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**REDEVELOPMENT AGENCY
AND THE CITY OF OAKLAND
AGENDA REPORT**

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: January 20, 2009

RE: **Supplemental Informational Report Presenting the Redevelopment Agency's Fiscal Year 2007-2008 Annual Reports on Blight, Housing Activity, Loans, Property, and Time Limits in Accordance with the Reporting Requirements of the California Community Redevelopment Law**

SUMMARY

When the Community and Economic Development Committee reviewed the informational reports on Blight, Housing Activity, Loans, Property and Time Limits, supplemental information was requested on two subjects:

1. What Oakland housing projects were affected when the State of California suspended bond awards and expenditures?
2. Why are the old loans uncollectable? Include descriptions of the collection efforts made in the past and support for the request to have these loans removed from this account in the future.

BACKGROUND

Bond Funded Projects in Oakland. In mid December 2008, the Pooled Money Investment Board (PMIB) suspended all bonds awards and expenditures from its accounts, including those related the Prop. 46 and Prop. 1C funding awards, until the State's budget shortfall is resolved. According to the State's Department of Housing and Community Development (HCD) list of projects affected by this action, the financial impact state-wide is \$16 Billion. Of that amount, \$128 Million affects affordable permanent housing, transitional housing and homeless projects and services and transit oriented developments and infill infrastructure projects in Oakland.

Attachment A provides a list of the impacted City projects, their addresses, their status, and the respective state programs as well as the council district where they are located. Under the HCD-Prop. 46 category, there is \$6 Million in 10 projects or services several of which have received commitments or are in construction. Under the Multi-Family Housing Program (MHP), there is \$27 Million in five projects all of which are in construction now. Under the HCD-Prop. 1C category, there is \$94.3 Million in 10 projects all of which have received commitments of funding. There is one Oakland wide program of \$1.3 Million that would also be impacted by

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this delay in funding. The list demonstrates the breadth of the impact of PMIB's actions on City and Redevelopment Agency projects.

Defaulted Agency Loans. All of the loans on the list of defaulted loans have been in default for years. June 9, 2007 the Agency Board passed a resolution, No. 2007-0051 C.M.S., which authorized removing all of the non-performing loans from the Agency financial records. That is to say that the loans were removed as an asset because they were deemed uncollectable. But the Agency Board also required that the loans continue to be listed as delinquent for purposes of reporting to Council and continue to be pursued with collections activity by the City/Agency. For this reason, the loans continue to be reported annually to the Council/Agency Board. Staff offers their assurances that every reasonable measure has been taken to collect on these loans, but they remain uncollectable. Staff continues to monitor the loans and will again seek repayment if the situations change.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council accept fiscal 2007-2008 reports: Blight (Attachment A); Housing Activity (Attachment B), Property; (Attachment C) and d) Loans (Attachment D), and Time Limits (Attachment E).

Respectfully submitted,

for Patrick Lane

Dan Lindheim, Director
Community and Economic Development Agency

Reviewed by:
Gregory Hunter, Deputy Director
Economic Development and Redevelopment, CEDA

Prepared by:
Patrick Lane, Redevelopment Manager
Redevelopment Division, CEDA

APPROVED AND FORWARDED
TO THE CITY COUNCIL:

William Taylor
Office of the City Administrator

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Attachment A: Impact of State Budget on Pooled Money Investment (PMIB) Accounts for Oakland

District	Project	Address	No. of Units	State Prgm	Amt of State Funding	Subtotals	Status
	HCD-Prop 46						
7	Edes Avenue Project, Phase A	10900 Edes Ave.	24	CalHOME	\$ 300,000		Received commitment
7	Edes Avenue Project, Phase B (ownership)	10800 Edes Ave.	28	CalHOME	\$ 300,000		Received commitment
5	City Human Services Dept. (Homeless)	5239 -5241 Bancroft	4	EHAP	\$ 269,094		Req for Disbursal submitted
7	City Human Services Dept. (Homeless)	173 Hunter	1	EHAP	\$ 129,096		Req for Disbursal submitted
7	City Human Services Dept. (Homeless)	1936 84th Ave.	1	EHAP	\$ 84,908		Req for Disbursal submitted
3	City Human Services Dept. (Homeless)	3501 Adeline	1	EHAP	\$ 149,514		Req for Disbursal submitted
6	City Human Services Dept. (Homeless)	2400 Church St.	1	EHAP	\$ 130,789		Req for Disbursal submitted
7	City of Oakland	8314 MacArthur	15	EHAP	\$ 998,677		In predevelopment/bidding
3	City of Oakland	559 16th St.	64	EHAP	\$ 999,998		In predevelopment/elevator
5	Seven Directions	2946 International	36	MHP-SS	\$ 3,017,275		Construction completed
various	Oakland	various	NA		\$ 1,280,992		
			151			\$ 7,360,343	
	MHP						
3	14th St. Apts at Central Station	14th St @ Wood St.	99	MHP	\$ 8,266,610		In construction
3	Fox Cts	18th & San Pablo	80	MHP	\$ 5,804,557		In construction
4	Altenheim Senior Housing	1720 MacArthur	81	MHP	\$ 6,085,773		In construction
3	St. Patrick's Terrace	1212 Center	66	MHP	\$ 3,800,000		In construction
3	St. Andrew's Manor	3250 San Pablo	60	MHP	\$ 3,000,000		In construction
			386			\$ 26,956,940	
	HCD-Prop 1C						
1	MacArthur Transit Village (rental and ownership)	Telegraph & 40th	108	Infill/TOD	\$ 34,300,383		Received commitment
3	Central Business Dist/Uptown/(tied to Harrison Sr.)	1633 Harrison & 17th	73	Infill	\$ 9,903,000		Received commitment
7	Tassafaronga Village (rental units)	919 85th Ave	60	Infill/MHP	\$ 16,119,522		Received commitment
2	6th & Oak Senior Homes	609 Oak St	70	Infill	\$ 2,000,000		Received commitment
5	St. Joseph's Senior Apts	2467 International	78	Infill/MHP	\$ 10,277,883		Received commitment
6	Coliseum BART/Lion Creek Crossings IV (R&O)	69th Ave @Snell	100	TOD	\$ 16,012,592		Received commitment
3	Fairmount Apts	401 Fairmount Ave	31	MHP	\$ 2,306,485		Received commitment
1	Northern California Land Trust (ownership)	828-834 59th St.	6	CalHOME	\$ 760,000		Funds being disbursed
various	City of Oakland (first time homebuyers)	Scattered Sites	25	CalHOME	\$ 1,000,000		Received commitment
7	Edes Ave Project, Phase B (ownership)	10800 Edes Ave.	see above	CalHOME	\$ 1,320,000		Received commitment
7	Tassafaronga Village (homeownership units)	85th Ave	22	CalHOME	\$ 300,000		Received commitment
			573			\$ 94,299,865	
		TOTAL Units Affected	1110		TOTAL \$	\$128,617,148	

Note: The column entitled "Number of Units" only includes affordable units impacted by this PMIB action. In some cases, market rate units and related public improvements may also be impacted but those numbers haven't been determined.