

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  
BY THE CITY MANAGER OF A THIRD AMENDMENT TO THE PURCHASE AND  
SALE AGREEMENT AND DISPOSITION AND DEVELOPMENT AGREEMENT, AND  
APPROVING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A  
PROMISSORY NOTE AND DEED OF TRUST WITH CAL COAST COMPANIES LLC,  
INC. AND MAKING FINDINGS RELATED THERETO**

**WHEREAS**, the City of San Leandro and Cal Coast Companies LLC, Inc. (“Developer”) 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 and the Second Amendment to Purchase and Sale Agreement and Disposition and Development Agreement dated as of June 21, 2022 (as amended, the “DDA”); and

**WHEREAS**, in connection with the DDA, City and Developer have entered into a Purchase and Sale Agreement (the “Single Family PSA”), which provides for the City to convey fee title for development of between two hundred (200) and two hundred fifteen (215) for sale attached and detached single family homes on certain City-owned property to be sold to Developer (the “Single Family Property”), dated as of July 22, 2020, as amended, which provides for Developer to pay to City the full purchase price for the Single Family Property through the escrow for the closing of the sale; and

**WHEREAS**, the DDA provides for City to convey leasehold interests to Developer in the Shoreline Property, through 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**, City and Developer entered 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**, Developer has requested that City provide short-term seller takeback financing for a portion of the purchase price of the Single Family Property, with the remainder of the purchase price to be paid by Developer through the escrow; and

**WHEREAS**, City and Developer now desire to enter into a Third Amendment to Purchase and Sale Agreement and Disposition and Development Agreement (the “Third Amendment”) to provide for City to make a short-term seller takeback loan to Developer for a portion of the Single Family Property purchase price, and to make other changes to the Single Family PSA and the DDA; and

**WHEREAS**, in order to accommodate the making of such loan, City and Developer desire to revise the outside date for the close of escrow of the sale of the Single Family Property pursuant to the Single Family PSA, and the commencement of the Ground Leases pursuant to the DDA, to a date not later than December 31, 2022; and

**WHEREAS**, City agrees to loan to Developer the total principal amount of Twenty-Four Million Eight Hundred Eighty Thousand Dollars (\$24,882,958) (“City Loan”), which constitutes seller takeback financing for a portion of the purchase price of the Single Family Property, and the City shall not be required to make any cash disbursements of the City Loan funds to or on behalf of Developer; and

**WHEREAS**, the City Loan shall be evidenced by a Promissory Note (“City Loan Promissory Note”) executed by Developer, which shall be secured by a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (the “City Loan Deed of Trust”) executed by Developer as Trustor for the benefit of City and recorded against the Single Family Property; and

**WHEREAS**, the City Manager recommends approval of all as hereinbefore described.;

**NOW THEREFORE** the City Council of the City of San Leandro does **RESOLVE** as follows:

1. The City Council hereby finds and determines that:
  - a. 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 Third Amendment to the PSA and DDA, and authorizes the City Manager to execute the Third Amendment to the PSA and DDA on behalf of the City, and the City Council hereby approves and authorizes the City Manager to execute the Promissory Note and Deed of Trust, as provided herein, and described in the associated staff report.

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.

Introduced by Councilmember \_\_\_\_\_ and passed and adopted this 19th day of December 2022, by the following vote:

Members of the Council:

AYES:

NOES:

ABSENT:

ATTEST:

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Kelly B. Clancy, Acting City Clerk