

APPENDIX B

Existing Implementation Plan for the Oak Knoll Redevelopment Project

VI. IMPLEMENTATION PLAN

Section 33352(c) of the California Community Redevelopment Law (CRL) requires that every redevelopment plan submitted by the redevelopment agency to the legislative body be accompanied by an Implementation Plan. The Implementation Plan describes the specific goals and objectives for the proposed Project Area, the specific projects proposed by the Agency (including a program of actions and expenditures proposed to be made within the first five years of the redevelopment plan), and a description of how these projects will improve or alleviate the blighting conditions found within the Project Area.

A. PROJECT AREA GOALS AND OBJECTIVES

The proposed Redevelopment Plan for the Oak Knoll Redevelopment Project sets forth a number of goals as described below.

- a. The mitigation of the economic and social degradation that is faced by the community due to the closure of the Naval Medical Center by the federal Base Closure Commission, in accordance with the legislative intent expressed in Section 33492 of the Health and Safety Code.
- b. Implementation of the Reuse Plan as finally adopted ("Final Reuse Plan").
- c. The elimination of blighting influences and the correction of environmental deficiencies in the Project Area, including, among others, buildings in which it is unsafe or unhealthy for persons to live or work; obsolete, aged, dilapidated and deteriorated building types; substandard, faulty, inadequate or deteriorated infrastructure and utility lines; buildings that are too large or too small for modern use; inadequate parking facilities; incompatible and uneconomic land uses; non compliance of land and buildings that do not meet current building, plumbing, mechanical or electrical code standards.
- d. The subdivision of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.
- e. The replanning, redesign, and development of portions of the Project Area which are improperly utilized.
- f. The establishment of appropriate retail and/or other commercial functions in the Project Area as determined to be feasible.
- g. The strengthening of the economic base of the community through the construction and installation of needed site improvements to stimulate new residential, commercial, and recreational uses.
- h. The provision of adequate land for parking and open spaces.
- i. The establishment and implementation of performance criteria to assure high site design standards, environmental quality, and other design elements which provide unity and integrity between designated land uses within the Project Area.
- j. To provide for the expansion, improvement, and preservation of the community's supply of housing available to low- and moderate-income persons and families within or outside the Project Area.

The programs and projects proposed in this implementation plan are intended to facilitate the achievement of these goals and objectives. The relationship between the goals and objectives of the redevelopment project and the programs planned for the Project Area are provided on the Chart below.

**PROJECT AREA GOALS AND OBJECTIVES AND RELATED PROGRAMS
OAK KNOLL REDEVELOPMENT PROJECT**

REDEVELOPMENT PROJECT GOALS AND OBJECTIVES		PROGRAMS
		CAPITAL IMPROVEMENTS PROGRAMS
A.	The mitigation of the economic and social degradation that is faced by the community due to the closure of the Naval Medical Center by the federal Base Closure Commission, in accordance with the legislative intent expressed in Section 33492 of the Health and Safety Code.	X
B.	Implementation of the Reuse Plan as Finally adopted ("Final Reuse Plan").	X
C.	The elimination of blighting influences and the correction of environmental deficiencies in the Project Area, including, among others, buildings in which it is unsafe or unhealthy for persons to live or work obsolete, aged, dilapidated and deteriorated building types; substandard, faulty, inadequate or deteriorated infrastructure and utility lines; buildings that are too large or too small for modern use; inadequate parking facilities; incompatible and uneconomic land uses; non compliance of land and buildings that do not meet current building, plumbing, mechanical or electrical code standards.	X
D.	The subdivision of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.	X
E.	The replanning, redesign, and development of portions of the Project Area which are improperly utilized.	X
F.	The establishment of appropriate retail and/or other commercial functions in the Project Area as determined to be feasible.	X
G.	The strengthening of the economic base of the community through the construction and installation of needed site improvements to stimulate new residential, commercial, and recreation uses.	X
H.	The provision of adequate land for parking and open spaces.	X
I.	The establishment and implementation of performance criteria to assure high site design standards, environmental quality, and other design elements which provide unity and integrity between designated land uses within the Project Area.	X
J.	To provide for the expansion, improvement, and preservation of the community's supply of housing available to low- and moderate-income persons and families within or outside the Project Area.	

B. PROJECTS AND PROGRAMS, INCLUDING A PROGRAM OF ACTIONS AND EXPENDITURES PROPOSED TO BE MADE WITHIN THE FIRST FIVE YEARS OF THE REDEVELOPMENT PLAN

1. Capital Improvements Program

Much of the infrastructure in the Project Area was constructed in the 1940's when the NMCO was originally developed. Because of age, the backbone infrastructure systems including water, electrical, sewers, and streets are deteriorating. Compounding the need to upgrade existing infrastructure is the need to redesign existing systems that were originally designed for military use only. The original infrastructure design renders all systems inadequate for reuse with multiple property owners.

Largely during the 30-year life of the Redevelopment Plan, the capital improvements program will be largely implemented and completed within the first five years. Most of the projects will involve removing the existing infrastructure systems, realigning streets, reconstruction of existing streets, and constructions of new streets within and serving the Project Area.

2. Low- and Moderate-Income Housing Programs

The Agency will implement several programs designed to ensure the utilization of the required 20% tax increment set-aside for the construction, rehabilitation and preservation of low- and moderate-income housing within the City. Specific programs include the development of an affordable housing strategy, establishment of a hombuyer's program, and rehabilitation for existing housing within the City.

C. EXPENDITURES

Total expenditures for the five-year period are approximately \$7.7 million. Of the total, \$59,000 is expected to be used for administrative costs (representing .7% of total project expenditures), \$162,000 for debt service on bonds issued, and \$7.5 million being used for programs. A breakdown of expenditures anticipated for the five-year period as excerpted from the cash flow projections (in Section V of this Report) and a breakdown of projected program expenditures is provided below:

EXPENDITURES	YEAR 1 1998-99	YEAR 2 1999-00	YEAR 3 2000-01	YEAR 4 2001-02	YEAR 5 2002-03	TOTAL
Demolition/Removal of Infrastructure	\$0	\$4,158,000	\$0	\$0	\$0	\$4,158,000
Construct Backbone Infrastructure	\$0	\$807,000	\$102,000	\$0	\$89,000	\$998,000
Low and Moderate Income Housing	\$0	\$22,000	\$34,000	\$58,000	\$83,000	\$197,000
Homeless Payment Collaborative	\$0	\$1,692,000	\$212,000	\$0	\$212,000	\$2,116,000
Bond Debt Service	\$0	\$0	\$54,000	\$54,000	\$54,000	\$162,000
Administration	\$0	\$7,000	\$10,000	\$17,000	\$25,000	\$59,000
TOTAL	\$0	\$6,686,000	\$412,000	\$129,000	\$463,000	\$7,690,000

D. HOW THE PROJECTS AND PROGRAMS, AND EXPENDITURES WILL ALLEVIATE BLIGHT IN THE PROJECT AREA

The goals, objectives and programs established as part of the Redevelopment Plan are designed to alleviate blighting conditions in the Project Area. The elimination of blighting conditions will occur through the elimination of deficiencies in the infrastructure, the facilitation of new development, and the rehabilitation of existing properties in the Project Area by new property owners. The linkages between the programs and the blighting characteristics found are illustrated below:

	BLIGHTING CONDITION	PROGRAMS	
		DEMOLITION/REMOVAL OF INFRASTRUCTURE	CONSTRUCT BACKBONE INFRASTRUCTURE
1.	Building in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate infrastructure, or other similar factors.	X	X
2.	Factors that prevent or substantially hinder the economically viable reuse or capacity of buildings or areas. This condition can be caused by conditions including, but not limited to, all of the following: a substandard design; buildings that are too large or too small, given present standards and market conditions; age, obsolescence, deterioration, dilapidation, or other physical conditions that could prevent the highest and best uses of the property. This condition can also be caused by buildings that will have to be demolished, or buildings or areas that have a lack of adequate parking.	X	X
3.	Adjacent or nearby uses that are incompatible with each other and that prevent the economic development of those parcels or other portions of the Project Area.		X
4.	Buildings on land that, when subdivided, or when infrastructure is installed, will not comply with community subdivision, zoning, or planning regulations.		
5.	Properties currently served by infrastructure that does not meet existing adopted utility or community infrastructure standards.	X	X
6.	Buildings that, when built, did not conform to the then effective building, plumbing, mechanical, or electrical codes adopted by the community where the project area is located.		
7.	Land that contains materials or facilities, including, but not limited to, materials for aircraft landing pads and runways, that will have to be removed to allow development.	X	X

Low- and moderate-income housing projects and programs are intended to fulfill the obligations of the Agency to increase, improve and preserve the community's supply of low- and moderate-income housing and to fulfill City-wide affordable housing objectives. The Agency's expenditures for low- and moderate-income housing is not considered a redevelopment program to alleviate blighting conditions in the Project Area and is therefore not evaluated in this Implementation Plan as a means to address Project Area blight.

VII. ANALYSIS OF PRELIMINARY PLAN

The Preliminary Plan is a generalized planning document required by the California Community Redevelopment Law ("CRL") as one of the steps in consideration of the proposed Redevelopment Plan. The Preliminary Plan was prepared by the Oakland Redevelopment Agency. The primary purpose of the Preliminary Plan is the designation of boundaries which, following substantial documentation and analysis, will be considered for adoption as the Oak Knoll Redevelopment Project by the City Council.

The Planning Commission of the City of Oakland approved the Preliminary Plan for the Oak Knoll Redevelopment Project on June 18, 1997. This action initiated the process to adopt the Redevelopment Plan and established the boundaries of the Oak Knoll Redevelopment Project Area.

The Preliminary Plan describes the boundaries of the Project Area, contains general statements of land use, layout of principal streets, population densities, building intensities and building standards proposed as the basis of redevelopment of the Project Area. The Preliminary Plan also shows how the purposes of the CRL would be attained through the redevelopment of the area, and states that it conforms to the General Plan of the City of Oakland. Preliminary Plan also describes generally the impact of the Project upon the residents thereof and the surrounding neighborhoods.

The proposed Redevelopment Plan for the Oak Knoll Redevelopment Project conforms to the standards and provisions of the Preliminary Plan. The Project Area boundaries remain the same and include the same principal streets, the same land uses, building intensities and building standards described in the Preliminary Plan.

VIII. RECORD OF CONSULTATIONS WITH RESIDENTS AND COMMUNITY ORGANIZATIONS

Reuse planning for Oak Knoll has involved the surrounding community since the earliest stages of reuse planning. In March, 1995, the City of Oakland, the Redevelopment Agency of the City of Oakland, and the County of Alameda executed a Joint Powers Agreement which created the Oakland Base Reuse Authority ("OBRA") to ensure the effective transition planning of NMCO and other de-commissioned military facilities in Oakland. OBRA is the Agency that prepared the initial planning documents for the former base and the Final Reuse Plan, which constitutes the land use basis for the proposed Redevelopment Plan. OBRA also convened the Oakland Base Closure/Conversion Task Force that included subcommittees for employment and social impacts, land use and finance and legislative issues. This Task Force began meeting regularly in 1994 and became the Community Advisory Group (CAG) in June 1995. The Task Force's agendas included a wide variety of issues pertaining to the site's reuse.

The following is a representative list of some of the community meetings held with the Task Force and the Advisory Group. Appendix B includes the agendas for these meetings.

Oakland Base Closure/Conversion Task Force Land Reuse Committee Meetings

- April 13, 1994, Oakland
- September 19, 1994, Lakeside Park Garden Center, Oakland
- October 3, 1994, Port of Oakland
- November 21, 1994, Naval Medical Center Oakland
- March 27, 1995, Port of Oakland
- May 31, 1995, Oakland

Oakland Base Reuse Authority, Citizens Advisory Group Executive Coordinating Committee

- January 19, 1995, Office of the Mayor, Oakland
- February 27, 1995, Lake Merritt Sailboat House
- April 13, 1995, Office of the Mayor, Oakland
- April 17, 1995, Lake Merritt Garden Center, Oakland
- August 21, 1995, Lake Merritt Garden Center, Oakland
- September 18, 1995, Lake Merritt Garden Center, Oakland

The development of the Final Reuse Plan also incorporated an extensive public participation process, which included community meetings combined with broader outreach. The process included five town hall meetings held at Oak Knoll with participation from approximately 760 individuals. These meetings included interactive sessions that allowed the community members to see the site's topography and gain

APPENDIX C

Planning Commission Report and Recommendations

<p>11 Location:</p>	<p>Oak Knoll Redevelopment Project Area and the Central City East Redevelopment Project Area</p>
<p>Proposal:</p>	<p>Recommendation to concur with Amendments to the Central City East Redevelopment Plan and the Oak Knoll Redevelopment Plan to Merge the Project Areas and some of the Affordable Housing Production Requirements for the Oak Knoll and Central City East Project Areas. Recommendation to concur with additional amendments specific to the Oak Knoll Redevelopment Plan to raise the Tax Increment limit; raise the bonded indebtedness limit; update the land use map to conform to the LUTE; expand the list of authorized public improvements; and change text references to the Reuse Plan to the General Plan.</p>
<p>Applicant:</p>	<p>Oakland Community and Economic Development Agency (CEDA)</p>
<p>Contact Person/Phone:</p>	<p>Aliza Gallo, (510) 238-7405</p>
<p>Owner:</p>	<p>Oakland Redevelopment Agency</p>
<p>Planning Permits Required:</p>	<p>None required for the proposed action</p>
<p>General Plan:</p>	<p>Proposed action will include policy statements and map changes to ensure that Oak Knoll Redevelopment Plan and Maps are consistent with the adopted General Plan</p>
<p>Zoning:</p>	<p>No changes required for the proposed action</p>
<p>Environmental Determination:</p>	<p>Exemption per General Rule Section 15378 (b)(4) Project, 15061(b)(3), 15262, and Others - State CEQA Guidelines</p>
<p>Historic Status:</p>	<p>Existing Historic Status not affected by the proposed action</p>
<p>Service Delivery District:</p>	<p>3, 4, 5, 6</p>
<p>Status:</p>	<p>Per Resolution No. 2006-0062 C.M.S., the Oakland Redevelopment Agency approved the amendment of Resolution No. 2005-0051 which Authorized the Preparation of Fiscal Merger Amendments to the Central City East Redevelopment Plan and the Oak Knoll Redevelopment Plan and Authorized the Preparation of Further Redevelopment Plan Amendments to Increase the Oak Knoll Tax Increment Limit and Merge the Affordable Housing Production Requirements for the Oak Knoll and Central City East Project Areas. On February 15, 2006, the Planning Commission voted to find the fiscal merger amendment in conformance with the General Plan and approved recommending that the Agency and City Council approve the fiscal merger amendments. In April 2006, staff rescheduled the fiscal merger actions in order to hold additional community meetings. The Central City East Project Area Committee which had already approved the fiscal merger in January 2006, were presented the additional amendments on July 10, 2006 and on August 28, 2006, approved adoption of the additional Plan amendments. A meeting was held with the surrounding Oak Knoll community on December 15 2005 related to the fiscal merger and in coordination with the developer/owner SunCal Companies, two additional meetings were held on July 12 and July 26, 2006.</p>
<p>Action to be Taken:</p>	<p>Find the proposed Amendments in conformance with the General Plan and recommend that the City Council and Agency approve the Amendments to the Oak Knoll Redevelopment Plan and Central City East Redevelopment Plan.</p>
<p>For Further Information:</p>	<p>Project Manager Aliza Gallo at (510) 238-7405, agallo@oaklandnet.com</p>

SUMMARY

Staff is requesting a report and recommendation from the Planning Commission on proposed amendments to the Central City East Redevelopment Plan and the Oak Knoll Redevelopment Plan to merge the Project Areas for fiscal purposes, and merge some of the affordable housing production requirements for the two Project Areas. Staff is also requesting Planning Commission report and recommendations on additional amendments to the Oak Knoll Redevelopment Plan to raise the tax increment limit; raise the bonded indebtedness limit; update the land use map to conform to the Land Use and Transportation Element (LUTE); expand the list of authorized public improvements; change text references to the "Reuse Plan" to the "General Plan"; and make other technical text changes. Staff recommends that the Planning Commission find that the proposed Redevelopment Plan amendments are in conformance with the General Plan, and recommend that the Redevelopment Agency and City Council approve the amendments

The proposed fiscal merger was already brought to the Planning Commission in February 2006. In April 2006, staff requested that the City Council and Redevelopment Agency reschedule the merger actions previously brought to the Planning Commission. Staff requested additional time to allow for more community meetings and coordination with SunCal Development Company, the owner of most of the property in Oak Knoll Project Area. Staff has conducted several community meetings in the Oak Knoll community and with the Central City East Project Area Committee (CCE PAC). The CCE PAC, which had already recommended the fiscal merger in January 2006, was presented the additional amendments on July 10, 2006, and on August 28, 2006, recommended adoption of the additional Plan amendments. A meeting was held with the surrounding Oak Knoll community on December 15 2005 related to the fiscal merger, and, in coordination with SunCal, two additional meetings were held on July 12 and July 26, 2006. As a result of these discussions, the City Council and Redevelopment Agency have authorized staff to proceed with several additional actions related to the merger and necessary updates to the Oak Knoll Redevelopment Plan.

The proposed amendments to both Plans would now (1) merge the Project Areas for fiscal purposes, and (2) merge the affordable housing production requirements for the two Project Areas under limited circumstances. The amendment to the Oak Knoll Redevelopment Plan would also raise the tax increment limit from \$87 million to \$1.5 billion, raise the bonded indebtedness limit from \$21.5 million to \$400 million, update the land use map to conform to the LUTE, expand the list of authorized public improvements, change text references to the "Reuse Plan" to the "General Plan," and make other text changes

The Planning Commission is responsible for reviewing the proposed amendments, making a finding that the amendments are in conformance with the General Plan, and making a report and a recommendation to the Redevelopment Agency and the City Council on adoption of the proposed amendments.

BACKGROUND

The Redevelopment Agency had previously authorized staff to proceed with the process of merging the Central City East Redevelopment Project and the Oak Knoll Redevelopment Project for fiscal purposes per Resolution No. 2005-0051 C.M.S. passed in August 2005. Amendments to the Oak Knoll Redevelopment Plan and the Central City Redevelopment Plan are necessary in order to merge the fiscal provisions of each plan. In May 2006, prior to the joint City Council and Redevelopment Agency public hearing on the amendments, staff postponed the completion of the merger actions to address community concerns.

PROPOSED REDEVELOPMENT PLAN AMENDMENTS

Since May, staff has been working with SunCal, representatives of the surrounding Oak Knoll community and the CCE PAC regarding their concerns about merging the two redevelopment areas. As a result of this interactive process, staff recommended that the merger process be expanded to include other Redevelopment Plan amendments and merger actions. On August 8, 2006, the Redevelopment Agency approved Resolution No. 2006-0062 C.M.S. authorizing the amendment of Resolution No. 2005-0051 to include the preparation of additional Redevelopment Plan amendments.

The proposed Plan amendments before the Planning Commission would:

- Merge the Central City East and Oak Knoll Project Areas for fiscal purposes; and
- Merge some of the affordable housing production requirements for the Central City East and Oak Knoll Project Areas under limited circumstances, as set forth below.

The following additional amendments will also be made to the Oak Knoll Redevelopment Plan, specifically:

- An increase in the tax increment limit from \$87 million to \$1.5 billion;
- An increase in the bonded indebtedness limit from \$21.5 million to \$400 million;
- All references to the “Reuse Plan” will be changed to the “General Plan”;
- The requirement that the Agency not expend tax increment funds in the Project Area until the City Council make a finding that Oak Knoll Reuse Plan is consistent with the General Plan will be removed;
- The obsolete land use map contained in the Plan will be replaced with a current land use map that conforms to the General Plan; and
- The list of authorized public improvements will be updated.

The primary purpose of the proposed amendments is to merge the Central City East and Oak Knoll Project Areas into a merged Project Area for fiscal purposes (“Merged Project Area”). The merger will allow tax increment revenue from the Oak Knoll Project Area

to fund redevelopment in the Central City East Project Area, thus allowing the Redevelopment Agency to leverage the financing tools available in both Project Areas. No tax increment generated from the Central City East Redevelopment Project Area may be utilized for projects or programs within the Oak Knoll Redevelopment Project Area, however.

The fiscal merger will provide the opportunity for tax increment revenue from the Oak Knoll Redevelopment Project to be allocated to the Central City East Redevelopment Project to expedite the revitalization of blighted areas in Central City East. This will result in the increased economic vitality of the Central City East Project Area, and increased and improved housing opportunities in or near the Central City East Redevelopment Project Area, thereby resulting in a substantial benefit to the public. With the merger, the Agency will continue to support the redevelopment of the Oak Knoll Redevelopment Project Area through assistance in funding improvements on and adjacent to the Project Area.

The fiscal merger will support programs and projects identified by the Central City East Project Area Committee and in line with the Central City East Five Year Implementation Plan: (1) an affordable housing program; (2) a retail tenant and commercial recruitment program; (3) a façade improvement program; (4) a historic preservation program; (5) a major employer incentive program; (6) a land assembly and relocation program; (7) a community facilities program; (8) a public/private development program; and (9) an infrastructure improvement program.

The proposed programs and projects for the Oak Knoll Project Area developed in conjunction with the surrounding Oak Knoll community include: (1) a retail tenant and commercial recruitment program, (2) a historic preservation program, (3) community and recreational facilities, (4) infrastructure improvements, and (5) security enhancements. The proposed new Five Year Implementation Plan for the Oak Knoll Redevelopment Project covers fiscal years 2006-07 to 2010-2011. Consistent with various CRL requirements, the Implementation Plan contains a Redevelopment Component and a Housing Component. The original Implementation Plan adopted in 1998, is being amended to update the list of public improvements contemplated in the Oak Knoll Project Area and include policy statements and map changes to ensure that the Oak Knoll Redevelopment Plan and Maps are consistent with the adopted General Plan.

The affordable housing production requirements for the Central City East Oakland and Oak Knoll Redevelopment Areas will be also merged under specific limited circumstances. The Agency will continue to ensure that the affordable housing production requirements in the Community Redevelopment Law, or CRL, Section 33413(b) (i.e., that at least 15% of new or substantially rehabilitated housing units developed in a project area are affordable to very low income and low to moderate income households), are met separately for each Project Area every ten years. However, if the number of affordable units developed in the Central City East Project Area during a compliance period exceeds the minimum number required, the surplus of affordable units may be counted toward satisfying the production requirements for the Oak Knoll

Redevelopment Project. However, only surplus affordable housing units developed within Central City East with no relationship to development at Oak Knoll may be allocated to Oak Knoll; the amendments provide that no affordable housing shall be constructed within the Central City East Project Area for the purpose of satisfying the affordable housing production requirements of the Oak Knoll Project Area. Any allocation of excess CCE units to Oak Knoll must be approved by Agency resolution.

If excess Central City East affordable units are allocated to Oak Knoll, the Agency must compensate Central City East redevelopment funds from Oak Knoll redevelopment funds for any allocation of surplus affordable housing units to Oak Knoll. The amount of compensation per allocated unit will be the average Agency per-unit subsidy for developing affordable housing based on the average Agency subsidy provided through the Agency's most recent Notice of Funding Availability process or other affordable housing funding process at the time of the allocation. The amendment requires that the compensation must come from non-housing Oak Knoll tax increment funds. The Agency may also accept contributions from redevelopers in the Oak Knoll Project Area to fund such compensation. Any such funds must be used exclusively within the Central City East Project Area.

As part of the amendment, the Agency is also proposing to increase the tax increment limit and the bonded indebtedness limit for the Oak Knoll Redevelopment Plan. The existing tax increment limit of \$87 million and bond limit of \$21.5 million set in 1998 were based upon significantly lower land and building values than are now being realized eight years later. Without increasing the limits, the Agency will receive a much smaller portion of the projected tax increment from Oak Knoll than is needed to expedite redevelopment of the Central City East Redevelopment Project. In addition, due to the higher land and building values now anticipated in the near-term, the tax increment cap will be reached much sooner (within approximately 10 years). As a result, the Agency's ability to use tax increment bond financing to facilitate the redevelopment in the Oak Knoll Project Area will be severely limited without the increase in both limits.

The other proposed amendments to the Oak Knoll Redevelopment Plan are changes in references between the "Base Reuse Plan" to "General Plan" and are necessary for accuracy purposes to reflect current land use planning policy as set forth the General Plan Land Use and Transportation Element (LUTE); these changes do not involve any change to any approved or previously adopted plan. The General Plan superseded the Reuse Plan when it was adopted in 1998. Similarly, the updated list of public improvements is intended to accurately reflect the current list of contemplated projects. However, these projects are no different than the broad set of contemplated actions in other Oakland Redevelopment Agency Implementation Plans. The map in the current Oak Knoll Redevelopment Plan is obsolete and the proposed amendment will be to replace the map with a current land use map that conforms to the General Plan.

The CRL (Health and Safety Code Section 33485 through 33489) authorizes a redevelopment agency through a plan amendment to merge redevelopment areas. Section

33354.6 of the Health and Safety Code allows an agency to adopt a plan amendment to increase the limitation of on the amount of tax increment revenues allocated to the agency, and Section 33450, et seq., authorizes other plan amendments. The CRL requires that the Agency must generally follow the same process for the adoption of these amendments that it would for the adoption of a new redevelopment plan, which includes a report and recommendation from the City Planning Commission.

