

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

# REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

## AGENDA REPORT

2010 JUN 10 PM 6:16

TO: Office of the Agency Administrator  
ATTN: Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: June 22, 2010

RE: **Resolution Adopting Five-Year Implementation Plan For The Oakland Army Base Redevelopment Project**

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### SUMMARY

This report is a request for Redevelopment Agency approval of a resolution adopting the Five-Year Implementation Plan for 2010-15 for the Oakland Army Base Redevelopment Project. The Plan is included as *Exhibit A* of the attached Redevelopment Agency resolution.

The California Community Redevelopment Law (CRL) requires redevelopment agencies to adopt an implementation plan for every redevelopment project area for each five-year period that the project area is in operation and until the term for plan effectiveness of the project area expires. The attached Implementation Plan for the Oakland Army Base Redevelopment Project is a policy statement that has been prepared to guide and to set priorities for redevelopment activities for the 2010-2015 period.

The 2010-2015 Implementation Plan reflects an emerging public-private partnership among the Redevelopment Agency, Port of Oakland and AMB/CCG to prepare the entire former Army Base for vertical development. Site preparation will require the establishment of a Joint Infrastructure Development Fund including lease and utility program net revenue, net tax increment revenue, State Trades Corridor Improvement Funds through the Port of Oakland, federal grants, and private investments. All of the work contemplated in the next five years is intended to enable the Port to operate more efficiently and expand its capacity, and to eliminate blight and promote economic development and job creation in the entire Project Area.

### FISCAL IMPACT

Proposed expenditures for FY 2010-11 are consistent with the Agency's FY 2010-11 Amended Budget. For the last three of the five years proposed, FY 2012-15, the attached schedules are projections only and are contingent upon specific Agency authorizations at a later date. The assumed rates of revenue growth for each project area are based upon a percentage growth (between 1.5% and 5% with the rates increasing as the economy recovers over time) in total assessed value of all taxable properties within each area, over a 2009-10 assessed valuation.

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There will be no adverse impact on the General Fund or to the funds of the Redevelopment Agency. The resolution is only to adopt the Five-Year Implementation Plan. No allocation or reallocation of funds is involved.

## BACKGROUND

The Oakland Army Base Area Redevelopment Plan (OARB Redevelopment Plan) was adopted by the Oakland City Council on July 11, 2000 (Ordinance No. 12259 C.M.S.), subsequently amended on December 21, 2004, and amended and restated June 7, 2005.

The Oakland Army Base Project Area consists of the former Oakland Army Base property and two adjacent areas, encompassing a total area of approximately 1,800 acres. The Project Area is generally bounded by Wood Street and the Oakland Inner, Middle and Outer Harbors of the Port of Oakland, and consists of three distinct subareas:

- (1) the "*OARB Subarea*," the former Oakland Army Base property;
- (2) the "*Maritime Subarea*," the Port of Oakland's maritime area west and south of the Base, including the existing marine terminal facilities and related infrastructure along the Outer and Inner Harbors channels, as well as the area of the former Naval Fleet and Industrial Supply Center, Oakland (FISCO) property; and
- (3) the "*16<sup>th</sup> and Wood Subarea*," the underutilized commercial and industrial property generally bounded by the realigned I-880 Freeway, and Pine and Wood Streets between 7<sup>th</sup> and 26<sup>th</sup> Streets.

In January 1994, Assembly Bill 1290 (Isenberg) came into effect, dramatically changing redevelopment law in California. Among such changes was a requirement for redevelopment agencies to develop and adopt implementation plans for all redevelopment project areas established before December 31, 1994, and every five years thereafter over the life of each redevelopment plan. Redevelopment project areas created after January 1, 1995 are required to produce implementation plans at their creation and every five years thereafter over the life of the redevelopment plan.

The law requires that the content of the implementation plan include:

1. Specific goals and objectives of the Agency for the project area over the next five years;
2. Specific programs, including potential projects and estimated expenditures;
3. An explanation of how these goals, objectives, programs, and expenditures will eliminate blight;
4. Identification of specific fiscal year time limits for each project area and/or amendment area, including (a) the time limit for the commencement for eminent domain proceedings to acquire property within the project area; (b) the time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project; (c) the time limit for the

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effectiveness of the redevelopment plan; and (d) the time limit to repay indebtedness with the proceeds of property taxes; and

5. An explanation of how these goals, objectives, programs, and expenditures will fulfill redevelopment law low- and moderate-income housing requirements.

In response to this law, the first Five-Year Implementation Plan, for years 2000-2005, was adopted on July 11, 2000, when the OARB Redevelopment Plan was adopted. The second Five-Year Implementation Plan, for years 2005-2010, was adopted in July 2005. The proposed plan that is the subject of this report will be the third Five-Year Implementation Plan for the OARB Project Area.

The law also provides for periodic public review of the five-year implementation plans, as a means to evaluate the progress of the redevelopment projects. A public hearing on the implementation plan must be held no earlier than two years and no later than three years after each plan's adoption. A public hearing on this proposed implementation plan must be held by July 11, 2010 for input on potential modifications. This report recommends scheduling the public hearing at the City Council meeting of July 6, 2010.

## **KEY ISSUES AND IMPACTS**

The Five-Year Implementation Plan is based on the Oakland Redevelopment Agency FY 2010-11 Amended Budget. The types of expenditures were identified and expenditure amounts were estimated in this Budget, but no specific projects were identified. Specific projects and funding allocations will be made through the Redevelopment Agency's standard budget process in 2011, for FY2011-12, in 2012, for FY2012-14, and in 2014 for FY2014-15.

### **Key Changes to Plan**

The following key changes were made to Implementation Plan, from the 2005-2010 Five-Year Implementation Plan adopted by the Agency:

- Updates Implementation Actions Accomplished for Each Subarea
- Provides Tax Increment Projections for 2011-2015

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**Oakland Army Base  
Projections of Tax Increment Revenue  
FY 2010-2015  
(\$'000s)**

	FISCAL YEAR					TOTAL
	2010-11	2011-12	2012-13	2013-14	2014-15	2010-11
Gross Tax Increment Revenue	6,256,022	7,385,476	8,343,894	10,035,701	12,563,287	44,584,380
Housing Set Aside Requirement	(1,564,006)	(1,846,369)	(2,085,973)	(2,508,925)	(3,140,822)	(11,146,095)
AB 1290 Pass-Through	(1,341,676)	(1,757,315)	(2,110,013)	(2,732,598)	(3,140,822)	(11,082,424)
<b>Debt Service</b>						
State Education Funds (ERAF)	(260,080)					(260,080)
<b>Net Tax Increment Revenues*</b>	<b>3,090,260</b>	<b>3,781,792</b>	<b>4,147,908</b>	<b>4,794,178</b>	<b>6,281,643</b>	<b>22,095,781</b>

\* Calculation of Net Tax Increment Revenues includes costs for personnel and operations & maintenance.

