

**CITY OF OAKLAND
AGENDA REPORT**

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OFFICE OF THE CITY CLERK
OAKLAND
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TO: Office of the City Manager
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: June 22, 2004

RE: INFORMATIONAL REPORT ON THE MAIN STREET APPROACH TO
REVITALIZATION IN OAKLAND'S NEIGHBORHOOD COMMERCIAL
DISTRICTS

SUMMARY

This is an informational report on the Neighborhood Commercial Revitalization Unit's use of the Main Street Program approach to develop and implement revitalization strategies in targeted commercial districts throughout the City. In addition, descriptions of the Eastlake and Fruitvale California Main Street Programs' accomplishments are provided. As signs of economic recovery are visible in the Eastlake and Fruitvale Main Street areas, the Central East Oakland and West Oakland Community Development District Councils requested, and the City Council approved, the allocation of \$375,000 of FY 03/04 NCR funds to develop and implement Main Street programs in their respective districts.

FISCAL IMPACT

Since this report is informational only, no fiscal impacts are included.

BACKGROUND

The National Trust for Historic Preservation developed the Main Street Program in the 1980s to encourage imaginative use of business and government resources to support local downtown and neighborhood commercial district revitalization efforts. Main Street utilizes a comprehensive approach to revitalization that includes the four components of *Organization, Design, Promotion and Economic Restructuring*. When Main Street later expanded to urban areas a fifth element was added which focuses on *Cleanliness/Safety*. The Main Street Program requires the direct involvement and participation of the community in revitalization efforts in the form of committees in each of these areas. Main Street committees develop work plans and oversee the implementation of projects. Subsequently, the California Trade and Commerce Agency developed the California Main Street Program to provide technical assistance and networking opportunities to Main Street Programs around the State.

In 1996 the Local Initiative Support Corporation (LISC), a nationally recognized private corporation dedicated to the improvement of housing, economic revitalization and social conditions in urban and

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rural areas throughout the United States, partnered with the National Trust for Historic Preservation Main Street Center and created the Neighborhood Main Street Initiative (NMSI). NMSI is designed to develop the economic potential of neighborhood commercial districts in distressed urban areas.

The City of Oakland's Neighborhood Commercial Revitalization (NCR) Program utilizes some of the NMSI framework to revitalize targeted neighborhood commercial districts. The primary difference between the NCR Program and the NMSI is the level of community participation in the revitalization process. The NMSI uses committees comprised of a broad range of community stakeholders including businesses, residents, property owners, local government, community development corporations and community based organizations to develop work plans in the four (or five) Main Street component areas. These committees oversee the implementation of the work plan. The NMSI requires a full time coordinator to manage revitalization projects in each Main Street area. NCR does not utilize a committee structure to plan and implement revitalization activities, and organizing efforts primarily involve merchants and property owners. Only in the implementation of larger projects such as streetscape improvements does NCR seek to involve a broader range of community stakeholders. NCR programs and activities align with the four Main Street principals of *Organization, Promotion, Design, and Economic Restructuring*.

Prior to FY 03/04 one professional NCR staff person was assigned to each of six Community Development (CD) Districts. These districts were North Oakland, West Oakland, San Antonio, Fruitvale, Central East Oakland and Elmhurst. The NCR staff was responsible for coordinating revitalization efforts in multiple commercial areas within their assigned district. Their duties included meeting planning and facilitation, outreach, leadership development, information dissemination and referrals for programs that assist small businesses. This was optimum staffing for NCR because there was a staff person who had great familiarity with the progress of revitalization along with the economic changes within their assigned district. Today, three NCR staff cover three areas only: North Oakland, Central East Oakland and Elmhurst. Other staff has been transferred to Redevelopment or the position has been eliminated. Transferred staff can perform and coordinate NCR activities once the new Central City East and West Oakland redevelopment areas are fully operational and generating funds.