Section 33485 et seq. of the CRL allows for merger of redevelopment project areas as a matter of public policy if they will result in substantial benefit to the public, and if they contribute to the revitalization of the Project Areas through the increased economic vitality of such areas and through increased and improved housing opportunities in or near such areas.

The Redevelopment Agency has initiated the consultation process with all affected taxing entities required by Section 33328 of the CRL regarding the adoption of the proposed Amendments. The County of Alameda, the State Board of Equalization, and the affected taxing entities have been notified of the Agency's intent to adopt the amendments.

PROPOSED REDEVELOPMENT PLAN AMENDMENT BENEFITS

In summary, the benefits of the merger amendments are anticipated to include:

- More funding for the revitalization of blighted commercial properties. This should lead to the creation of jobs, generation of additional sales tax revenues, and encouragement of further investment in the Central City East Project Area.
- Improving deteriorated and abandoned buildings to remove potential havens for drug dealers or squatters, remove attractive nuisances, and preserve historic buildings in the Central City East Project Area.
- Providing funds for the development of community facilities that could house social service programs for children and young adults and discourage them from joining gangs, thereby helping to alleviate serious crime problems and high crime rates.
- Providing funding for improving and replacing defective infrastructure in the Central City East Project Area. This will expedite redevelopment and further encourage the development of housing at all income levels including low-, very low-, and moderate-income housing.
- Alleviating blight and thereby enhancing the living environment for the approximately 92,000 residents in the in the Central City East Project Area and environs.

These programs are designed to address the most significant blighting conditions in the in the Central City East Project Area and are intended to serve as catalysts in the removal of these blighting conditions, as well as to spur the preservation, improvement and creation of affordable housing in the community. In addition to funding the proposed redevelopment programs, the Agency anticipates other costs associated with meeting the financial obligations for implementing an effective redevelopment program. These include costs for statutory pass through requirements set forth under Health and Safety Code Section 33607.5, administrative costs for personnel and the operations and management of the Merged Project Area, and the assumed repayment of potential loans or indebtedness incurred over the course of the Merged Project Area's implementation.

The redevelopment program proposed supports a set of activities to be implemented by the Agency for the purpose of facilitating private reinvestment in the Merged Project Area and eliminating physical and economic blighting influences, and increasing, improving and preserving the community's supply of low and moderate income housing.

ENVIRONMENTAL DETERMINATION

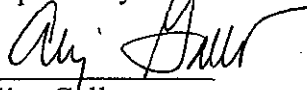
A Programmatic Environmental Impact Report (EIR) for the Oak Knoll Redevelopment Area was certified by the Planning Commission on June 17, 1998 and the plan approved by the City Council on July 14, 1998. A Programmatic EIR for the Central City East Redevelopment Area was certified by the Planning Commission on May 7, 2003 and the plan approved by the City Council on July 29, 2003.

The proposed fiscal merger of the Oak Knoll Redevelopment Plan Area and the Central City East Redevelopment Plan Area has been found to be exempt from CEQA per Exemption per General Rule Section 15378 (b)(4) Project, 15061(b)(3), 15262, and Others - State CEQA Guidelines. This determination was based on the analysis contained in this report and elsewhere within the administrative record. See the prepared Notice of Exemption (Attachment B) for a more complete explanation.

RECOMMENDATION

Staff recommends that the Planning Commission (1) recommend that the Redevelopment Agency and the City Council adopt amendments to the Central City East Redevelopment Plan and the Oak Knoll Redevelopment Plan to merge the Project Areas for fiscal purposes, and merge the affordable housing production requirements for the two Project Areas under limited circumstances; (2) recommend that the Redevelopment Agency and the City Council adopt additional amendments to the Oak Knoll Redevelopment Plan to raise the tax increment limit to \$1.5 billion, raise the bonded indebtedness limit to \$400 million, update the land use map to conform to the LUTE, expand the list of authorized public improvements, change text references to the "Reuse Plan" to the "General Plan," and make other text changes; and (3) find the proposed amendments to be in conformance with the General Plan.

Prepared By:



Aliza Gallo
Oak Knoll Project Manager
Business Development Manager

Approved for forwarding to the
City Planning Commission



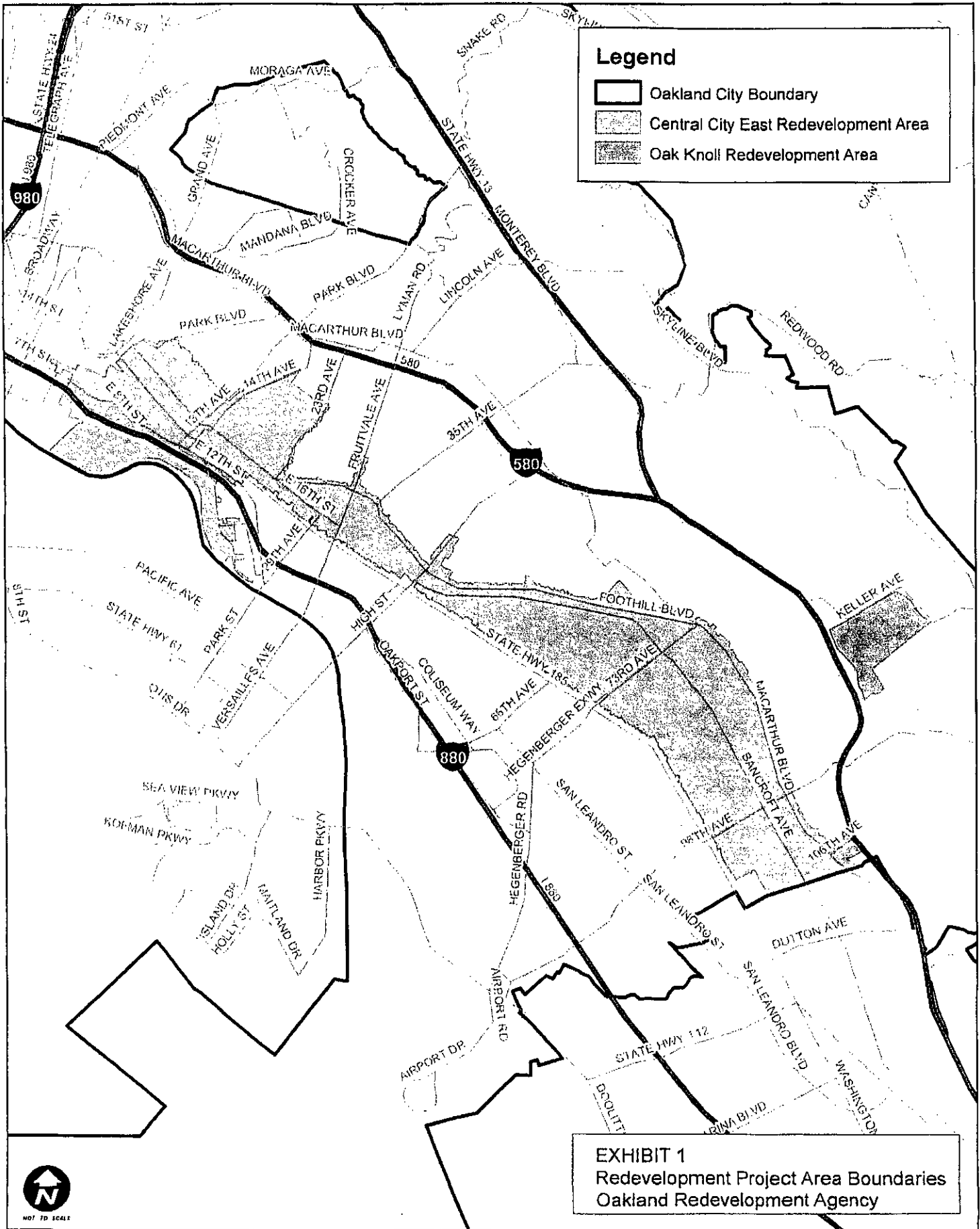
GARY PATTON
Deputy Director of Planning and Zoning
Major Projects Manager



CLAUDIA CAPPIO
Director of Development

ATTACHMENTS:

- A. Redevelopment Project Area Boundaries Map



APPENDIX D

PAC Report and Recommendation

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, September 11, 2006, 6:30 p.m. to apx. 8:30 p.m.
Patten University Student Activity Center, 2433 Coolidge Avenue, Oakland, California

AGENDA

- | | | | |
|-------|---|------------------------------|--------------|
| I. | Roll Call | Theresa Navarro-
Lopez | apx. 2 mins |
| II. | Open Forum | Frank P. Thomas Jr. | apx. 10 mins |
| III. | Approval of the Minutes
July 10, 2006 & Special Meeting held August 28,
2006 | Frank P. Thomas Jr. | apx. 5 mins |
| IV. | Administrative Items | Frank P.
Thomas Jr. | apx.20 mins |
| | a. An action item to accept nominations for the Residential
Tenant positions for the Elmhurst and Eastlake/San Antonio
sub-areas, the Residential Owner Occupant position for the
Central East Oakland sub-area, and the Business Owner
position for EastLake/San Antonio sub-area.
Public Comment | | |
| | b. Update on Council Actions | | |
| | 1. Oak to Ninth | | |
| | 2. CCE & Oak Knoll Fiscal Merger | | |
| | 3. Mills Act
Public Comment | | |
| | c. Announcements from PAC community organizations
Public Comment | | |
| V. | Annual Election of Chair and Vice Chair | Theresa
Navarro-
Lopez | apx.20 mins |
| | a. Call for Nominations for Chair
Vote for Chair | | |
| | b. Call for Nominations for Vice Chair
Vote for Vice Chair
Public Comment | | |
| VI. | Presentation by Suncal Representatives for Oak Knoll area | Aliza Gallo | apx.30 mins |
| | a. Presentation | | |
| | b. Public Comment | | |
| VII. | Presentation on Brown Act & Sunshine Ordinance | Diane Lewis | apx.20 mins |
| | a. Staff Presentation | | |
| | b. Public Comment | | |
| VIII. | Items for the next PAC meeting of <u>October 2, 2006</u> | Frank P.
Thomas Jr. | apx. 5 mins |
| | a. Items the PAC wishes to place on a future agenda | | |
| | b. Review of Robert's Rules of Order | | |
| IX. | Adjournment | | |

CITY OF OAKLAND

Memorandum

TO: Central City East Project Area Committee (CCE PAC) Members
FROM: Theresa Navarro-Lopez, Project Manager, Central City East Redevelopment Area
DATE: September 1, 2006
SUBJECT: **Packet of Information for the Central City East Project Area Committee Meeting of September 11, 2006**

This memorandum explains what to expect in your packet and what will be presented at the next meeting.

Agenda Item III

Minutes of the July 10, 2006 meeting and the special meeting of August 28, 2006- The minutes are considered to be in draft form until the PAC approves them. Please e-mail or call me with any comments and corrections to the minutes for consideration at the PAC meeting.

Agenda Item V

Annual Election of the Chair and Vice Chair- The election of the Chair and Vice Chair will take place at the September 11, 2006 meeting. Please review the procedure for the nominations and elections. There are two nominations that were made at the July 10, 2006 meeting. They are: Frank P. Thomas, Jr. for Chair and Art Clark for Vice Chair.

Agenda Item VI

Presentation by SunCal Representatives on the Oak Knoll development- A brief memorandum is provided which outlines the presentation along with a map of the two areas and the schedule for the Oak Knoll and CCE merger process.

Agenda Item VII

Presentation on Brown Act and Sunshine Ordinance- Diane Lewis, City Attorney, will provide an overview of the Brown Act and Sunshine Ordinance for the PAC members. Enclosed are copies of the two documents.

Additional attachments

For your information, an update on the Façade Improvement Program and the Tenant Improvement Program is provided. Also included, at the end of the packet, is an informational report on the CCE Homeownership Rehabilitation Program.

If you have any questions about the attached information, please call me at (510) 238-6250 or e-mail your questions to tmnavarro@oaklandnet.com. Thank you for your participation and I hope to see you at the next PAC meeting.

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, August 28, 2006
Special Meeting of the PAC
Patten University, 2433 Coolidge Avenue, Student Activity Center

DRAFT

(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 7:00 p.m.

I. Roll Call

See attached roster of attendance.

II. Open Forum

Frank P. Thomas Jr. announced that there were three speakers who signed up to speak during the open forum. Jerry Grace, a member from the public, made an announcement regarding transportation concerns in Oakland. Nancy Sidebotham, a member from the public, expressed concern regarding item number three on the agenda. Nancy expressed concern about the impact Redevelopment has on Oakland. Nancy does not believe Oak Knoll is blighted and she is concerned about financial transfers from Oak Knoll to other areas. Ralph Kanz, a member from the public, spoke regarding the merger process and schedules. Ralph does not feel he was notified properly for all Oak Knoll community meetings and has issues with Oak Knoll being in a Redevelopment area.

III. Central City East & Oak Knoll Merger

Dan Vanderprien, Director of Redevelopment, Economic Development, Housing and Community Development, reviewed the merger process and provided an update on the latest step in the process. Dan discussed how redevelopment may assist the Oak Knoll area. Dan clarified that Oak Knoll is already a Redevelopment Area and one speaker mentioned that this is to make Oak Knoll a redevelopment area which is not true. Dan talked about the financial reality of the Oak Knoll development. Dan also mentioned that over the life of the Oak Knoll redevelopment area the majority of the funds will go to the CCE area.

Dan presented two major elements of the merger; the two elements are the housing production and the tax increment sharing. Dan discussed the housing production first. The CCE area will retain its housing funds, Oak Knoll's funds will go to the City-wide pool, and no extra units will be built in the CCE area due to the merger. CCE has an existing surplus of affordable housing and can potentially sell these units as credits to the Oak Knoll developer. There are 235 extra units or "credits" in the CCE area. The PAC does not have to make that decision now but staff will have to write a provision in the plan that allows for the possibility of selling these credits.

Several questions were asked.

Art Clark asked what the exact number of units are that will be sold to the developers.

Dan Vanderprien responded that the exact number the developer needs has not been finalized, but it may be one half of that number. For example, if the developer puts in 140 units, the developer may seek to buy 70 credits from the CCE area. Dan Vanderprien stated that the developer must pay CCE for each credit, which usually equals the amount of the subsidy that would have been provided per unit approximately \$160,000 per unit. The funds transferred to CCE do not have to be used for housing related purposes.

Jean Blacksher asked if there are any attachments or restrictions to these funds.

Dan Vanderprien stated that restrictions usually applied to housing funds such as the 45 years for homeownership and 55 yrs for rental etc. will not apply to these funds. These funds could be used for the mortgage program, the First Time homebuyer program etc. without the housing mandated restrictions.

Frank P. Thomas Jr. asked if we can identify these funds to be used for homeownership only.

Dan Vanderprien stated yes, if the PAC chooses to use funding for this purpose. CEDA staff would have to come back to the PAC and amend the Five-Year Implementation Plan to state what these funds would be used for.

Kathy Chao asked if that is the next step. Will the PAC explore how to allocate these funds at a different time.

Dan Vanderprien stated yes, that is not the purpose of this special meeting.

Kathy Chao asked if the 235 affordable housing units discussed by Redevelopment are different than what the Association of Bay Area Governments (ABAG) identifies as affordable housing. What did ABAG project?

Dan Vanderprien responded that the 235 units is not a number identified by the need of the area. This number is the number of affordable housing units built in the CCE Redevelopment Area that go beyond the Agency Requirement according to Redevelopment Law. ABAG's projections are City-wide.

Nannette Barrie asked that, if for each credit the developer buys, does this reduce the number of units they have to build on site.

Dan Vanderprien responded yes, if the developer chooses to use this provision, there is no guarantee that the developer will use the provision and the credits.

Art Clark asked how does this free up money to go to the City-wide housing pool?

Dan Vanderprieem responded that any money they use to acquire housing funds would come from the affordable housing funds. If they do not build the affordable housing at Oak Knoll this would free up the funds and would therefore keep these funds in the City-wide pool.

Dan stated that at a community meeting, the Oak Knoll neighbors selected as an option the purchase of the affordable housing credits.

Nannette Barrie asked if the developer will be using a different pot of money to buy the housing credits?

Dan Vanderprieem stated yes, the developer may use their money to buy the credits or the regular non-housing set aside Oak Knoll funds to purchase the credits. This will need to go to the City Council to receive approval.

Dan Vanderprieem presented the second part of the presentation which is the recommendation for the Tax Increment Sharing of the non-housing tax increment funds from the Oak Knoll area. No CCE funds will go to Oak Knoll, funds may only flow from Oak Knoll to CCE, and some of the funds may stay with Oak Knoll in the early years

Corona Rivera pointed out that some of the members of the public had issues discussed in open forum. Do you understand their concerns?

Dan Vanderprieem stated yes. The first concern is incorrect because the Oak Knoll area is already a Redevelopment Area. The second concern, some money is taken from the citywide funds, but the funds that are diverted are actually invested back in the city (streetscape capital improvements, etc). For example, in the last year the city may have "lost" \$17 million to Redevelopment, but Redevelopment has put \$35 million back into the City.

Jean Blacksher talked about the struggle her community went through to get the Redevelopment Area established.

Dan Vanderprieem spoke about the list of improvements that the Oak Knoll neighbors selected. There will be \$37 million available for Oak Knoll in the first five years. Of this \$26 million will be used for the public improvements for the Oak Knoll development including traffic improvements, historic preservation etc. There will be \$11 million available to pay for the housing credits.

Dan Vanderprieem reviewed the timeline for the receipt of the tax increment funds for the CCE area from the Oak Knoll funds. Again, within the first five years, the CCE area could receive the \$11 million, 30% of Oak Knoll Increment, as payment for the housing credits. After the fifth, the CCE area could receive up to 90% of funds which are estimated at \$26.3 million. After 2023, the vast majority of the Oak Knoll tax increment funds will go to the CCE area. Finally, over the 45 year life-span of the Oak Knoll area, Oak Knoll will receive \$33.8 million and the CCE area will receive \$557.5 million.

Nannette Barrie asked if the dollar amounts are based on property taxes.

Dan Vanderprieem responded yes, based on property taxes if this project is approved.

Dan Vanderprieem stated that staff is bringing two recommendations to the PAC. The two recommendations are to make an amendment to the CCE Redevelopment Plan to: (1) merge the two areas and to allow for the sale of affordable housing credits to the Oak Knoll development, and (2) to fiscally merge the CCE area with the Oak Knoll to allow for funds to flow from the Oak Knoll area to the CCE area.

Gloria Jeffrey is concerned that the City Council will turn around and allow some affordable units to be built in the CCE area.

Dan Vanderprieem stated that the CCE area already has 235 surplus affordable housing units and will not have to build additional units.

Charles Chiles asked what if the developer wants to build some more housing units and wants to use CCE credits.

Dan Vanderprieem responded that the developer could build more condos or units if they choose to buy more credits.

Art Clark asked if the projections of the usable funds for the total Oak Knoll tax increment correct?

Dan Vanderprieem responded that all the set asides are already taken into account, so the projected numbers that the PAC will receive is the increment that can be spent for the Oak Knoll area and go to the CCE area as well. The dollar amount for the total cap of tax increment dollars to be received has to be increased for the Oak Knoll redevelopment area, in order to receive the total amount of tax increment funds that the Oak Knoll area will generate over the 45 year life-span of the redevelopment area.

Nanette Barrie asked if the PAC gets the money from the housing credits, how does that play out in the CCE budget.

Dan Vanderprieem responded that the CCE area will receive the funds in the fifth year of the Oak Knoll area which will probably be in year 2012. The Oak Knoll area will probably issue a bond so there is plenty of time.

Frank P. Thomas Jr. asked why does a decision need to be made now?

Dan Vanderprieem stated that a new legislation called SB 1206 has been introduced at the State level which may have language that will prohibit this type of merger. It is likely the measure will pass and go into effect in January 2007 and we want to complete the merger before it goes into effect.

Frank P. Thomas Jr. opened up the discussion for public comments. Frank stated there are several speakers who signed up to speak and may talk for two minutes.

Public Speakers

Ralph Kanz, a member from the public, provided opposition to what the City staff is proposing. Ralph stated that there are a lot of issues that need to be discussed first. Corona Rivera, a PAC member, wanted an explanation of Ralph's issues. Corona stated that she sees he is angry but wants to get more information from Ralph as to what the opposition is. Ralph stated that there are a lot of questions and he just wants everyone and the PAC to ask. For example, Ralph believes Oak Knoll should not be a redevelopment area and that Oak Knoll should be taken out of the Redevelopment Area.

Gloria Jeffrey, a PAC member, stated that she had an issue with Ralph's insinuation that the PAC was not aware of the issues, not informed of the process, and had not been asking the appropriate questions. Gloria stated that this is not true.

Jane Powell, a member from the public, wanted to know why there is such a big hurry. If SB 1206 passes, the City would have to prove that the Oak Knoll area is blighted, which she believes the City cannot do. Jane mentioned that the City tried to create a redevelopment area in the North Oakland area, where property values are quite high. Jane also had concerns about the possibility of the City next merging the CCE area with another Redevelopment Area and then sending the CCE funds to that other area. Jane has concerns about redevelopment areas taking money from the City and providing it to developers. Jane wants the PAC to ask questions and hold off on moving forward.

James Vann, a member from the public, has concerns about the proposed action. James believes that the recommendation deserves a lot of questions before the PAC approves the recommendations. James has concerns about whether or not Oak Knoll will build affordable housing. James also has concerns with the Oak to Ninth development.

Shirley Waters, a member from the public, stated that she is a Central East Oakland resident. Shirley spoke about the notification of the CCE PAC meetings and the lack of understanding of what is going on in her community. Shirley has questions about the Redevelopment Area boundaries, the expansion, and the impact in her particular area and getting lost in the shuffle.

Sandra Marburg, a member from the public and of the Oak Knoll coalition, stated that she has fifteen years of experience working with the base and base closure. Sandra has issues with the Oak Knoll area because no one lives there, therefore not one person can speak for it. Even the developer, who technically does not live there, feels the redevelopment area is being pinched and the area is blighted.

Dan Vanderpriem responded to some of the comments. First, Ralph Kanz's question about why the bond will be issued for Oak Knoll; a redevelopment area has to create debt and

the bond funds will help to pay for the public improvements. That is one of the reasons why redevelopment areas bond. The neighbors identified public improvements they wanted to see, bonding is the way to acquire the funds to address these improvements. As to the concerns raised by Jane Powell; yes, there are concerns with SB1206 and the City wants to proceed before time is an issue. Yes, in the North Oakland area, the City wanted to add to the existing redevelopment area because there were concerns about the lack of funds that are available for the North Oakland area. Some residents stated that they did want these issues resolved and the only way, at that time to address those concerns, would be via the redevelopment area.

Nanette Barrie stated that it is important that PAC members continue to be aware of what funds are coming to the CCE area and when these funds will be realized.

Dan Vanderprieem stated yes and acquiring the funds is difficult, but through bonding and other means, the PAC will see the funds sooner.

Dan Vanderprieem continued the response to the public speaker's comments. In response to James Vann, a member from the public, the Oak to 9th development will cost the City money, but it will bring in many times that amount to the area.

Dan Vanderprieem answered general questions about the recommendations. The bond will be issued in the fifth year to allow the increment to build. Dan proposed the two staff recommendations to be considered by the PAC.

Nannette Barrie asked how does the PAC could hold the City accountable and make sure that the funds will go where they are supposed to go to.

Dan Vanderprieem suggested that wording could be written into the Oak Knoll Redevelopment Area Plan or the Implementation Plan and this will also be followed by Council.

Kathy Chao needs assurance that if the recommendation is approved, that the selling of credits will be another step that will be handled at a later time.

Dan Vanderprieem responded that it can be stated in the Plan that the sale of the credits will only be done with a positive recommendation from the PAC.

Motion (by Nanette Barrie, seconded by Frank Rose) to adopt staff recommendation # 1 as presented in the Oak Knoll and CCE handout, bottom of page 4, and written below with the addition that the sale of any housing credits will only be done with a positive recommendation of the PAC.

Vote: 12 Ayes, 0 Nays, and 3 Abstentions. Motion passed

Motion (by Tom Thurston, seconded by Gloria Jeffrey) to adopt staff recommendation # 2 as presented in the Oak Knoll and CCE handout, top of page 5 and written below.

Vote: 11 Ayes, 0 Nays, and 4 Abstentions. Motion passed

Staff Recommendations approved:

1. That the CCE Redevelopment Plan be amended to merge Oak Knoll and CCE affordable housing production requirements to:
 - a. Allow the "sale" of CCE surplus affordable housing "credits" under conditions permitted in the Plan; and
 - b. Prohibit the construction of affordable housing in CCE to satisfy Oak Knoll requirements.

2. That the CCE Redevelopment Plan be fiscally merged with the Oak Knoll Redevelopment Plan and an Oak Knoll implementation plan be adopted which:
 - a. Imposes a one way firewall allowing no CCE funds to flow to Oak Knoll;
 - b. Allows tax sharing provisions as recommend by staff;
 - c. Increases the cap on the receipt of tax increment dollars in the Oak Knoll Plan from \$87 million to \$1.5 billion; and
 - d. Increases the cap on the amount of outstanding bonded indebtedness in the Oak Knoll Plan from \$21.5 million to \$400 million.

IV. Items for the next PAC meeting

Frank P. Thomas, Jr. took a straw poll to see how many PAC would like to invite a representative of SunCal, the Oak Knoll developer, to present at the September 11, 2006 meeting. 9 of the 15 PAC members expressed interest in hearing a presentation. SunCal will be placed on the September 11, 2006 agenda.