For the last three of the five years proposed (FY 2012-2015), the schedule reflects projections only and is contingent upon specific Agency authorizations at a later date. The assumed rate of revenue growth is based upon a percentage growth in total assessed value of all taxable properties within the area, over the 2010-15 assessed valuation.

- Sets Forth Projects and Expenditures for the Next Five Years

The 2010-2015 Implementation Plan will rely on a dynamic public-private partnership among the Redevelopment Agency, Port of Oakland and AMB/CCG to prepare the entire former Army Base for vertical development drawing upon a variety of funding sources including lease & utility program net revenue, net tax increment revenue, State Trades Corridor Improvement Funds through the Port of Oakland, federal grants, and private investments. All of the work contemplated in the next five years is intended to enable the Port to operate more efficiently and expand its capacity, and to eliminate blight and promote economic development and job creation in the entire Project Area.

- Updates the Housing Component

Per California redevelopment law, the Implementation Plan contains a detailed housing component addressing the Agency's housing responsibilities. The housing component contains information regarding housing requirements for the project area, including a complete description of: 1) applicable housing production requirements; 2) applicable provisions regarding the Low and Moderate Income Housing Fund; 3) housing goals and objectives of the implementation plan; 4) estimated Low and Moderate Income Housing Fund revenues and expenditures; 5) anticipated housing program activities; and 6) allocation of housing funds over the previous implementation period.

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## SUSTAINABLE OPPORTUNITIES

**Economic:** The adoption of this Implementation Plan will have an economic benefit to the redevelopment area, as the plan outlines how tax increment funds will be used to support various business growth and retention projects and programs, capital improvement projects, housing programs, and operations and maintenance projects, which sustain the economic viability of the project area.

**Environmental:** The Agency will make an effort to ensure that any development projects completed as part of the Implementation Plan will adhere to the City's sustainable development guidelines, which include criteria for green building technologies, site selection and preparation, water, energy, indoor environmental quality and human health factors, materials selection with recycled content or health considerations, and waste and recycling procedures.

**Social Equity:** Social equity is ensured through active public involvement in the various projects and programs budgeted for in the Implementation Plan, delineation of affordable housing set-aside funds for the project areas and sponsorship of public art. In addition, developers of redevelopment projects will in some cases be subject to the Agency's employment and contracting programs including local construction employment, local and small local business participation goals, and living wage.

## DISABILITY AND SENIOR CITIZEN ACCESS

Any projects and programs implemented in this project area will be required to comply with applicable City, state, and federal disabled access requirements. Any new construction that occurs on the properties in these project areas will be required to comply with applicable City, state, and federal disabled access requirements. CEDA Building Services will address such standards during plan check and building inspection.

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Community and Economic Development Committee

June 22, 2010

**ACTION REQUESTED OF THE CITY COUNCIL/REDEVELOPMENT AGENCY**

It is recommended that the Agency approve the attached resolution adopting the Oakland Army Base Redevelopment Project 2010-2015 Five-Year Implementation Plan.

Respectfully submitted,



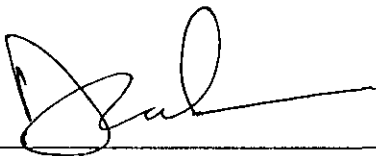
Walter S. Cohen, Director  
Community and Economic Development Agency

Reviewed By:  
Gregory Hunter, Deputy Director  
Economic Development and Redevelopment

Al Auletta, Redevelopment Area Manager  
CEDA Redevelopment

Prepared By:  
Margaret Sullivan  
CEDA Redevelopment

APPROVED AND FORWARDED TO THE  
COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE:



Office of the Agency Administrator

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2010 JUN 10 PM 6:17

Approved as to form and legality:

  
Agency Counsel

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. \_\_\_\_\_ C.M.S.

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### A RESOLUTION ADOPTING THE 2010-2015 IMPLEMENTATION PLAN FOR THE OAKLAND ARMY BASE REDEVELOPMENT PROJECT

WHEREAS, Section 33490 of the California Community Redevelopment Law (Health & Safety Code Section 33000, et seq.) requires a redevelopment agency to adopt an implementation plan every five years; and

WHEREAS, the Agency Administrator has prepared and presented to the Agency an Implementation Plan for the Oakland Army Base Redevelopment Project for 2010-2015; and

WHEREAS, the Agency has held a public hearing and received comment on the proposed Implementation Plan; and

WHEREAS, the proposed Implementation Plan as presented to the Agency sets forth the specific goals and objectives for the Oakland Army Base project area, the specific programs, projects and estimated expenditures over the next five years, and an explanation of how the goals, objectives, programs, projects, and expenditures will eliminate blight within the project area and meet low- and moderate-income housing requirements, as required by law; now, therefore, be it

RESOLVED: That the Agency hereby approves and adopts the 2010-2015 Implementation Plan for the Oakland Army Base Redevelopment Project attached to this Resolution as Attachment A; and be it further

RESOLVED: That the Agency Administrator or his or her designee is hereby authorized to take whatever action is appropriate with respect to the Implementation Plan consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2010

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND  
CHAIRPERSON BRUNNER

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_

LATONDA SIMMONS  
Secretary of the Redevelopment Agency  
of the City of Oakland, California



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**A RESOLUTION ADOPTING THE 2010-2015 IMPLEMENTATION  
PLAN FOR THE OAKLAND ARMY BASE REDEVELOPMENT  
PROJECT**

**EXHIBIT A**

# **OAKLAND ARMY BASE REDEVELOPMENT PROJECT FIVE-YEAR IMPLEMENTATION PLAN 2010-2015**

## **I. BACKGROUND AND INTRODUCTION**

The California Community Redevelopment Law ("CRL") requires redevelopment agencies to adopt an implementation plan for every redevelopment project area for each five-year period that the project area is in operation and until the term for plan effectiveness of the project area expires. This Implementation Plan (the "Plan") for the Oakland Army Base Redevelopment Project is a policy statement that has been prepared to guide and to set priorities for redevelopment activities for the 2010-2015 period.

