

West Oakland Still Poised For TOD Transformation

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In a year that has radically altered many plans, the two to add nearly 2,000 units to **West Oakland** are still a go.

Strategic Urban Development Alliance and **Panoramic Interests** have separate plans to add hundreds of housing units to West Oakland, an area that has lagged other sections of the city but is slated for dramatic changes this decade. Both developers have seen positive signs of progress on their projects since the onset of the coronavirus pandemic.



SUDA and development partner **China Harbour Engineering Co.** received a key approval in June when their 762-unit Mandela Station mixed-use project was greenlighted by the **BART** board of directors. That project has since entered the city's design-review committee and is expected to break ground in early 2022, if not sooner, Strategic Urban Development Alliance CEO

Alan Dones told *Bisnow*.

Designs for the development, which is called Mandela Station, are largely the same since the beginning of the year. But Dones said the office component might grow from its current level of about 380K SF.

"We're looking at pushing that up to perhaps 500K SF, should a large-HQ tenant come along that, for a lot of reasons, gets the vision and scalability of West Oakland," Dones said. "We're feeling pretty strong about being able to differentiate ourselves from other options they may have, by location, transit orientation and proximity to downtown San Francisco and downtown Oakland."

The level of affordability in Mandela Station also sets it apart in Oakland, where a recent count of its pipeline **had only 7% of units as subsidized affordable**. SUDA's project will include 240 affordable units, over 30% of the total, in addition to 75K SF of ground-floor retail and its office portion.

Dones said he hope their project, which is just slightly west of Panoramic Interests' site, helps kick off the type of **decade-plus transformation** seen in San Francisco's **Mission Bay**

"We hope to make this West Oakland community a really compelling gateway

into Oakland," he said.



Panoramic Interests' project, too, is on track, despite the economic upheaval, but it has definitely been delayed, owner **Patrick Kennedy** said.

The developer had term sheets for the 500 Kirkham St. project nearly ready in March, with plans to break ground in June or July, but the pandemic put a hard pause on talks with several investors, according to Kennedy.

"The equity and debt market essentially froze," he said. "They're just now thawing, but for big projects, they stopped."

After securing approvals last year, Panoramic Interests last month received a three-year extension on entitlements for 500 Kirkham, giving the developer until August of 2024 to break ground. Kennedy said the planning commission's green light reflected an understanding of the times and a desire to keep Oakland's growing housing pipeline robust, as well as the project's community support.

Ed Dillard, former president and CEO of the Oakland Black Chamber of Commerce, said Panoramic Interests put a lot of focus on garnering community support. Dillard introduced Kennedy to a number of residential, business, nonprofit and religious stakeholders in West Oakland Dillard said were on board by last year.

"[Panoramic Interests] got a chance to listen to what people desire in the project," Dillard said. "Where feasible, they incorporated it. And where not feasible, they explained the reason why it wasn't feasible."

What turned out to be feasible includes 35K SF of ground-floor, local business retail and 40K SF of green space, among other amenities still to be added to the project.

Like Mandela Station, 500 Kirkham stands out for the scale and the composition of its residential portion. It will have 1,032 units, 85 of which are affordable at very low incomes (up to 50% of area median income, which in Oakland last year was \$100.5K for a three-person household).

But **through smaller units**, its market-rate apartments are more affordable by design and will likely come online at around a 30% discount to comparable unit

types in the East Bay, Kennedy said. Kennedy said the hope is that more economic certainty enables Panoramic Interests to break ground next year. One silver lining he said he has noticed is construction costs starting to dip.

Both Kennedy and Dones said they are excited about potentially stirring subsequent activity with their large projects. Dillard, who did economic development work for Oakland for almost 30 years, said West Oakland has been a rather neglected part of the city for over two decades.

"Sometimes at the party, someone has to get up and start selflessly dancing to get the party going," Dones said.

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