

FILED
OFFICE OF THE CLERK
OAKLAND
2008 FEB 28 PM 6:00
**REDEVELOPMENT AGENCY OF
THE CITY OF OAKLAND
AGENDA REPORT**

TO: Office of the City Administrator/Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: March 4, 2008

RE: Supplemental Report Demonstrating Central City East Project Area Committee Approval Regarding the Adoption of an Agency Resolution Authorizing The Purchase Of Real Property At 2777 Foothill Boulevard, Oakland (APN 024-0733-008-02) For \$1,050,000, Plus Real Estate Closing Costs

SUMMARY

Per the Finance and Management Committee request at the February 26th meeting, Redevelopment staff is providing information that demonstrates the Central City East (CCE) Project Area Committee (PAC) has provided authorization for staff to acquire the property located at 2777 Foothill Boulevard.

PAC Authorization for Acquisition

On the February 5th, 2007 PAC meeting, the CCE PAC approved CEDA staff's recommendation that "the PAC support CCE staff's pursuit of negotiation and acquisition of properties or sites based upon the PAC's preferences as previously identified via the Opportunity Sites list, the 5-year Implementation Plan, or other PAC deliberations or decisions." The PAC approved the recommendation with 14 Ayes, 1 Nay and 0 Abstentions. The PAC supported staff's recommendation to use Taxable Bond Funds in the amount of \$1,050,000 for 2777 Foothill Blvd. Copies of the 1/26/07 staff report (Attachment A) with the wording of the recommendation and the 2/5/07 PAC meeting minutes (Attachment B) with deliberation and vote information are included.

Opportunity Sites

The CCE PAC has also designated various blighted locations throughout the CCE Redevelopment Area as Opportunity Sites. The PAC has on multiple occasions expressed an interest to see those Sites developed. 2777 Foothill is one of those sites. At the time it was designated as an Opportunity Site via a combination of staff identification efforts and PAC prioritizing, the actual address of the property was mistaken as 2777 28th street. Photographic evidence as well as the location on the map verifies that one of the sites the PAC slated as an Opportunity site has the correct address of 2777 Foothill Boulevard. The Opportunity Site description, pictures and map are included (Attachment C). Currently, the site has an undetermined use and staff is working with District 5 representatives to determine its ultimate use.

Item: _____
City Council
March 4, 2008

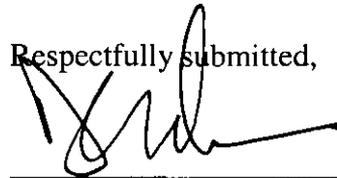
KEY FINDINGS

The CCE PAC did authorize Oakland Redevelopment Agency staff to pursue, negotiate and acquire sites identified on the Opportunity Site List. 2777 Foothill is on the Opportunity Site List, although it is erroneously referred to as 2777 28th Street (pictures and map verify that the PAC did select the 2777 Foothill site). Staff has PAC approval to acquire the site.

ACTIONS REQUESTED OF THE AGENCY

It is recommended that the Agency approve the resolution regarding the authorization to purchase the property at 2777 Foothill Boulevard (APN 024-0733-008-02) for \$1,050,000, plus Real Estate closing costs, as presented in the main staff report.

Respectfully submitted,



Dan Lindheim
Director
Community and Economic Development Agency

Reviewed by:
Gregory Hunter
Deputy Director
Economic Development and Redevelopment

Reviewed by:
Larry Gallegos
East Oakland Redevelopment Area Manager
Community and Economic Development Agency

Prepared by:
Kimani Rogers
Urban Economic Analyst
Community and Economic Development Agency

APPROVED AND FORWARDED TO
THE CITY COUNCIL:


Office of the City/Agency Administrator

Attachments: A) CCE PAC Report 1/26/2007
B) CCE PAC 2/5/2007 Meeting minutes
C) 2777 Foothill Opportunity Site Information

Item: _____
City Council
March 4, 2008

City of Oakland
Memorandum

TO: Central City East Project Area Committee Members
FROM: Kimani Rogers, Urban-Economic Analyst
DATE: January 26, 2006.