This Implementation Plan includes two separate components: a Redevelopment and a Housing Component. The Redevelopment Component revisits the goals and objectives of the Oakland Army Base Redevelopment Plan, presents the projects, programs and expenditures (other than those related to low- and moderate-income housing) that have been developed to achieve the goals and objectives, and describes how these projects, programs and expenditures will eliminate blight within the Project Area. The Housing Component describes how the components of the plan will implement various CRL requirements regarding low- and moderate-income housing; how the Redevelopment Plan goals and objectives for housing preservation and production will be implemented; and how the statutory requirements for the expenditure of tax increment set-aside funds for housing purposes will be met.

The Redevelopment Agency is required to prepare a mid-term review of the Implementation Plan and conduct a public hearing between the second and third year after the Implementation Plan has been adopted. New issues and opportunities may be encountered in the course of administering the Implementation Plan during the five-year period. Therefore, this Implementation Plan may be amended, if necessary, to effectuate changes in Agency priorities. Any such amendments will be reflected in the mid-term review of the Implementation Plan.

### **A. Oakland Army Base Area Redevelopment Plan**

The Redevelopment Plan for the Oakland Army Base Redevelopment Project ("OARB Redevelopment Plan") was adopted by the Oakland City Council on July 11, 2000 (Ordinance No. 12259 C.M.S.), and has since been amended three times. The Oakland Army Base Redevelopment Project Area consists of the former Oakland Army Base property and two adjacent areas, encompassing a total area of approximately 1,800 acres. The Project Area is generally bounded by Wood Street and the Oakland Inner, Middle and Outer Harbors of the Port of Oakland, and consists of three distinct subareas:

- (1) the “*OARB Subarea*”, the former Oakland Army Base property;
- (2) the “*Maritime Subarea*”, the Port of Oakland’s maritime area west and south of the Base, including the existing marine terminal facilities and related infrastructure along the Outer and Inner Harbors channels, as well as the area of the former Naval Fleet and Industrial Supply Center, Oakland (FISCO) property; and
- (3) the “*16<sup>th</sup> and Wood Subarea*,” the underutilized commercial and industrial property generally bounded by the realigned I-880 Freeway, and Pine and Wood Streets between 7<sup>th</sup> and 26<sup>th</sup> Streets.

At the time the OARB Redevelopment Plan was adopted, the Oakland Army Base was no longer an active military installation and was in the process of being conveyed by the federal government to the Oakland Base Reuse Authority (“OBRA”), on behalf of the Redevelopment Agency as its successor-in-interest, to develop the property for economic development purposes. Hence, a major purpose of establishing the Redevelopment Project Area was to mitigate the economic and social impacts of military base closure on the community by supporting the planning and development of new economic activity and elimination of blighting influences, integrating development of the former base into the surrounding areas.

## **B. Military Base Conversion**

The Oakland Planning Commission certified OBRA’s Final Environmental Impact Report (“FEIR”) for the Oakland Army Base Area Redevelopment Plan on July 31, 2002. Concurrently, the OBRA Governing Body adopted the Final Reuse Plan for Oakland Army Base. OBRA successfully negotiated agreements for an early transfer under which it would conduct its own environmental remediation of the base property, securing the Army’s commitment of \$13 million toward the cleanup, and obtaining approval from the governor and the State of California’s Department of Toxic Substances Control (“DTSC”) for its “Brownfields” remediation plan.

On a parallel track, OBRA conducted the economic analysis to demonstrate the basis to receive ownership of the Army Base property via a no-cost Economic Development Conveyance (“EDC”), and on September 27, 2002, OBRA and the Oakland Redevelopment Agency signed the Oakland Army Base EDC Memorandum of Agreement (“EDC MOA”) with the Department of the Army. The related federal and state environmental agreements were exhibits to the EDC MOA and became part of the conveyance. The deed transfer and related conveyance documents were executed on August 7, 2003 and the deed for the EDC property was recorded on August 8, 2003.

The Army’s conveyance of the property to OBRA under a No-Cost EDC supported the economic development goals of the OARB Redevelopment Plan and the Final Reuse Plan. The zero-cost conveyance acknowledged the blighted condition of the property and need for investment to render it useable. Converting former military facilities to productive local use requires resolving a myriad of jurisdictional and regulatory requirements – federal, state and regional – and developing plans and financing to turn obsolete facilities and infrastructure into new economically-productive sites that can be economic drivers for the surrounding area.

## **C. Implementation Actions**

Since the OARB Redevelopment Plan was adopted in 2000, the Redevelopment Agency has funded or otherwise supported a number of actions to implement the Project Area goals and objectives. Such actions include:

### **1. Site Control and Site Assembly**

- Took ownership on August 7, 2006, of 171 acres of former Army Base property from OBRA and OBRA completed transfer of 220 acres of the property to the Port of Oakland. The Agency continues to carry out OBRA's obligations under the conveyance and remediation agreements.
- Made final installment payment on \$8,200,000 purchase of 19-acre former Army Reserve-retained section of the former base known as the "Subaru Lot" to expand the North Gateway Development Area.
- Negotiated extension of Caltrans' temporary construction easement and access easement to conduct Bay Bridge construction project.
- Identified and initiated actions to clear the majority of title exceptions on the former Army Base property.

### **2. Site Preparation and Deconstruction**

- Completed a significant part of the Remedial Action Plan/Risk Management Plan ("RAP/RMP") environmental cleanup and reporting under the \$13 million Environmental Services Cooperative Agreement ("ESCA") between the Agency, the Port of Oakland, the Army, the State Department of Toxic Substances Control, and the Regional Water Quality Control Board ("RWQCB").
- Established a Joint Environmental Remediation Account Fund of \$11,400,000 with the Port of Oakland to support ongoing remediation efforts in compliance with the RAP/RMP.
- Along with the Master Developer, conducted field surveys and analyses for full-scale site preparation and infrastructure development anticipated to serve all potential vertical development scenarios.
- Under joint program with Port, monitored deconstruction of warehouse Building 802 to determine best management practices for deconstruction projects going forward, to fulfill Cultural (Historic) Resources mitigation measures required by Environmental Impact Report.
- Obtained approval from the Landmarks Board to deconstruct warehouses on the Agency's portion of the East Gateway Area in anticipation of development of the Oakland Maritime Support Services ("OMSS") project.

#### **4. Infrastructure, Roadway Improvements and Parcelization**

- Performed engineering analyses and cost estimates for the major infrastructure and traffic improvements needed for development, under a \$2,400,000 grant from the U.S. Department of Commerce Economic Development Administration.
- Prepared conceptual internal roadway alignments and parcelization plans for the Agency's development area.
- Tested traffic circulation and infrastructure capacity in context of EIR requirements under the California Environmental Quality Act ("CEQA").
- Conducted a sanitary sewer assessment to determine the best alignment for a new sanitary sewer line to serve future development.

