actions are commenced; and

WHEREAS, prior to the effective date of AB 1486, on December 3, 2019, the City issued a "Notice of Availability and Offer to Convey Surplus Property Pursuant to Government Code Section 54220 et seq." for the Complex; and

WHEREAS, the 60-day response period set forth in the Notice will extend into 2020; and

WHEREAS, Staff recommends that the City Council ratify the City Administrator's prior action of December 3, 2019, as a declaration of the City's interest in the Complex as "surplus land" to fulfill requirements under the amended SLA; now, therefore, be it

RESOLVED: That, to ensure that any potential future disposition of the City's interest in the Complex can be made in compliance with the Surplus Lands Act, as amended, the City Council, at its first regular public meeting of 2020, hereby ratifies the prior actions of the City Administrator regarding the disposition of the City's undivided 50% interest in the Complex; and be it

FURTHER RESOLVED: The City Council declares that the City no longer needs the City's interest in the Complex for public purposes and declares such property interest as "surplus land" pursuant to Government Code Section 54221(b)(1); and be it

FURTHER RESOLVED: That the City Council finds and determines, after independent review and consideration, that this action results in no binding commitment by the City to authorize or advance the Proposed Project; will not result in a direct or indirect physical change in the environment; and does not constitute an "approval" of a "project" pursuant to CEQA Guidelines Sections 15004 and 15378; and be it

FURTHER RESOLVED: That the City Council, hereby requires the City Administrator or his or her designee to return to the City Council for further direction, after entering into "good faith" negotiations for a period of up to ninety days with any party that submits a written offer to purchase or lease the Complex pursuant to the SLA requirements.

IN COUNCIL, OAKLAND, CALIFORNIA,

JAN 21 2020

PASSED BY THE FOLLOWING VOTE:

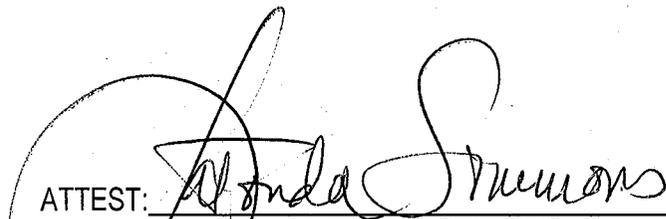
AYES - FORTUNATO BAS, GALLO, GIBSON MCELHANEY, KALB, REID, TAYLOR, THAO AND PRESIDENT KAPLAN — 8

NOES - 0

ABSENT - 0

ABSTENTION - 0

ATTEST:


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



East Bay Housing Organizations

January 31, 2019

Larry Gallegos
Coliseum Area Manager
City of Oakland
250 Frank Ogawa Plaza, 5th Floor
Oakland, CA 94612

RE: Letter of Intent for Proposed Development, APN 041-3901-008 & 0413901-009

Dear Mr. Gallegos,

East Bay Housing Organizations (EBHO) is a member-driven organization working to preserve, protect, and create affordable housing opportunities for low-income communities in the East Bay by educating, advocating, organizing, and building coalitions. It is our pleasure to submit this letter of interest on behalf of and in partnership with our mission-driven member organizations, expressing our intent to pursue land use and related development for the redevelopment of Assessor Parcel Number 041-3901-008 & 041-3901-009, commonly known as the Oakland Alameda Coliseum Complex (the site), by lease and/or sale.

We submit this proposal in response to the NOTICE OF AVAILABILITY AND OFFER TO CONVEY PURSUANT TO GOVERNMENT CODE SECTION 54220 et seq. and we look forward to engaging in good faith negotiations for the sale and/or lease of the site pursuant to this proposal.

EBHO envisions an economically and racially just world where housing is a human right; and where everyone, particularly low-income people and people of color, have access to a range of affordable, healthy, and stable homes and live in diverse and culturally rich neighborhoods of their choices. We need more than market solutions to reach those most in need. We are in a pivotal moment when we must decide collectively what we want the future of the Coliseum area to be. Affordable housing, created and preserved with an intentional focus on social and racial justice, is a key part of that future.