RE: Central City East (CCE) Redevelopment Area Opportunity Sites and Property Acquisition Funded by CCE Bond Funds

The Central City East (CCE) Redevelopment Area has \$75.55 million in bond funds. \$61.45 million of these funds are taxable bonds that can be used to fund various programs or projects such as property acquisition of the Opportunity Sites identified by the PAC and other high impact sites. CCE staff has identified four available sites for acquisition via the use of bond funds. The four sites are: (1) 7951 MacArthur Boulevard, (2) 7963 MacArthur Boulevard, (3) 9920 MacArthur Boulevard, and (4) 10451 MacArthur Boulevard. These and other desirable properties within the Redevelopment Area may become available on occasion and staff will need to be able to move forward to acquire them. For this reason, CCE staff is asking for the PAC's support for CCE staff to pursue sites as they become available.

Background

CCE Staff and the PAC worked together to identify a list of blighted and/or vacant sites within the Redevelopment Area that would be targeted for development. A substantial list of 40 sites varying in size, location, number of parcels, etc., was created and identified as CCE Opportunity Sites. In conjunction with the PAC, CCE staff worked to identify a few sites that staff would target first. A list of nine opportunity sites was identified. Owners of the nine sites were sent a letter to inform them of the Redevelopment Area's goals and to encourage them to work with the City of Oakland to develop or improve their property.

Staff issued a Request for Proposals (RFP) to interested developers regarding the sites and to inform them that Redevelopment staff would facilitate a conversation between the Opportunity Site owner(s) and any interested party who would like to develop the site. The goal was to pair up developers with interested owners of the sites for potential projects. The response was not high; only a few potential developers responded and no lasting pairings or agreements were established. It appeared that the developers required certain guarantees to develop on the property, and private owners would not necessarily be able to provide those guarantees. Staff then realized that the acquisition of these sites may be required before any development could occur. Staff is now pursuing the option of purchasing these sites from interested owners.

The CCE Redevelopment Area does not have sufficient funds to purchase properties in the "Land Assembly & Relocation Program" funding category. CCE bonded in the latter part of 2006 with the intent to use the CCE bond funds to acquire the identified sites for development. The bond issuance was successful and provides \$61,455,000 that can be utilized for property acquisition and development of sites.

Staff sent a letter in mid-January to the property owners of the nine sites to ascertain which owners would be interested in selling their property. Depending on the response and expressed interest, CCE staff will assess whether to pursue the acquisition of these properties. Since the initiation of the Opportunity Sites process and the evolution of the "nine sites" list, a few other desirable sites within the CCE Redevelopment Area have come to the attention of staff.

Currently, there are three (3) sites that staff is actively pursuing. Members of the PAC on multiple occasions have expressed the desire to purchase and replace some of the motels located on MacArthur Boulevard. One motel located at 9920 MacArthur Boulevard is currently for sale. Two parcels (7951 MacArthur Blvd. and 7963 MacArthur Blvd.) that were listed in the original Opportunity Site list of 40 sites were identified for sale by the County. CEDA staff is working to acquire these sites. Finally, the 10451 MacArthur Blvd. site from the reduced list is currently for sale.

Project Information

The following is information about the 3 sites

I. 7951 and 7963 MacArthur Boulevard

This is a two parcel site comprised of 15,265 square feet. These two parcels are located on the southwest corner of the MacArthur Boulevard and the Ritchie Street intersection. These are two vacant lots surrounded by fencing. A Phase I environmental review has been conducted of the property. Currently, a Phase II environmental review and geophysical survey are underway to check for contamination as the site housed a gas station at one time.

These two parcels are currently owned by the County, due to tax delinquency by the property owner. CCE staff contacted the County of Alameda's Tax Collector to ascertain the best method to obtain the property. As a result, the Oakland Redevelopment Agency is now pursuing a Chapter 8 sale of the property.

The properties each have a number of fees and liens on them that will affect the cost and allow for an approximate range at which the properties may be purchased. The minimum bid for 7963 MacArthur Blvd. is listed at \$170,080 with liens of \$88,806. However, additional costs related to other potential liens may increase the total cost by an estimated \$20,000, bringing the total listed cost between the ranges of \$258,886 and \$278,886.

7951 MacArthur Blvd. is listed at a minimum bid of \$149,057 with liens of \$89,652. Again the Agency estimates additional costs related to the property at \$20,000 for this site, bringing the total listed cost between \$238,682 on the low-end and \$258,682 on the high-end. City staff would seek to negotiate with the County for the best cost.

II. 9920 MacArthur Boulevard

This site currently houses a motel and sits on 26,014 square feet. The site is located on the southeast corner of MacArthur Boulevard and 99th Avenue and has a total of 20 units.