#### **5. Public Access and Open Space Improvements**

- Planned 16.5 acre waterfront open space and public access plan for the Agency's West Gateway Development Area as part of obtaining Tidelands Trust exchange from the California State Lands Commission.
- Began multi-agency planning process consisting of the City of Oakland, Caltrans, EBRPD, the San Francisco Bay Conservation and Development Commission ("BCDC"), the Bay Area Toll Authority ("BATA"), California Transportation Commission ("CTC"), East Bay Municipal Utility District ("EBMUD"), the Port of Oakland ("Port"), and the Association of Bay Area Governments ("ABAG"), and supported a Project Study Report to study design options for the Gateway Park Area on the "spit" west of the Agency's open space area near the Bay Bridge.

#### **6. Pre-Development Planning and Development Actions**

- Conducted land use studies and market analyses for development alternatives that helped guide the master developer selection process.
- Obtained City Council approval of Preferred Development Scenario for Gateway Development Area.
- Selected Oakland Maritime Support Services ("OMSS") to develop and operate a 15-acre ancillary maritime support services ("AMS") facility within the East Gateway Area, which fulfills two regulatory obligations for the Agency: (1) a joint Agency and Port requirement under the EIR Mitigation, Monitoring and Reporting Program ("MMRP") to mitigate port-serving truck activity by providing port-related truck parking and trucking services at the former Army Base; and (2) requirement by BCDC that the Agency and the Port each reserve at least 15 acres of their respective development areas on the former Army Base property for development of AMS uses, which include truck parking.
- Conducted a competitive master developer solicitation and selection process for majority of Agency's Gateway Development Area at the former base and obtained City Council approval to start negotiations for an Exclusive Negotiating Agreement ("ENA") with AMB Property

Corporation/California Capital Group (“AMB/CCG”) for the development of up to 135 acres of the Gateway Development Area.

- Started phase-out of interim leasing program at former Army Base to vacate area for development.
- The Port of Oakland selected Ports America as concessionaire to develop and operate the Port’s Berths 22 - 24 with an option to lease the Berth 21 area, contiguous to the Agency’s Central Gateway area at the former Army Base.
- The Port entered into the first stage of agreements that could lead to a long-term master lease with AMB/CCG a prospective master lessee for the Port’s development area of the former Army Base.
- Established with the Port and AMB/CCG a One Vision, One Project, One Team framework for coordinating efforts and resources to prepare the Army Base Subarea for development to its best and highest use.

#### **7. Affordable Housing Development**

- Completed construction of a 99-unit affordable housing project within the Wood Street Zoning District.

#### **8. Historic Preservation and Elimination of Physical Blighting Influences**

- Approved \$616,757 to purchase historic baggage wing of 16th Street Train Station.
- Approved \$400,000 loan for feasibility study on Train Station restoration interim repairs. The feasibility study was completed and a development plan based upon it is underway.
- Supported formation of nonprofit Train Station entity called the Restoration Association for Improving the Landmark 16th Street Station (“RAILS”) to oversee restoration project.

## **II. GOALS AND OBJECTIVES FOR THE PROJECT AREA**

The redevelopment goals of the OARB Redevelopment Project as set forth in the OARB Redevelopment Plan are as follows:

- A. The mitigation of the economic and social degradation that is faced by the City of Oakland due to the closure of the OARB by the federal Base Closure Commission.
- B. Implementation of the adopted Oakland Army Base Final Reuse Plan, as such Plan may be amended or modified from time to time.
- C. The elimination of physical and economic blighting influences in the Project Area.
- D. The subdivision of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.

- E. The re-planning, redesign, and development of portions of the Project Area which are improperly utilized.
- F. The strengthening of the economic base of the community by the construction and installation of infrastructure and other needed site improvements to stimulate new development, employment, and social and economic growth.
- G. The expansion, improvement, and preservation of the City's supply of housing available to low- and moderate-income persons and families.
- H. Other goals and purposes of redevelopment as set forth in the Community Redevelopment Law.

### III. PROJECTS AND EXPENDITURES PROPOSED FOR THE NEXT FIVE YEARS

The following table outlines the projected tax increment revenue from the Oakland Army Base Redevelopment Project Area over the five-year period of this Implementation Plan.

**Oakland Army Base  
Projections of Tax Increment Revenue  
FY 2010-2015  
(\$'000s)**

	FISCAL YEAR					TOTAL
	2010-11	2011-12	2012-13	2013-14	2014-15	2010-11
Gross Tax Increment Revenue	6,256,022	7,385,476	8,343,894	10,035,701	12,563,287	44,584,380
Housing Set Aside Requirement	(1,564,006)	(1,846,369)	(2,085,973)	(2,508,925)	(3,140,822)	(11,146,095)
AB 1290 Pass-Through	(1,341,676)	(1,757,315)	(2,110,013)	(2,732,598)	(3,140,822)	(11,082,424)
Debt Service						
State Education Funds (ERAF)	(260,080)					(260,080)
<b>Net Tax Increment Revenues*</b>	<b>3,090,260</b>	<b>3,781,792</b>	<b>4,147,908</b>	<b>4,794,178</b>	<b>6,281,643</b>	<b>22,095,781</b>

\* Calculation of Net Tax Increment Revenues includes costs for personnel and operations & maintenance.

For the last three of the five years proposed (FY 2012-2015), the schedule reflects projections only and is contingent upon specific Agency authorizations at a later date. The assumed rate of revenue growth is based upon a percentage growth in total assessed value of all taxable properties within the area, over the 2010-15 assessed valuation.

The above chart reflects tax increment revenues only, and does not reflect the payment of \$2,300,000 from Army Base fund balance for the State-imposed Supplemental Educational Revenue Augmentation Fund ("SERAF").

The 2010-2015 Implementation Plan will rely on a dynamic public-private partnership among the Redevelopment Agency, Port of Oakland and AMB/CCG to prepare the entire former Army Base for vertical development drawing upon a variety of funding sources including lease &

utility program net revenue, net tax increment revenue, State Trades Corridor Improvement Funds through the Port of Oakland, federal grants, and private investments. All of the work contemplated in the next five years is intended to enable the Port to operate more efficiently and expand its capacity, and to eliminate blight and promote economic development and job creation in the entire Project Area.

