

RESOLUTION 2026-###

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO APPROVING AND AUTHORIZING EXECUTION OF A FOURTH AMENDMENT TO AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT WITH DANCO COMMUNITIES FOR THE SALE AND DEVELOPMENT OF A PORTION OF THE FORMER SAN PABLO CITY HALL LOCATED AT 13831 SAN PABLO AVENUE, SAN PABLO, CALIFORNIA

WHEREAS, “Expand Housing Options” is a major policy goal in the City Council’s Priority Workplan effective April 7, 2025, and “Historic Preservation Park for City-owned Buildings” was a priority in a previous City Council’s Priority Workplan;

WHEREAS, on February 1, 2021, the City Council declared a portion of the former City Hall property to be exempt surplus land under the California Surplus Act;

WHEREAS, on February 1, 2021, the City Council approved and authorized a Disposition and Development Agreement (the “DDA”) with Danco Communities providing for the purchase and development of all of the former City Hall property except three of the historical buildings located in the northwest portion of the property (the “Site”). The excluded buildings are the Blume House, the Bunk House and the Teixeira House, which will be retained by the City;

WHEREAS, under the DDA, the purchase price for the Site is \$6,800,000 plus the amount needed to retire the outstanding loan for rooftop and carport photovoltaic systems installed at the Site (the “Solar Loan”) from the Energy Resources Conservation and Development Commission (approximately \$579,083.18);

WHEREAS, under the DDA, the Developer is to purchase the Site and develop a mixed-use project containing not less than one hundred (100) units of affordable rental housing and not less than 7,500 square feet of new ground floor commercial space, not including the retention/reuse of the Alvarado Adobe Museum building, together with parking and associated amenities (the “Project”);

WHEREAS, the City Manager executed a total of three (3) amendments to the DDA in his capacity authorized in the DDA, to approve minor, non-monetary amendments. These amendments were for extensions to the time for close of escrow and amending the schedule of performance;

WHEREAS, on September 28, 2022, the Developer was awarded 9% tax credits from the California Tax Credit Allocation Committee (CTCAC);

WHEREAS, the 9% tax credits only funded half of the Project, requiring the Project to be developed in two (2) phases;

WHEREAS, on March 23, 2023, the Developer and the City entered into an Amended and Restated DDA (the “ARDDA”) for that purpose;

WHEREAS, under the ARDDA, the purchase price for the Phase 1 Parcel is \$2,867,738 plus the amount needed to retire the outstanding Solar Loan installed at the Site from the Energy Resources Conservation and Development Commission. The purchase price for the Phase 2 Parcel is \$3,932,262, which also included the Alvarado Adobe Museum;

WHEREAS, Phase 1 of the Project closed escrow on April 28, 2023, and construction commenced on November 7, 2023, and was completed on November 17, 2025;

WHEREAS, on March 19, 2024, the City and the Developer amended the ARDDA by the First Amendment to Amended and Restated Disposition and Development Agreement (“ARDDA First Amendment”), which provided a two-year extension to close escrow for Phase 2 and allowed the entire Phase 2 Parcel Purchase Price be made a loan to be repaid from the residual receipts of the Phase 2 Project. In consideration for those changes, the Developer will be obligated to pay a Project Development Fee in the amount of \$2,000,000 at the close of escrow for the Phase 2 Parcel. The Project Development Fee will also be treated as a loan and paid over time from the residual receipts of the Phase 2 Project. The ARDDA First Amendment was approved by the City Council on March 18, 2024, via Resolution 2024-040;

WHEREAS, on June 20, 2024, the City and the Developer amended the ARDDA by the Second Amendment to Amended and Restated Disposition and Development Agreement (“ARDDA Second Amendment”), which retained the Alvarado Adobe Museum by the City and excluded it from the Phase 2 Parcel/Phase 2 Project and Site. The ARDDA Second Amendment was approved by the City Council on June 10, 2024, via Resolution 2024-070;

WHEREAS, on March 23, 2026, the City and the Developer amended the ARDDA by the Third Amendment to Amended and Restated Disposition and Development Agreement (“ARDDA Third Amendment”), which provided an extension to close escrow no later than July 31, 2026 (as used hereinafter, “ARDDA” means and refers to the ARDDA as amended by the ARDDA First Amendment, the ARDDA Second Amendment and the ARDDA Third Amendment); and

WHEREAS, City staff is now recommending that there be a time extension as the Developer is currently in escrow for the purchase of the Phase 2 Parcel and anticipates closing escrow before the end of August 2026. The ARDDA currently contains a legal description of the Phase 2 Parcel that includes the “Historic Buildings Parcel,” which is to be retained by the City. The Developer is currently in the process of preparing a parcel map separately describing the Phase 2 Parcel and the Historic Buildings Parcel, together with descriptions of the public access easements on the Phase 1 Parcel and Phase 2 Parcel to be reserved to the City. The parties desire that a copy of the recorded parcel

map be attached to the ARDDA. Further, the ARDDA currently provides that the loans made by the City to the Developer for the "Phase 2 Project" be repaid from 80% of residual receipts from the Phase 2 Project. The Developer has requested that the percentage be reduced to 75% of residual receipts because it is a requirement of the Developer's lender. A Fourth Amendment to the ARDDA has been prepared to reflect these changes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of San Pablo as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein.

Section 2. Approval of ARDDA Fourth Amendment. The City Council hereby approves and authorizes the City Manager to execute the Fourth Amendment to Amended and Restated Disposition and Development Agreement, substantially in the form attached to the staff report accompanying this resolution, on behalf of the City. The City Manager is further authorized to execute such other documents and take such other actions as are necessary to carry out and implement the obligations of the City under the ARDDA, as amended by the ARDDA Fourth Amendment, and, with the consent of the City Attorney, to approve minor, non-monetary amendments to the ARDDA, as amended by the ARDDA Fourth Amendment.

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ADOPTED this 20th day of July, 2026, by the following votes:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS:

ATTEST:

APPROVED:

Dorothy Gantt, City Clerk

Elizabeth Pabon-Alvarado, Mayor