Staff has identified this site via LoopNet's listing of properties for sale. This site is one of five motels located between 99th Avenue and 106th Avenue on MacArthur Blvd. The site has a parking lot adjacent to MacArthur Blvd. located at the center of the motel and is surrounded by motel rooms on three sides.

CCE staff, through the City's Real Estate department, has contacted the broker for this site. Preliminary discussions of owner improvements and the current listing price were discussed and the Agency is moving forward to attain an appraisal. The property is listed at the asking price of \$1.575 million. Additional costs for Environmental Review and potentially other exploratory services may be added at a later stage in the acquisition process.

III. 10451 MacArthur Boulevard

This parcel is comprised of 23,000 square feet and is currently vacant. The site is located between Fisher and Talbot Avenues on the west side of MacArthur Boulevard, with a portion of the lot facing a motel. It is currently fenced off and is surrounded by residential buildings on the south and west sides. The parcel is not blighted, has a substantial footprint, and the PAC has ranked it high on the opportunity sites list.

The parcel is for sale and is listed at the asking price of \$725,000. The Agency, through the City's Real Estate department, has contacted the broker and is now moving forward by attaining an appraisal of the property. Additional costs for the Environmental Review and potentially other exploratory services may be added at a later stage in the acquisition process.

Projected Costs

Property	Asking Price	Other Costs (i.e., environmental review)	Total Costs to date
7951 MacArthur	\$ 278,886.	\$13,616	\$ 292,502
7963 MacArthur	\$ 258,682	\$13,616	\$ 272,298
9920 MacArthur	\$1,575,000	(Pending)	\$1,575,000
10451 MacArthur	\$ 725,000	(Pending)	\$ 725,000
Total	\$2,837,568	\$27,232	\$2,864,800

Staff Recommendation

CEDA staff recommends that the PAC support CCE staff's pursuit of negotiation and acquisition of properties or sites based upon the PAC's preferences as previously identified via the Opportunity Sites list, the 5-year Implementation Plan, or other PAC deliberations or decisions.

Finally, CEDA staff recommends pursuing the three sites for negotiations and acquisition, if appropriate. CEDA staff will continue to research and potentially pursue other available CCE opportunity sites as responses come in from the property owners.

DRAFT
CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, February 5, 2006 PAC meeting
Patten University, 2433 Coolidge Avenue, Student Activity Center

(The minutes are in draft form until approved by the PAC)

Frank P. Thomas, Jr., Chair of the Project Area Committee (PAC) chaired the meeting. The meeting started at 6:49 p.m.

I. Roll Call

See attached roster of attendance. Gilda Gonzales suggested that all PAC members' cell phone numbers be on a list for Theresa to call in case Theresa needs to reach them.

II. Open Forum

There were no speakers from the public that spoke in the open forum. Gilda Gonzales acknowledged the appointment of Gregory Hunter to Interim Deputy Director for the Redevelopment, Economic Development, Housing and Community Development divisions.

III. Approval of the Minutes

Motion (by Ken Harvey, seconded by KathyChao) to approve the minutes of the January 8, 2007 PAC meeting.

Vote: 10 Ayes, 0 Nays, and 3 Abstentions. Motion passed.

IV. Administrative Items

a. Nominations to fill PAC vacancies

Thomas Campbell was nominated at the last meeting for the Eastlake/San Antonio Business Owner representative position. Thomas Campbell spoke about his background and qualifications.

Motion (by David Kakishiba, seconded by Preston Turner) that Thomas Campbell be approved to join the CCE PAC.

Vote: 13 Ayes, 0 Nays, and 3 Abstentions. Motion passed.

Frank P. Thomas, Jr. stated that Theresa Navarro-Lopez is putting together a packet of information for Thomas and will provide him with an orientation.

b. Announcements from PAC Community Organizations

Corona Rivera announced that Declancy's Café near 3rd Avenue and Park Boulevard or at 2000 Park Blvd will open this week.

Tom Thurston wanted to recognize the Unity Council for its efforts on the Martin Luther King Jr. weekend. The Unity Council brought over 100 youth from Berkeley to clean up the neighborhood.

Kathy Chao announced that the Lao Family Community Development Inc. will offer free tax service from February 1st to April 15th on Thursdays and Fridays from 1:00 p.m. to 8:00 p.m. and Saturdays from 10:00 a.m. to 2:00 p.m.