## **Projects Proposed for 2010-2015**

Various types of projects and programs have been identified to alleviate blighting conditions in the Project Area and advance the goals and objectives of the OARB Redevelopment Plan. Most are backbone infrastructure projects and other capital improvements. Low and Moderate Income Housing Fund projects are also included. The specific types of projects and programs identified through the OARB reuse planning process and the relevant Port of Oakland and City of Oakland planning processes are summarized below. Although the improvements are identified by subarea, they will be of benefit to the entire Project Area.

### **1. OARB Subarea**

For the OARB Subarea, the Plan focuses on site preparation and the utility and transportation systems required to prepare the site for private development and improve the Port's import and export capacity. It will be critical to coordinate the utility, intersection and road improvements in the entire Project Area for coherent development planning and to maximize funding opportunities in coordination with the Port and the Master Developer. Strategies to finance the more than \$750,000,000 needed for site preparation, new infrastructure, expanded rail systems, a major grade separation, new streets, and vertical development will need to rely on the public-private partnership, and strong regional support.

Activities will include:

#### **a. Environmental Remediation**

- Implementation of the \$11,400,000 Joint Environmental Remediation Account Fund with the Port of Oakland to fund the remaining remediation requirements above and beyond the expenditure of the Army's \$13 million ESCA grant.
- Achieving regulatory closure of all RAP sites and RMP environmental remediation sites in coordination with Master Developer site preparation for vertical development.
- Performing additional remediation as required for the development of public infrastructure, expanded rail service, and the 7<sup>th</sup> and Maritime Streets grade separation project, as well as for vertical development using a combination of public and private financing.

#### **b. Demolition/Deconstruction**

The EIR addresses the mitigation measures involved with removing the structures that contribute to a Historic District on the former base. When development plans require the remaining



warehouse buildings to be removed, the Agency will coordinate with the Port and the Master Developer to conduct the deconstruction in accordance with the protocols established to implement the mitigation measures. In the meantime, remaining non-historic-contributing structures will be demolished as part of site preparation activities.

**c. Utilities**

Existing utilities on the former Army Base require replacement and reconfiguration to meet current standards and provide adequate capacity for the modern development planned. Substantial improvements are needed for the water supply, electrical, telecommunications, natural gas, sanitary sewer, and storm drainage systems. In the coming period it will be necessary to secure substantial state and federal funding commitments, in addition to Redevelopment Agency funds, to start construction of major public infrastructure improvements.

**d. Road Improvements**

A new on-site roadway network that accommodates the future parcelization and land uses will be needed, as well as improvements to the existing streets planned to remain in use. The new development also will require improvements or construction of access intersections to provide new connections to West Grand Avenue and 7<sup>th</sup> Street, and other off-site roadway improvements to achieve acceptable traffic operations in the area. Road and intersection improvements will be coordinated with utility upgrades.

**e. Other Site Preparation**

Completion of predevelopment site preparation, including filling, grading and removal of non-historic-contributing buildings in the Central Gateway Development Area is planned for the coming period.

**f. Public Access and Open Space Improvements**

The Agency will continue to participate with the multi-agency Working Group to facilitate and implement the Project Study Report for the Gateway Park Area. The Agency's activities will involve City and regional planners for the Bay Trail and Bike Path that will need to be coordinated with the Gateway Park and the Agency's Open Space Waterfront Park.

The Agency will also need to coordinate the roadway and development plans for the Central Gateway Development Area to ensure appropriate access to the public shoreline and parks to be developed within this subarea.

**g. OARB Development Activities**

- Construction and start of operations of OMSS ancillary maritime support services project.
- Execution of a Lease Disposition and Development Agreement with the Master Developer for the Army Base Gateway Development Area.

- Execution of a Cost Sharing Agreement with the Port of Oakland to leverage existing and potential public funds for site preparation.
- Accommodation of existing tenants, including Pacific Coast Container, the Oakland Film Center, and the Winter Shelter.
- Commencement of development coordination between West Oakland opportunity sites and available sites on former Army Base, particularly for the relocation of recycling operations.

## **2. Port of Oakland Maritime Subarea**

The Port of Oakland plans development of new rail, shipping, terminals, and ancillary maritime support facilities. Rationalization and modernization of the rail and roadway infrastructure are required to facilitate and accommodate new maritime terminal development and to enhance the Port's overall competitive position. The Port of Oakland plans to make the following capital improvements for the maritime-related subareas of the Project Area:

- Outer Harbor Intermodal Terminal

Development of an Outer Harbor Intermodal Terminal ("OHIT") facility to provide a single, centralized terminal for the efficient transfer of containers between ship and rail that would serve both existing and new terminal facilities. Working track, support track, and parking areas for containers/trailers are planned. The project will also require relocation of some existing rail facilities in the Port maritime area.

- Railyard Improvements

Renovation and expansion of the capacity of the former Knight Railyard on the eastern edge of the OARB is required to enable it to serve as an extension of the OHIT to be developed on adjacent Port of Oakland property. These improvements are part of the overall rationalization and modernization of rail infrastructure in the larger Project Area.

- New Roadways and Intersections

A new roadway may be required to serve the planned new marine terminals to be developed on the former FISCO site. In addition, 7<sup>th</sup> Street requires a grade separation to provide more marine terminal capacity and more efficient, higher capacity access to the harbor area. Additional roadway improvements, including two other intersections that need to be redesigned with new signaling and other improvements, have been identified for mitigating transportation impacts of planned marine terminal development.

- Roadway and Rail Improvements: Maritime Expansion Area of OARB

Improvements are required to the roadway and rail system in the Maritime Area to facilitate expansion and modernization of the terminal facilities in that area.

### 3. 16<sup>th</sup> and Wood Subarea

Improvements are needed in this part of the Project Area to remove impediments to development and enhance the potential for revitalization in accordance with recently adopted General Plan and zoning changes for this subarea. In support of the City's and Agency's approval of the Wood Street Residential Project, a major residential mixed-use project within this subarea, a number of improvements have been identified for improving access and circulation, meeting historic preservation goals, meeting affordable housing requirements, and otherwise enhancing potential for new development and revitalization:

- Demolition/Renovation/Site Work
- Improvements and assistance to remove unsafe structures, to address possible soil contamination, and to facilitate/rationalize parcelization are expected to be required in the area. In addition, seismic retrofitting, structural improvements, earthquake damage repair, and overall building renovation have been identified as required to reinforce and improve the safety of older structures, particularly the historic former train station.
- Historic preservation
- Recent approvals for the Wood Street Residential Project anticipate significant Agency contributions to purchasing of the baggage wing of the former Train Station and the renovation of the Train Station and baggage wing. Funding is expected to be primarily from tax increment revenues generated by the Wood Street residential development.
- Coordination with RAILS to approve development, finance, management, business and community outreach plans for the redevelopment of the Train Station, including fund development for Train Station construction.
- Affordable Housing
- The Wood Street area contains the only residentially zoned property in the OARB redevelopment plan area. The approval of the Wood Street Residential Project anticipated Agency participation in funding affordable rental and ownership housing. Further details are set forth in Section V below.
- Transportation and Related Improvements
- Improvements in the 16<sup>th</sup> and Wood area are anticipated to be initiated during the next five years of the Redevelopment Plan, with the precise timing dependent on market demand for new development. Within the area, improvements to and in the vicinity of the former Train Station property may occur first to remove the visible blight of that area.