V. Adjournment

Meeting adjourned at 8:30 p.m.

CITY OF OAKLAND



250 FRANK H. OGAWA PLAZA OAKLAND, CALIFORNIA 94612-2033
Community and Economic Development Agency (510) 238-3015
Redevelopment Division FAX (510) 238-3699 TDD (510) 839-3254

August 18, 2006

Dear PAC Member:

As the Chair of the Central City East Project Area Committee, I am writing this letter to urge you to attend the special meeting of the CCE PAC on August 28, 2006. The purpose of the meeting will be to discuss and take action on critical elements of the CCE and Oak Knoll fiscal merger related to the housing production and the tax increment sharing. The reason the meeting had to be called for the month of August is because CEDA staff has to meet requirements of the merger process before the end of the year, December 2006. CEDA staff is scheduled to go to the Planning Commission and City Council in September. The special meeting will allow the PAC to focus on the fiscal merger alone and be able to cover as many of these issues with a reasonable amount of time.

I know that we voted not to have a meeting in the month of August but because of the urgency of this item it is necessary to call this meeting. Please feel free to call me with any questions. You may also call Aliza Gallo at (510) 238-6250 with questions about the merger. Thank you for all your work.

Sincerely,

A handwritten signature in cursive script that reads "Frank P. Thomas, Jr.".

Frank P. Thomas, Jr.
Chair of the Central City East Project Area Committee

APPENDIX E

PAC Meeting Minutes

CENTRAL CITY EAST PROJECT AREA COMMITTEE

Monday, April 3, 2006, 6:30 p.m. to apx. 8:30 p.m.

Patten University Student Activity Center, 2433 Coolidge Avenue, Oakland, California

AGENDA

- | | | | |
|-------|--|--|-----------------|
| I. | Roll Call | Theresa Navarro-Lopez | apx. 2 mins |
| II. | Open Forum | Frank P. Thomas Jr. | apx. 10 mins |
| III. | Approval of the Minutes
March 6, 2006 | Frank P. Thomas Jr. | apx. 5 mins |
| IV. | Administrative Items | Frank P.
Thomas Jr. | apx.15 mins |
| | a. An action item to accept nominations for the Residential
Tenant positions for the Elmhurst, Fruitvale/San Antonio, and
Eastlake/San Antonio sub-areas and the Fruitvale/San Antonio
Business Owner position.
Public Comment | | |
| | b. Announcements from PAC community organizations
Public Comment | | |
| | c. Update on Council Actions
Palm Villas Project
Oak Knoll & CCE Fiscal Merger
Oak to Ninth
Five Year Implementation Plan
Public Comment | | |
| V. | Presentation and Update on MacArthur Boulevard
Under Grounding and Streetscape Project | Bruce
Saunders/Paul
Chan/Emad
Mirsaeidi | apx.15 mins |
| | a. Staff Presentation | | |
| | b. Public Comment | | |
| | c. PAC Deliberation | | |
| VI. | Continued Discussion on Affordable Housing Bond | Theresa Navarro-
Lopez/Janet
Howley | apx. 20
mins |
| | a. Staff Presentation | | |
| | b. Public Comment | | |
| | c. PAC Deliberation | | |
| VII. | Update Financing Report on CCE Projects and Programs
Staff Presentation | Theresa Navarro-
Lopez/Gregory
Hunter | apx 30 mins |
| | b. Public Comment | | |
| | c. PAC Deliberation | | |
| VIII. | Items for the next PAC meeting of <u>May 1, 2006</u> | Frank P. Thomas Jr. | apx. 10
mins |
| | a. Items the PAC wishes to place on a future agenda | | |
| | b. Presentation on Retail Development and Information
for the CCE Area | | |
| IX. | Adjournment | | |

In compliance with the American with Disabilities Act, if you need special assistance to participate in the meetings of the Central City East Project Area Committee, please contact Theresa Navarro at (510) 238-6250. Notification two full business days prior to the meeting will enable the City of Oakland to make reasonable arrangements to ensure accessibility.

Si desea ayuda en español, por favor llame al: (510) 444-2489

Neáu muoán bieát theám chi tieát baéng tieáng Vieät, xin goii: (510) 444-2489.

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, March 6, 2006
Patten University, 2433 Coolidge Avenue, Student Activity Center

DRAFT

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

Frank P. Thomas, Jr., Chair of the Central City East Project Area Committee (PAC), chaired the meeting.

I. Roll Call

See attached roster of attendance.

II. Open Forum

There were no speakers.

III. Approval of the Minutes

There were no proposed changes.

Motion (by Art Clark, seconded by Jean Blacksher) Approve minutes of the February 6, 2006 meeting.

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

IV. Administrative Items

- a. An action item to accept nominations for the Residential Tenant positions for the Elmhurst, Fruitvale/San Antonio, and Eastlake/San Antonio sub-areas and the Fruitvale/San Antonio Business Owner position.**

Tom Thurston introduced Joyce Charles as a candidate for the Residential Tenant position for the Fruitvale/San Antonio sub-area. Joyce introduced herself and gave a brief statement describing her background and past experience.

Frank Thomas explained to Joyce the process she would need to go through to become a member of the PAC. Frank also asked Tom to have Joyce meet with himself and one other member of the Fruitvale/San Antonio sub-area before presenting her as a member.

- b. Announcements from PAC community organizations.**

Frank Thomas stated that he called the Public Works Agency (PWA) Assistant Director Bruce Saunders and Director Raul Godinez regarding the MacArthur Boulevard Undergrounding and Streetscape Project. The PWA staff agreed to attend PAC meetings every other month and would like to schedule 30 minutes for the April 3rd meeting. It was

suggested that this presentation could be held at 6:00 p.m. as an early part of the meeting. He invited comments from the PAC members.

PAC members for the most part accepted that PWA should present to the public the status of the MacArthur project, but there were questions over whether it should be in front of this body, the length of the presentation, and whether or not it should be before the regular starting time for the PAC meetings or if it should be a part of the regular PAC meeting. A motion was then made to have PWA present to the PAC.

Motion (by Nanette Barrie, seconded by Preston Turner) to have the Public Works Agency staff come at 6:30 p.m. to the April 3, 2006 PAC meeting, that the presentation be scheduled for 15 minutes, and that the PWA staff present a written and detailed report on the MacArthur Under Grounding and Streetscape Project.

Vote: 13 Ayes, 1 Nay, and 1 Abstention. Motion Passed.

Tom Thurston stated that the Fruitvale/Foothill Streetscape Project is holding community meetings in late March or early April and would like to come in May to present to the PAC.

Nannette Barrie stated that the Weed and Seed project will have funding available for small projects in its area. There is a subcommittee meeting on 3/17 at the Eastmont Town Center. Please contact her for more details.

Preston Turner requested that people attend the City Council meeting tomorrow March 6, 2006 to show their support for the Police Chief. Laura Jerrad stated that there will be a rally at 6:00 p.m. in front of City Hall for the same issue.

c) Update on Council Actions

Palm Villas Update- This was given by Theresa Navarro-Lopez. The item went to Council February 27th and will return to the City Council on March 7, 2006 with a recommendation to use Central City East Funds and Central District funds to be paid back to the CCE funds from Oak Knoll Land Sale Proceeds to the CCE Redevelopment Area with interest.

Oak Knoll & CCE Fiscal Merger- Theresa Navarro-Lopez stated that the process is moving forward. The Council action is in the process of being scheduled and the item will probably be heard on May 2, 2006. She will update the PAC at the next meeting.

Frank noted that other PAC members attended the Oak Knoll Community meeting, and asked Charles Chiles and Tom Thurston to give a presentation about the meeting.

Charles Chiles reported that there were about 200 attendees at the meeting. The developer introduced themselves and discussed the design of the project and some of the goals of the project. Future meetings will be held March 19th and March 20th. Tom Thurston

reported on the break-out sessions. Those focused on what individuals wanted to see on the site.

V. Presentation and Update on Oak to Ninth Development

CEDA Director of Planning and Zoning Claudia Cappio presented an update on the Oak to Ninth Development. She gave basic information, an updated timeline, what will be affected, etc. She then asked for questions.

PAC members had various questions that were transportation-related. There were concerns about traffic, basic transportation resources, and questions about the retrofitting of the freeway. The response was that this development will lead to an increase in area traffic. AC Transit has committed to fund a bus line to this area, and there will be a shuttle ferrying individuals to BART. The freeway will be retrofitted at the 5th Avenue intersection. As a result of this retrofitting and mitigation measures for the changes in the area, Caltrans is providing the City of Oakland with \$1 million dollars for improvements in the 5th Avenue area.

The next part of the presentation focused on the affordable housing aspects of this project. Sean Rogan, Deputy Director of Housing, presented the basics of the current affordable housing plans. The CCE Redevelopment requires that "at least 15% of all new or rehabilitated dwelling units developed by public or private entities or persons other than the Agency in the Project Area" be available as affordable housing units. Sean gave the specific information regarding policies and restrictions. He also mentioned that the developer is open to having up to 20% of the units be affordable housing, with an area of about 1.6 acres.

PAC members had various questions regarding the affordable housing aspects. They wanted to know where the affordable housing units would be located in the project. Sean showed on the map the proposed location of the units. He also stated that the staff report in the packet was now outdated, and that the updated plan calls for a total of 420 units; 2 parcels containing 160 of those units being very low income housing.

PAC members also had questions about the segregation of the affordable housing units, the management of the units, whether they would be rental/ownership, etc. Sean responded that the reason the units are segregated is to leverage funds from state and federal resources. There will be managers on-site. The units will be rental. A desire for home ownership units was expressed by multiple PAC members. Sean replied that this was far more costly and that there were not the same number of resources to leverage funds for ownership as for rental units. Requests can be made to City Council, but the cost difference in subsidizing very low income households in rental (approximately \$100,000 per family) versus ownership (approximately \$400,000 per family) was great. PAC members wanted to know if the Central City East Tax Increment Funds can be used to increase the number of affordable homeownership units.

Other issues arose such as: clarification on staff's recommendation; the desire to keep in mind that this project will generate a large amount of increment that will allow for future

affordable housing opportunities; and adding language to Recommendation 4 of the Oak to Ninth item leading to the investigation of for-sale affordable housing options. The allotted time for this item had almost expired, and a motion was brought forth to extend the time for this item.

Motion: (by Gloria Jeffery, seconded by Nanette Barrie) to table the last item on the agenda and continue the discussion on the current item.

Vote: 16 Ayes, 0 Nays, and 0 Abstentions. Motion passed.

Theresa Navarro-Lopez presented the other recommendations related to amendments to the land-use in the Oak to Ninth area: the amendment of the CCE Redevelopment plan to change existing land use designations; the update of the CCE Redevelopment Plan's land-use map to reflect the changes; and the approval of the land use text change to the Estuary Policy Plan. The three recommendations are listed below:

- **Recommendation #1: CEDA Staff recommends an amendment to the land use map in the CCE Redevelopment Plan to reflect the Estuary Policy Plan (EPP) land uses designations as listed in the map.**
- **Recommendation #2: CEDA staff recommends approval of the text amendment to the Estuary Policy Plan (EPP) which provides for the amendment of the Oak to Ninth Chapter in the EPP**
- **Recommendation #3 CEDA staff recommends a land use amendment to the CCE Redevelopment Plan to change the existing land use designation from a Planned Waterfront Development-1 (PWS-1) to a new designation called "Planned Waterfront Development -4 (PWD-4)"**

Motion (by David Kakashiba, seconded by Gloria Jeffery) to adopt all 4 recommendations submitted by staff for the March 6th meeting regarding the Oak to Ninth Project, as reflected in the memo.

Preston Turner proposed a friendly amendment to the recommendation proposing the addition of language to Recommendation 4 as discussed earlier.

David amends his motion to remove Recommendation #4 from consideration for the time being and to consider it separately.

Amended Motion (by David Kakishiba, seconded by Kathy Chao) to accept staff recommendations Numbers 1, 2, and 3 as presented.

Vote: 14 Ayes, 2 Nays, and 0 Abstentions. Motion passed.

After a brief discussion about the affordable housing restrictions, Sean Rogan proposed additional language to Recommendation Number 4, part A as follows: "...with consideration to both rental and ownership housing." Sean also proposed a second addition regarding Oakland Harbor Partners' (OHP) contribution to the affordable housing component. The revised Recommendation would read as follows:

Recommendation Number 4:

A. CEDA staff recommends that the Oakland Harbor Partners (OHP) meet the 15% affordable housing requirements on the site and, if funding permits, up to 20% affordable units be developed "*with consideration to both rental and ownership housing*".

B. CEDA staff also recommends that OHP use the "25% housing set-aside" tax increments generated by the Oak to Ninth mixed use development "plus a developer contribution to pay" to pay for the affordable housing units.

A motion was made by the PAC to accept the amended changes.

Motion (by Gloria Jeffrey, seconded by Al Parham) to accept the amended Recommendation Number 4 (text shown above).

Vote: 12 Ayes, 3 Nays, and 1 Abstention. Motion passed.

The PAC requested more information regarding the March 28th City Council workshop regarding Oak to Ninth. Theresa Navarro-Lopez stated that she would email them the information. A motion was made to adjourn the meeting.

Motion (by Frank Thomas, seconded by Preston Turner) to adjourn. No vote.

Meeting adjourned.

CENTRAL CITY EAST PROJECT AREA COMMITTEE ATTENDANCE SHEET

AREA A - EAST LAKE/SAN ANTONIO													7/2005	12/5/2005	3/9/2006	7/5/2006	5/6/2006
Business Owner	Gabriel Montoya	EA	P	P	P	P	P	P	P	P	A	VAC	VACANT	VACANT	VACANT	VACANT	VACANT
Identical Tenant	Evelyn Luluquiesen	CA	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VACANT	VACANT	VACANT	VACANT	VACANT
Identical Owner Occupant	Robert Klinger	P	P	A	P	A	P	P	P	A	A	P	P	A	A	P	
Bay Asian Youth Center	David Kakashiba	P	P	P	P	A	A	P	A	A	A	P	P	P	A	P	
Lake Merchants Association	Joe Vollatoro	P	P	P	P	A	A	P	P	P	VAC	VACANT	VACANT	VACANT	A	A	
Antonio Hill Neighborhood Association	Carol Urzi & Wendy Jung (alternate)	P	P	P	P	P	P	P	P	P	A	P	P	A	A		
Lake/San Antonio/Chinatown Community Development District	Laura Jerrard & Jonathan Winters	A	A	P	P	P	P	P	P	P	P	P	P	P	P	P	P
AREA B - FRODOVALE/SAN ANTONIO													7/2005	12/5/2005	3/9/2006	7/5/2006	5/6/2006
Business Owner	Christina Anguiano	A	VAC	VAC	VACANT						VAC	VACANT	VACANT	VACANT	VACANT	VACANT	VACANT
Identical Tenant	Maria Auer Von der Haid	P	P	P	A	RE	VAC	VAC	VAC	VACANT							
Identical Owner Occupant	Tom Thurston	P	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P
Family Community Development Corp.	Kathy Chao, Jennie Mollica & Jerry Henderson (alternate)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Wenatchee College	Suzanne Kunkel	EA	P	A	P	P	P	P	P	P	A	P	P	A	P	P	P
Wenatchee Jewish Speaking Unity Council	Jennifer Kassan	P	P	P	P	A	P	P	P	P	P	P	P	P	P	A	
Wenatchee High Hopes Neighborhood Prevention Council	Preston J. Turner & Kayode Powell (alternate)	P	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P

AREA: CENTRAL EAST OAKLAND													7/2/2005	7/23/2005	8/17/2005	9/6/2005	9/16/2005
Business Owner	Rickey Clay	EA	P	A	A	P	P	A	A	P	A	A	A	A	P	A	
Potential Tenant	Karis Griffin	P	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC					
	Pamela Thomas												P	A	P	P	
Potential Owner Occupant	Raquel Donoso											P	P	A	P	A	P
Member of East Oakland Merchants Association	Al Parham	P	A	A	A	P	P	P	P	P	P	P	P	P	P	P	P
Member of Fellowship/Eastmont NCPC	Art Clark																
Member of Fellowship/Eastmont NCPC	Art Clark	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P	P
Member of Core City NCPC	Frank Thomas	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P
Member of East Oakland Community Improvement District Board	Charles Chiles	A	A	P	P	A	A	A	P	P	P	A	A	A	A	P	P
AREA: BELMURST													7/2/2005	7/23/2005	8/17/2005	9/6/2005	9/16/2005
Business Owner	Frank Rose	P	P	A	P	A	P	A	P	P	P	P	P	P	A	A	A
Potential Tenant	Sheryl Walton			VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VACANT
Potential Owner Occupant	Sheryl Walton	P	P	P	P	A	A	P	P	P	P	P	P	P	P	A	A
Member of Almas Community Group	Kenneth Harvey	P	P	P	P	P	P	A	P	P	A	A	P	P	P	P	A
Member of Arthur NCPC	Gloria Jeffrey	EA	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P
Member of Heights Citizens Council	Jean Blacksher	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Member of First Community Development District Board	Nannette Barrie																
	Nannette Barrie	P	P	A	P	P	P	P	A	P	P	P	P	P	A	P	P
Present = P A = Absence																	
<p>March 7, 2005 - Approval of 4 absences during a 12 month period a PAC member will be notified of potential termination of membership to the PAC.</p>																	

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, April 3, 2006
Patten University, 2433 Coolidge Avenue, Student Activity Center

DRAFT

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

Art Clark, Vice Chair of the Central City East Project Area Committee (PAC), chaired the meeting. The meeting started at 6:45.

I. Roll Call

See attached roster of attendance. The attendance was below the number of PAC members required for a quorum. The meeting was held for informational purposes only.

II. Open Forum

Councilmember Desley Brooks attended and spoke. She reviewed the minutes from of the last meeting, and commented that she did not see information on the affordable housing component for the Oak to 9th development. She wants to make sure the PAC members are aware that *subsidies for affordable housing may be needed from the CCE area*. The developer currently says he does not need it, but just in case, the PAC should be aware. There is an excess of \$40 million needed for affordable housing. She thanked the PAC for their work, reminded the PAC to look at the issue of blight, and address the most blighted areas with funding.

There were no public speakers.

III. Approval of the Minutes

There was no approval as a quorum was not reached.

IV. Administrative Items

- a. An action item to accept nominations for the Residential Tenant positions for the Elmhurst, Fruitvale/San Antonio, and Eastlake/San Antonio sub-areas and the Fruitvale/San Antonio Business Owner position.**

Tom Thurston stated that at a previous meeting he had introduced Joyce Charles as a potential candidate for the Fruitvale/San Antonio Residential Tenant position. Since the last meeting, Joyce Charles moved to the City of Alameda and was therefore withdrawing her nomination

b. Announcements from PAC community organizations.

Tom Thurston stated that the Foothill Streetscape Project is moving ahead. A community meeting is set for Thursday, April 6, 2006 at Jefferson School near at 2035 40th Avenue.

Jennie Mollica announced that she is no longer with the Lao Family Community Development Corporation, she now works with the Casey Foundation, and she can provide information about the foundation for those who may want this information.

c. Update on Council Actions

Palm Villas – The Palm Villas proposal went to the City Council for approval on March 7, 2006. The City Council approved borrowing the Central City East money to meet the financial gap for the Palm Villas project and to have the funds repaid with interest from the land sales proceeds from the Oak Knoll Project Area.

Oak Knoll- The proposed fiscal merger of the CCE and Oak Knoll Project areas is scheduled to be heard at the Community and Economic Development Committee (CED) on April 25, 2006 and the Joint Public Hearing of the City Council and Oakland Redevelopment Agency is scheduled for May 2, 2006. A public notice was mailed to a list of property owners, businesses, tenants, and interested groups of 45,000 people.

Oak to 9th Development- A workshop was held for the City Council on March 28, 2006. A follow up date has not been decided on.

Amendment to the Five -Year Implementation- The amendment to the Five-Year Implementation Plan went to the City Council on March 21, 2006 and was approved by the City Council. The amendment included the PAC approved additional increment for the streetscape projects, the increase loan amount from \$10,000 to \$75,000 for the Homeownership Rehabilitation Program, and the allocation of the funds for the two street lighting projects in the Central East Oakland area.

Theresa Navarro-Lopez reminded the PAC members to fill out the Statement of Interest Form. The forms were sent by the City Clerk's Office directly to PAC members. Please contact Theresa if you did not receive the form.

V. Presentation and Update on MacArthur Under Grounding and Streetscape Project

Art Clark, CCE Vice Chair, reminded the Public Works Agency staff that the PAC wants a status report of the MacArthur Boulevard project with the cost and timeline for completion of the under grounding and start of the streetscape project.

Raul Godinez, the Director of the Public Works Agency (PWA), introduced himself and the PWA staff in attendance. They were: Bruce Saunders, Mike Neary, and

Paul Chan. Raul gave an overview of the PWA. PWA is the second largest department with 848 full time employees in the City, after the Police Department at 1,000 full time staff. PWA is responsible for roads, equipment (such as cars, motorcycles, etc.), facilities, creeks maintenance and restoration, waste management, traffic, park maintenance, etc. This is not like most other large cities that have this handled by various departments.

Raul explained that the MacArthur Boulevard project is the largest capital project PWA is undertaking at this time. Raul introduced Paul Chan the project manager for the under grounding portion of the MacArthur Boulevard project.

Paul Chan, PWA Electrical Engineer, provided the background and history of the MacArthur Under Grounding Project. Paul stated that the under grounding is funded by Rule 20A which provides for the utility companies to pay for the costs of the under grounding. Attachment A to the minutes provides the timeline and cost of the under grounding project.

The company working on the under grounding is called the Underground Construction Company and has approximately 45 people on the project working on approximately 3,000 feet of trenching. At this time, Underground Construction is working on Project Area I (Durant to 98th Avenue) which was started in December of 2005. They will install light poles, pull cables, equipment, and panel conversions. This will then be repeated for Areas II & III. Some action items may take longer and be more complex.

Mike Neary, PWA Engineer, provided an update on the Streetscape component of the MacArthur Boulevard project. Mike talked about the history of the Streetscape project and why it is delayed until after the under grounding is completed. The MacArthur Boulevard and International Boulevard Projects have always been tied together as one project. PWA is working with CEDA staff to see if there are some matching funds for the International Boulevard corridor through the Metropolitan Transportation Commission/Transportation for Livable Grants (MTC/TLC).

The Streetscape project for MacArthur Boulevard will begin right after the under grounding work is completed. A bid for the streetscape was requested from the existing contractor Underground Construction, for the streetscape component. The bid came in at \$3.6 million. The PAC has allocated \$2.75 million for the streetscape project so there is an \$850,000 gap. Attachment B explains the cost of this project. There is no other source of funding now but if there is funding for International Boulevard area this may free funds up to possibly move to MacArthur Boulevard. Mike Neary would like to get all the funding together soon so that a contractor can be locked into a certain cost. CEDA staff will work with PWA staff to research how the gap may be addressed.

VI. Continued Discussion on Affordable Housing Bond

Christia Mulvey presented for Janet Howley who was unable to attend the meeting. The CCE Project Area will have \$8 million dollars for housing funds to be spent in four years. The funds will be available through the Notice of Funds Availability (NOFA) process that the City's Housing Division holds once a year. A report to the City Council will be presented in June about the percentage of ownership versus rental units developed through the NOFA process. Ownership development is more costly and there are fewer subsidies available for this type of development. Christia went through the recently approved NOFA list of projects as an example of the projects the City funds.

Questions and answers were presented.

Question: Can the NOFA application be specific and reference the CCE area and the desires of the PAC?

Answer: The NOFA will reference what funding is available for the CCE area and the applicants will present to the PAC.

Question: What is the timeframe to go to City Council concerning the ownership information?

Answer: The timeframe is by the month of June.

Question: If the NOFA can contain language for ownership how does that influence developers?

Answer: The first year may be a possible minimal impact since the word would have to get out to the developers.

Question: Is housing pleased with the percentage of ownership units that are listed at 13% in the information give to us?

Answer: Housing staff is trying to get the percentage of homeownership to rental to be 50%/50%. Last year 38% of the units were for ownership.

Question: Has the City done an analysis on the need of ownership versus rental units?

Answer: Probably not that specific of an analysis. It is a good idea.

Desley Brooks mentioned that there are 66,000 rental units in the Oakland and CCE PAC should look at where the units are placed and impact on other areas, etc.

Art Clark mentioned that City staff should look at how the City of Sacramento is addressing affordable housing. Sacramento uses models with a template that helps to reduce the cost. Oakland should look at ways that are creative.

Tom Thurston suggested forming a subcommittee, if so we should have representatives from all the four sub areas. Art Clark stated that the PAC did not have a quorum so they could not vote on this suggestion at this time.

There was discussion on whether to have a special meeting and whether it was necessary given the timeframe for the Council Report on the affordable housing policy. The PAC decided to continue the discussion for the next PAC meeting.

VII. Update Financing Report on CCE Projects and Programs

Theresa Navarro-Lopez presented an update on the CCE projects and programs. A financial report was provided for the streetscape projects, the façade improvement program, and the tenant improvement program. Details about each program were provided in the staff report.