Description of Intended Development Proposal

The site is located in a vibrant community that represents Oakland's economic and racial diversity. It is home to long-time cultural institutions and local small businesses. Additionally, the neighborhoods around this site are among the last relatively affordable neighborhoods in Oakland. 79% of households in the neighborhood have median incomes categorized as low-income, very-low-income or extremely-low-income. More than 71% of residents are renters. Oakland is experiencing an alarming rise in rent and home sale prices and as a result, long-time, working class residents and people of color are being pushed out of the city. This is why a high level of affordability is critical as this unique site is developed.



East Bay Housing Organizations

In accordance with Section 54222.5 no less than 25% of all residential units in this proposal will be affordable to lower income households, as defined in Section 50079.5 of the Health and Safety Code or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. Also in accordance with Section 54222.5 all affordable housing units in this proposal will remain affordable to, and occupied by, lower income households for a period of at least 55 years.

EBHO, in partnership with our nonprofit affordable housing developer members, seeks to develop a portion of the site into affordable rental housing that will be an integral part of a vibrant, sustainable, pedestrian oriented community. EBHO envisions a residential neighborhood with an array of housing options, public spaces, attractive streets, open spaces, and buildings constructed with the latest resource-preserving architecture. Conditions to the development agreement(s) for all housing units constructed under this proposal will include appropriate tenant protection measures including tenant education, and prohibiting discrimination against vulnerable populations including those with criminal records, undocumented people, and voucher holders.

EBHO has convened a group of nonprofit organizations who have been developing beautiful, safe, service-enriched affordable housing for families, seniors and special needs populations in Oakland for decades. These experienced and mission-drive developers stand ready to construct stand-alone 100% affordable properties on a portion of the site that will complement anticipated market rate developments to create a mixed-income neighborhood with a place for everyone. The combination of stand-alone affordable properties and inclusionary affordable units within market rate properties will result in a community with 25%-35% of the homes accessible to low income households at a range of income levels (80% AMI and below). Said units will be constructed concurrent with other commercial and housing developments that will be constructed on the site.

Although the Notice of Availability did not provide sufficient information to determine the City's expectation or goals for development on the site, our members' very preliminary financial analysis indicates that the 25-35% affordable goal can be met by using tools the City has at its disposal. The Residential Impact Fee, the Jobs/Housing Impact Fee, and an Infrastructure Finance District with an affordable housing requirement will generate revenues that can be leveraged with state, federal, local, private resources to create the affordability mix that will make this new neighborhood thrive. The developers on our team are expert in combining all of these resources to successfully get housing built.

We would like to work with you on more analysis of the potential for this site. We believe the City should reissue the Notice providing 60 days from when the City declared the property as "surplus" under State law. At the January 21st City Council meeting, we noted that City Staff explained in the case of the Fire Alarm property, staff was issuing the notice *after* the City Council declared the property as surplus, in order to comply with the provisions of the State Surplus Land Act that took effect on January 1, 2020 as a result of the passage of AB 1486.



East Bay Housing Organizations

However, during that same Council meeting, City Council voted to declare the Coliseum property as surplus, even though the notice had already been issued on December 2nd. We believe the process for following State law for surplus property should be consistent across properties and that the City should consider a longer response period for this surplus site.

This is especially important given the size and complexity of the site and the fact that the Notice contemplates the development of two separate parcels of land. The intent of the Surplus Land Act is to make the site(s) available to affordable housing sponsors. This requires that the notice itself ensure a meaningful opportunity for affordable housing sponsors to respond. The December 2019 notice does not in our opinion, do this, but we felt it was important to submit a notice of intent.

We hope that the City of Oakland, in alignment with its mission to serve all residents of Oakland and to advance equity and employment, will take our proposal into consideration. We and our members look forward to negotiating in good faith to ensure that this public land be used for the benefit of the public good.

Sincerely,

Gloria Bruce
Executive Director, East Bay Housing Organizations