The proposed expenditures are summarized below and reflect actions to be undertaken by the Agency, the Port of Oakland and the Master Developer, and activities that may be jointly funded by both entities. Please note that the following figures are a rough order of magnitude only and will change as master site development evolves, 100% design work is completed, and construction contracts are executed.

<u>Projects</u>	<u>5-Year Funding Level</u>
<b>1. Oakland Army Base and Maritime Subareas</b>	
▪ CEQA, Planning, Design, and Construction Management	\$62,784,780
▪ Environmental Remediation	\$29,000,000
▪ Demolition and Deconstruction	\$12,933,600
▪ Soil Import, grading and Surcharging	\$40,148,776
▪ Utilities Upgrades	\$40,000,000
▪ Rail Improvements	\$142,828,000
▪ 7 <sup>th</sup> Street Grade Separation	\$220,504,000
▪ Street Improvements	\$21,000,000
<b>2. 16<sup>th</sup> and Wood Subarea</b>	
□ Demolition/Renovation/Site Work	\$2,000,000
□ Historic Preservation	\$9,000,000
□ Transportation and Related Improvements	\$7,000,000
<b><u>Project-Area Wide Improvements</u></b>	
□ Public Transportation Related Improvements	\$1,000,000

These costs are estimates only and will be refined by the actual development program pursued by the Agency and the Port.

#### **IV. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT**

The OARB Redevelopment Plan goals and objectives, as well as the overarching purpose of successful revitalization, are to be accomplished through the implementation of a variety of projects and programs. These projects and programs are specifically tailored to advance these goals and objectives and to address blighting influences identified through the redevelopment process. Table 12 (below) of the 2000-2005 Implementation Plan identifies the relationship between the projects and programs and the specific goals and objectives they are designed to achieve. The elimination of blight would be accomplished in the same manner during the 2010-2015 period.

Along with the Project Area-specific goals and objectives, the implementation of the Redevelopment Plan in the subareas under the jurisdiction of the City of Oakland will also conform to communitywide goals and adopted policies for encouraging sustainable development, implementing contracting and employment programs, and conforming with City design and land use policies and standards. Taken together, achieving all of these goals and objectives will ensure successful redevelopment and foster a livable community.

**TABLE 12  
PROJECTS AND PROGRAMS THAT ADVANCE  
GOALS AND OBJECTIVES OF REDEVELOPMENT PLAN**

Goals and Objectives	Projects and Programs							
	Demolition/ Deconstruction	Site Work/ Renovation	Utilities	Roads	Rail	Rehabilitation Program	Housing Fund Projects	Planning & Implementation
The mitigation of the economic and social degradation that is faced by the City of Oakland due to the closure of the Oakland Army Base.	☐	☐	☐	☐	☐	☐		☐
Implementation of the adopted Reuse Plan, as such Plan may be amended or modified from time to time.	☐	☐	☐	☐	☐	☐		☐
The elimination of physical and economic blighting influences in the Project Area.	☐	☐	☐	☐	☐	☐	☐	☐
The subdivision of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation in the Project Area.	☐	☐	☐	☐	☐			☐
The replanning, redesign, and development of portions of the Project Area which are improperly utilized.	☐	☐	☐	☐	☐	☐		☐
The strengthening of the economic base of the community by the construction and installation of infrastructure and other needed site improvements to stimulate new development, employment, and social and economic growth.	☐	☐	☐	☐	☐			☐
The expansion, improvement, and preservation of the City's supply of housing available to low- and moderate-income persons and families.							☐	☐
Other goals and purposes of redevelopment as set forth in the Community Redevelopment Law.	☐	☐	☐	☐	☐	☐	☐	☐

Source: Oakland Redevelopment Agency; Hausrath Economics Group.

## V. TIME LIMITS

The CRL requires that this Implementation Plan identify the fiscal year that the Agency expects each of the following time limits described below to expire. For this project area, the time limit expirations are as follows:

DESCRIPTION OF TIME LIMIT EXPIRATION	DATE
(1) The time limit for the commencement for eminent domain proceedings to acquire property within the Project Area	June 30, 2014
(2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project	June 30, 2022
(3) The time limit for the effectiveness of the Redevelopment Plan	June 30, 2033
(4) The time limit to repay indebtedness with the proceeds of property taxes	June 30, 2048

Some of these time limits may be extended pursuant to the CRL. For instance, if the Agency makes payment to the county Supplemental Educational Revenue Augmentation Fund, it is entitled to extend the time limits on the effectiveness of the Redevelopment Plan and the receipt of tax increment by an additional year (Section 33331.5).

## VI. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL FULFILL THE LOW/MODERATE-INCOME HOUSING REQUIREMENTS

### A. Implementation Plan Requirements

This Housing Component of the Implementation Plan is required by Article 16.5 of the California Redevelopment Law ("CRL") as contained in Sections 33000 *et seq.* of the California Health and Safety Code. (All citations in this portion of the Implementation Plan are to the Health and Safety Code unless otherwise specified.)

The Housing Component presents those components of the Agency's intended program for the Project Area that deal with the expenditure of funds and activities relating to the production of housing at affordable housing cost to persons and families of low and moderate ("low-mod") income. Low-mod income is defined in the CRL by reference to Section 50093 of the Health and Safety Code, which specifies the following income levels:

- Moderate income, which is defined as household income of 80 percent to 120 percent of median income for the applicable household size (Section 50093);
- Low income, which is defined as income of 50 percent to 80 percent of median income for the applicable household size (Section 50079.5); and
- Very-low income, which is defined as income less than 50 percent of median income for the applicable household size (Section 50105).