VIII. Items for the Next PAC Meeting of May 1, 2006

The items discussed for the next meeting were:

1. Continued Discussion of the Affordable Housing Bond
2. Foothill/Fruitvale Streetscape review for approximately 10 minutes
3. A possible break in August, nominations for Chair and Vice Chair would have to take place before August

Art Clark also announced the dates and times for the meetings with Council Members which will be held at the City Council Offices on the second floor of City Hall.

The meeting was adjourned.

CENTRAL CITY EAST PROJECT AREA COMMITTEE ATTENDANCE SHEET

SUBAREA A - EASTLAKE/SAN ANTONIO		###	###	###	3/7/2	###	###	###	###	###	###	###	###	###	1/9/2006	2/6/2006	3/6/2006	4/3/2006
Business Owner	Gabriel Montoya	EA	P	P	P	P	P	P	P	A	VAC	VAC	VAC	VACANT	VACANT	VACANT	VACANT	
Residential Tenant	Evelyn Luluquiesen	CA	VAC	VAC	VAC	VA	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VACANT	VACANT	VACANT	VACANT	
Residential Owner Occupant	Robert Klinger	P	P	A	P	A	P	P	P	A	A	P	P	A	A	P	A	
East Bay Asian Youth Center	David Kakishiba	P	P	P	P	A	A	P	A	A	A	P	P	P	A	P	A	
EastLake Merchants Association	Joe Vollatoro	P	P	P	P	A	A	P	P	P	VAC	VAC	VAC	VACANT	A	A	A	
San Antonio Hill Neighborhood Association	Carol Urzi & Wendy Jung (alternate)	P	P	P	P	P	P	P	P	P	P	A	P	P	A	A	A	
EastLake/San Antonio/Chinatown Community Development District Board	Laura Jerrard & Jonathan Winters	A	A	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
SUBAREA B - FRUITVALE/SAN ANTONIO		###	###	###	###	###	###	###	###	###	###	###	###	###	1/9/2006	2/6/2006	3/6/2006	4/3/2006
Business Owner	Christina Arguiano		VAC	VAC	VACANT						VAC	VAC	VAC	VACANT	VACANT	VACANT	VACANT	
	Maria Auer Von der Haid	P	P	P	A	RE	VAC	VAC	VAC	VACANT								
Residential Tenant	Aracely Camacho	CA	VAC	VAC	VAC	VA	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VACANT	VACANT	VACANT	VACANT	
Residential Owner Occupant	Tom Thurston	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	P	
Lao Family Community Development Corp.	Kathy Chao, Jennie Mollica & Jerry Henderson (alternate)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
Patten College	Suzanne Kunkel	EA	P	A	P	P	P	P	P	P	P	A	P	A	P	P	A	
Spanish Speaking Unity Council	Maria Sanchez	P	P	P	P	A	P	P	P	P	P	P	P	P	P	A	P	
Melrose High Hopes Neighborhood Crime Prevention Council	Preston J. Turner & Kayode Powell (alternate)	P	P	P	P	P	P	P	P	P	A	P	P	P	P	P	P	

SUBAREA C - CENTRAL EAST OAKLAND		###	###	###	###	##	###	###	###	###	###	##	##	1/9/2006	2/6/2006	3/6/2006	4/3/2006
Business Owner	Rickey Clay	EA	P	A	A	P	P	A	A	P	A	A	A		P	A	A
Residential Tenant	Karis Griffin	P	VAC	VAC	VAC	VA	VAC	VAC	VAC	VAC	VAC	VAC	VAC				
	Pamela Thomas												P	A	P	P	P
Residential Owner Occupant	Raquel Donoso											P	P	A	P	A	P
Central East Oakland Merchants Association	Al Parham	P	A	A	A	P	P	P	P	P	P	P	P	P	P	P	P
Praise Fellowship/Eastmont NCPC	Samuel...																
	...																
Praise Fellowship/Eastmont NCPC	Art Clark	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P	P
Yorkshire NCPC	Frank Thomas	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	A
Central East Oakland Community Development District Board	Charles Chiles	A	A	P	P	A	A	A	P	P	P	A	A	A	P	P	P
SUBAREA D - ELMHURST		###	###	###	###	##	###	###	###	###	###	##	##	1/9/2006	2/6/2006	3/6/2006	4/3/2006
Business Owner	Frank Rose	P	P	A	P	A	P	A	P	P	P	P	P	A	A	A	P
Residential Tenant	...	VAC	VAC	VAC	VAC	VA	VAC	VAC	VAC	VAC	VAC	VAC	VAC			VACANT	VACANT
Residential Owner Occupant	Sheryl Walton	P	P	P	P	A	A	P	P	P	P	P	P	P	A	A	P
Las Palmas Community Group	Kenneth Harvey	P	P	P	P	P	P	A	P	P	A	A	P	P	P	A	P
MacArthur NCPC	Gloria Jeffrey	EA	P	P	P	P	A	P	P	P	P	P	P	P	P	P	A
Toler Heights Citizens Council	Jean Blacksher	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A
Elmhurst Community Development District Board	...																
	Nannette Barrie	P	P	A	P	P	P	P	A	P	P	P	P	A	P	P	A
KEY:	Present = P A = Absence																
*= March 7, 2005 -Approval of 4 absences during a 12 month period a PAC member will be notified of potential termination of membership to the PAC.																	

City of Oakland
Community and Economic Development Agency
Memorandum

TO: Central City East Project Area Committee
FROM: Theresa Navarro-Lopez, Project Manager Central City East Redevelopment Area
DATE: April 19, 2006

SUBJECT: Update on Council Actions

The Oak Knoll and CCE Fiscal Merger

The Merger of Oak Knoll and Central City East has caused a good deal of concern for the neighbors surrounding the Oak Knoll area. These neighbors are concerned in that they do not know what the merger will mean with regard to fixing historic buildings at Oak Knoll, reopening the creek and other potential public benefits to the project area. There is concern over this uncertainty. To provide more time to address these concerns Oakland Redevelopment Agency staff has recommended that the merger be scheduled for after summer to allow time for the Oak Knoll developer and staff to work with neighbors and explain the merger process.

Additionally, the Agency wants to be able to amend the implementation plan and possibly the total tax increment revenue for the Oak Knoll area. The Agency wants the public to understand how these actions all work together. The additional time will allow Agency staff to work with the neighbors through the developer's workshops and explain the role of the merger, the implementation plan update, and any other actions that may be needed to fully realize the potential of the Oak Knoll redevelopment area. There will be no impact to the CCE area as Oak Knoll presently generates a very small tax increment and any future merger will allow access to any funds on hand.

Oak to Ninth Mixed Use Development

The Oak to Ninth Project is scheduled to be heard by the City Council and Redevelopment Agency on **June 20, 2006 at 7:00 p.m. at the City Council Chambers in City Hall, One Frank Ogawa Plaza, 3rd Floor, Oakland, California, 94612.** For further information you may contact Margaret Stanzone at (510) 238-4932 or e-mail mstanzone@oaklandnet.com.

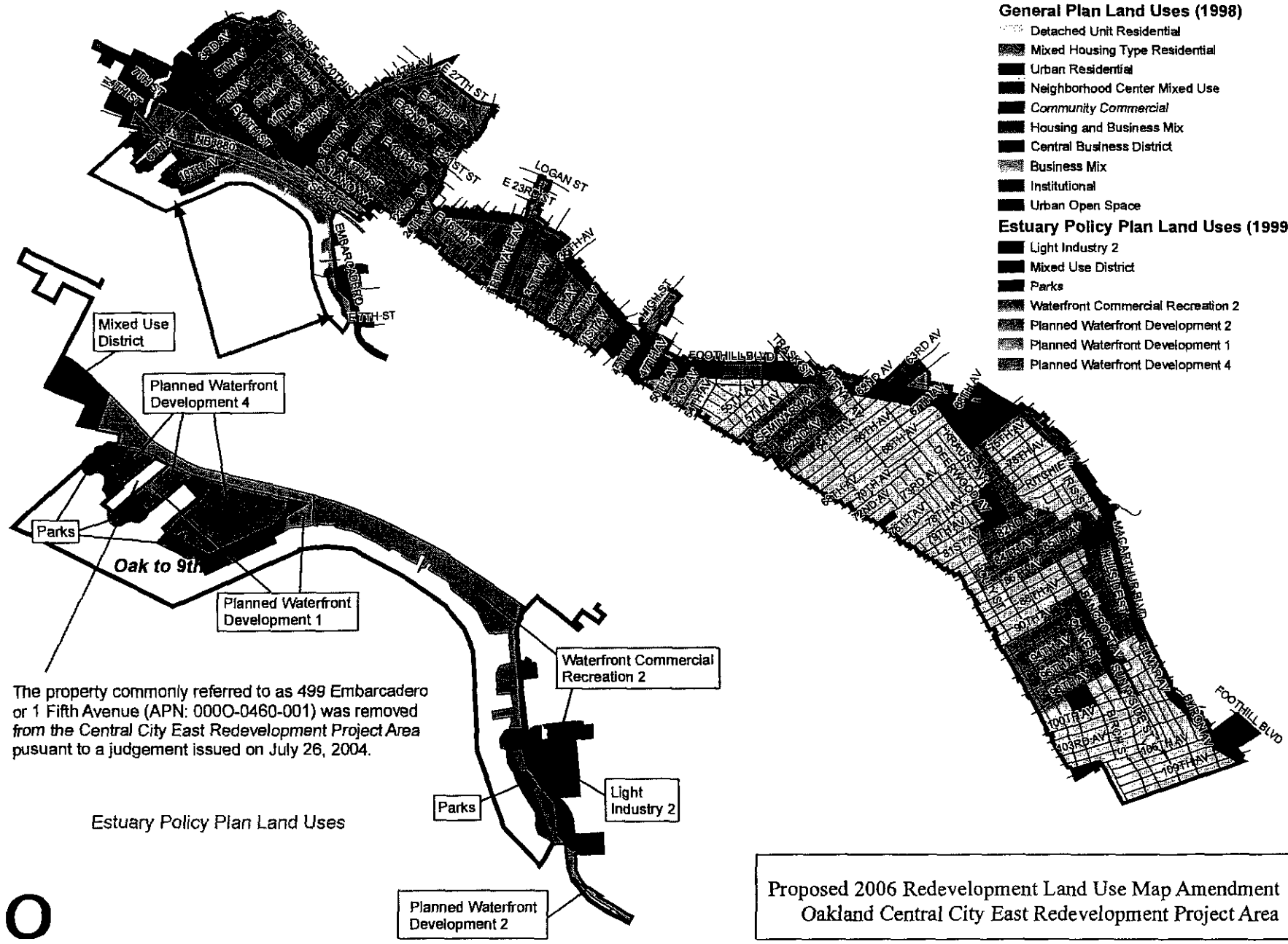
Please call me with any questions about these items at (510) 238-6250. Thank you.

General Plan Land Uses (1998)

- Detached Unit Residential
- Mixed Housing Type Residential
- Urban Residential
- Neighborhood Center Mixed Use
- Community Commercial
- Housing and Business Mix
- Central Business District
- Business Mix
- Institutional
- Urban Open Space

Estuary Policy Plan Land Uses (1999)

- Light Industry 2
- Mixed Use District
- Parks
- Waterfront Commercial Recreation 2
- Planned Waterfront Development 2
- Planned Waterfront Development 1
- Planned Waterfront Development 4



The property commonly referred to as 499 Embarcadero or 1 Fifth Avenue (APN: 0000-0460-001) was removed from the Central City East Redevelopment Project Area pursuant to a judgement issued on July 26, 2004.

Estuary Policy Plan Land Uses

Proposed 2006 Redevelopment Land Use Map Amendment
Oakland Central City East Redevelopment Project Area

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, May 1, 2006, 6:30 p.m. to apx. 8:30 p.m.
Patten University Student Activity Center, 2433 Coolidge Avenue, Oakland, California

AGENDA

- | | | | |
|------|---|------------------------|--------------|
| I. | Roll Call | Theresa Navarro-Lopez | apx. 2 mins |
| II. | Open Forum | Frank P. Thomas Jr. | apx. 10 mins |
| III. | Approval of the Minutes
March 6, 2006
April 3, 2006 | Frank P. Thomas Jr. | apx. 5 mins |
| IV. | Administrative Items | Frank P.
Thomas Jr. | apx.20 mins |
| | a. An action item to accept nominations for the Residential Tenant positions for the Elmhurst, Fruitvale/San Antonio, and Eastlake/San Antonio sub-areas and the Fruitvale/San Antonio Business Owner position.
Public Comment | | |
| | b. Announcements from PAC community organizations
Public Comment | | |
| | c. Report on Meetings with City Council Representatives
Public Comment | | |
| | d. Update on Council Actions
Oak Knoll & CCE Fiscal Merger
Oak to Ninth
Public Comment | | |
| | e. Discussion about break in August and Election in September
Public Comment | | |
| | f. PAC renewal of term by City Council
Staff Presentation
Public Comment
PAC Deliberation | | |
| | Note: On recommendation to extend time period of CCE PAC for one year. | | |
| V. | Continued Discussion on Affordable Housing Bond | Janet Howley | apx. 40 mins |
| | a. Staff Presentation | | mins |
| | b. Public Comment | | |
| | c. PAC Deliberation | | |
| VI. | Items for the next PAC meeting of <u>June 5, 2006</u> | Frank P. Thomas Jr. | apx. 10 mins |
| | a. Items the PAC wishes to place on a future agenda | | mins |
| | b. Presentation on Retail Development and Information for the CCE Area | | |
| | c. MacArthur Boulevard Update | | |
| VII. | Adjournment | | |

In compliance with the American with Disabilities Act, if you need special assistance to participate in the meetings of the Central City East Project Area Committee, please contact Theresa Navarro at (510) 238-6250. Notification two full business days prior to the meeting will enable the City of Oakland to make reasonable arrangements to ensure accessibility.

Si desea ayuda en español, por favor llame al: (510) 444-2489

Neáu muoán bieät theâm chi tieät baèng tieáng Vieät, xin goïi: (510) 444-2489.

CITY OF OAKLAND

Memorandum

TO: Central City East PAC Members
FROM: Theresa Navarro-Lopez, Project Manager, Central City East Redevelopment Area
DATE: April 19, 2006

SUBJECT: Packet of Information for the Central City East Project Area Committee Meeting of May 1, 2006

This memorandum explains what to expect in your packet and what will be presented at the next meeting.

Agenda Item III

Minutes of the March 6, 2006 and April 3, 2006 meeting- The minutes are for your review and approval at the PAC meeting. The minutes are considered to be in draft form until the PAC approves them. The March 6, 2006 minutes are included since there was no quorum at the last meeting. Both minutes need to be approved. Please e-mail or call me with any comments and corrections to the minutes for consideration at the PAC meeting.

Agenda Item IV

Administrative Items

- a. **Nominations for Vacant Positions:** Enclosed for your review is a Candidate's Filing form for the Residential Tenant position in the Fruitvale/San Antonio sub area. The candidate's name is Faviana Rodriguez.
- b. **Update on City Council Actions:** Enclosed is a memorandum providing an update on the process for the Oak Knoll and CCE Fiscal Merger and the Oak to Ninth Project.
- c. **PAC Renewal of Term by City Council:** The term of the CCE PAC will be ending July 29, 2006. The City Council may extend the term of the PAC on a year by year basis. Enclosed is a memorandum that explains this information.

Agenda Item V

Continued Discussion on Affordable Housing Bond- This memorandum provides an outline of the points to be discussed at the next meeting.

If you have any questions about the attached information, please call me at (510) 238-6250 or e-mail your questions to tmnavarro@oaklandnet.com. Thank you for your participation and I hope to see you at the next PAC meeting.

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, May 1, 2006
Patten University, 2433 Coolidge Avenue, Student Activity Center

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

Frank P. Thomas, Jr., Chair of the Central City East Project Area Committee (PAC), chaired the meeting. The meeting started at 6:45 p.m.

I. Roll Call

See attached roster of attendance.

II. Open Forum

There were no public speakers.

III. Approval of the Minutes

There were no proposed changes for the March 6, 2006 PAC minutes.

Motion (by Tom Thurston, seconded by Charles Chiles) Approve minutes of the March 6, 2006 meeting.

Vote: 12 Ayes, 0 Nays, and 0 Abstentions. Motion passed.

Frank Rose requested a correction to the minutes of the April 3, 2006 meeting. Frank Rose wants an addition in regards to the MacArthur Boulevard Under Grounding project which states that homeowners could be billed for any trenching over 100 feet and that some owners would also be billed for panel connection fees. This was discussed at the April 3, 2006 meeting but was not written in the minutes. CEDA staff will make the corrections to the April 3, 2006 minutes.

Motion (by Frank Rose, seconded by Art Clark) Approve the minutes, with changes as proposed by Frank Rose, the April 3, 2006 meeting.

Vote: 9 Ayes, 0 Nays, and 3 Abstentions. Motion passed.

IV. Administrative Items

a. An action item to accept nominations for the Residential Tenant positions for the Elmhurst, Fruitvale/San Antonio, and Eastlake/San Antonio sub-areas and the Fruitvale/San Antonio Business Owner position.

Tom Thurston nominated Favianna Rodriguez for the Fruitvale Residential Tenant position. The nomination was seconded by Suzanne Kunkel. Favianna was not present for the nomination. The PAC will vote on the nomination at the June 5, 2006 meeting.

b. Announcements from PAC community organizations.

There were no announcements.

c. Report on Meetings with City Council Representatives

This was briefly discussed at the end of the meeting.

d. Update on Council Actions

Oak Knoll- The City Council meetings for the proposed fiscal merger of the CCE and Oak Knoll Project areas originally scheduled for the Community and Economic Development (CED) Committee on April 25, 2006 and the Joint Public Hearing of the City Council and Oakland Redevelopment Agency on May 2, 2006 are postponed until the fall of 2006. The meetings were postponed because the Oak Knoll neighbors were concerned about the need to have more community outreach meetings and the need for CEDA staff to look at new increment estimates based on the proposed development. The number of units proposed at Oak Knoll is approximately 700.

Oak to 9th Development- A workshop was held for the City Council on March 28, 2006. The City Council Public Hearing is June 20, 2006 at the City Council Chambers on the 3rd Floor of City Hall. This can also be viewed on the KTOP Channel 10. Frank P. Thomas Jr. asked about the impact the Oak to Ninth project will have on the CCE affordable housing funds. Theresa Navarro-Lopez stated that City staff is still negotiating with the developer on the affordable housing so the impact is not clear right now.

Gregory Hunter stated that the CCE PAC elected to keep the affordable housing funds in the CCE Area and the Oak to Ninth Project is no different then any other proposed housing development. It is possible that the land the affordable housing units may be built on will be sold back to the City to allow someone else to build the affordable housing units.

Art Clark asked if the City knows how much it will cost to buy the two blocks for the affordable housing site in the Oak to Ninth area. Gregory Hunter stated that it is premature to know the cost of remediation and other infrastructure costs at this time which will provide for a better cost for the site.

Art Clark asked if the CCE PAC will have some information on the affordable housing for the Oak to Ninth project by the June 2006 PAC meeting. Gregory Hunter responded that he could not make a commitment to have this information by the June 5, 2006 PAC meeting. Some updated information should be available for the June 20, 2006 Public Hearing. CEDA staff will attempt to get the information to the PAC for the June PAC meeting.

Frank P. Thomas, Jr. asked if the Oak Knoll developers will sell land for the affordable housing units as well. Gregory Hunter responded that it is still too early in the process to know whether this will occur.

e. Discussion about break in August and Election in September

Frank P. Thomas, Jr. stated that this item was put on the agenda for the PAC to explore the option of taking a break in August and having the election for the CCE Chair and Vice-Chair right after the break. The PAC will have to make the nominations before the break and come back and vote in September.

Motion (by Frank Rose, seconded by Jean Blacksher) Approve a break for the PAC in August.

Vote: 12 Ayes, 0 Nays, and 0 Abstentions. Motion passed.

The nominations will be in June or July and the vote will be in September.

f. PAC Renewal of Term by City Council

Frank P. Thomas, Jr. stated that the term of the PAC term needs to be renewed by July 29, 2006. This has to go to City Council for an extension. The item is currently on the City Council agenda for the May 23, 2006 Community and Economic Development (CED) Committee meeting. The PAC does not have to vote but may do so to show support for the renewal of the term.

Motion (by Art Clark, seconded by Jean Blacksher) To extend the CCE PAC term from July 29, 2006 to July 29, 2007.

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

V. Continued Discussion on Affordable Housing Bond

Janet Howley, Manager of the Housing Development Division, reviewed the law regarding the affordable housing bond. Janet discussed the requirement of the State Redevelopment Law to have at least 15% of the total units set aside for affordable housing when a new development project is brought in; 6% of the 15% must be for very low income households.

Gloria Jeffrey asked why the Redevelopment Agency finances the projects ahead of time. This is in reference to the Oak to Ninth project. Janet Howley responded that that is part of the negotiations with the developers. The Oakland Redevelopment Agency does work with the developers to see if they will subsidize part of the affordable housing units. Jean Blacksher asked if the developers are not required to contribute towards the development. Janet Howley stated right now the developers are not required to do anything. It is up to the Oakland Redevelopment Agency to provide the affordable housing units in the Oakland Redevelopment Areas.

Gloria Jeffrey asked if the units are built outside of the Redevelopment Area, then does there need to be twice as much spent for the affordable housing units? Janet Howley responded yes and the money would have to come out of the Redevelopment Area.

Charles Chiles stated that the developer may not be enticed to do anything because it is not to their benefit. Janet Howley stated that this is dealt with on a case by case basis. Jennie Mollica stated that the PAC should review the affordable housing options for the Oak to Ninth project and consider what it is that they want to do in relation to the Oak to Ninth project and the CCE housing bond.

Janet Howley reviewed the State's proportionality requirement. The proportion of CCE funds must be spent the same way as the percentage of the population within the CCE area. For example, if there are 40% seniors in the CCE area, then projects can spend up to 40% of affordable housing funds towards housing units for seniors. Janet Howley reviewed the Notice of Funds Availability (NOFA) which is released in August or September. The PAC can specify what the PAC wants to either see developed or will only accept for this NOFA process.

CCE's portion of the Affordable Housing Bond is approximately \$8 million and Janet Howley presented what \$8 million can provide in housing units. The Housing and Community Development Division (HCD) provides a subsidy of up to 40% of the total development costs for affordable housing developments. Rental housing developments have access to additional subsidies from State and Federal funds, while there are few other subsidies for affordable homeownership developments. Therefore, the subsidy needed from the City and the costs to build new homeownership development are higher than for rental.

The Bond money is now available. The housing bonds were sold in April and are now being invested. For this year's NOFA process, the applications may be due in November and the list may go to the City Council next January or February 2007. Art Clark asked if technically the Oak to 9th project could have been eligible if they were ready for this round of the NOFA. Janet Howley stated that yes but they will not be ready. Jennie Mollica asked if the 40% subsidy is set by the City Council. Janet Howley stated that yes the 40% is set by the City Council. Janet stated that Housing staff will present a report to the City Council to address various affordable homeownership issues, including the homeownership rate, changing the subsidy amount, increasing the target income level for eligibility. Redevelopment Law allows up to 120% AMI for affordable home ownership units and the City of Oakland allows up to 100% of AMI.

Janet Howley introduced Marge Gladman to talk about other options to address affordable homeownership. Marge presented a range of program options to address homeownership in the City. There are two specific programs offered by the City. They are: (1) the Limited Equity Long Term Affordability option for new construction and (2) the Secondary Mortgage option for the purchase of existing owner-occupied housing units such as the Mortgage Assistance Program (MAP) and other First-Time Home Buyers programs. The term of affordability restrictions for the development of affordable rental units is 55 years and for affordable homeownership units is 45 years.

As required by State law, the long term affordability homeownership option incorporates principal, interest, taxes and insurance as well as homeowners association dues, utilities and repair costs in the calculation of the sales prices for these units. This is not a traditional homeowner model, nor a wealth building model, the affordability restrictions are locked in place

for 45 years. Sheryl Walton asked how someone can have their equity grow and that this does not allow for people to develop wealth. Marge Gladman stated that even under this option equity grows a little bit, but the restrictions are there for the 45 years.

For the secondary mortgage program, the owner can realize significant equity growth when they resell their house and pay off any loans. This program is clearly more conducive for wealth building. Art Clark asked if the Mortgage Assistance Program (MAP) can be used to purchase a home that is currently being rented. Marge responded that this is not allowed because that would trigger relocation costs which are quite high. The property has to be vacant or owner-occupied.

Frank P. Thomas Jr. asked if there is a way to make it easier for people in the CCE area to buy homes. Janet Howley stated that the law only allows the affordable housing set aside money to do so much; the other 75% of the increment can be used for whatever the PAC wants.

Marge Gladman stated that in order to increase the homeownership rate by 1% in the City of Oakland, there would need to be 3,000 new homeownership units built without any new rental units being built. Art Clark would like statistics that compare the number of homeownership affordable units to the number of market rate units in Oakland. Marge stated that we do not have this information but CEDA staff can research to see if we can find it.

In discussing other options to increase the affordable homeownership rate, Marge Gladman stated that the Housing and Community Development (HCD) staff will go to the Planning Commission on June 13th and the City Council June 20th to present the Inclusionary Zoning Policy. A subsequent report, to be presented at Council in a couple of months, will address other issues regarding affordable homeownership options.