Gilda Gonzales Chief Executive Officer of the Unity Council stated that the Unity Council also does VITA (volunteer income tax assistance) and the EITC (earned income tax credit) work. It's sponsored by the United Way. A flyer of all VITA sites will be sent out to the PAC.

Frank P. Thomas, Jr. recognized Councilmember Pat Kernighan who was in attendance at the meeting as well as Claudia Jimenez, an aide from Councilmember de la Fuentes's office.

V. Allocation of CCE Housing Bond Funds

Marge Gladman, Community and Economic Development Acting Housing Manager, presented a proposal to exchange funding sources from one year to the next. In 2005, the PAC supported the Notice of Funds Availability (NOFA) funding for Orchards on Foothill and Foothill Plaza for \$1 million and \$1.6 million, respectively. An amount of \$2.6 million was approved for funding the two projects in the CCE area from the Citywide NOFA funds.

Marge Gladman stated when the NOFA was released for request for projects in the 2005-06 Fiscal Year all the NOFA funds were from the Citywide funds and there was no Housing bond funds for the CCE area at that time. Marge Gladman is requesting that funds from this year's 2006-07 NOFA from the CCE bond funding source be exchanged to cover the 2005-06 NOFA projects previously to be funded by the Citywide funds. This will allow more Citywide NOFA funds to go to other projects outside of the CCE area. Housing staff is asking that the PAC exchange the funds, and due to a Council Report deadline, they would like the PAC to take action at tonight's meeting.

Gloria Jeffrey asked if the two development projects came to the PAC.

Marge responded that the two projects did come before the PAC for the PAC's recommendation.

Preston Turner asked if there are any other sources of funds for these projects.

Marge Gladman stated that the Citywide NOFA is usually the first source of funding and after securing that they can secure additional funding elsewhere –Federal, State, etc.. The process to receive the initial funding usually takes one year.

Frank P. Thomas Jr. stated that it looks like the City is trying to take back money that was given to the CCE area.

Marge Gladman stated that staff is asking to exchange Citywide funds with the CCE Housing bond funds.

Gilda Gonzales asked if there are other projects being funded by the CCE Housing bond funds. What is the impact of the bond funds?

Marge Gladman stated that the other funds are from the Citywide bond, so it is funding other projects within the City of Oakland.

Frank P. Thomas Jr. stated that the CCE area only got a portion of the bond funds.

Marge Gladman stated that yes the CCE bond housing funds are only to be used in the CCE Project Area.

Gilda Gonzales asked if there were other CCE projects to be funded outside those two in the NOFA from the 2005-06 fiscal year.

Marge Gladman stated that these were the only two in the CCE area.

Theresa Navarro-Lopez stated that in the fiscal year 2005-06 the CCE area did not have separate funds. When the CCE area bonded in 2006-07 it was for CCE projects only.

Marge Gladman commented that the City was going to fund these 2 projects from City funds.

Tom Thurston stated that the point is that if we approve this measure, more affordable housing projects could be developed outside the redevelopment area. On a separate note about procedure, the PAC prefers that projects like these not come in front of them at the last minute.

Marge Gladman apologized for the late notice. Due to the NOFA timeline it makes it difficult to have everything ready for the necessary parties with enough notice.

Gloria Jeffrey has an issue with the last minute notification and feels that it is a consistent problem.

Marge Gladman stated that the packet was sent out as soon as staff was aware that this was a recommendation that the CEDA Housing staff wanted to make.

Preston Turner asked to hear Gregory Hunter's view and staff's recommendation.

Gregory Hunter stated that staff is recommending to stretch limited funds for projects such as recommended by Housing staff. This recommendation does fit with what the PAC has told the staff it would like to see.

Kathy Chao expressed that some PAC members came after this NOFA process that was decided in 2005 and would like staff to summarize how this NOFA process came along.

Marge Gladman stated that the NOFA is sent out in the early fall and applications are due in November. Usually CEDA receives applications requesting three times the amount of dollars that are available. The housing developers are requested by CEDA Housing staff to present to the PAC for the PAC's recommendation.

Theresa Navarro-Lopez summarized that in 2005 the two projects came to the PAC for the PAC's recommendation. These two projects were to be funded by the Citywide fund, not the CCE housing bond funds. Staff is now seeking to swap funds for 2005 projects from Citywide funds to the CCE bond funds, releasing Citywide funds for other projects

Frank P. Thomas Jr. wants everyone to read from the minutes of the November 2005 *(please note there was an error on the meeting month, the meeting when this was discussed was in December 2005)* PAC meeting where the two projects were presented and reviewed and what the PAC discussed.