Affordable housing cost is defined in Section 50052.5 as shown in the following table. Housing cost for rental housing includes rent plus an allowance for tenant-paid utilities. Housing cost for owner-occupied housing includes principal, interest, insurance, taxes, utilities, homeowner association dues, and maintenance.

### Definition of Affordable Housing Cost

Income Level	Rental Housing	Owner-Occupied Housing
Very Low Income	30% of 50% of AMI	30% of 50% of AMI
Low Income	30% of 60% of AMI	30% of 70% of AMI
Moderate Income	30% of 110% of AMI	35% of 110% of AMI, but no less than 28% of actual income

AMI = "Area Median Income," which is the Median Family Income, adjusted for family size, for the metropolitan area (Alameda and Contra Costa Counties combined), as determined by the U.S. Department of Housing and Urban Development

The CRL provides that, in addition to the removal of blight, a fundamental purpose of redevelopment is to expand the supply of low-mod housing (Section 33071). To accomplish this purpose, the CRL contains numerous provisions to guide redevelopment agency activities with regard to low-mod housing. These provisions divide a redevelopment agency's housing responsibilities into three major categories:

- The production and/or replacement of low-mod housing depending upon activities undertaken by an agency within its project areas;
- The set-aside and expenditure of specified amounts of tax increment revenue for the express and exclusive purpose of increasing and improving a community's supply of low-mod housing; and
- Preparing reports on how the Agency has met, or preparing plans on how the Agency will meet its responsibilities with regard to the first two items.

This Housing Component is part of the Agency's responsibilities under the third major category. Its contents address how the Agency's plans for the Project Area will achieve many of the housing responsibilities contained in the first and second major categories of Agency housing activities. Article 16.5 requires that the housing portion of an Implementation Plan address the applicable items presented in the list below.

#### 1. Production of Housing Based on Activities in the Project Area:

- AREA HOUSING PRODUCTION REQUIREMENTS. In project areas adopted after January 1, 1976, at least 30 percent of all new and substantially rehabilitated dwelling units developed by a redevelopment agency must be available at affordable housing cost to persons and families of low and moderate income and shall be occupied by these



persons and families (Section 33413(b)(1)). At least 15 percent of all new residential units dwelling units developed within a project area under the jurisdiction of an agency by public or private entities or persons other than the Agency must be available at affordable housing cost to persons and families of low or moderate income and shall be occupied by these persons or families (Section 33413(b)(2)). At least 15 percent of all substantially rehabilitated units that have received agency assistance must be available at affordable housing cost to persons and families of low or moderate income and shall be occupied by these persons or families (Section 33413(b)(2)(iii)).

- **REPLACEMENT HOUSING REQUIREMENTS.** Suitable locations must be identified for replacement housing units rehabilitated, developed or constructed pursuant to Section 33413(a), if the destruction or removal of low-mod units will result from a project contained in the Implementation Plan (Section 33490(a)(3)).

## **2. Set-Aside and Expenditure of Tax Increment for Housing Purposes:**

- At least 20 percent of tax increment revenues must be set aside into a low and moderate income housing fund to increase, improve or preserve the community's supply of low and moderate income housing (Section 33334.2).
- The law requires the proportional expenditure of these housing funds on moderate, low, and very-low income housing (Section 33334.4).
- The law requires the transfer of housing funds to other public entities producing housing in the community in some cases if the law and moderate income housing fund has excess surplus (a possible outcome of the provisions of Sections 33334.12 et seq.).
- The law requires the proportional expenditure of housing funds on the same proportion of the population over the age of 65 as reported in the most recent U.S. census (Section 33334.4).

## **3. Additional Requirements:**

The implementation plan must include estimates of the balances and deposits into the low and moderate income housing fund; a housing program identifying expenditures from the Housing Fund; an indication of housing activity that has occurred in the project area; and estimates of housing units that will be produced in the project area for each of the various income categories.

For project areas that are within six years of the time limit on the effectiveness of their redevelopment plan, the implementation plan must show the ability of the agency to comply with its replacement housing and area production requirements and the disposition of the remaining monies in the low and moderate income housing fund prior to the time limit (Section 334900(a)(4)).

## **B. Applicable Low and Moderate Income Housing Requirements**

### **1. Applicable Housing Production Requirements**

The date of adoption, the existence of low-mod housing units, and the potential for residential development are the primary determinants of the practical applicability of the various housing provisions of the CRL. Only the low-mod housing provisions applicable to the project area are discussed below:

#### **a. Replacement Housing Obligation**

The Agency is required to meet replacement-housing obligations pursuant to CRL Section 33413(a). This Section requires the Agency to replace, on a one-for-one basis, all units removed from the low and moderate income housing stock caused by Agency activities in the Project Area. Article 16.5 requires that if an implementation plan contains projects that could result in the removal of low-mod housing units, the plan must identify locations suitable for the replacement of such housing.

The Agency does not anticipate undertaking or assisting any actions that would result in the demolition or removal from the market of low and moderate income housing. Therefore there is no replacement housing obligation at present.

#### **b. Housing Production Obligation**

The Agency is required to comply with the housing unit production requirement of the CRL Section 33413(b). Subparagraph (1) of the Section requires that 30 percent of all housing units developed by the Agency be affordable to low-mod persons.

The Agency does not plan to develop housing itself in the next five years, rather the Agency will assist in private sector affordable housing development. Thus, the Agency is not anticipated to incur any obligations under this provision of the CRL.

The Agency anticipates continued private, unassisted development of housing in the Wood Street Zoning District. As a result, the Agency will need to create low and moderate housing in order to comply with the provisions of subparagraph (2) of Section 33413(b). Subparagraph (2) requires that 15 percent of all housing developed in the Project Area (inclusive of restricted units) be low-mod housing. Of these low-mod units, at least 40 percent must be affordable to persons and families of very-low income.

To determine the number of units that must be developed in order to comply with this requirement, and to identify how much of this requirement will be satisfied by the activities included in this Implementation Plan, a brief review of past and anticipated housing development activity in the Project Area is presented below.

**c. Housing Construction Activity in the Project Area, 2000 to 2010**

From the inception of the Redevelopment Plan for this Area through 2010 (i.e. the first 10 year Production Requirement Compliance Period July 2000 through June 2010), 309 units of housing have been developed.