Art Clark e-mailed some information to the PAC about modular housing and how this reduces the cost to build this housing. He asked if it was possible to have a standard plan for new units in Oakland. The units do not have to be side by side so you can tell they are from the same plan, but place these units in infill lots throughout the City. Marge indicated that this would be an issue for Planning.

Marge Gladman also talked about the Community Land Trust option to assist with building affordable homeownership housing units. Janet mentioned that the Inclusionary Housing Policy would state that the developer must provide 15% of the housing units as affordable units at the developer's expense. Janet Howley stated this will potentially provide another tool to address affordable housing development.

VII. Items for the Next PAC Meeting of June 5, 2006

The items discussed for the next meeting were:

1. Discuss additions or special directions for the Notice of Funds Availability (NOFA) for the use of CCE Housing Bond Funds
2. Nominations for Chair and Vice Chair

The meeting was adjourned.

CENTRAL CITY EAST PROJECT AREA COMMITTEE ATTENDANCE SHEET

SUBAREA 1A - EASTLAKE/SAN ANTONIO																			
1	Business Owner	VACANT	EA	P	P	P	P	P	P	P	A	VAC	VAC	VA	VACANT	VACANT	VACANT	VACANT	VACANT
2	Residential Tenant	VACANT																	
3	Residential Owner Occupant	Robert Klinger	P	P	A	P	A	P	P	P	A	A	P	P	A	A	P	A	A
4	East Bay Asian Youth Center	David Kaklishiba	P	P	P	P	A	A	P	A	A	A	P	P	P	A	P	A	A
5	EastLake Merchants Association	Joe Vollatoro	P	P	P	P	A	A	P	P	P	VAC	VAC	VA	VACANT	A	A	A	A
6	San Antonio Hill Neighborhood Association	Carol Urzi & Wendy Jung (alternate)	P	P	P	P	P	P	P	P	P	P	A	P	P	A	A	A	A
7	EastLake/San Antonio/Chinatown Community Development District Board	Laura Jerrard & Jonathan Winters	A	A	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A
SUBAREA 1B - CHINATOWN/SAN ANTONIO																			
8	Business Owner	VACANT			VAC	VAC	VACANT					VAC	VAC	VA	VACANT	VACANT	VACANT	VACANT	VACANT
9	Residential Tenant	VACANT			VAC	VAC	VAC	VA	VAC	VAC	VAC	VAC	VAC	VA	VACANT	VACANT	VACANT	VACANT	VACANT
10	Residential Owner Occupant	Tom Thurston	P	P	P	P	P	P	P	P	P	P	P	A	P	P	P	P	P
11	Lao Family Community Development Corp.	Kathy Chao, Jennie Mollica (alternate)	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
12	Patten College	Suzanne Kunkel	EA	P	A	P	P	P	P	P	P	P	A	P	A	P	P	A	P
13	Spanish Speaking Unity Council	Maria Sanchez	P	P	P	P	A	P	P	P	P	P	P	P	P	P	P	A	P
14	Melrose High Hopes Neighborhood Crime Prevention Council	Preston J. Turner & Kayode Powell (alternate)	P	P	P	P	P	P	P	P	P	A	P	P	P	P	P	P	P

SUBAREA C - CENTRAL/EAST OAKLAND																			
15	Business Owner	Rickey Clay	EA	P	A	A	P	P	A	A	P	A	A	A	A	P	A	A	A
16	Residential Tenant	Pamela Thomas											P	A	P	P	P	P	P
17	Residential Owner Occupant	Raquel Donoso									P	P	A	P	A	P	P	P	A
18	Central East Oakland Merchants Association	Al Parham	P	A	A	A	P	P	P	P	P	P	P	P	P	P	P	P	A
19	Praise Fellowship/Eastmont NCPC	Art Clark	P	P	P	A	P	P	P	P	P	P	P	P	P	P	P	P	P
20	Yorkshire NCPC	Frank Thomas	P	P	P	P	P	A	P	P	P	P	P	P	P	P	P	A	P
21	Central East Oakland Community Development District Board	Charles Chiles	A	A	P	P	A	A	A	P	P	P	A	A	A	P	P	P	P
SUBAREA D - ELMHURST																			
22	Business Owner	Frank Rose	P	P	A	P	A	P	A	P	P	P	P	P	A	A	A	P	P
23	Residential Tenant	VACANT		VAC	VAC	VAC	VA	VAC	VAC	VAC	VAC	VAC	VAC	VAC	VACANT		VACANT	VACANT	VACANT
24	Residential Owner Occupant	Sheryl Walton	P	P	P	P	A	A	P	P	P	P	P	P	P	A	A	P	P
25	Las Palmas Community Group	Kenneth Harvey	P	P	P	P	P	P	A	P	P	A	A	P	P	P	A	P	P
26	MacArthur NCPC	Gloria Jeffrey	EA	P	P	P	P	A	P	P	P	P	P	P	P	P	P	A	P
27	Toler Heights Citizens Council	Jean Blacksher	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	A	P
28	Elmhurst Community Development District Board	Nannette Barrie	P	P	A	P	P	P	P	A	P	P	P	P	A	P	P	A	A
	KEY:	Present = P A = Absence																	
	* = March 7, 2005 -Approval of 4 absences during a 12 month period a PAC member will be notified of potential termination of membership to the PAC.																		

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, June 5, 2006, 6:30 p.m. to apx. 8:30 p.m.
Patten University Student Activity Center, 2433 Coolidge Avenue, Oakland, California

AGENDA

- | | | | |
|------|--|--------------------------------|-----------------|
| I. | Roll Call | Theresa Navarro-Lopez | apx. 2 mins |
| II. | Open Forum | Frank P. Thomas Jr. | apx. 10 mins |
| III. | Approval of the Minutes
May 1, 2006 | Frank P. Thomas Jr. | apx. 5 mins |
| IV. | Administrative Items | Frank P.
Thomas Jr. | apx.15 mins |
| | a. An action item to accept nominations for the Residential Tenant positions for the Elmhurst, Fruitvale/San Antonio, and Eastlake/San Antonio sub-areas and the Fruitvale/San Antonio Business Owner position.
Vote: On nomination of Faviana Rodriquez for Fruitvale/San Antonio Residential Tenant Position
Public Comment | | |
| | b. Announcements from PAC community organizations
Public Comment | | |
| | c. Update on Council Actions
Oak to Ninth
PAC Extension
Public Comment | | |
| | d. Nominations for Chair and Vice Chair
Public Comment | | |
| V. | Foothill/Seminary Streetscape Project Application for Capital Funds for Metropolitan Transportation Commission(MTC)/Transportation for Livable Communities(TLC) | Stephanie
Floyd-
Johnson | apx. 20
mins |
| | a. Staff Presentation | | |
| | b. Public Comment | | |
| | c. PAC Deliberation
Vote: On CEDA Staff's recommendation to allocate \$225,000 from CCE Streetscape Funds for the Foothill/Seminary commercial corridor to match the MTC/TLC capital grant funds to ensure that construction costs for the project can be met. | | |
| VI. | Review of City-wide criteria for the Notice of Funds Availability (NOFA) | Janet
Howley | apx. 30
mins |
| | a. Staff Presentation | | |
| | b. Public Comment | | |
| | c. PAC Deliberation | | |

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Si desea ayuda en español, por favor llame al: (510) 444-2489

Neáu muoán bieät theâm chi tieät baèng tieáng Vieät, xin goii: (510) 444-2489.

CENTRAL CITY EAST PROJECT AREA COMMITTEE

Monday, June 5, 2006, 6:30 p.m. to apx. 8:30 p.m.

Patten University Student Activity Center, 2433 Coolidge Avenue, Oakland, California

- | | | | |
|-------|--|------------|---------|
| VII. | Presentation on City-Wide & CCE Retail Development | Keira | apx. 30 |
| | a. Staff Presentation | Williams | mins |
| | b. Public Comment | | |
| | c. PAC Deliberation | | |
| VIII. | Items for the next PAC meeting of <u>July 10, 2006</u> | Frank P. | apx. 10 |
| | a. <i>Items the PAC wishes to place on a future agenda</i> | Thomas Jr. | mins |
| | b. MacArthur Boulevard Update | | |
| IX. | Adjournment | | |

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CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, June 5, 2006
Patten University, 2433 Coolidge Avenue, Student Activity Center

(Since there was not a quorum at the meeting, the following notes are considered a record of the gathering of some PAC members)

Frank P. Thomas Jr., Chair of the Central City East Project Area Committee (PAC), chaired the gathering. The meeting started at 6:52 p.m.

I. Roll Call

See attached roster of attendance. The attendance was below the number of PAC members required for a quorum. The gathering was held for informational purposes only.

II. Open Forum

There were no public speakers.

III. Approval of the Minutes

There was no approval as a quorum was not reached.

IV. Administrative Items

a. An action item to accept nominations for the Residential Tenant positions for the Elmhurst, Fruitvale/San Antonio, and Eastlake/San Antonio sub-areas and the Fruitvale/San Antonio Business Owner position.

Vote: On nomination of Faviana Rodriguez for Fruitvale/San Antonio Residential Tenant Position.

Faviana presented to those present. The vote was postponed due to the lack of a quorum.

Moufeed Kaid Mohamed, who was nominated for the Business position for the Fruitvale/San Antonio sub area, was also present and spoke briefly about his desire to be on PAC

b. Announcements from PAC community organizations.

There were no announcements.

c. **Update on Council Actions**

Oak to 9th Mixed-Use Development- Dan Vanderprien, Director of Redevelopment, Economic Development, Housing, and Community Development updated the PAC on the Oak to 9th development which is going to Council for action on June 20, 2006. CEDA staff has reviewed the pro forma for the project, has hired an analyst to review the maximum amount of funds the development can receive for affordable housing.

For the affordable housing component there are two lots in Phase I which the developer will make available for the Redevelopment Agency; 465 units for affordable housing at 30% to 60% Area Median Income (AMI), which is low income; 25% of the total can be senior units, 50% can be family units. The project is expecting a subsidy of approximately \$85 million over the development of the project. The project will generate housing money over time at about \$89 million. The project will pay for itself, but it will initially have to borrow funds early on from every Redevelopment Area, and will pay that back over time.

The difference between the \$89 million and \$85 million is close. The remaining \$4 million will be placed in a contingency fund to be used for what the City needs.

In order to increase the margin of the contingency, City staff negotiated with the developer for 3 other things:

1. The Developer will write down the cost of the land by \$2 million for the City;
2. The City will buy the land from the developer early, and the developer will discount the property by \$3.5 million for the City. This allows the developer to increase their capital and not have to borrow as much from the bank, and at the same time the City will receive a greater return on its investment; and
3. In the Phase I, the City will get \$2 million from the developer when they begin building on the land.

This will lead to an additional \$7.5 million contribution from the developer that the City will receive and that it can use towards the contingency.

The CCE Area will not have to put in the bond funds, but will have to use some of the increment from housing. If the project is approved in 2006, the earliest we could fund the affordable housing will be 2011 with the construction starting in 2013. The next three phases will not be funded until 2014, 2015, & 2016, with the construction beginning two years after each funding time. This will have to wait until all Redevelopment Areas grow and expand. All the housing units will be rental units.

There were several questions from PAC members. They were:

Frank P. Thomas Jr.: Are we selling land to developer & then buying it back?

Dan Vanderprien: The Port of Oakland owns the land, the developer buys it for 15 – 25% of their costs, clean it and put in infrastructure (80 -85% of costs) and then resell it to ORA.

Frank P. Thomas Jr.: Is anyone looking at the developers costs?

Dan Vanderprien: The developer will not get much of a profit; this would be at the discounted price.

Tom Thurston: How does timing of building affordable units compare with the market rate units?

Dan Vanderprien: Signature Properties will be building in five phases and Affordable Housing units in four phases. The affordable housing 1st phase will be built with their 1st phase; the next 3 phases will be built during their next 2 phases and will also be going along with the creation of retail.

Sheryl Walton: The CCE line items would remain constant and CEDA would start pulling funds from CCE housing funds in 2008, will CEDA staff come back for PAC votes for each phase of the housing?

Dan Vanderprien: Yes, City staff will come to the PAC.

Frank P. Thomas Jr.: What impact would this have on CCE?

Dan Vanderprien: A positive one. This project only impacts housing funds; non-housing funds will increase over the next 45 years to approximately \$145 million net impact to the area.

Sheryl Walton: Is there more bang for the buck now; will future funds be available?

Dan Vanderprien: We are expecting 250 units built each year on the total project; non-housing \$ will be approximately \$900,000 in the first year, then \$1.8 million in the second year, \$3 million in the third year, and will continue to grow. The project will close escrow in 2007 and we will see the land value increase in 2008.

Jennie Mollica: Can the developer request that any of \$145 million go back to the Oak to 9th project?

Dan Vanderprien: They do not want the funds because of the strings attached; none of the non-housing funds will go to the developer.

Kathy Chao: Why a \$2 million discount from developer, and how?

Dan Vanderprien: Projects this size, usually expect 30-35% return; this one is lower; the developer will be in the bottom quartile in terms of the amount of the return due to already having \$10 million invested in the project. The \$2 million comes due to their willingness to take a smaller return on the project.

d. Nominations for Chair & Vice Chair

Frank P. Thomas Jr. proposed to the PAC the option of having the nominations in July due to lack of quorum. The PAC members present chose to wait until July

V. Foothill/Seminary Streetscape Project Application for Capital Funds for the Metropolitan Commission (MTC)/Transportation for Livable Communities (TLC)

Stephanie Floyd-Johnson, Manager of the Neighborhood Commercial Revitalization Division presented the Foothill/Seminary project and the impact the project will have on the area. She discussed that the request that would be made before the PAC is for \$225,000 from PAC Tax Increment Funds to match a grant she is working on from MTC/TLC.

The PAC gave \$50,000 in the past to match a MTC/TLC design grant. Stephanie explained that the request is for \$225,000 which will be added to the \$750,000 that the PAC already allocated for the project. The project will cost \$3.9 million and staff will be requesting \$3 million from MTC/TLC. The application deadline for the MTC/TLC grant is June 23, 2006.

Desley Brooks spoke in favor of the request and stated that the previous grant application was very competitive; this application will put together all components that the PAC is working on. David Glover from OCCUR presented the community outreach part of project.

There was a motion on the item made. It was clarified by Frank Rose that a motion and second can not take place since there is no quorum. The motion was made by David Kakishiba, seconded by Nannette that present PAC members approve staff's recommendation. The motion was withdrawn by David Kakishiba.

A straw poll of those in attendance was taken on the additional \$225,000 for the project. The results were 10 in favor and 1 not in favor.

Theresa Navarro-Lopez stated that the item needs to come back in July for a vote.

VI. Review of City-wide criteria for the Notice of Funds Availability (NOFA)

Janet Howley, Manager of Housing Services, talked about Notice of Funds Availability (NOFA) process. The NOFA is generally released once a year in the summer with applications due in mid-November. CEDA staff reviews and makes a recommendation to City Council for the use of the NOFA funds. Historically, CEDA staff does not recommend the use of the majority of funding for one project alone. The City usually receives three times the amount of request in funding that is available. The City Council policy is to split the NOFA funding into 50% homeownership and 50% rental units. Currently most applications that come in are for rental units. Housing Community Development staff will go to City Council to present a report on an ownership policy and how this may be addressed. This report will go to Council in late June or early July. CEDA staff will e-mail the report to the PAC members when it is available.

Janet stated that she will present the existing NOFA criteria and will only talk about the financing component not other potential program options such as pre-approved plans etc. Janet listed the criteria presented in a matrix. The restrictions include a 80% market rate and 20% low/mod housing with 10% of units going to very low income 30% Area Median Income (AMI). For example, a family of four at 30% AMI makes approximately \$30,000, not a lot to live in Oakland.

CEDA housing staff wants to see other types of funds supporting the proposed development such as federal funding. There are 55 year loan restrictions and affordability requirements for rental units. The maximum loan that is provided is 40% of developmental cost for project. For ownership units there is a 45 year restriction and buyers sign "declaration of resale" that the sales price they sell is at an affordable rate. CEDA staff does look for developers to build three bedroom units for families.

The City Council has set limits for rental units at 80% of AMI and for ownership units at 100% AMI. The CCE area has approximately \$6 million in bond money for the upcoming NOFA. The applicants will come to the PAC. The PAC can provide ideas on existing sites. CEDA staff expects the citywide NOFA to be \$15 million to \$17 million total this year. The Housing Community Development staff would like to see some go to ownership.

Art Clark asked if a recommendation will be made to change the 45 year restriction for ownership housing. The restriction is a State requirement so that cannot be done by the City Council. Janet responded that in order for the same unit to be kept affordable, the City would have to put money into the same house multiple times in order to make it affordable to the next household. Art Clark asked that the report to council on homeownership be made available to the PAC via email. Janet Howley responded yes, it will be on the HCD site on internet. Theresa Navarro-Lopez will e-mail the report when it is available.

Kathy Chao stated that the restriction is a disincentive, if the owner wants to pay off the subsidy. Janet stated the restriction is on the land. Kathy Chao asked if prospective owners to go through a homeowner's orientation. Yes, for the First Time Homebuyers Program it is mandatory.

VII. Presentation City Wide & CCE Retail Development

Keira Williams, CEDA Economic Development, presented the status of Oakland's citywide retail. Keira stated that sales tax revenue in the last few years has gone up in Oakland. Oakland does well in comparison to the rest of the state except for consumer goods and merchandise. Oakland brings in by far the most sales tax of all cities in the County, but it is the lowest in terms of per-capita. There is a sales leakage of \$17.6 million in sales tax spent outside of Oakland that could be spent within Oakland.

Keira reviewed a Request for Proposal (RFP) that has been released to assist with retail attraction, development, and retention etc. The consultant will assist to develop a strategy to prioritize 18 target areas, where to spend efforts, best mix, target developers, etc. The response to the RFP is due July 12, 2006. Art Clark stated that there are more than four

areas in the CCE that could use retail attraction and development. Art asked what the PAC can do to get more areas put on her list. Keira responded that the City Council designated the areas for the RFP. Keira would like to receive any information on the properties that the PAC could recommend, also use Code Star – site that all available properties can be informed about

Tom Thurston asked about what parts of International Boulevard are included in the RFP. Keira responded that probably the nodes in between 23rd Ave & the City of San Leandro.

Nannette Barrie asked about completion of the work for the RFP. Keira responded that the work will hopefully be completed in 12 months and she can present this information to the PAC when the PAC desires so.

VIII. Items for the next PAC meeting of July 10, 2006

The following items were discussed:

- Nannette Barrie suggested receiving a report from representatives of the Oakland Library.
- Art Clark stated the formal vote on Foothill/Seminary streetscape grant application and the nominations for PAC Chair and Vice-Chair.
- The last item listed on the agenda is the MacArthur Boulevard update.

Theresa Navarro-Lopez will not be at the July 10, 2006 meeting. Kimani Rogers will work with Frank and Art to coordinate the meeting.

IX. Adjournment

City of Oakland
Community and Economic Development Agency
Memorandum

TO: Central City East Project Area Committee
FROM: Theresa Navarro-Lopez, Project Manager Central City East Redevelopment Area
DATE: June 27, 2006

SUBJECT: Status Report on the Oak Knoll and CCE Fiscal Merger

About a year ago the fiscal merger process began with the goal of capturing any excess tax increments from the Oak Knoll area for the purpose of expediting the goals of the CCE area. The financial merger permits funds from Oak Knoll to be used in the CCE area but excludes the use of funds from the CCE area to be used in Oak Knoll area, hence the "one-way firewall."

The plan adoption process takes about a year and City staff was just about ready for adoption when some concerns were raised by the Oak Knoll neighbors and the developers. The neighbors are concerned about impacts from the project to their area and that all the tax increment dollars might go to CCE, with no apparent benefit to the Oak Knoll project and the neighboring area. One can appreciate the neighbor's position because there could be as many as 1,000 units and 2,500 new residents added to an area that is already somewhat congested. As a result of the neighbors' and the developer's concerns the City Council decided to delay the merger process until there was some resolution to these matters.

To further complicate the situation new legislation (SB 1206) is now surfacing, which has some new blight definitions which make it more difficult to increase the present CAP (limitation on tax increment dollars) on the Oak Knoll Project. The present CAP is \$87 million dollars and we are proposing to increase it to \$1 billion. Therefore, we are now proposing to amend the CAP as part of the plan amendment, but it must be done before the end of the year. This means we are trying to complete a plan amendment in six months when it normally takes 9-12 months.

Current Status

City staff has met with the developers to try to resolve these problems and the developers have had several meetings with neighboring residents as well. There appears to be recognition by all that the neighbors have a legitimate concern and some funds should be made available to assist them and the developer. Some funding considerations may include funding for offsite traffic impacts, buffer areas between the Oak Knoll project and the neighbors, and historic preservation of the Oak Knoll officer's club for future use as a community center, etc.

During this process, the two concerns that have surfaced about the fiscal merger are the financial impacts and the affordable housing issues for the Oak Knoll project area.

Financial impacts

One recommendation is to make the neighborhood and the project “whole” by having \$87 million which is probably \$15 million in today’s dollars stay in the Oak Knoll Project area. This would take away any argument that the merger would negatively impact the neighbors and the Oak Knoll project. This would also allow over \$900 million to flow to the CCE Project area. The Plan Amendments related to the financial merger would stay in place. In other words, the “one-way firewall” would still remain and CCE tax increment dollars could never be diverted to Oak Knoll.

Affordable Housing

Another recommendation is to merge the two Project Areas to include combining the housing requirements which could prove beneficial to the CCE area, as well. The developer is proposing to build some low and very low income senior housing in the project area, but the cost of subsidizing all 160 units on site make the project cost skyrocket. Since CCE has a surplus of affordable units, if credit for these affordable units were to be given to Oak Knoll, then the equivalent amount of housing money could be diverted from Oak Knoll to CCE for “for sale” homeownership units.

This would require a change in the City’s present policy of having all of Oak Knoll’s housing funds going into the City’s General Housing Fund versus staying in the Oak Knoll Project Area, similar to what was done for the CCE area.

These are the issues that staff has been working on and timing is very critical because the new legislation will take effect January 1, 2007.

Neighborhood Meeting

There is a neighborhood meeting scheduled for July 12, 2006 and City staff wants to keep the CCE PAC informed as to the status of the project. CCE PAC members are welcome to attend. However, the agenda will focus on what sort of improvements the Oak Knoll neighbors wish to see and not how funds might be spent in the CCE area. Therefore, it might be appropriate for the PAC Chair to attend the meeting, once again, and report back to the PAC.

PAC September Meeting

We will provide you with another update at your meeting scheduled for September 11, 2006. In the meantime, if you have any questions or suggestions, please call Aliza Gallo at (510) 238-7405 or e-mail her at agallo@oaklandnet.com.

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, July 10, 2006, 6:30 p.m. to apx. 8:30 p.m.
Patten University Student Activity Center, 2433 Coolidge Avenue, Oakland, California

AGENDA

- | | | | |
|------|--|------------------------|-----------------|
| I. | Roll Call | Theresa Navarro-Lopez | apx. 2 mins |
| II. | Open Forum | Frank P. Thomas Jr. | apx. 10 mins |
| III. | Approval of the Minutes
May 1, 2006 & review of notes from June 5,
2006 | Frank P. Thomas Jr. | apx. 5 mins |
| IV. | Administrative Items | Frank P.
Thomas Jr. | apx.30 mins |
| | a. An action item to accept nominations for the Residential
Tenant positions for the Elmhurst, Fruitvale/San Antonio, and
Eastlake/San Antonio sub-areas and the Fruitvale/San Antonio
Business Owner position.
Vote: On nominations for Faviana Rodriguez for
Fruitvale/San Antonio Residential Tenant Position and
Moufeed Kaid Mohamed for Fruitvale/San Antonio
Business Owner position
Public Comment | | |
| | b. Update on Council Actions | | |
| | 1. Oak to Ninth | | |
| | 2. CCE & Oak Knoll Fiscal Merger | | |
| | 3. Mills Act | | |
| | Public Comment | | |
| | c. Nominations for Chair and Vice Chair | | |
| | Public Comment | | |
| | d. Announcements from PAC community organizations | | |
| | Public Comment | | |
| V. | Follow Up Discussion on Notice of Funds Availability (NOFA) & CCE
Housing Bond Funds | Janet
Howley | apx. 25
mins |
| | a. Staff Presentation | | |
| | b. Public Comment | | |
| | c. PAC Deliberation | | |
| | Vote: On recommendation for the Notice of Funds Availability
(NOFA) and the CCE Housing Bonds. | | |

In compliance with the American with Disabilities Act, if you need special assistance to participate in the meetings of the Central City East Project Area Committee, please contact Theresa Navarro at (510) 238-6250. Notification two full business days prior to the meeting will enable the City of Oakland to make reasonable arrangements to ensure accessibility.

Si desea ayuda en español, por favor llame al: (510) 444-2489

Neáu muoán bieät theâm chi tieät baêng tieäng Vieät, xin goï: (510) 444-2489.

