

DISTRIBUTION DATE: December 2, 2022



## ***MEMORANDUM***

**TO:** HONORABLE MAYOR &  
CITY COUNCIL

**FROM:** Alexa Jeffress, Director  
Economic & Workforce  
Development Department

**SUBJECT:** Update and Timeline  
Regarding Proposal from  
SAHA for 12th St.  
Remainder Parcel 2

**DATE:** November 28, 2022

City Administrator Approval:

A handwritten signature in black ink, appearing to be "Alexa Jeffress", written over a horizontal line.

Date: Dec 2, 2022

### **INFORMATION**

The purpose of this information memorandum is to: (1) provide an update on the City of Oakland's (City) solicitation of a proposal from Satellite Affordable Housing Associates (SAHA) for a 100% affordable housing project on a portion of the city-owned 12<sup>th</sup> Street Remainder Parcel and (2) share a timeline for bringing a recommendation regarding an Exclusive Negotiation Agreement (ENA) with SAHA for the project to the City Council for consideration, as requested by City Council.

#### *Background*

On July 19, 2022, the Oakland City Council, through Resolution No. 89334 C.M.S., directed the City Administrator to solicit a proposal from SAHA to develop a 100% affordable housing project on a portion of City-owned vacant property (Parcel 2) commonly known as the 12<sup>th</sup> Street Remainder (the Property). The solicitation and conveyance of Parcel 2 for a 100% affordable housing development will qualify the site as "Exempt Surplus Land" under the California Surplus Land Act (SLA). The City Council previously authorized an ENA with the East Bay Asian Local Development Corporation (EBALDC) for the development of a 91-unit 100% affordable housing project on the other portion of the Property (Parcel 1).

Also, on July 19, 2022, the City Council directed the City Administrator to provide a timeline for returning to Council with a resolution authorizing the City Administrator to enter into an ENA with SAHA for the lease and development of Parcel 2, once a proposal from SAHA had been received.

Consistent with City Council direction, this memo provides an update on the solicitation of a proposal from SAHA and an estimated timeline for returning to Council for possible action on an ENA with SAHA.

*Proposal Solicitation*

On August 26, 2022, Economic Workforce Development (EWD) staff sent a letter via e-mail to SAHA soliciting a proposal for a 100% affordable housing project on Parcel 2 of the Property, consistent with Resolution No. 89334 C.M.S. The solicitation requested the following information from SAHA as part of its proposal:

- a project summary and narrative;
- development team description and experience;
- a financial proposal, that includes a development budget; and
- a preliminary development schedule

Staff provided SAHA 60 days to prepare and submit its project proposal, with a submission deadline of October 26, 2022.

On October 21, 2022, staff received a project proposal submitted by SAHA and Eastlake United for Justice (EUJ) to develop a 100% affordable 84-unit residential project on Parcel 2. The proposed project consists of an eight-story building and would provide “street-activating” ground floor uses, that could include shared community spaces available to both residents and neighborhood groups.

*Surplus Land Act Exemption*

Because the Property will be developed for a 100% affordable housing development as described in Government Code Section 54221(f)(1)(F)(i), the Property can be declared “exempt surplus land” under the SLA. As part of a future action authorizing an ENA with SAHA for Parcel 2 of the Property, the City Council would also be asked to declare Parcel 2 exempt from the SLA.

*Estimated Timeline*

Staff have prepared the following timeline for returning to the City Council with a recommendation for an ENA with SAHA for Parcel 2 of the Property. As stated above, staff received SAHA’s proposal on October 21, 2022. This timeline assumes that upon review, which is still underway, City staff determine that SAHA’s proposal is complete and thorough that SAHA and the City agree on basic ENA terms. Under this timeline, staff would return to City Council with a recommendation to authorize an ENA in Spring 2023.

**HONORABLE MAYOR AND CITY COUNCIL**

Subject: Update on SAHA Proposal for 12<sup>th</sup> St. Remainder Parcel 2

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Action/task	Start date	Due date	Duration
<b>SAHA's Proposal Received by City</b>	<b>N/A</b>	<b>October 21, 2022</b>	<b>N/A</b>
Proposal review and ENA negotiations with SAHA	October 27, 2022	January 27, 2023	90 days
Prepare staff recommendation and resolution for ENA authorization	January 28, 2023	March 15, 2023	45 days
<b>ENA Recommendation to City Council</b>	<b>N/A</b>	<b>April 2023</b>	<b>N/A</b>

For questions related to the information presented in this memo, please contact Jens Hillmer at (510) 238-3317 or [jhillmer@oaklandca.gov](mailto:jhillmer@oaklandca.gov).

Respectfully submitted,



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