The NCR Program is funded primarily with Community Development Block Grant (CDBG) funds received by the City from the Department of Housing and Urban Development. The following are descriptions of NCR's use of the Neighborhood Main Street Initiative Program framework to develop commercial district revitalization strategies:

Organization

NCR staff is responsible for planning and implementing revitalization activities in targeted commercial districts. In some areas staff coordinates these activities with community development corporations and neighborhood organizations and in other areas NCR staff conducts outreach and markets city programs to merchants and property owners. Merchants are encouraged to organize to

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address common problems in the commercial districts, to utilize City programs designed to improve the appearance of the districts and to access services that strengthen small businesses.

Promotion

An objective of the NCR Program is to promote the commercial district through the development of business directories and special events designed to attract area residents to spend time and shop in their neighborhood commercial district. NCR staff coordinates these activities with local merchants. CDBG funds are available through the Merchant Association Assistance Program (MAAP). Merchant organizations in NCR target areas are eligible to apply for funding to underwrite events and activities that promote the business district. Approximately \$30,000 is expended annually to produce materials and support activities including sidewalk sales, festivals and holiday events. NCR funds are leveraged with resources provided by merchant associations which include dues collected from their members, hours spent planning and implementing the project, the donation of food products, and all the work performed by volunteers. Examples of projects assisted with MAAP funds include the Eastlake Unity Festival, the Laurel Community Festival and Egg Hunt, the Dimond business directory, the Cesar Chavez Festival and grants for Shop Oakland shopping bags.

Design

In 1998 the Commercial Property Façade Improvement Program (FIP) was developed to facilitate the physical upgrade of NCR target areas by providing matching grants to businesses and property owners to improve the exterior of their buildings. NCR staff are responsible for marketing the program to businesses and property owners and for coordinating all aspects of the process to project completion. NCR uses licensed architects under contract with the City to provide design services and cost estimates for proposed improvements. Staff coordinates meetings between the applicant and the architect and with the assistance of the architect; work with the applicant to obtain construction bids and any required permits. Staff prepares the Agreement between the applicant and the City specifying the scope of the work, the total project cost, the applicant's contribution and the amount of the façade grant. Upon project completion staff assembles the documentation required to reimburse the applicant. More than 400 façade improvement projects have been completed since the program's inception. This represents millions of dollars in public and private funds invested in NCR areas over the past six years.

Approximately \$450,000 of NCR's CDBG funds is expended annually to implement the Façade Improvement Program. Another \$75,000 - \$100,000 is spent during this same period on design assistance to ensure quality projects. Currently there are more than 80 active projects, 30 of which have signed Agreements and another 50 of which are in the design or bid phase. The goal for this fiscal year is to complete 40 projects. This goal was established prior to the approval of the FY03/05 City budget and did not consider the impact of the reduction of staff in the NCR Program.

Building on the success of the Façade Improvement Program and desiring to improve the public infrastructure, NCR worked with merchants and community organizations to develop urban design

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concept plans for streetscape improvements in target areas on International Boulevard, MacArthur Boulevard, Foothill Boulevard, San Pablo, West Grand and Telegraph Avenues. Of the six streetscape improvement plans developed, three projects were awarded transportation grants and three received City funds resulting in more than \$18 million for these projects. All streetscape construction projects are coordinated and managed by the Public Works Agency. Other neighborhood improvement projects assisted by NCR include renovating public plazas, designing and hanging decorative street banners and installing landscaped planters. NCR coordinates merchant participation to maintain these improvements. These projects are designed to make the commercial districts attractive places for businesses to operate and for customers to shop. They also have the added benefit of galvanizing merchants to collaborate and property owners to invest in making improvements to their properties.

Economic Restructuring

NCR developed the Business Improvement District (BID) Assistance Program to facilitate the establishment of special assessment districts in commercial areas within the City. A BID is a self-imposed assessment district established through a majority vote of the licensed businesses or property owners in the area. BIDs are self-governed and privately administered and their revenues may be used for an array of activities, programs and improvements ranging from enhanced security to special marketing events. There are an estimated 200 BIDs currently organized in California, four of which are in Oakland, including Lakeshore/Lake Park, Fruitvale, Rockridge and Montclair. Collectively Oakland's BIDs generate over \$600,000 annually. Two additional commercial districts are currently pursuing BID establishment. The public hearing to establish a BID in Temescal is scheduled in July, and businesses and property owners are in the process of determining the feasibility of pursuing a BID in the Laurel commercial district. There is a third request for upper Telegraph and interest exists for a BID in Old Oakland. The primary advantages of creating a BID are to create a stable cash flow and to incorporate all of the members of its business community into one entity representing the interests of that community.