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, July 10, 2006, 6:30 p.m. to apx. 8:30 p.m.
Patten University Student Activity Center, 2433 Coolidge Avenue, Oakland, California

- VI. Foothill/Seminary Streetscape Project Application for Capital Funds for Metropolitan Transportation Commission(MTC)/Transportation for Livable Communities(TLC) Stephanie Floyd-Johnson apx. 25 mins
- a. Staff Presentation
 - b. Public Comment
 - c. PAC Deliberation
- Vote: On CEDA Staff's recommendation to allocate \$225,000 from CCE Streetscape Funds for the Foothill/Seminary commercial corridor to match the MTC/TLC capital grant funds to ensure that construction costs for the project can be met.**
- VII. Update on MacArthur Boulevard Under Grounding and Streetscape Project Paul Chan & Emad Mirsacidi apx. 20 mins
- a. Staff Presentation
 - b. Public Comment
 - c. PAC Deliberation
- VIII. Items for the Annual Meeting of the PAC of September 11, 2006 Frank P. Thomas Jr. apx. 5 mins
(The meeting for August is cancelled for a summer break)
- a. Items the PAC wishes to place on a future agenda
 - b. Election of Chair and Vice Chair
 - c. Review of Brown Act, Sunshine Ordinance, and Robert's Rules of Order
- IX. Adjournment

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CITY OF OAKLAND

Memorandum

TO: Central City East Project Area Committee (CCE PAC) Members
FROM: Theresa Navarro-Lopez, Project Manager, Central City East Redevelopment Area
DATE: July 10, 2006
SUBJECT: **Packet of Information for the Central City East Project Area Committee Meeting of July 10, 2006**

This memorandum explains what to expect in your packet and what will be presented at the next meeting.

Agenda Item III

Minutes of the May 1, 2006 meeting and Review of Notes from the June 5, 2006 meeting- The minutes of the May 1, 2006 are included in this packet since a quorum was not met at the June 5, 2006 meeting. The minutes are for your review and approval at the PAC meeting. The minutes are considered to be in draft form until the PAC approves them. For the June 5, 2006, the notes of the PAC members' discussions are considered notes since there was no quorum at the meeting. The notes of June 5, 2006 do not have to be approved. Please e-mail or call me with any comments and corrections to the minutes for consideration at the PAC meeting.

Agenda Item IV

Administrative Items

- a. **A vote will be taken on the nomination of Faviana Rodriquez for the Residential Tenant position in the Fruitvale/San Antonio sub area and Moufeed Kaid Mohamed for the Fruitvale/San Antonio Business Owner position.** A copy of Faviana Rodriguez's and Moufeed Kaid Mohamed's information is included in the packet for your reference at the meeting.
- b. Update on Council Actions. A brief update will be provided on the Oak to Ninth and the CCE, Oak Knoll Fiscal Merger, and the Mills Act.
- c. A memorandum explaining the procedures for nominating the Chair and Vice Chair is enclosed along with a copy of the CCE PAC Bylaws for background information.

Agenda Item V

Follow up Discussion on Notice of Funds Availability (NOFA) and the CCE Housing Bonds- The City-wide NOFA is scheduled to be released in either late August or early September. CEDA staff will explain the timeline for the NOFA process and the CCE PAC may set criteria to include in the NOFA for the use of the CCE Housing Bonds.

Agenda Item VI

Foothill/Seminary Streetscape Project Application for Capital Funds for the Metropolitan Transportation Commission (MTC)/ Transportation for Livable Communities (TLC) funds- This item will be presented again at the July 10, 2006 meeting since there was no quorum at the meeting. An explanation of CEDA staff's recommendation to allocate an additional \$225,000 from the CCE Capital Expenditure Streetscape Improvement Funds is provided in this memorandum.

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, May 1, 2006
Patten University, 2433 Coolidge Avenue, Student Activity Center

DRAFT

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

Frank P. Thomas, Jr., Chair of the Central City East Project Area Committee (PAC), chaired the meeting. The meeting started at 6:45 p.m.

I. Roll Call

See attached roster of attendance.

II. Open Forum

There were no public speakers.

III. Approval of the Minutes

There were no proposed changes for the March 6, 2006 PAC minutes.

Motion (by Tom Thurston, seconded by Charles Chiles) Approve minutes of the March 6, 2006 meeting.

Vote: 12 Ayes, 0 Nays, and 0 Abstentions. Motion passed.

Frank Rose requested a correction to the minutes of the April 3, 2006 meeting. Frank Rose wants an addition in regards to the MacArthur Boulevard Under Grounding project which states that homeowners could be billed for any trenching over 100 feet and that some owners would also be billed for panel connection fees. This was discussed at the April 3, 2006 meeting but was not written in the minutes. CEDA staff will make the corrections to the April 3, 2006 minutes.

Motion (by Frank Rose, seconded by Art Clark) Approve the minutes, with changes as proposed by Frank Rose, the April 3, 2006 meeting.

Vote: 9 Ayes, 0 Nays, and 3 Abstentions. Motion passed.

IV. Administrative Items

a. An action item to accept nominations for the Residential Tenant positions for the Elmhurst, Fruitvale/San Antonio, and Eastlake/San Antonio sub-areas and the Fruitvale/San Antonio Business Owner position.

Tom Thurston nominated Favianna Rodriguez for the Fruitvale Residential Tenant position. The nomination was seconded by Suzanne Kunkel. Favianna was not present for the nomination. The PAC will vote on the nomination at the June 5, 2006 meeting.

b. Announcements from PAC community organizations.

There were no announcements.

c. Report on Meetings with City Council Representatives

This was briefly discussed at the end of the meeting.

d. Update on Council Actions

Oak Knoll- The City Council meetings for the proposed fiscal merger of the CCE and Oak Knoll Project areas originally scheduled for the Community and Economic Development (CED) Committee on April 25, 2006 and the Joint Public Hearing of the City Council and Oakland Redevelopment Agency on May 2, 2006 are postponed until the fall of 2006. The meetings were postponed because the Oak Knoll neighbors were concerned about the need to have more community outreach meetings and the need for CEDA staff to look at new increment estimates based on the proposed development. The number of units proposed at Oak Knoll is approximately 700.

Oak to 9th Development- A workshop was held for the City Council on March 28, 2006. The City Council Public Hearing is June 20, 2006 at the City Council Chambers on the 3rd Floor of City Hall. This can also be viewed on the KTOP Channel 10. Frank P. Thomas Jr. asked about the impact the Oak to Ninth project will have on the CCE affordable housing funds. Theresa Navarro-Lopez stated that City staff is still negotiating with the developer on the affordable housing so the impact is not clear right now.

Gregory Hunter stated that the CCE PAC elected to keep the affordable housing funds in the CCE Area and the Oak to Ninth Project is no different than any other proposed housing development. It is possible that the land the affordable housing units may be built on will be sold back to the City to allow someone else to build the affordable housing units.

Art Clark asked if the City knows how much it will cost to buy the two blocks for the affordable housing site in the Oak to Ninth area. Gregory Hunter stated that it is premature to know the cost of remediation and other infrastructure costs at this time which will provide for a better cost for the site.

Art Clark asked if the CCE PAC will have some information on the affordable housing for the Oak to Ninth project by the June 2006 PAC meeting. Gregory Hunter responded that he could not make a commitment to have this information by the June 5, 2006 PAC meeting. Some updated information should be available for the June 20, 2006 Public Hearing. CEDA staff will attempt to get the information to the PAC for the June PAC meeting.

Frank P. Thomas, Jr. asked if the Oak Knoll developers will sell land for the affordable housing units as well. Gregory Hunter responded that it is still too early in the process to know whether this will occur.

e. Discussion about break in August and Election in September

Frank P. Thomas, Jr. stated that this item was put on the agenda for the PAC to explore the option of taking a break in August and having the election for the CCE Chair and Vice-Chair right after the break. The PAC will have to make the nominations before the break and come back and vote in September.

Motion (by Frank Rose, seconded by Jean Blacksher) Approve a break for the PAC in August.

Vote: 12 Ayes, 0 Nays, and 0 Abstentions. Motion passed.

The nominations will be in June or July and the vote will be in September.

f. PAC Renewal of Term by City Council

Frank P. Thomas, Jr. stated that the term of the PAC term needs to be renewed by July 29, 2006. This has to go to City Council for an extension. The item is currently on the City Council agenda for the May 23, 2006 Community and Economic Development (CED) Committee meeting. The PAC does not have to vote but may do so to show support for the renewal of the term.

Motion (by Art Clark, seconded by Jean Blacksher) To extend the CCE PAC term from July 29, 2006 to July 29, 2007.

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

V. Continued Discussion on Affordable Housing Bond

Janet Howley, Manager of the Housing Development Division, reviewed the law regarding the affordable housing bond. Janet discussed the requirement of the State Redevelopment Law to have at least 15% of the total units set aside for affordable housing when a new development project is brought in; 6% of the 15% must be for very low income households.

Gloria Jeffrey asked why the Redevelopment Agency finances the projects ahead of time. This is in reference to the Oak to Ninth project. Janet Howley responded that that is part of the negotiations with the developers. The Oakland Redevelopment Agency does work with the developers to see if they will subsidize part of the affordable housing units. Jean Blacksher asked if the developers are not required to contribute towards the development. Janet Howley stated right now the developers are not required to do anything. It is up to the Oakland Redevelopment Agency to provide the affordable housing units in the Oakland Redevelopment Areas.

Gloria Jeffrey asked if the units are built outside of the Redevelopment Area, then does there need to be twice as much spent for the affordable housing units? Janet Howley responded yes and the money would have to come out of the Redevelopment Area.

Charles Chiles stated that the developer may not be enticed to do anything because it is not to their benefit. Janet Howley stated that this is dealt with on a case by case basis. Jennie Mollica stated that the PAC should review the affordable housing options for the Oak to Ninth project and consider what it is that they want to do in relation to the Oak to Ninth project and the CCE housing bond.

Janet Howley reviewed the State's proportionality requirement. The proportion of CCE funds must be spent the same way as the percentage of the population within the CCE area. For example, if there are 40% seniors in the CCE area, then projects can spend up to 40% of affordable housing funds towards housing units for seniors. Janet Howley reviewed the Notice of Funds Availability (NOFA) which is released in August or September. The PAC can specify what the PAC wants to either see developed or will only accept for this NOFA process.

CCE's portion of the Affordable Housing Bond is approximately \$8 million and Janet Howley presented what \$8 million can provide in housing units. The Housing and Community Development Division (HCD) provides a subsidy of up to 40% of the total development costs for affordable housing developments. Rental housing developments have access to additional subsidies from State and Federal funds, while there are few other subsidies for affordable homeownership developments. Therefore, the subsidy needed from the City and the costs to build new homeownership development are higher than for rental.

The Bond money is now available. The housing bonds were sold in April and are now being invested. For this year's NOFA process, the applications may be due in November and the list may go to the City Council next January or February 2007. Art Clark asked if technically the Oak to 9th project could have been eligible if they were ready for this round of the NOFA. Janet Howley stated that yes but they will not be ready. Jennie Mollica asked if the 40% subsidy is set by the City Council. Janet Howley stated that yes the 40% is set by the City Council. Janet stated that Housing staff will present a report to the City Council to address various affordable homeownership issues, including the homeownership rate, changing the subsidy amount, increasing the target income level for eligibility. Redevelopment Law allows up to 120% AMI for affordable home ownership units and the City of Oakland allows up to 100% of AMI.

Janet Howley introduced Marge Gladman to talk about other options to address affordable homeownership. Marge presented a range of program options to address homeownership in the City. There are two specific programs offered by the City. They are: (1) the Limited Equity Long Term Affordability option for new construction and (2) the Secondary Mortgage option for the purchase of existing owner-occupied housing units such as the Mortgage Assistance Program (MAP) and other First-Time Home Buyers programs. The term of affordability restrictions for the development of affordable rental units is 55 years and for affordable homeownership units is 45 years.

As required by State law, the long term affordability homeownership option incorporates principal, interest, taxes and insurance as well as homeowners association dues, utilities and repair costs in the calculation of the sales prices for these units. This is not a traditional *homeowner model*, nor a *wealth building model*, the affordability restrictions are locked in place

for 45 years. Sheryl Walton asked how someone can have their equity grow and that this does not allow for people to develop wealth. Marge Gladman stated that even under this option equity grows a little bit, but the restrictions are there for the 45 years.

For the secondary mortgage program, the owner can realize significant equity growth when they resell their house and pay off any loans. This program is clearly more conducive for wealth building. Art Clark asked if the Mortgage Assistance Program (MAP) can be used to purchase a home that is currently being rented. Marge responded that this is not allowed because that would trigger relocation costs which are quite high. The property has to be vacant or owner-occupied.

Frank P. Thomas Jr. asked if there is a way to make it easier for people in the CCE area to buy homes. Janet Howley stated that the law only allows the affordable housing set aside money to do so much; the other 75% of the increment can be used for whatever the PAC wants.

Marge Gladman stated that in order to increase the homeownership rate by 1% in the City of Oakland, there would need to be 3,000 new homeownership units built without any new rental units being built. Art Clark would like statistics that compare the number of homeownership affordable units to the number of market rate units in Oakland. Marge stated that we do not have this information but CEDA staff can research to see if we can find it.

In discussing other options to increase the affordable homeownership rate, Marge Gladman stated that the Housing and Community Development (HCD) staff will go to the Planning Commission on June 13th and the City Council June 20th to present the Inclusionary Zoning Policy. A subsequent report, to be presented at Council in a couple of months, will address other issues regarding affordable homeownership options.

Art Clark e-mailed some information to the PAC about modular housing and how this reduces the cost to build this housing. He asked if it was possible to have a standard plan for new units in Oakland. The units do not have to be side by side so you can tell they are from the same plan, but place these units in infill lots throughout the City. Marge indicated that this would be an issue for Planning.

Marge Gladman also talked about the Community Land Trust option to assist with building affordable homeownership housing units. Janet mentioned that the Inclusionary Housing Policy would state that the developer must provide 15% of the housing units as affordable units at the developer's expense. Janet Howley stated this will potentially provide another tool to address affordable housing development.

VII. Items for the Next PAC Meeting of June 5, 2006

The items discussed for the next meeting were:

1. Discuss additions or special directions for the Notice of Funds Availability (NOFA) for the use of CCE Housing Bond Funds
2. Nominations for Chair and Vice Chair

The meeting was adjourned.

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, July 10, 2006
Patten University, 2433 Coolidge Avenue, Student Activity Center

DRAFT

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

Art Clark, Vice-Chair of the Central City East Project Area Committee (PAC) and Frank P. Thomas, Jr., Chair of the PAC, chaired the meeting. The meeting started at 6:30 p.m.

I. Roll Call

See attached roster of attendance.

II. Open Forum

There were no public speakers.

III. Approval of the Minutes

There were no proposed changes for the May 1, 2006 PAC minutes.

Motion (by Tom Thurston, seconded by Charles Chiles) Approve minutes of the May 1, 2006 PAC meeting.

Vote: 9 Ayes, 0 Nays, 4 Abstentions. Motion passed.

There were several proposed changes and/or clarifications for the June 5, 2006 notes from the gathering. Tom Thurston wanted clarification regarding the subsidy discussed in the Oak to Ninth section, page 2, paragraph 2. Tom wanted the notes to clearly state that the \$85 million subsidy is expected for the building of the affordable units.

The next proposed clarification was about the use of bond funds for the Oak to Ninth development. Gregory Hunter clarified that the exact use has yet to be determined as all financial projections are conservative and reminded the PAC that he was not at the previous PAC meeting so was unable to definitively clarify what was presented at that time. Laura Jerrard requested that the notes just clarify which bond was being referenced in relation to the \$85 million subsidy when Dan stated the CCE area would not have to put in bond funds toward the subsidy. At the time, Dan was referring to the bond for housing funds which has already been issued.

There was a desire to clarify which report was being referenced on page 4, last paragraph. The notes should have stated "affordable housing homeownership report."

Charles Chiles wanted to clarify that in the Oak to 9th section, page 2, paragraph 3, the statement "...for what the City needs" was misleading and that actually the information was

presented as the remaining \$4 million would be used only in the CCE Redevelopment Area, and not throughout the City.

There was no vote taken because these notes were not official meeting minutes. All proposed clarifications and changes are to be recorded in the minutes of the July 10th meeting. The text of the June 5th meeting will not be changed as they are unofficial notes anyway.

IV. Administrative Items

a. An action item to accept nominations for the Residential Tenant positions for the Elmhurst, Fruitvale/San Antonio, and Eastlake/San Antonio sub-areas and the Fruitvale/San Antonio Business Owner position.

Favianna Rodriguez was previously nominated by the Fruitvale/San Antonio sub-area representatives to fill the Residential Tenant Position during the May 1st PAC meeting. There was no quorum during the June 5th PAC meeting and the vote was postponed until the present meeting.

Motion (by Suzanne Kunkel, seconded by Laura Jerrard): Accept the nomination to add Favianna Rodriguez to the PAC, filling the Residential Tenant Position for Fruitvale/San Antonio.

Vote: 10 Ayes, 0 Nays, 4 Abstentions. Motion Passed.

Moufeed Kaid Mohamed was previously nominated by the Fruitvale/San Antonio sub-area representatives to fill the Business Owner Position during the June 5th PAC meeting. There was no quorum during the June 5th PAC meeting and the vote was postponed until the present meeting. Mr. Mohamed gave a quick presentation of his background and qualifications. He was questioned by members of the PAC on his experience and community involvement.

Motion (by Carol Urzi, seconded by Jenny Mollica): Accept the nomination to add Moufeed Kaid Mohamed to the PAC, filling the Business Owner Position for the Fruitvale/San Antonio sub-area.

Vote: 10 Ayes, 0 Nays, 5 Abstentions. Motion Passed.

Jennie Mollica had questions about an orientation for new members. Frank Thomas stated that Theresa Navarro-Lopez will work with the new members to bring them up to speed. Art Clark also suggested that the new members can "buddy up" with established members for guidance.

b. Update on Council Actions.

1. Oak to Ninth. Gregory Hunter gave a quick presentation of activity regarding the Oak to Ninth project. At the June 20th City Council Meeting there was a discussion regarding the change of land use for the area that was approved. There was no approval as yet of any contribution of City of Oakland funds to the land. There is still the need to negotiate the financial aspects with the developer. That will be ongoing.

Art Clark had questions regarding the amount that CCE will be receiving from the affordable housing bond. Janet Howley responded that CCE will receive approximately \$7 million.

Frank Thomas had questions about the number of affordable units, the percentages and the locations of the units. Janet Howley responded that 465 affordable units are required under Redevelopment Law for this development, and they were scheduled to be located on 2 parcels in the proposed development. The development may be short 77 units, and those would be placed somewhere in CCE due to the NOFA process over the next 7 – 8 years. This is all a factor of the density of units that will be approved by the Planning Commission for the Affordable units on the development. If they are not built on site and are instead built in CCE, then there will be a ratio of 1.33 to 1 in number of affordable units built in CCE instead of the 77 built directly on site (100 units in all of CCE instead of the 77 only in development site); if they are built outside of the CCE Redevelopment Area, then the ratio is 2 to 1 in number of affordable units to be built (154 units outside the CCE Redevelopment Area).

Frank asked if they could be located elsewhere in the development. Janet replied that they probably will not be; it could depend on the number of units and density allowed by the Planning Commission and what can fit on those particular parcels.

Gloria wanted to know the alternate places in CCE where the affordable housing could be built and if the PAC had a say. Janet replied that alternate locations were not discussed yet and that the PAC could have a say through the funding process when the developer will ask for money from the PAC. Signature would not be the developer for the offsite affordable housing units. Signature can select the affordable housing developer; if ORA doesn't like that selection then there will be an RFP process where Signature and the ORA will determine the affordable housing developer. There is no existing list of locations for sites for the 77 extra units as the Opportunity Site list may not be adequate for this and there is no other list of sites in CCE currently.

Frank wanted clarification on why the affordable units couldn't be placed in the development site and just replace some of the market units. Janet responded she wasn't part of the negotiation team, but that is not what the negotiating team agreed to and what was sent to Council. Frank voiced concerns that by placing all the affordable housing into the 2 parcels it is segregating the low to moderate income housing from the market housing people. Gregory replied that ideally the City would like to disperse the various units amongst the site, but financially this is not feasible, as the private sector would have to underwrite the affordable housing units, which they will not do.

Attached is the memorandum sent to the CCE PAC members by Dan Vanderprieem, Director of Redevelopment which clarifies that all the affordable housing will be built on site.

Preston Turner wanted to know if the PAC could do anything to affect this. Gregory responded that at this point in time, this is where the City Council is (the discussion of land usage), that there is to be a second meeting to discuss Oak to Ninth issues and at that time PAC

members or anyone can speak up regarding housing. The Council will be voting on the July 18th meeting regarding land use issues, not on affordable housing. The best way to get the PAC involved is to state its preference of housing on site and recommend a project that is self contained on the Oak to Ninth site.

Preston wanted the PAC to voice an opinion on the matter for the 2nd Council meeting. Charles Chiles was against the agency bringing this type of contract to the PAC that allows segregation in the project area. Preston wanted to motion that the PAC draft a letter and staff present it to the Council meeting. Gregory stated that staff would not present the letter, but if such a motion was approved, then the PAC was able to draft such a letter and a representative of the PAC could present it.

Motion (by Preston, seconded by Sheryl Walton): That a letter stating that the PAC is opposed to the proposed segregation of the affordable housing parcels be prepared and submitted to the Council Item regarding, the “Approve(al) of the Final Passage (Second Reading) of the Ordinance Adopting the Second Amendment to the CCE Redevelopment Plan to Revise Land Use Designations for the Oak to 9th Project Site” to the City Council on July 18, 2006.

There was discussion by various members of the PAC regarding the motion and whether submitting a letter at this point in time would be injudicious, as this process has been going on for over 5 years. There was concern whether it would be: more appropriate for the letter to be sent to the Planning Commission in regards to the density concerns; the PAC should go on record and state their feelings regarding the proposed segregation of affordable housing units; and whether this will dilute the impact of the PAC and its recommendations as this will be coming into the process at the last minute. The vote was then taken.

Vote: 9 Ayes, 5 Nays, 2 Abstentions. Motion Passed.

Preston and Carol Urzi agreed to work on the language for the letter.

2. CCE & Oak Knoll Fiscal Merger. Aliza Gallo gave an update on the merger. Changes in State Legislation have increased the pace of the actions by City Staff and the developer. The merger will need to be completed before January 1, 2007 of next year to avoid extra restrictions. There will be a community meeting on July 12, 2006 to discuss the change in legislation, issues of redevelopment, affordable housing, etc.

Questions were raised regarding affordable housing in Oak Knoll. There is no clear plan currently as to whether all affordable housing units will be placed on site or not. The entire CCE Redevelopment Area has a surplus on the total number of affordable housing units it will need to build in the current 10 year period. This may impact whether the developer chooses to build affordable housing on site, but it would need to be approved by City Council.

3. Mills Act. Gregory Hunter gave a quick presentation of activity regarding the Mills Act. The item was to go in front of the Community and Economic Development Committee for City Council, but it was pulled. This was therefore more of an informational item. The Mills Act will provide a financial incentive for the rehabilitation of historic properties. It will manifest

in the form of a tax break to eligible property owners as they rehabilitate and maintain their historic properties. Certain members of the PAC showed an interest in viewing the list of property owners, and staff stated they would explore how interested parties could see the list.

c. Nominations for Chair and Vice Chair

Nominations were made for the office of Chair and Vice Chair of the CCE PAC. Frank Thomas was nominated for Chair by Charles Chiles and seconded by Gloria Jeffery. No other individuals were nominated for Chair. Art Clark was nominated for Vice-Chair by Carol Urzi and seconded by Preston Turner. No other individuals were nominated for Vice-Chair. The vote will be held during the September 11th meeting.

d. Announcements from PAC community organizations

Laura Jerrard introduced Corona Rivera as her new alternate. A meeting will be scheduled with Corona Rivera and Theresa Navarro to orient Corona to the PAC.

Art Clark stated that the Praise Fellowship Neighborhood Crime Prevention Council (NCPC) annual block party will be held from 10:00 a.m. to 4:00 p.m. on September 16, 2006. The location will be near 77th Avenue and MacArthur Boulevard. There are openings for service providers or vendors looking for a booth.

Preston Turner stated that the Melrose High Hopes NCPC was scheduling an event from 11:00 a.m. to 3:00 p.m. on July 16, 2006 at Horace Mann Elementary School at 522 Ygnacio Avenue, between Congress and Vicksburg. There will be various fun activities.

V. Follow Up Discussion on Notice of Funds Availability (NOFA) & CCE Housing Bond Funds

Janet Howley from Housing and Community Development presented. She reminded the PAC of the Affordable Housing money and the Notice of Funds Availability (NOFA) process and timeline that had been discussed in the previous meetings. CCE has \$7.3 million from the affordable housing bond and staff is recommending that the money be utilized via the NOFA process, with all CCE funds being spent in the CCE area. There was then a review of how proposed projects are scored in the NOFA process.

There were questions regarding current affordable housing and future projects.

Question: Ken Harvey wanted to know if there was affordable housing above 580.

Answer: Yes, there are 5 sites

Questions: Can the PAC request only Senior Housing for all projects?

Answer: No, all funds cannot be used for just only senior housing.

Question: Tom Thurston wanted to know if the Opportunity Sites would be mentioned
answer: Information about the sites can be included.

Art Clark wanted to see an emphasis on homeownership and Laura Jerrard wanted rental housing to be included as well. At this point, the meeting had gone over the time limit.

Motion (by Art Clark, seconded by Carol Urzi): to extend the meeting in order to hear all the items on the agenda.

Vote: 14 Ayes, 0 Nays, 1 Abstention. Motion Passed.