Theresa Navarro-Lopez briefly stated what happened at that meeting in the minutes including the presentation, motion, and the motion passing.

Frank P. Thomas Jr. did not have the minutes in his packet and had concerns with what was discussed at the meeting. Frank wanted the PAC to read from the minutes, feels that when CCE gets money that the City comes to take it back. Frank is worried about the number of affordable housing projects in the CCE area.

Robert Klinger stated that if the money goes from the CCE NOFA funds there will be projects funded in the CCE area.

Marge Gladman stated that this is not true.

Robert Klinger asked if these projects are from the 2005-06 funds is money going to the 2006-07 funds.

Marge Gladman stated that the PAC did not recommend that any of the 2006-07 CCE Housing bond funds go to new construction projects in the CCE area.

Thomas Thurston asked if other PACs have done this.

Marge Gladman stated that this is the only PAC area that has separate funds that she is aware of for the CCE bond funds.

Frank P. Thomas Jr. asked what amount isn't going to other areas.

David Kakishiba asked if this is normally done.

Marge Gladman stated that West Oakland is the other redevelopment area that keeps the 25% of its tax increment funds for housing in its area.

David Kakishiba asked if the policy of the PAC is to invest funds here for high quality affordable housing projects in this area.

Marge Gladman stated that that is the purpose of these funds.

David Kakishiba suggests that if they believe the projects will be poor, then they should take staff's recommendations but, if they think the projects will be good, then they should turn this down

Gilda Gonzales wants to understand the deadline issue. Why does a vote need to be taken now?

Marge Gladman stated that many of these projects are going for other sources of funding, like State or Federal funds that have deadlines in March or May. Also, the deadline is for the report for this current year and for all new projects.

Gilda Gonzales made a motion to accept the staff recommendations and she would also like to start looking at the additional \$4.6million in funds and what the PAC would like to see done with it.

Marge Gladman stated that the NOFA comes out once a year. Now is the time to start clarifying to staff what kind of projects the PAC would like to see in their area.

Preston Turner wanted clarification and asked if PAC does not vote for the recommendation, are these projects already funded?

Marge Gladman stated that yes they are.

Preston Turner wants an update for existing projects and status of where they are. This should be presented to the PAC. Preston has concerns about projects that still needed funding.

Motion (by Gilda Gonzales, 2nd by Tom Thurston) to support the staff's recommendation.

Frank P. Thomas Jr. stated he was not ready for the question yet. The PAC is being led to believe that if they do not spend the money right now, they will lose it. Why does the PAC have to move on this right now?

Frank Rose the staff made it clear that they have three years to spend the affordable housing bond money.

Gregory Hunter CEDA Housing staff does have additional time and the PAC can put together what you would like the criteria for developers to submit to the NOFA for the CCE Housing bond funds.

Ken Harvey wanted to know if the PAC is trying to accommodate the Council's deadline.

Gregory Hunter stated that the rush is to get the information together so as to receive money from other funding sources as well.

Motion (by Gilda Gonzales, 2nd by Tom Thurston) to support the staff's recommendation.

Vote: 8 Ayes, 6 Nays, and 1 Abstention. Motion passed

Gregory Hunter the subcommittee can explore what criteria the PAC should suggest for the 2007- 08 NOFA funds.

Gloria Jeffrey stated that the sub committee that was formed was only to explore the use of funds from the purchasing of the housing credits from the Oak Knoll development.

Gregory Hunter stated that yes, but at the last meeting, the PAC also discussed putting together another committee looking at affordable housing project requirements.

Robert Klinger the recommendation says that this will send affordable housing outside of the area and as for having high quality affordable housing in the area, we don't want it.

Gilda Gonzales is willing to work on the sub-committee to deal with affordable housing criteria.

Kathy Chao would also like to be on this committee.

VI. Follow Up Presentation on the CCE Bond Issuance

Gregory Hunter gave information and background regarding the issuance of the CCE bonds. At the December 5, 2006 PAC meeting he had talked about the amount. The total disbursement is \$75.5 million and was broken down into two categories. The tax-exempt portion is a total of \$14.1 million and the remaining \$61.45 million are taxable bonds.