NCR staff collect baseline economic data to track changes in neighborhood commercial target areas and to develop economic development strategies. This information is shared with merchant associations, community organizations and other city staff. This baseline data includes property ownership, inventory of existing businesses, land use designations, zoning information, historical sales tax figures, vacant property lists and half-mile and one-mile radii demographic data. This information has been used to attract businesses and investors to the target areas.

The NCR Program described above fits the four point Main Street general framework.

- *Organization-* Organizing merchant associations, coordinating assistance to merchant associations and implementing the Merchant Association Assistance Program,
- *Design-* Implementing the Commercial Property Façade Improvement Program and developing urban design plans that lead to streetscape improvement projects,
- *Promotion-* Developing business directories and by co-sponsoring events to attract shoppers to target areas, and

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- *Economic Restructuring-* Implementing the Business Improvement District (BID) Assistance Program and collecting and analyzing economic data.

Funding for the NCR Program was reduced by more than 40% in the FY03/04 budget resulting in the loss of four staff positions. While efforts have been made to fill the gap created by the loss of these positions through the reassignment of Redevelopment staff to handle specific programs, the implementation of the comprehensive NCR Program has been suspended in West Oakland. In the San Antonio and Fruitvale districts efforts center on the Main Street programs in specific commercial areas but not in all commercial areas of the districts. For example, there is no staff assigned to coordinate revitalization efforts in the E.18th/Park Boulevard and 23rd Avenue/International Boulevard areas in San Antonio and in the Laurel and Dimond commercial areas of Fruitvale. These budget reductions will impact NCR's achievement of its FY03/04 goals. These goals were developed prior to Council adopting the FY 03-05 budget. In addition to the general budget reduction, the City Council allocated \$375,000 of NCR's FY 03/04 program budget of \$666,000 to develop Main Street Programs in Council Districts 3 and 6 effectively reducing funding for all NCR Programs. This reduction was somewhat offset with the use of carryforward funds from previous years. However these carryforward funds are restricted to specific geographic districts and are not available in all NCR areas.

Eastlake and Fruitvale Main Street Program

In 1995 the City Council approved Resolution No. 71716 C.M.S. that authorized the City's participation in the California Main Street Demonstration Program and designating the City Manager and Agency Administrator to submit an application to the California Trade and Commerce Agency. The resolutions committed funding of \$10,000 a year for two years to the Fruitvale business district to implement the Main Street Program. An additional \$200,000 was authorized under Council Resolution No. 71750 C.M.S. for allocation to the Unity Council to administer a façade improvement and street improvement program in the Fruitvale Transit Village area.

In 1996 LISC designated the Fruitvale commercial district a Neighborhood Main Street Initiative Program and in 2000 Eastlake sought and received a NMSI Program site designation. The Unity Council operates the Fruitvale Main Street Program and the East Bay Asian Local Development Corporation (EBALDC) operates the Eastlake Main Street Program. In March 2000, the City Council approved Resolution No. 75587 C.M.S. that authorized a \$50,000 contract with the Unity Council and a \$50,000 contract with EBALDC to implement the two Main Street Programs. FY 99/00 Community Development Block Grant (CDBG) funds allocated to the NCR Program was used to fund the Eastlake and Fruitvale Main Street Programs. The City's commitment was conditioned on the commitment of at least \$100,000 in matching funds from other sources. City funds were leveraged by an equal contribution from the Local Initiative Support Corporation (LISC) in the two districts. City and LISC funds were further leveraged with \$50,000 contributions from EBALDC for the Eastlake Main Street Program and \$50,000 from the Unity Council for the Fruitvale Main Street Program for operating budgets totaling \$150,000/year for each program. In the two years following, Council approved two additional years of funding for the Fruitvale and Eastlake Main Street Programs under