Jennie Mollica wanted the money that is dispersed via the NOFA to reflect the allocation percentages for the affordable housing money that is discussed in the CCE 5-Year Implementation Plan. Janet clarified that the NOFA can include what the Implementation Plan contains, but that the allocation percentages can not be duplicated exactly as a criterion for the NOFA because the NOFA isn't the same thing as the 5-Year Implementation Plan. Staff can put in a narrative of the goals of the CCE PAC into the NOFA, and when projects are presented, the PAC can be informed of what they are and the percent of projects that focus on the particular areas. Janet reminded the PAC that this is still a work in progress and the NOFA is a test case. Jennie requested that the chart of the allocation percentages be included, not the narrative.

Motion (by Art Clark, seconded by Charles Chiles): Direct staff to follow the percentages as listed in the Implementation Plan when submitting the NOFA.

Vote: 15 Ayes, 0 Nays, 0 Abstentions. Motion Passed.

VI. Foothill/Seminary Streetscape Project Application for Capital Funds for Metropolitan Transportation Commission (MTC)/Transportation for Livable Communities (TLC)

Stephanie Floyd-Johnson from the Neighborhood Commercial Revitalization Unit presented and gave a quick background of the project and location. Staff was requesting funds of \$225,000 from CCE to cover a gap in the contribution amount stated in the Metropolitan Transportation Commission/Transportation for Livable Communities (MTC/TLC) grant application. PAC members had questions about the progress of this streetscape project if the City does not achieve the grant. If this project does not receive the MTC/TLC grant, then the Plan B will be to use some of the funds that CCE will receive when it bonds; this will be the non-housing bond expected to occur later in 2006.

Motion (by Jennie Mollica, seconded by Art Clark): Accept the recommendation of staff regarding the \$225,000 for the Foothill/Seminary Streetscape grant application.

Questions for clarification of the motion and funding arose. Multiple PAC members wanted to know more about funding for the various CCE streetscape projects and where this \$225,000 will come from. Gregory responded that it is the plan of staff to complete all streetscape projects, this funding will not come from existing projects but from other funds.

Vote: 15 Ayes, 0 Nays and 0 Abstentions. Motion Passed.

VII. Update on MacArthur Boulevard Undergrounding and Streetscape Project

Paul Chan from Public Works Agency's Electrical Division presented an update on the undergrounding. The undergrounding is halfway done and Area I (from San Leandro to 98th Avenue) is complete. The rapid speed is due to the concern about the Holiday Restrictions. Initially, it looked like the undergrounding would be at 73rd Avenue around the holidays which would affect traffic, and the timetable was adjusted to avoid that. The contractor will now finish the construction of the substructure by the holidays, then will start connecting to the 280 private properties and ultimately the undergrounding will be taken down. The streetscape component will come in after all aspects of the undergrounding are complete.

Emad Mirsaedi from the Public Works Agency discussed the streetscape aspects. Construction is scheduled to begin in the spring of 2008, due to the utility companies coming in, the poles going down, etc. The streetscape schedule will be a little more flexible than the undergrounding schedule. Visual representations of what the streetscape area would look like were presented by Emad and one of the designers.

VIII. Items for the Annual Meeting of the PAC of September 11, 2006

No items were discussed. Meeting had gone well over time limit and was adjourned at 9:35 pm.

SPECIAL MEETING OF THE CENTRAL CITY EAST PROJECT AREA COMMITTEE

Monday, August 28, 2006, 6:30 p.m. to apx. 8:30 p.m.

Patten University Student Activity Center, 2433 Coolidge Avenue, Oakland, California

AGENDA

- | | | | |
|------|---|---|---------------|
| I. | Roll Call | Theresa Navarro-Lopez | apx. 2 mins |
| II. | Open Forum | Frank P. Thomas Jr. | apx. 10 mins |
| III. | Central City East & Oak Knoll Merger | Frank P. Thomas Jr., Dan Vanderpriem, & Aliza Gallo | apx. 100 mins |
| | a. Status of the Merger | | |
| | b. History of Merger Proposal | | |
| | c. Power point Presentation on Merger | | |
| | d. Two Decisions needed of the PAC | | |
| | i. Selling of Surplus Affordable Housing Credits | | |
| | ii. Concurrence with formula for sharing Oak Knoll Tax Increments | | |

Vote: On CEDA staff's recommendations for selling of surplus affordable housing credits and concurrence with the formula for sharing of Oak Knoll Tax Increments.

- | | | | |
|-----|---|---------------------|-------------|
| IV. | Items for the Annual Meeting of the PAC of <u>September 11, 2006</u> | Frank P. Thomas Jr. | apx. 5 mins |
| | a. Election of Chair and Vice Chair | | |
| | b. Review of Brown Act, Sunshine Ordinance, and Robert's Rules of Order | | |
| | c. Follow up for CCE & Oak Knoll Fiscal Merger | | |
| V. | Adjournment | | |

compliance with the American with Disabilities Act, if you need special assistance to participate in the meetings of the Central City East Project Area Committee, please contact Theresa Navarro at (510) 238-6250. Notification two full business days prior to the meeting will enable the City of Oakland to make reasonable arrangements to ensure accessibility.

desee ayuda en español, por favor llame al: (510) 444-2489

eáu muoán bleát theâm chi tieát baèng tieáng Vieät, xin goii: (510) 444-2489.

City of Oakland
Community and Economic Development Agency
Memorandum

TO: Central City East Project Area Committee
FROM: Theresa Navarro-Lopez, Project Manager Central City East Redevelopment Area
DATE: August 17, 2006

SUBJECT: August 28, 2006 Special Meeting on the Oak Knoll and CCE Plan amendments

A special meeting of the Central City East (CCE) PAC is called for Monday, August 28, 2006 to provide an update on the proposed Oak Knoll and CCE redevelopment plan amendments, including the planned merger between the two project areas; and for the CCE PAC to take action on two critical elements of the amendments related to affordable housing production and the tax increment sharing. CEDA staff called for a special meeting because of the timeframe necessary to present to the Planning Commission and City Council and the need for the CCE PAC to take action before these presentations.

Background

To date, the CCE PAC has discussed and approved moving forward with the CCE and Oak Knoll fiscal merger. The purpose of the merger is to permit tax increment funds from Oak Knoll to be used in the CCE area but excludes the use of funds from the CCE area to be used in the Oak Knoll area; hence a "one-way firewall" is provided. All of the tax increment funds generated by the Central City East Project Area would stay in the Central City East Project Area.

California Redevelopment Law allows two project areas to be merged. New legislation (SB 1206) is under consideration at the State level which has new blight definitions and could make it more difficult to increase the present cap on tax increment dollars for the Oak Knoll Project. The present tax increment cap is \$87 million, and we are proposing to increase it to \$1.5 billion*. We are also proposing to increase the cap on bonded indebtedness for Oak Knoll from the present cap of \$21.5 million to \$400 million. Therefore, we are now proposing to amend these caps as part of the plan amendment, but it must be done before the end of the year, by December 2006. This means staff is trying to complete a plan amendment in six months by the end of the year, when it normally takes 9-12 months.

California Redevelopment Law also contains an affordable housing production requirement whereby at least 15% of the total housing units developed or rehabilitated in a Redevelopment Project Area over a ten-year period must be dedicated to very low and low and moderate income households. This means that, under the Oak Knoll plan proposed by the Oak Knoll developer, at least 144 units for very low and low and moderate income households are required to be developed as a result of the Oak Knoll development.

* The \$1.5 billion is the total gross increment of which the Agency only receives 65% locally.

Status of Merger

City staff met with the developer and Oak Knoll neighbors to resolve two concerns related to the Oak Knoll development. They are: (1) the affordable housing production requirement, and (2) the use of the Oak Knoll 75% tax increment funds for projects. As a result of these meetings, CEDA staff is making a recommendation to the CCE PAC to address the housing production requirement for Oak Knoll and the use of the Oak Knoll 75% tax increment funds.

Affordable Housing Production Requirement

The Central City East Project Area has a surplus of 235 affordable housing units which is more than what is required for the CCE project area. Under the proposed redevelopment plan amendments, the affordable housing production requirements of the two areas would be merged in a limited way such that CCE could “sell” Oak Knoll the right to count CCE’s surplus affordable housing units to satisfy the Oak Knoll requirements. If credit for these surplus affordable units were to be “sold” to Oak Knoll, then Central City East could receive a payment from Oak Knoll redevelopment funds for the value of these units. The payment would not be linked to affordable housing and could be used by Central City East for any redevelopment project, including a first time buyers program or rental rehabilitation with fewer restrictions than if funded using affordable housing money.

The Oak Knoll development proposed by SunCal is expected to create the need to produce 144 affordable housing units to meet the Oak Knoll housing production requirement. The developer is proposing to build a portion of the affordable housing at Oak Knoll and would like Oak Knoll to “purchase” a portion of the surplus Central City East housing “credits” for the difference. For example, CCE could receive about \$11 million if it “sells” 72 surplus housing units to Oak Knoll to satisfy a portion of the affordable housing requirement at Oak Knoll. CCE could use these sale proceeds for anything, not just affordable housing.

In order to allow CCE to benefit from the “sale” of surplus affordable housing the two redevelopment plans need to be amended to merge affordable housing production requirements. Such a merger can be done with conditions that 1) allow for payment to CCE for use of surplus affordable housing credits and 2) stipulate that no affordable housing would be built in CCE to satisfy Oak Knoll requirements, thereby providing CCE with financial benefit and a protection against construction of more affordable housing to satisfy needs outside of its plan area. The proposed wording is:

“Notwithstanding the above or anything else in the Plan to the contrary, the affordable housing production requirements as set forth above for the Oak Knoll Project Area are hereby merged with the affordable housing production requirements as set forth in the Central City East Redevelopment Plan, but only in the limited circumstances and subject to the conditions set forth in this paragraph. In general, the Agency shall ensure that the affordable housing production requirements set forth in Section 33413(b) of the Community Redevelopment Law are met separately for the Oak Knoll Project Area and for the Central City East Project Area every 10 years (the “compliance period”) as set forth in the Community Redevelopment Law. However, if the number of new or

substantially rehabilitated dwelling units actually developed in the Central City East Project Area during a compliance period and made available at an affordable housing cost to low or moderate income families and/or very low income households exceeds the minimum number required by the Central City East Redevelopment Plan for such income group, the surplus of affordable housing units may be allocated to the Oak Knoll Project Area for purposes of satisfying the affordable housing production requirements of this Oak Knoll Redevelopment Plan for the same income group. Any such allocation shall be subject to all of the following conditions:

- Any allocation of surplus affordable housing units to Oak Knoll must be approved by the governing body of the Agency by resolution.
- Only surplus affordable housing units developed within Central City East with no relationship to development at Oak Knoll may be allocated to Oak Knoll.
- The Agency must compensate Central City East redevelopment funds from Oak Knoll redevelopment funds for any allocation of surplus affordable housing units to Oak Knoll as set forth below. The amount of compensation for each unit shall be equal to the average Agency per-unit subsidy for developing affordable housing for the applicable income group, with such average calculated based on the average Agency subsidy provided through the Agency's most recent Notice of Funding Availability process or other affordable housing funding process at the time of the allocation. The compensation shall come from non-housing Oak Knoll tax increment funds. The Agency may also accept contributions from redevelopers in the Oak Knoll Project Area to fund such compensation. In no event may Oak Knoll Low and Moderate Income Housing Funds be used for such purposes. Any such funds shall be used exclusively within the Central City East Project Area.
- No affordable housing shall be constructed within the Central City East Project Area for the purpose of satisfying the affordable housing production requirements of the Oak Knoll Project Area."

The fiscal merger will not affect any allocation of housing funds. The Central City East Project Area will retain its 25% tax increment funds for affordable housing. The 25% tax increment funds for affordable housing from the Oak Knoll Project Area will continue to go to the city-wide housing pool. *No affordable housing units will be built in the CCE Project Area to satisfy the Oak Knoll requirements.*

Staff Recommendation

CEDA staff recommends that the merger amendment be formulated so that the CCE Project Area has the option to "sell" surplus affordable housing "credits" to the Oak Knoll Project Area. The actual price and the amount of the credits would come to the CCE PAC at a future date for a recommendation.

Tax Increment Sharing

Staff is recommending a fiscal merger that would provide funds for public benefit improvements in Oak Knoll and provide for the vast majority of Oak Knoll funds to flow to CCE. The “one-way firewall” would still remain and CCE tax increment dollars could never be diverted to Oak Knoll.

City staff, the developer, and neighbors formulated a proposal to use a portion of the Oak Knoll tax increment funds to pay for public improvements and infrastructure needs for the Oak Knoll development. Several meetings were held with the Oak Knoll neighbors and developers surrounding Oak Knoll to determine the needs. A list of Oak Knoll public improvements was developed for incorporation into the Oak Knoll five-year implementation plan. About \$26 million would be needed for public benefit improvements and \$11 million is shown as available for purchase of CCE affordable housing tax credits. Therefore, CCE would receive \$11 million during the next 5 years if the merger and implementation plan is approved.

Raising these funds presumes the issuance of a bond in year 5 of the implementation plan, which would provide most of the money. During the term of the bond (about 12 years) there would be a stream of net cash flow which is proposed to be allocated 10% to Oak Knoll, and 90% to CCE. After the bond is paid off, 100% of all net cash flow would go to CCE. Totals are shown in the summary table below.

Project Area	First 5 Years (1-5)	Years 5-15	Over 45 year Life Span
Oak Knoll	\$26 million (70%)	\$ 2.9 million (10%)	\$ 33.8 million (5.7%)
CCE	\$11 million (30%)	\$26.3 million (90%)	\$557.5 million (94.3%)
Total Tax Increment	\$37 million	\$29.2 million	\$591.3 million

Staff Recommendation

Staff recommends approval of a tax increment sharing system as follows:

1. 30% of net tax increment to go to CCE during the first 5 years;
2. 90% of net tax increment to go to CCE after bond debt service until bond is retired (2024); and
3. 100% of net tax increment after bond is retired (2024).

Motions to Consider

The following is CEDA staff’s recommended motions for the August 28, 2006 meeting. It is recommended that the CCE PAC approve the following recommendations to the City Council.

1. That the CCE Redevelopment Plan be amended to merge Oak Knoll and CCE affordable housing production requirements to:
 - a. Allow the “sale” of CCE surplus affordable housing “credits” under conditions permitted in the Plan; and
 - b. Prohibit the construction of affordable housing in CCE to satisfy Oak Knoll requirements.

2. That the CCE Redevelopment Plan be fiscally merged with the Oak Knoll Redevelopment Plan and an Oak Knoll implementation plan be adopted which:
 - a. Imposes a one way firewall allowing no CCE funds to flow to Oak Knoll;
 - b. Allows tax sharing provisions as recommend by staff;
 - c. Increases the cap on the receipt of tax increment dollars in the Oak Knoll Plan from \$87 million to \$1.5 billion; and
 - d. Increases the cap on the amount of outstanding bonded indebtedness in the Oak Knoll Plan from \$21.5 million to \$400 million.

These are the issues that staff has been working on and timing is very critical because the new legislation will take effect January 1, 2007. I urge you to attend this meeting since we will need to have a quorum for the CCE PAC to take action on these items. In the meantime, if you have any questions about this information please feel free to call Aliza Gallo at (510) 238-7405. Thank you for your assistance with the CCE area.

THIRD AMENDMENT
TO THE REDEVELOPMENT PLAN FOR THE
CENTRAL CITY EAST REDEVELOPMENT PROJECT

Adopted by Ordinance No. _____ C.M.S.
effective _____, 2006

Prepared by the
REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

THIRD AMENDMENT TO THE REDEVELOPMENT PLAN FOR THE CENTRAL CITY EAST REDEVELOPMENT PROJECT

I. INTRODUCTION

A Redevelopment Plan for the Central City East Redevelopment Project (the "Central City East Redevelopment Plan") was adopted by the Oakland City Council and the Redevelopment Agency of the City of Oakland on July 29, 2003, pursuant to the California Community Redevelopment Law (California Health and Safety Code Sections 33000, et seq.). A Redevelopment Plan for the Oak Knoll Redevelopment Project (the "Oak Knoll Redevelopment Plan") was adopted by the Oakland City Council and the Redevelopment Agency of the City of Oakland on July 14, 1998.

Sections 33485 through 33489 of the California Health and Safety Code authorize a legislative body through plan amendment to merge redevelopment project areas.

II. AMENDMENT

A. The Central City East Redevelopment Plan is hereby amended to add the following section:

X. [§1000] MERGER

Upon the effective date of the Ordinance adopting the Third Amendment to this Plan, and provided an ordinance becomes effective that amends the Redevelopment Plan for the Oak Knoll Redevelopment Project to merge the Oak Knoll Redevelopment Project Area with this Project Area, the Central City East Project Area is hereby merged with the Oak Knoll Project Area. The merged project area may be referred to as the "Central City East/Oak Knoll Project Area" or the "Central City East/Oak Knoll Redevelopment Project." Any tax increment funds allocated to the Agency pursuant to Section 502 of the Redevelopment Plan for the Oak Knoll Redevelopment Project that are attributable to the Oak Knoll Project Area as established prior to the Third Amendment to the Oak Knoll Redevelopment Plan may be allocated to the entire Central City East/Oak Knoll Project Area for the purpose of paying the principal of, and interest on, indebtedness incurred by the Agency to finance or refinance, in whole or in part, the Central City East/Oak Knoll Redevelopment Project. Notwithstanding the merger, tax increment funds allocated to the Agency pursuant to Section 502 of this Plan that are attributable to the Central City East Project Area as established prior to the Third Amendment to this Plan, may not be allocated to the Oak Knoll Redevelopment Project.

Notwithstanding the merger, all provisions of this Plan shall continue to govern the Central City East Project Area as established prior to the Third Amendment to this Plan. The Redevelopment Plan for the Oak Knoll Redevelopment Project shall have no application to this Project Area.

B. Section 330 of the Central City East Redevelopment Plan, Project Area Housing Production, is hereby amended to read as follows (additional text is underlined):

2. [\$330] Project Area Housing Production

At least 30 percent of all new or substantially rehabilitated dwelling units developed by the Agency in the Project Area shall be available at affordable housing cost to persons and families of low or moderate income, with not less than 50 percent of these units made available at affordable housing cost to very low income households, as required by Section 33413 (in particular, subdivision (b) of that section) of the Community Redevelopment Law. At least 15 percent of all new or substantially rehabilitated dwelling units developed by public or private entities or persons other than the Agency in the Project Area shall be available at affordable housing cost to persons and families of low or moderate income, with not less than 40 percent of these units made available at affordable housing cost to very low income households, as required by Section 33413 (in particular, subdivision (b) of that section) of the Community Redevelopment Law. The requirements of this section shall apply in the aggregate, and not to each individual case of rehabilitation, development, or construction of dwelling units; however, the Agency in its discretion may impose inclusionary housing requirements on particular housing projects developed by public or private entities or persons other than the Agency in the Project Area, as needed in order for the Agency to comply with Section 33413 of the Community Redevelopment Law, this Plan, and the implementation plan adopted for the Project pursuant to Section 33490 of the Community Redevelopment Law.

Notwithstanding the above or anything else in the Plan to the contrary, the affordable housing production requirements as set forth above for the Central City East Project Area are hereby merged with the affordable housing production requirements as set forth in the Oak Knoll Redevelopment Plan, but only in the limited circumstances and subject to the conditions set forth in this paragraph. In general, the Agency shall ensure that the affordable housing production requirements set forth in Section 33413(b) of the Community Redevelopment Law are met separately for the Central City East Project Area and for the Oak Knoll Project Area every 10 years (the "compliance period") as set forth in the Community Redevelopment Law. However, if the number of new or substantially rehabilitated dwelling units actually developed in the Central City East Project Area during a compliance period and made available at an affordable housing cost

to low or moderate income families and/or very low income households exceeds the minimum number required by this Section for such income group, the surplus of affordable housing units may be allocated to the Oak Knoll Project Area for purposes of satisfying the affordable housing production requirements of the Oak Knoll Redevelopment Plan for the same income group. Any such allocation shall be subject to all of the following conditions:

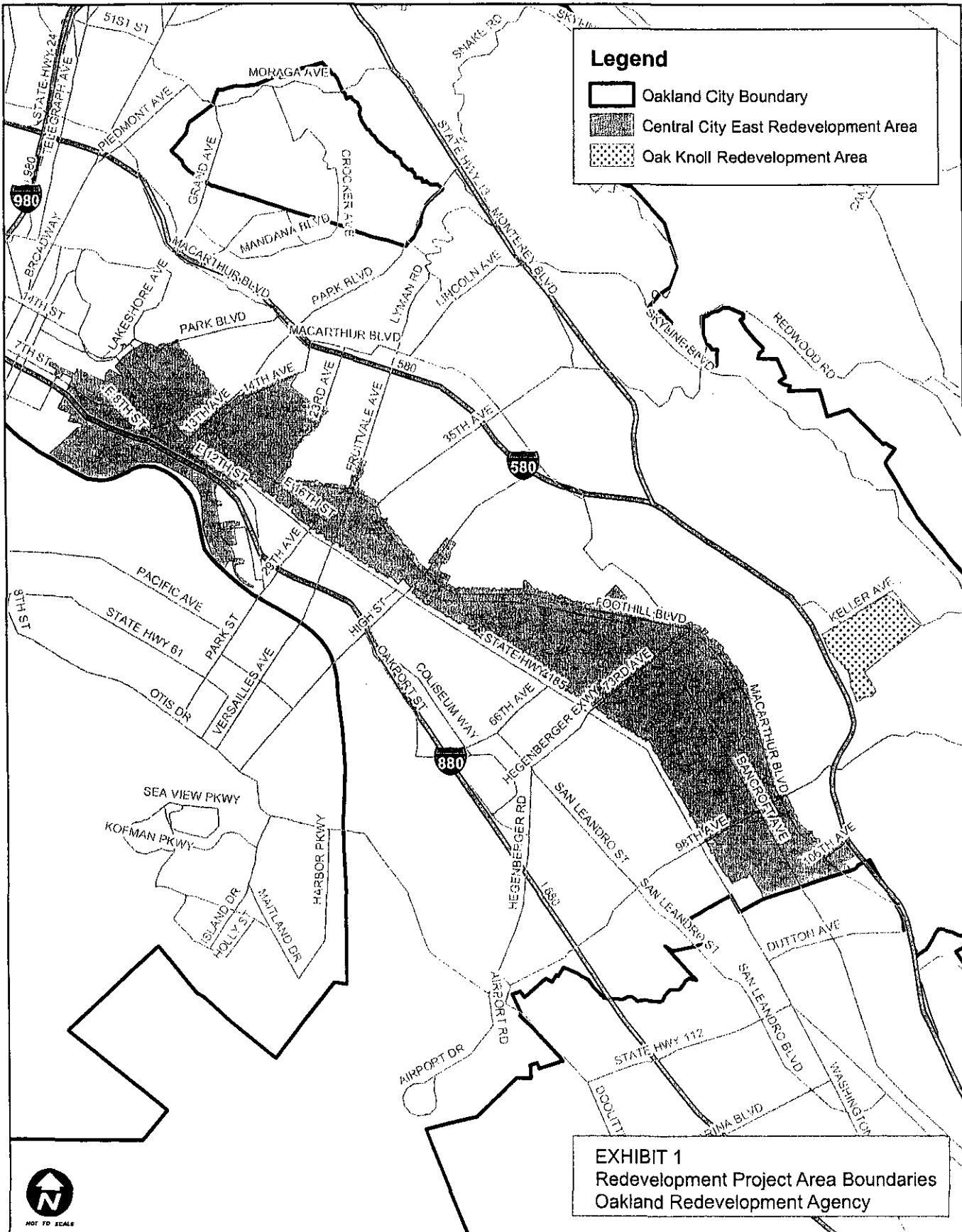
- Any allocation of surplus affordable housing units to Oak Knoll must be approved by the governing body of the Agency by resolution.
- Only surplus affordable housing units developed within Central City East with no relationship to development at Oak Knoll may be allocated to Oak Knoll.
- The Agency must compensate Central City East redevelopment funds from Oak Knoll redevelopment funds for any allocation of surplus affordable housing units to Oak Knoll as set forth below. The amount of compensation for each unit shall be equal to the average Agency per-unit subsidy for developing affordable housing for the applicable income group, with such average calculated based on the average Agency subsidy provided through the Agency's most recent Notice of Funding Availability process or other affordable housing funding process at the time of the allocation. The compensation shall come from non-housing Oak Knoll tax increment funds. The Agency may also accept contributions from redevelopers in the Oak Knoll Project Area to fund such compensation. In no event may Oak Knoll Low and Moderate Income Housing Funds be used for such purposes. Any such funds shall be used exclusively within the Central City East Project Area.
- No affordable housing shall be constructed within the Central City East Project Area for the purpose of satisfying the affordable housing production requirements of the Oak Knoll Project Area.

C. All other provisions of the Central City East Redevelopment Plan not expressly modified or amended by the terms of this Third Amendment shall remain in full force and effect.