Gregory Hunter stated that the \$61.45 million will be used for property acquisition, specifically the Opportunity Sites. The \$14.1 million can be used for public infrastructure projects such as streetscapes, parks and libraries. The CCE redevelopment staff has been receiving requests from other departments regarding the funds. CCE staff are currently reviewing the projects with certain criteria: complimentary investments, existing projects,

funding gaps, projects approved in the CCE 5-year Implementation Plan, project readiness, and community impact

VII. Presentation on CCE libraries, parks and recreation facilities, the status of the streetscape projects and the opportunity sites

Kimani presented the eight streetscape projects and the parks and recreational facilities as it is related to the use of the \$14.1 million bond funds.

Tom Thurston asked about the matrix that was provided to the PAC illustrating the use of the bond funds. Tom wanted to know if the areas that had shortfalls how staff sees these moving forward. Gregory Hunter stated that staff is working on that now and there are some projects that are ready to move and will be able to use the funds.

Gloria Jeffrey a couple of months ago there was an update about MacArthur and there was a shortfall that was identified. Gregory stated that there is a shortfall and staff is discussing this with Public Work Agency (PWA) staff. Gregory stated that PWA staff has to demonstrate to ORA what the shortfall is. The project is under funded and Oakland Redevelopment Agency (ORA) staff would not make a recommendation to meet the shortfall unless PWA can demonstrate why there is a shortfall.

Thomas where are the numbers for the estimate?

Gregory the numbers are from PWA staff and the underground project is different since it is more extensive and involves other agencies such as ATT, PG & E, and Comcast.

Gilda Gonzales What kind of contingency is there for these projects?

Gregory Hunter MacArthur was under funded to begin with.

Kimani moved onto the presentation about the requests from the Parks and Recreation. Kimani presented two examples of projects: (1) Josie de la Cruz and Carmen Flores replacement of lawn to a multi-purpose field and (2) Clinton Park on 6th Avenue between East 12th and East 14th Street/International Boulevard with multiple improvements.

There were several libraries listed for improvements such as the Melrose, Eastmont and Elmhurst libraries. Two examples were illustrated with cost for the improvements one for the Melrose Branch upgrades and the other for the Elmhurst Branch including an addition of bathrooms.

Tom Thurston wanted to know what land the library wanted to acquire across from the Melrose Branch. Preston turner stated that he believes this is property across the street.

Robert Klinger that is no library in San Antonio and is there anything for this area?

Since there are no libraries in this area is there any interest to do something for the San Antonio area? Gregory Hunter stated that since Measure M did not pass and this was part of Measure M that this would be a difficult project for the CCE area alone.

Gregory Hunter we were only talking to the library about existing libraries. There is ongoing discussion about a new library in the San Antonio area with the City Administrator.

Dan Seamans the Main library is pretty close to this area. Gregory Hunter stated that this does not mean that we that we cannot look at this but we did not have that direction. The \$14.1 million would be used for infrastructure streetscape projects and to assist one other project.

Kathy Chao added to Robert's point that there is a lack of a library in the EastLake San Antonio area and the Main Library is too far to use. Kathy also asked a question about the park on 23rd Avenue and International Boulevard and would like to add that park to the list. Theresa Navarro-Lopez commented that this park is in the Coliseum Redevelopment Area.

Frank Rose stated that staff put \$1 million dollars for the entire area for facilities and there is such a need and wanted to know if this was a joke.

Gregory Hunter commented that this amount is not a joke. CCE has \$14.1 million to go to public facilities and infrastructure. Almost all the money is earmarked to go to streetscapes projects. If we did every streetscape project we would need an additional \$8 million. We think with the additional tax increment in the next few years we can allocate the additional funds. CEDA staff has the responsibility to state the options available for the use of the bonds. Gregory Hunter stated that there is such a big need in the community that even the bond money cannot meet all of the need. Gregory suggested that some of the funds from the Oak Knoll housing credits be used for other projects other than housing.

Frank Rose said there is no money for the Elmhurst library. When Measure M did not pass it hurt the library. Gregory Hunter stated that staff is trying to stay responsible to making sure the streetscape projects get done. Gilda stated that the only way to make that change is to retract the commitment on the streetscapes and reallocate. Tom Thurston stated that the hope is that the streetscape projects be done first and that this would free up funds for the community facilities within the next three years.

Kimani Rogers presented the CCE opportunity sites and the status. Kimani provided the background and the focus on the 9 specific sites. Kimani stated that the PAC would expand to the 12 sites. The form with the information on the status of the opportunity sites was discussed.