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three separate pieces of legislation. In April 2002 Council approved Resolution No. 77067 C.M.S. that authorized commitments of \$50,000 to EBALDC and the Unity Council for a second year to implement the Eastlake and Fruitvale Main Street Programs. FY 01/02 NCR Program CDBG funds were used for these efforts. In March 2003 Council approved Resolution No. 77704 C.M.S. that authorized an amendment to the contract with the Unity Council to increase the contract by \$50,000 to implement the Fruitvale Main Street Program for a third year. FY 2002/03 CDBG funds for the NCR Program were used for this purpose. In June 2003 Council approved Resolution No. 77848 that authorized a third year funding commitment of \$50,000 to EBALDC for the Eastlake Main Street Program using FY02/03 NCR CDBG funds. A summary chart of CDBG expenditures for the two Main Street Programs is provided below.

Year	Fruitvale CA Main Street Program (Fruitvale)	Eastlake CA Main Street Program (San Antonio)
1995	\$10,000	
1996	\$10,000	
FY 99/00	\$50,000*	\$50,000*
FY 01/02	\$50,000*	\$50,000*
FY 02/03	\$50,000*	\$50,000*

*CDBG funds were leveraged 2:1 with non-City sources for program budgets of \$150,000.

Over the past several years, NCR staff collaborated with EBALDC and the Unity Council to implement the Main Street Program in Eastlake and Fruitvale. This included organizing merchants, implementing the Façade Improvement Program, developing urban design plans for streetscape improvement, overseeing construction of streetscape projects and addressing problems effecting revitalization through coordinating with SDS. The results of these efforts are described in the following accomplishments.

Accomplishments of the Eastlake Main Street Programs include:

- Organized and facilitated Eastlake Merchant Association meetings and provided leadership development.
- Coordinated and staffed Main Street committees and developed working agendas.
- Introduced the Eastlake Revitalization Initiative to the broader Lower San Antonio community to increase community participation and representation on Main Street committees.
- Worked with NCR staff to resolve code compliance and permitting issues involving Eastlake businesses.
- Distributed and translated information on city programs for small businesses.
- Planned and implemented the Eastlake Unity Festival and assisted in coordinating the Tet Festival.
- Conducted workshops for Eastlake businesses in Vietnamese and Spanish.
- Coordinated and facilitated a series of meeting to update merchants on the Eastlake Streetscape Project to minimize the impact of the construction projects on businesses.
- EBALDC opened an office in Eastlake to conduct the Main Street Program activity.

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Accomplishments of the Fruitvale Main Street Program include:

- Established the Fruitvale Business Improvement District (BID). The Fruitvale BID generates approximately \$222,000 a year to provide for management of the district and enhanced services beyond the baseline services provided by the City, e.g. garbage pick-up, security and street cleaning.
- Initiated business retention and expansion services that resulted in more than 60 new businesses and expansions and the creation of more than 150 new jobs.
- Completed over 140 façade improvement projects.
- Collaborated with the City's Once Stop capital Shop and Small Business Administration to provide one-on-one technical assistance to local merchants.
- Secured \$50,000 in grants to develop an urban design concept plan for streetscape improvements on International Boulevard that resulted in the award of a \$2 million grant from the Metropolitan Transportation Commission to implement the plan.
- Sponsored the annual Dia de los Muertos Fruitvale Festival, now entering its eighth year. More than 50,000 people from all over the Bay Area attend this event. The festival serves to enhance Fruitvale's cultural image. Over 200 volunteers are involved in this event and over \$150,000 has been raised to cover expenses.
- Collaborated with the Oakland Tribune to produce four promotional insert issues called "*Fruitvale Forward*".
- Initiated the Fruitvale Main Street Neighborhood Crime Prevention Council (NCPC) which works closely with the Oakland Police, Public Works and Alameda County waste management to address concerns such as graffiti, overflowing trashcans, shoplifting, public safety issues, etc.
- Provided sidewalk cleaning in the Main Street Program area using a side walk cleaning machine provided by the City specifically for Fruitvale.
- Collaborated with Oakland Rotary to produce a Spanish language public service announcement and video titled "It's Your Business" that promotes cleanliness in the commercial district.

The City's funding commitment to the Eastlake and Fruitvale Main Street Programs ends in June 2004. In an effort to strengthen and refocus revitalization efforts EBALDC hired a new coordinator for the Eastlake Main Street Program. The primary focus for the remainder of the fiscal year is to meet with property owners to determine support for a BID. Establishing a BID is key to sustaining revitalization efforts. LISC recently awarded \$30,000 to EBALDC to continue to implement the Main Street Program for a fourth year. A report and recommendation for continued City support to the Eastlake Main Street Program will be scheduled for a future City Council agenda.

The Fruitvale Main Street Program exceeded its expectations in terms of overall accomplishments. It draws on the participation of over 140 community stakeholders on Main Street committees. The Fruitvale Main Street Program's success is primarily due to the Unity Council's exclusive focus on economic development in the Fruitvale district and its comprehensive approach to address the physical, economic and social revitalization of the Fruitvale community. Future revitalization efforts

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include expanding the Main Street program area along the Foothill Boulevard corridor to High Street. Implementing this expansion will begin with organizing merchants, property owners and other community stakeholders in the Foothill Boulevard area. An informal Request for Proposals (RFP) process will be used by the City to select an entity to undertake this work.

Council Districts Three and Six Main Street Program Efforts

In adopting the City's FY 03-05 budget, the City Council approved the development of Main Street Programs in Council Districts Three and Six. On April 6, 2004, the City Council approved Resolution No. 78467 C.M.S. that authorized the City Administrator to enter into a contract with the Oakland Citizen's Committee for Urban Renewal (OCCUR) to develop and implement a Main Street program in Council District Six for an amount not to exceed \$187,500. Mills College and the California Main Street Alliance (CAMSA) are subcontractors in this effort.

The contract scope includes:

- An assessment of two target areas to determine their ability to support and utilize the Main Street approach,
- Community organizing to support the Main Street Program including the establishment of working committees in the Main Street component areas,
- The provision of training on Main Street approaches and leadership development of committees chairs,
- Development of a program plan, an operational plan and a succession plan for the Council District Six Main Street program including the identification of potential funding sources.

The timeline for completing these tasks is approximately twelve months or by June 30, 2005.

The West Oakland Redevelopment Project Area Committee (PAC) is providing initial oversight of Council District Three Main Street planning efforts. A draft RFP was developed for a consultant to conduct an assessment to determine the area in West Oakland most suited to the Main Street approach. The RFP was modeled after the one used to select a consultant for the Main Street Program in Council District Six. The West Oakland PAC will work with Redevelopment staff to select a consultant to develop a Main Street Program. A report and recommendation on the progress of the West Oakland Main Street Program will be scheduled for a future City Council agenda.

Future Main Street Efforts

Due to the growing awareness and use of the Main Street approach as a viable option for revitalization, there is an increase in the demand on NCR's limited staff and financial resources to implement these programs. Future Main Street programs will need to be part of the City budget process to assure sufficient funding and to align staff resources with Council priorities.

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SUSTAINABLE OPPORTUNITIES

Economic

The Main Street Program will lead to positive changes in these areas' economic climate.

Environmental

The Main Street Program does not have any direct environmental impacts.

Social Equity

The Main Street Program will lead to increased opportunities for residents and businesses in these disadvantaged areas.


DISABILITY AND SENIOR ACCESS

This section is not applicable.

ACTION REQUESTED OF THE CITY COUNCIL

This report is informational only and does not request City Council action.

Respectfully submitted,

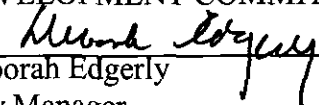


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APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE


Deborah Edgerly
City Manager

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