

March 1, 2022

Re: Agenda Item 8, 12th Street Remainder Parcel

Dear Oakland City Council Members,

We write to remind the City of its obligations under the California Surplus Land Act as it considers the disposition of the 12th Street Remainder Parcel. According to the staff report for today's City Council meeting, the Disposition and Development Agreement between the City and LakeHouse Commons LLC and Lakehouse Commons Affordable Housing LP regarding the Remainder Parcel expired on February 15, 2022.

Since the City is not currently subject to any agreement to dispose of the Remainder Parcel, we urge the City to revisit its compliance with the Surplus Land Act. In particular, we draw your attention to the requirement that when a local agency receives multiple proposals for the site – as Oakland did for this parcel – the agency must give priority to the entity “that proposes to provide the greatest number of units” affordable to lower-income households. *Cal. Gov. Code § 54227*. If multiple entities propose the same number of affordable units, the City must give priority to the proposal with “the deepest average level of affordability for the affordable units.” *Id.*

Prior to the City's selection of the proposal from LakeHouse developers, the City also received a proposal from Satellite Affordable Housing Associates (SAHA) which was developed in deep collaboration with the East 12th Street Coalition and the local community, aptly known as “The People's Proposal.” This proposal contained substantially more affordable housing units at a substantially deeper average level of affordability compared to the LakeHouse proposal. This proposal would therefore be entitled to priority negotiations under the Surplus Land Act.

In light of the expiration of the existing DDA, the City should revisit its process for selecting a developer of the 12th Street Remainder Parcel, prioritizing the development that will create the greatest number of new homes affordable to lower-income residents at the deepest level of affordability.

Sincerely,



Sam Tepperman-Gelfant
Managing Attorney
Public Advocates



Michael Rawson
Director
The Public Interest Law Project