Gloria Jeffrey asked if it was possible to add another site to the list. Kimani stated that staff is exploring other added sites. There are two for sale and one to be acquired from the County. The property from the County is 7951- 7963 MacArthur Blvd. through a Chapter 8 sale. At this point the purchase price is estimated at \$540,000. This is one of the original 40 sites the PAC identified early and wanted to do something about. The other site is 9920

MacArthur Boulevard which contains a motel. The asking price is \$1.575 million. The last site presented was 10455 MacArthur also one of the 9 sites that PAC did agree to move on.

Gloria Jeffrey asked if that is the property Stanley Binion owns and if he is putting this back up for sale. CEDA staff responded that yes this is the site owned by Stanley Binion.

Gregory Hunter stated that CEDA staff wants direction to move forward with the opportunity sites and as other sites become available move full force.

Preston Turner called recently regarding some opportunity sites in the area 45th Avenue and Foothill Boulevard area and mentioned this to Ignacio de La Fuente. The Comcast building was brought to the attention of the PAC. Gregory Hunter stated that staff is looking at the sites the PAC designated, sites that the County have available, and as sites avail themselves. Comcast has been contacted.

Gloria Jeffrey to add on sites do we call Theresa? Yes, or e-mail the information to her.

Frank Thomas what type of site commercial or residential? Gregory it depends on the site.

Gilda Gonzales what is the process on moving on the sites will there be a recycling with sites that do not respond.

Gregory Hunter stated that staff did not have the opportunity do that in the past since we did not have money to offer to purchase the sites. CEDA can now offer to purchase the sites and those that do not respond we can take off and move on with the list.

Kenneth Harvey asked about a site that had a gas station on it. What can redevelopment do to clean up the site?

Gregory Hunter stated that we can work with our environmental staff to assess the site. The Agency also has the Polanco Act which provides the agency with the power to get the company to clean up the site.

Motion (by Preston Turner, seconded by Thomas Campbell) for staff to move forward with the projects and support staff's recommendation.

Vote: 14 Ayes, 1 Nay, and 0 Abstentions. Motion passed.

Robert Klinger stated once again we have no plan.

Theresa Navarro-Lopez provided an explanation of the process making sure that when we work on projects there are other types of developments. The sites are also in major commercial corridors.

Robert Klinger wanted to know what the vision for the area is and what is Central City East going to look like in the future.

Preston Turner asked if the PAC may move on the agenda and Frank Rose seconded the motion.

Robert Klinger left the room and returned and stated when you people want to talk about whatever is important to you, you don't mind doing it. Why don't you let other people talk in here. Robert Klinger left the room again.

Frank Rose continued the meeting for the next item. Preston requested that staff quote the statement from Robert Klinger stating "you people."

VIII. Follow-Up Discussion on the Use of the Funds from Oak Knoll's Purchase of CCE Surplus Housing Credits

Gloria Jeffrey discussed the Oak Knoll funds. The committee felt that since it was housing funds, the funds should stay with housing and suggested there be funds for medium-income families for a down payment on homes. In the last meeting there may have been a change, she wants clarification and would like to know how the PAC wants to use the funds for.

Kathy Chao wanted clarification on the term medium-income and what is meant by medium-income.

Gloria Jeffrey stated that the Area Median Income (AMI) varies and she wants to use the AMI at 100%.

Gilda Gonzales stated that the committee had not talked about the percentage levels. The committee talked about the down-payment assistance program and staff was to clarify the percentage for middle-income.

Gloria Jeffrey stated that area residents can not afford some market rate homes and she would like a program to provide assistance to those people who want to buy market rate homes. The PAC needs to decide if they want all funds to go towards this, or if they want to explore other options.

Thomas Campbell asked if there was consideration for businesses and business owners to use some of those funds.

Gloria Jeffrey stated that Theresa can explain the Façade Improvement Program (FIP) to him during orientation.

Corona Rivera there was also discussion regarding other options other than housing.

Gloria Jeffrey stated that the recommendation from the sub-committee was to use the funds for housing and she would like to vote on how the PAC can do this.

Theresa Navarro-Lopez stated that the PAC is unable to vote on this item since the agenda did not include a vote.

Gloria Jeffrey stated that there are two things on the floor and that is if the PAC want to use all the funds toward one option; and if so, what will that option be.