**Oak Knoll – Central City East Redevelopment Plan
Amendments & Merger Actions Schedule**

<i>Central City East Redevelopment Area Project Advisory Committee Meeting: Status Report on the Oak Knoll & CCE Merger</i>	<i>July 10</i>
<i>1st Oak Knoll Community Meeting (6-7:30 pm)</i>	<i>July 12</i>
<i>2nd Oak Knoll Community Meeting 6-7:30pm</i>	<i>July 26</i>
<i>2006 Summer Recess- City Administrator Action</i> Agency Resolution amending Resolution No. 2005-0051, which authorized the preparation of fiscal merger amendments to the Central City East Redevelopment Plan and the Oak Knoll Redevelopment Plan, to authorize the preparation of further redevelopment plan amendments increasing the Oak Knoll tax increment limit and merging the affordable housing production requirements for the Oak Knoll and Central City East Project Areas	<i>August 8</i>
<i>Amended Notice & Preliminary Report to Taxing Agencies</i>	<i>August 22</i>
<i>Special CCE PAC Meeting</i> Request to CCE for Motions supporting Oak Knoll & CCE Implementation Plan Amendments	<i>August 28</i>
<i>2006 Summer Recess- City Administrator Action</i> Agency Resolution authorizing the amendment of professional service contracts of Burns & Watry and Keyser Marston Associates from \$53,500 each to an amount not to exceed \$153,500 each for preparation of various legally required redevelopment documents necessary to support the merger and plan amendments of the Oak Knoll and Central City East Project Areas	<i>September 5</i>
<i>CCE PAC meeting</i> SunCal Presentation & Introduction to PAC	<i>September 11</i>
<i>Planning Commission Presentation</i> Oak Knoll & CCE Merger & Redevelopment Plan Amendments Planning Commission Finding of General Plan Consistency	<i>September 20</i>
<i>CED Committee</i> Overview of CCE & Oak Knoll Merger & Plan Amendments	<i>October 10</i>

<i>Public Hearing Noticing</i> Notice to Area residents of CC/Oak Knoll	<i>September 29</i>
<i>Public Hearing Notice to Taxing Agencies</i>	<i>September 29</i>
<i>Hearing Advertisement in Newspaper</i>	<i>October 3, 10, 17, 24</i>
<i>CCE PAC Meeting</i> Update – PAC Agenda: Administrative Items	<i>October 9</i>
<i>Public Hearing (1st reading) - City Council</i>	<i>October 31</i>
<i>CCE PAC Meeting</i> Update – PAC Agenda: Administrative Items	<i>November 6</i>
<i>CCE PAC Meeting</i> Update – PAC Agenda: Administrative Items	<i>December 4</i>
<i>Adoption of Merger and Oak Knoll & CCE Redevelopment Plan Amendments-City Council</i>	<i>December 5</i>



Legend




-  Oakland City Boundary
-  Central City East Redevelopment Area
-  Oak Knoll Redevelopment Area

EXHIBIT 1
 Redevelopment Project Area Boundaries
 Oakland Redevelopment Agency

**City of Oakland
Community and Economic Development Agency
Memorandum**

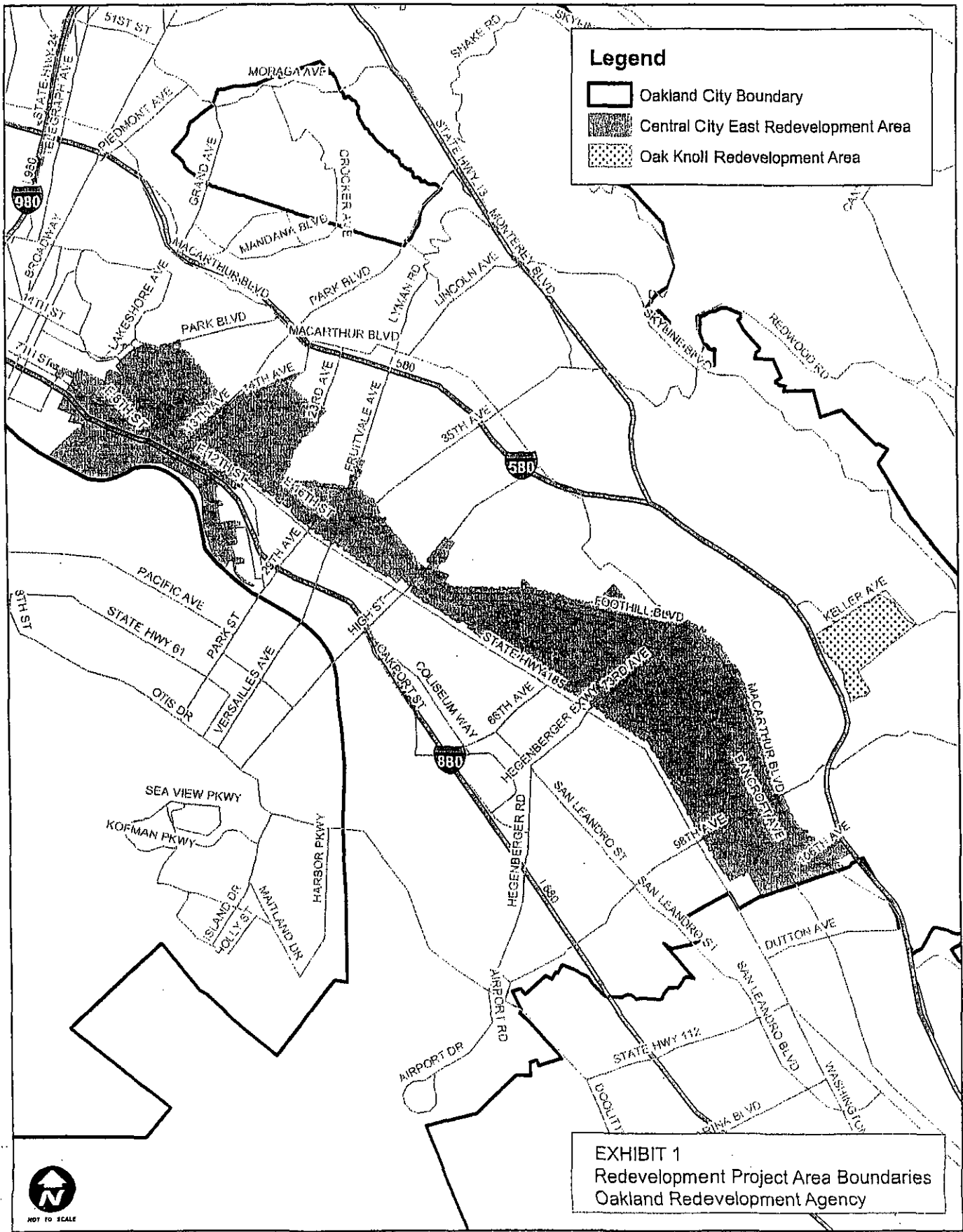
TO: Central City East Project Area Committee
FROM: Theresa Navarro-Lopez, Project Manager Central City East Redevelopment Area
DATE: September 1, 2006

SUBJECT: Presentation by SunCal Representatives for Oak Knoll Area

At the September 11, 2006 meeting Pat Keliher of SunCal will provide an overview of the following items related to the Oak Knoll development:

- The planning process including the design charrettes;
- The Oak Knoll community plan overview; and
- Highlights of the proposed development plan including:
 - Creek restoration project,
 - Club Knoll restoration,
 - Introduction of a sport complex and recreation areas,
 - Commercial center/Town Village concept,
 - Senior housing project,
 - Balance of housing of project site – town homes, small lot product types, large lot product types, and
 - Project phasing and timing.
- Merger of CCE & Oak Knoll

This is an informational report to the PAC. If you have any questions about the Oak Knoll development, please call Aliza Gallo at (510) 238-6250. Thank you.



**Oak Knoll – Central City East Redevelopment Plan
Amendments & Merger Actions Schedule**

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<i>2006 Summer Recess- City Administrator Action</i> Agency Resolution authorizing the amendment of professional service contracts of Burns & Watry and Keyser Marston Associates from \$53,500 each to an amount not to exceed \$153,500 each for preparation of various legally required redevelopment documents necessary to support the merger and plan amendments of the Oak Knoll and Central City East Project Areas	<i>September 5</i>
<i>CCE PAC meeting</i> SunCal Presentation & Introduction to PAC	<i>September 11</i>
<i>Planning Commission Presentation</i> Oak Knoll & CCE Merger & Redevelopment Plan Amendments Planning Commission Finding of General Plan Consistency	<i>September 20</i>
<i>CED Committee</i> Overview of CCE & Oak Knoll Merger & Plan Amendments	<i>October 10</i>

<i>Public Hearing Noticing</i> Notice to Area residents of CC/Oak Knoll	<i>September 29</i>
<i>Public Hearing Notice to Taxing Agencies</i>	<i>October 5</i>
<i>Hearing Advertisement in Newspaper</i>	<i>October 3, 10, 17, 24</i>
<i>Public Hearing (1st reading)- City Council</i>	<i>October 31</i>
<i>Adoption of Merger and Oak Knoll & CCE Redevelopment Plan Amendments-City Council</i>	<i>December 5</i>

APPENDIX F

Taxing Agency Mailing List and Sample Letter to Taxing Agencies

**MAILING LIST OF STATE BOARD OF EQUALIZATION,
COUNTY OFFICIALS, & AFFECTED TAXING AGENCIES:
2006 Oak Knoll & Central City East Redevelopment Areas Merger
& Plan Amendments
8-24-2006**

Hank Ackerman
General Manager
Alameda County Flood Control & Water
Conservation District/ Public Works Agency
399 Elmhurst Street
Hayward, CA 94544

Keith Carson
Board President
Alameda County Board of Supervisors
1221 Oak Street
Oakland, CA 94612

Dennis Diemer
General Manager
East Bay Municipal Utility District
375 11th Street MS804
Oakland, CA 94607

Deborah Edgerly
City Administrator
City of Oakland
One City Hall Plaza, 3rd Floor
Oakland, CA 94612

Stuart M. Flashman
Trustee (City of Oakland)
Alameda County Mosquito Abatement District
Board of Trustees
23187 Connecticut Street
Hayward, CA 64545-1606

Elihu Harris
Chancellor
Peralta Community College District
333 East 8th Street
Oakland, CA 94606

Mike Harris
State Board of Equalization Tax Area Service
Section
450 "N" Street, MIC:59 P.O. BOX 942879
Sacramento, CA 94287-0059

Shelia Jordan
Superintendent of Schools
Alameda County Office of Education
313 West Winton Avenue
Hayward, CA 94544

Carol Ward Allen
President
Bay Area Rapid Transit District, Bart Board of
Directors
P.O. Box 12688
Oakland, CA 94604-2688

Donald R. White
Treasurer/Tax Collector
Alameda County
1221 Oakl Street, Room 131
Oakland, CA 94612

Pat O'Brien
General Manager
East Bay Regional Parks
3950 Peralta Oaks Court
Oakland, CA 94605-0381

Patrick O'Connell
Auditor-Controller
Alameda County
1221 Oak Street, Room 249
Oakland, CA 94612

Joel Parrott
Director
Oakland Zoo
9777 Golf Links Road
Oakland, CA 94605

Mary Romaidis
Clerk of the Boards
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

John Sutter
Vice President
East Bay Regional Park District
Board of Directors
2950 Peralta Oaks Court
Oakland, CA 94605

Ron Thomsen
Assessor
Alameda County
1221 Oakl Street, Room 145
Oakland, CA 94612

Greg Harper
President
Alameda-Contra Costa Transit District
1600 Franklin Street, 10th Floor
Oakland, CA 94612

Kimberly Statham, Ph.D.
Interim State Administrator
Oakland Unified School District
1025 Second Avenue
Oakland, CA 94606

CITY OF OAKLAND



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of the City Administrator
Deborah A. Edgerly
City Administrator

(510) 238-3301
FAX (510) 238-2223
TDD (510) 238-2007

August 24, 2006

Pat O'Brien
General Manager
East Bay Regional Parks
3950 Peralta Oaks Court
Oakland, CA 94605-0381

RE: Amendments to the Redevelopment Plans Merging the Oak Knoll Redevelopment Project and the Central City East Redevelopment Project

Dear Mr. O'Brien:

The Redevelopment Agency of the City of Oakland ("Agency") is in the process of merging ("Merger") certain provisions of the Redevelopment Plans for the Oak Knoll Redevelopment Project and the Central City East Redevelopment Project ("Projects" or "Project Areas"), and adopt other Plan amendments. The proposed Merger will allow the Agency to expend funds generated in the Oak Knoll Project Area in both Oak Knoll and the Central City East Project Areas. Funds generated in the Central City East Project Area may not be spent in the Oak Knoll Project Area. Furthermore, the Agency intends to amend the Redevelopment Plans to increase the tax increment limit in the Oak Knoll Redevelopment Plan to \$1.5 billion, merge the affordable production requirements of the Central City East Redevelopment Plan and the Oak Knoll Redevelopment Plan, increase the bonded indebtedness limit in the Oak Knoll Redevelopment Plan to \$400 million, and update land use provisions and make other related changes to the Oak Knoll Redevelopment Plan.

The Oak Knoll Redevelopment Project was adopted in 1998 and consists of the 183-acre former Naval Medical Center that was decommissioned in 1996. The Central City East Redevelopment Project was adopted in 2003 and consists of 3,339 acres of primarily single-family residential and commercial land uses located in central and eastern Oakland.

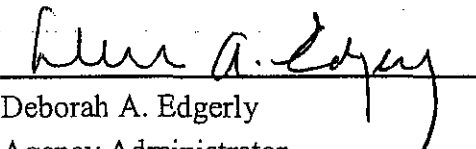
Pat O'Brien
August 24, 2006
Page 2

Attached to this letter is the Agency's Notice of Intent to Merge the Oak Knoll and Central City East Redevelopment Projects and a copy of the Preliminary Report for the Amendments to the Central East and Oak Knoll Redevelopment Projects. The Notice of Intent initiates the consultation process as required by the Community Redevelopment Law (CRL) Section 33328 between the Agency and all affected taxing entities regarding the adoption of the proposed Merger and other amendments. The Agency, over the next few months, will continue to transmit information to all affected taxing entities regarding the adoption of the proposed Merger and other amendments as required by the CRL.

If you have any questions regarding the proposed Amendments or would like to schedule a consultation meeting, please contact Aliza Gallo, Project Manger at (510) 238-7405.

Thank you.

Sincerely,
REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND


Deborah A. Edgerly
Agency Administrator

cc: Aliza Gallo



CITY HALL • 1 FRANK H. OGAWA PLAZA • OAKLAND, CALIFORNIA 94612

Office of the City Administrator
Deborah A. Edgerly
City Administrator

(510) 238-3301
FAX (510) 238-2223
TDD (510) 238-2007

***NOTICE OF INTENT TO AMEND THE REDEVELOPMENT PLANS
AND MERGE THE OAK KNOLL REDEVELOPMENT PROJECT
AND THE CENTRAL CITY EAST REDEVELOPMENT PROJECT***

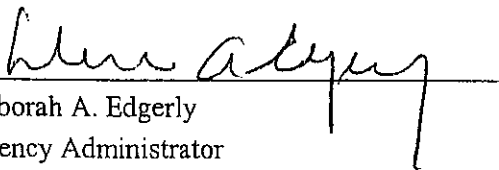
TO: Auditor, Assessor and Tax Collector of Alameda
County, the State Board of Equalization and
All Other Affected Taxing Entities

Pursuant to Section 33327 of the Health and Safety Code, you are hereby notified that the Redevelopment Agency of the City of Oakland ("Agency") intends to prepare and adopt amendments to the existing Redevelopment Plans for and merge ("Merger") the Oak Knoll Redevelopment Project and the Central City East Redevelopment Project ("Project Areas" or "Projects"). It is the intention of the Agency to complete and adopt said Merger and other amendments pursuant to the Community Redevelopment Law (Health and Safety Code Section 33000, *et seq.*). The proposed Merger will allow the Agency to expend funds generated in the Oak Knoll Project Area in both Oak Knoll and the Central City East Project Areas. Funds generated in the Central City East Project Area may not be spent in the Oak Knoll Project Area. Furthermore, the Agency intends to amend the Redevelopment Plans to increase the tax increment limit in the Oak Knoll Redevelopment Plan to \$1.5 billion, merge the affordable production requirements of the Central City East Redevelopment Plan and the Oak Knoll Redevelopment Plan, increase the bonded indebtedness limit in the Oak Knoll Redevelopment Plan to \$400 million, and update land use provisions and make other related changes to the Oak Knoll Redevelopment Plan.

However, the proposed Merger and other amendments do not change or add to the boundaries of either Project Areas for the respective Projects; therefore, the Base Year Assessment Roll for the allocation of taxes pursuant to Section 33670 of the Health and Safety Code will remain the same irrespective of the amendment for both Projects.

Dated: August __, 2006

REDEVELOPMENT AGENCY OF THE CITY OF
OAKLAND


Deborah A. Edgerly
Agency Administrator

Check one only:

Initial Plan

Amended Plan

3,522 Total Acres

2 Total Project Areas

CITY OF OAKLAND



250 FRANK H. OGAWA PLAZA, SUITE 5313 • OAKLAND, CALIFORNIA 94612-2034

Community and Economic Development Agency
Redevelopment Division

(510) 238-3015
FAX (510) 238-3691
TDD (510) 839-6451

September 27, 2006

Keith Carson
Board President
Alameda County Board of Supervisors
1221 Oak Street
Oakland, CA 94612

RE: Amendments to the Redevelopment Plans of the Oak Knoll and Central City East
Redevelopment Projects

Dear Mr. Carson:

In accordance with the California Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Redevelopment Agency of the City of Oakland has prepared Amendments for the Oak Knoll and Central City East Redevelopment Projects. The Redevelopment Agency of the City of Oakland ("Agency") is in the process of merging ("Merger") certain provisions of the Redevelopment Plans for the Oak Knoll Redevelopment Project and the Central City East Redevelopment Project ("Projects" or "Project Areas"), and adopt other Plan amendments. The proposed Merger will allow the Agency to expend funds generated in the Oak Knoll Project Area in both Oak Knoll and the Central City East Project Areas. Funds generated in the Central City East Project Area may not be spent in the Oak Knoll Project Area. Furthermore, the Agency intends to amend the Redevelopment Plans to increase the tax increment limit in the Oak Knoll Redevelopment Plan to \$1.5 billion, merge the affordable production requirements of the Central City East Redevelopment Plan and the Oak Knoll Redevelopment Plan, increase the bonded indebtedness limit in the Oak Knoll Redevelopment Plan to \$400 million, and update land use provisions and make other related changes to the Oak Knoll Redevelopment Plan.

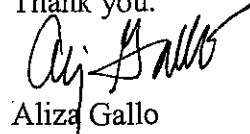
A copy of the Plan Amendments for the Oak Knoll Redevelopment Plan and the Central City East Redevelopment Plan is enclosed. The City of Oakland, as the Lead Agency, has prepared a Notice of Exemption under CEQA Guidelines Section 15061 (b)(3), Section 15378 (b)(4), Section 15262 and Sec. 15301 for the proposed action to amend the Oak Knoll Redevelopment Plan and the Central City East Redevelopment Plan for purposes of the merger.

September 27, 2006

- 2 -

If you would like to meet to discuss any aspects of this action, please contact me at (510) 238-7405.

Thank you.



Aliza Gallo
Oak Knoll Project Manager/
Business Development Manager

Attachments:

Amendment for Oak Knoll Redevelopment Plan
Amendment for Central City East Redevelopment Plan
Notice of Exemption

APPENDIX G

Notice of Exemption

RETURN TO:

City of Oakland
Community and Economic Development Agency
Planning and Zoning Division
250 Frank H. Ogawa Plaza, Suite 2114
Oakland, CA 94612

NOTICE OF EXEMPTION

TO: Alameda County Clerk
1106 Madison Street
Oakland, CA 94612

Project Title: Merger of the Oak Knoll and Central City East Redevelopment Project Areas and other Amendments including: Affordable Housing Production Requirements for both Project Areas, Raising the Tax Increment Limit and the Bonded Indebtedness Limit in the Oak Knoll Project Area; Conforming the General Plan Land Use Designation Map to the Oak Knoll Project Area; Expanding the List of Potential Public Improvements and Changing Text References from “Reuse Plan” to “General Plan.”

Project Applicant: City of Oakland

Project Location: Oak Knoll Redevelopment Project Area and the Central City East Redevelopment Project Area; The Oak Knoll property covers 183 acres on a hillside site and is located in the Oakland Hills above Highway I-580. The surrounding area is primarily residential. The Central City East Redevelopment plan covers approximately 3,339 acres and is located generally along a spine of development that runs from the center of the city to the San Leandro border. The two redevelopment areas are not contiguous and are separated by approximately 1 mile of urban development in Oakland.

Project Description: The fiscal merger of the Oak Knoll and Central City East Redevelopment Areas to allow for tax increment generated by the Oak Knoll Redevelopment Project Area to be allocated to both the Oak Knoll and the Central City East Redevelopment Project Areas. Funds generated from the Central City East Redevelopment Project Area may not be allocated to in the Oak Knoll Redevelopment Project Area. In addition, the following other amendments are being proposed:

1. Merging some of the affordable housing production requirements for the Central City East and Oak Knoll Project Areas under limited circumstances.
2. An increase in the tax increment limit from \$87million to \$1.5 billion;
3. An increase in the bonded indebtedness limit from \$21 million to \$400 million
4. All references to the “Reuse Plan” will be changed to the “General Plan”
5. The requirement that the Agency not expend tax increment funds in the Project Area until the City Council make a finding that Oak Knoll Reuse Plan is consistent with the General Plan will be removed
6. The obsolete land use map contained in the Plan will be replaced with a current land use map that conforms to the General Plan; and
7. The list of public improvements will be updated.

Exempt Status:

Statutory Exemptions

{Article 18: Section 21080; 15260}

- Ministerial {Sec.15268}
- Feasibility/Planning Study {Sec.15262}
- Emergency Project {Sec.15269}
- General Rule {Sec.15061 (b) (3)}
- Other: {Sec.15378 (b) (4) Project}

Categorical Exemptions

{Article 19: Section 21084; 15300}

- Existing Facilities {Sec.15301}
- Replacement or Reconstruction {Sec.15302}
- Small Structures {Sec.15303}
- Minor Alterations {Sec.15304}
- Minor Subdivisions {Sec.15315}
- Infill Projects {Sec.15332}
- Other {Sec._____}

Reasons why project is exempt:

Section 15061(b) (3)

Subsection 15061(b) (3) is intended to apply in circumstances where there is no possibility of the action being contemplated causing potential physical environmental effects. Specifically, the section states that “where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect, the activity will not be subject to CEQA”. In this instance, the fiscal merger of the Oak Knoll and Central City East Redevelopment Areas is an administrative action proposed for fiscal purposes which will allow the transfer of funds from the Oak Knoll Redevelopment Project Area to the Central City East Redevelopment Project Area, as deemed necessary as development priorities mature over the lifetime of the approved plans. The proposed merger of the two redevelopment areas would recognize that the development of one area, or a portion of that area, may proceed on a separate timeline or at a different pace than that initially conceived within the 30 year period that covers the life of the redevelopment plans. As a result of the proposed merger, the efficient transfer of funds between the two redevelopment areas would facilitate appropriate development of land while encouraging cohesive and orderly development in the City of Oakland.

The proposed fiscal merger plan would not result in an amendment to either plan, as it relates to the following items: 1) the total amount of development anticipated within each area and 2) in any change to the planned physical development described in each of these areas in approved redevelopment plans and previously certified environmental documents. Further, each project area will remain physically separate and distinct. The fiscal merger in and of itself will not result in a physical impact and therefore the project meets the criteria of Subsection 15061(b) (3). Similarly, no physical impact will result with the proposed rule change of merging some of the affordable housing production requirements for the Central City East and Oak Knoll Redevelopment areas under limited circumstances. This determination is based on the fact that the housing that is being counted in the merger of affordable housing production requirements has already been constructed, so no further physical impacts will occur than those already existing.

Section 15378(b) (4)

This section states that a “project” does not include the creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The proposed fiscal merger is a government funding mechanism that will result in the expedient transfer of funds from one redevelopment area to the other and will enable future public improvements in both areas. Similarly, the proposal to increase the tax increment limit and the bonded indebtedness limit will, in and of themselves, not result in a physical impact on the environment. Any future site specific and/or physical

development projects within each redevelopment area will be subject to CEQA review per Section 15262. Therefore, the proposed merger and other fiscal actions are not considered to be a "project" and are not subject to CEQA review.

Section 15301

The project also meets CEQA Section 15301 which consists of the operation, maintenance, permitting, leasing, licensing, etc. of existing public or private facilities involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

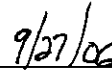
Both the Oak Knoll Redevelopment Project Plan and the Central City East Redevelopment Project Plan are approved redevelopment plans per certified EIR's. The fiscal merger of the two plans, as stated above, will not involve a change to either of the approved plans and will not result in a change to the physical environment not previously anticipated or evaluated. The minor changes in references between the current "reuse plan" to "General Plan" are for accuracy purposes and to reflect current land use planning policy as set forth the General Plan Land Use and Transportation Element (LUTE) and do not involve any change to any approved or previously adopted plan. The General Plan superseded the Reuse Plan when it was adopted in 1998. Similarly, the updated list of public improvements is intended to accurately reflect the current list of contemplated projects. However, these projects are no different than the broad set of contemplated actions in both the Oak Knoll Redevelopment Project Plan and the Central City East Redevelopment Project Plan.

Lead Agency: City of Oakland, Community and Economic Development Agency, Planning and Zoning Division, 250 Frank H. Ogawa Plaza, Suite 3315, Oakland, CA 94612.

Department/Contact Person: Aliza Gallo, Business Development Manager: 510-238-7405



Claudia Cappio, Director of Development



Date: