

IN THE CITY COUNCIL OF THE CITY OF SAN LEANDRO

RESOLUTION NO. 2022-_____

**RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF SAN LEANDRO APPROVING AND AUTHORIZING EXECUTION
OF A SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT AND
DISPOSITION AND DEVELOPMENT AGREEMENT WITH CAL COAST
COMPANIES LLC, INC. AND MAKING FINDINGS RELATED THERETO**

WHEREAS, the City of San Leandro and Cal Coast Companies LLC, Inc. (“Developer”) have entered into a Disposition and Development Agreement with respect to certain City owned property located within the Shoreline-Marina area of the City (the “Shoreline Property”), dated as of July 22, 2020, as amended by the First Amendment to Purchase and Sale Agreement and Disposition and Development Agreement dated as of March 17, 2021 (as amended, the “DDA”); and

WHEREAS, the DDA provides for City to convey fee title and leasehold interests to Developer in the Shoreline Property, through a Purchase and Sale Agreement for land to be used for the construction of detached and attached single-family homes and attached townhomes (“Single Family PSA”), and four Ground Leases for the lease of land to be used for the construction and operation of a hotel (“Developer Hotel Ground Lease”), a market-rate multifamily residential development (“Multifamily Ground Lease”), a restaurant and banquet facility (“Developer Restaurant Ground Lease”), and a market or other neighborhood serving retail or service facility (“Market Ground Lease”) (collectively, the “Ground Leases”); and

WHEREAS, the Single Family PSA provides for certain conditions to be satisfied prior to the close of escrow for the Single Family PSA, and the DDA provides for certain conditions to be satisfied prior to the commencement of each of the Ground Leases; and

WHEREAS, the DDA provides that the close of escrow for the Single Family PSA and the commencement of each of the Ground Leases will all occur prior to December 15, 2022, and City and Developer now desire to enter into a Second Amendment to Purchase and Sale Agreement and Disposition and Development Agreement (the “Second Amendment”) to provide for certain changes to the conditions precedent to the close of escrow for the Single Family PSA and the commencement of the Ground Leases, and to make corresponding changes to the DDA Schedule of Performance and Scope of Development, to facilitate the close of escrow for the Single Family PSA and the commencement of the Ground Leases prior to December 15, 2022; and

WHEREAS, the Surplus Land Act, Government Code Section 54220, et seq., as amended by Assembly Bill 1486 effective January 1, 2020, provides that local public agencies must determine whether land owned by the public agency is “surplus land” or “exempt surplus land,” and must send notices of the availability of surplus land to specified parties prior to the conveyance of such land; and

WHEREAS, Section 54234(a)(1) of the Surplus Land Act provides that “If a local agency, as of September 30, 2019, has entered into an exclusive negotiating agreement or legally binding agreement to dispose of property, the provisions of this article as it existed on December 31, 2019, shall apply, without regard to the changes made to this article by Chapter 664 of the Statutes of 2019, and all subsequent amendments to this article, to the disposition of the property to the party that had entered into such agreement or its successors or assigns, provided the disposition is completed not later than December 31, 2022”; and

WHEREAS, the City and Cal-Coast Companies, LLC entered into an Exclusive Negotiating Rights Agreement dated as of April 12, 2012, as amended and extended, which provided for the City and Cal-Coast Companies, LLC to exclusively negotiate with each other in good faith towards a disposition and development agreement or other agreement for the conveyance of the Shoreline Property to Cal-Coast Companies, LLC and Cal-Coast Companies, LLC’s construction and operation of certain improvements thereon; and

WHEREAS, Cal-Coast Companies, LLC and Developer are under common ownership and control, and Cal-Coast Companies, LLC designated Developer as the entity to enter into and carry out all responsibilities under the DDA as its assignee and successor in interest with respect to the Shoreline development project; and

WHEREAS, the Surplus Land Act Guidelines provide that a local agency which determines that property is exempt from the Surplus Land Act shall support such a determination with written findings and shall provide a copy of the written determination to the California Department of Housing and Community Development at least 30 days prior to disposition; and

WHEREAS, the City Council desires to make certain findings with respect to the exemption of the sale of City-owned property pursuant to the Single Family PSA and the ground lease of City-owned property pursuant to the Ground Leases from the existing version of the Surplus Land Act; and

WHEREAS, the City Council now desires to approve the Second Amendment;

NOW THEREFORE the City Council of the City of San Leandro **HEREBY RESOLVES** as follows:

1. The City Council hereby finds and determines that:
 - a. The City and Cal-Coast Companies, LLC entered into an Exclusive Negotiating Rights Agreement with respect to the disposition of the Shoreline Property to the Developer or its successors or assigns prior to September 30, 2019;
 - b. Developer is the designee, assignee and successor in interest to Cal-Coast Companies, LLC with respect to the Shoreline development project;
 - c. The DDA, Single Family PSA and the form of the Ground Leases were negotiated, prepared and approved by the City and the Developer pursuant to the Exclusive Negotiating Rights Agreement;

d. The Exclusive Negotiating Rights Agreement is an exclusive negotiating agreement within the meaning of Section 54234(a)(1) of the Surplus Land Act;

e. The DDA and the PSA require that the disposition of real property from the City to the Developer or its successors or assigns pursuant to the DDA, Single Family PSA and the Ground Leases will occur prior to December 31, 2022; and

f. Under Section 54234(a)(1) of the Surplus Land Act, the disposition of real property from the City to the Developer or its successors or assigns pursuant to the DDA, Single Family PSA and the Ground Leases is subject to the Surplus Land Act as it existed on December 31, 2019, without regard to any subsequent changes made, provided that the disposition of such property is completed not later than December 31, 2022.

2. The City Council hereby approves the Second Amendment, and authorizes the City Manager to execute the Second Amendment on behalf of the City.

3. The City Council hereby directs the City Manager or her designee to transmit a copy of this resolution to the California Department of Housing and Community Development, and to transmit such further documents as are necessary for the Department's review of compliance of this transaction with the requirements of the Surplus Land Act.

4. The close of escrow for the sale of land to the Developer pursuant to the Single Family PSA, and the commencement of each of the Ground Leases, shall occur no earlier than thirty days after the submission of this resolution and all accompanying documents to the California Department of Housing and Community Development.

Introduced by Councilmember _____ and passed and adopted this 21st day of June, 2022, by the following vote:

Members of the Council:

AYES:

NOES:

ABSENT:

ATTEST:

Letitia I. Miguel, City Clerk