Gilda Gonzales wants staff to bring more information and a framework on the market rate housing and its affordability within the area.

Public Comment

Ron Gardner, a member from the public, spoke and stated that he was interested in the income levels and finds that important. The PAC needs to look at the higher income levels and be wary of any restrictions attached to the funds. He would also like to use some of those funds for commercial property like Foothill Square.

Frank P. Thomas Jr. stated that staff will look at how this idea (down-payment assistance for market rate housing for medium income people) can be framed. Staff will also explore the use of 25% of the funds being used for other non-housing uses and what those other options could be.

IX. Items for the next PAC meeting

Staff will provide more information and a framework including options for using 25% of the Oak Knoll Housing Surplus Credit funds for a separate purpose and include a vote for Item VIII on the agenda. An agenda item will include a discussion of the housing subcommittee to develop criteria for the NOFA requirements. Gilda Gonzales will chair the committee and the rest of the committee to be formed at the next meeting.

IX. Adjournment

The meeting was adjourned at 8:43 p.m.

OPPORTUNITY SITE PACKET FRUITVALE/SAN ANTONIO SUBAREA

2777 28th Ave.

Description

This site is a one story triangular parcel. It is a large lot that appears to be vacant. The building has a large sidewalk facing 28th Ave. Surrounding uses vary between commercial and residential single family and multi family units. The building was formerly used as a rehabilitation center.

Site and Development Potential Comments:

There are both residential and commercial uses adjacent to the parcels, therefore this site could potential house both of those uses. Ground floor commercial could take advantage of the unusually wide sidewalk and make a great outdoor space for some commercial uses.

Benefits (Positives):

1. Corner/Triangular lot
2. Vacant
3. Large parcel

Challenges (Negatives):

1. Demolition of existing building

Site Information:

Address	Owner	APN	Size	Current Zone [1]	Buildout Potential [2]	General Plan Designation	Site Comments
				Permitted Density			
2777 28th Ave & Foothill Blvd.	Yeap, Hooi	025-0733-008- 02	20,634	C-30 1/450	46	Urban Residential	one story institutional building (former use recovery center)(pros) corner lot, large lot, large sidewalks

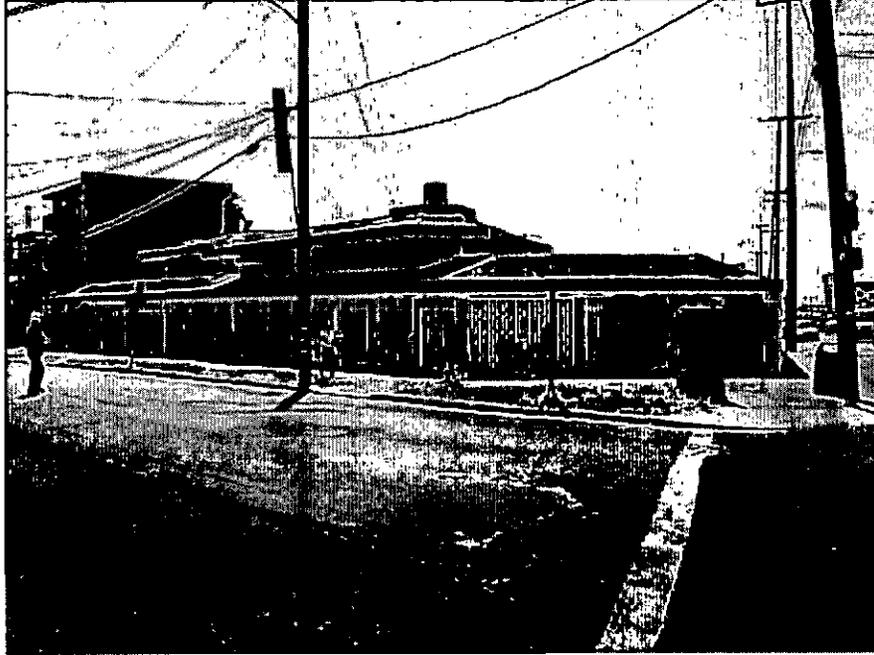


FRUITVALE/SAN ANTONIO SUBAREA

OPPORTUNITY SITE PACKET



THE CITY OF OAKLAND



FRUITVALE/SAN ANTONIO SUBAREA

OPPORTUNITY SITE PACKET



THE CITY OF OAKLAND

FRUITVALE/SAN ANTONIO OPPORTUNITY SITES