The following table illustrates housing production in the Project Area from 2000 to 2010:

**Oakland Army Base Project Area  
Housing Production, 2000-2010**

Project Name	Units	Type	Year Completed	Affordability Level			
				Very Low	Low	Mod	Above Mod
Pacific Cannery Lofts (1111-1119 Pine Street)	163	Homeownership	2008				163
Zephyr Gate-Phase 1	24	Homeownership	2007				24
Zephyr Gate-Phase 2	23	Homeownership	2009				23
Ironhorse at Central Station (formerly 14th Street Apartments)	99	Family	2010	98			1
<b>Total</b>	<b>309</b>			<b>98</b>	<b>0</b>	<b>0</b>	<b>211</b>

<b>Affordable Units Required</b>	<b>47</b>
<b>Very Low Income Units Required</b>	<b>19</b>

Based on these projects, the Agency has produced a surplus of 51 affordable housing units. Because all of the units developed to date were very-low income, there is a surplus of 79 very-low income units.

**d. Estimate of Future Housing Construction Activity in the Project Area**

The Agency estimates that between 2010 and 2020 (i.e. the next 10 year Production Requirement Compliance Period), as many as 1,261 units of housing may be newly constructed, substantially rehabilitated, or acquired with affordability covenants. This includes the total remaining allowable units in the Wood Street Zoning District--Oakland Army Base General Plan for Housing Development in addition to units already approved for development, currently under construction, or required by City resolution.

In May 2005 the Oakland City Council approved a General Plan Amendment to the existing land use designation for the Wood Street area that allows up to 1,570 residential units. Of that total number of residential units allowed by this amendment, the following developments have been approved by the Oakland City Planning Department and are currently under construction. Phase 3 of the Zephyr Gate development will add 83 units to those completed in Phases 1 and 2. The HFH

proposed development has 159 units slated for its first phase and 142 units slated for its second phase.

In addition, the Agency has used Low and Moderate Income Housing Funds to purchase property for a proposed Wood Street Mixed Use development. When purchased in 2007 from a developer, the residential unit count delineated by Oakland City Council<sup>1</sup> required a minimum of 141 affordable units and up to a total of 170 units. Development of this project would satisfy all potential affordable housing obligations for the Oakland Army Base Redevelopment Project Area.

Given the completed developments, the developments approved and under construction, and proposed developments, the total remaining allowable development under the General Plan Amendment is 707 residential units. Given current market conditions it is unlikely that all of these units will be constructed by 2020, but for purposes of this Implementation Plan, all potential units are counted.

**Oakland Army Base Project Area  
Projected Housing Production, 2010-2020**

Project Name	Units	Type	Year Completed	Affordability Level			Above Mod
				Very Low	Low	Mod	
HFH Apartments – Phase I	159	TBD	TBD				159
HFH Apartments – Phase II	142	TBD	TBD				142
Wood Street Mixed Use	170	TBD	TBD		141		29
Wood Street Zoning District	707	TBD	TBD				707
Zephyr Gate – Phase 3	83	TBD	TBD				83
<b>Total</b>	<b>1,261</b>			<b>0</b>	<b>141</b>	<b>0</b>	<b>1,120</b>

It should be noted that all of these units will be located within the Project Area and therefore the affordable units can be counted on a one-for-one basis toward the production obligation.<sup>2</sup>

**e. Estimated Number of Units Required for Housing Production Obligation**

If the allowed 1,261 units are built during this Implementation Plan period, this would generate a housing production obligation of at least 190 units affordable to very-low, low or moderate income households. Of these, at least 76 units would be required to be affordable to and restricted for occupancy by very-low income households. Since there is a surplus of low income and very low-income units from production to date, the net obligation would be 139 units. Since there is already a surplus of 79 very-low income units, none of the 139 units would need to be very-low income. With the development of Ironhorse at Central Station, all very-low income units have been developed to meet the Project Area’s production requirement obligations.

<sup>1</sup> City Council Resolution 2007-0082.

<sup>2</sup> If the production requirement is met with units located outside of the Project Area, two units must be produced to fulfill one unit of housing production obligation.

**f. How the Housing Production Obligation Will be Met**

The Agency anticipates issuing a Request for Proposals to identify one or more qualified developers to construct housing on the Wood Street Mixed Use Parcel. All of the remaining affordable housing production requirement will be met with units developed on this parcel.

**2. Applicable Provisions Regarding Low and Moderate Income Housing Set-Aside**

**a. Set-Aside of Tax Increment**

The Agency must comply with the Section 33334.2 requirement to allocate at least 20 percent of gross tax increment (“Set-Aside”) to affordable housing activities. The Set-Aside is required to be deposited into the Agency’s Low and Moderate Income Housing Fund (the “Housing Fund”) created to hold the monies until expended.

The Redevelopment Agency has adopted a general policy that 25 percent of all tax increment be allocated to the Housing Fund, subject to certain conditions. The projections of deposits into the Housing Fund that are included in the following section assume that the 25 percent Set-Aside will be deposited into the Housing Fund in each of the years covered by the Implementation Plan, except for 2010-2011, where some or all of the voluntary five percent portion will be used to make State-mandated payments to the Supplemental Educational Revenue Augmentation Fund.

**b. Proportional Expenditures of Housing Fund Monies**

The Project Area is subject to the Section 33334.4 requirement that the Agency expend Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met every ten years, in the case of the income proportionality test, and over the duration of the implementation plan in the case of the age test, through the termination of the Redevelopment Plan life. These tests do not have to be met on an annual basis.

**c. Very-Low and Low Income Housing Expenditures**

The income proportionality test requires the Agency to expend Set-Aside funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the Government Code. The proportionality test used in this Implementation Plan is based on the adopted 2008 Regional Housing Needs Allocation (RHNA) Plan prepared by the Association of Bay Area Governments. Based on the 2008 RHNA, the City’s minimum required allocation for very-low and low-income expenditures and maximum moderate income housing expenditures are:

<b>Category</b>	<b>RHNA</b>	<b>Threshold</b>
Very-Low Income	1,900	At least 27%
Low Income	2,098	At least 29%
Moderate Income	3,142	No more than 44%
Total	7,140	

Therefore, the CRL requires for Oakland that at least 27 percent of the Housing Fund monies dedicated to projects and programs be spent on housing for very-low income households. In addition, at least 29 percent of these funds must be spent on housing for low-income households, and no more than 44 percent of the funds may be spent on housing for moderate-income households. However, the Agency is entitled to expend a disproportionate amount of the funds for very-low income households, and to subtract a commensurate amount from the low and/or moderate-income thresholds. Similarly, the Agency may provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate-income households. In no event may the expenditures targeted to moderate-income households exceed the established threshold amount.

The Agency will allocate its funds in such a way that these percentages are met over the ten-year period from 2009 through 2019. In addition, the City and other entities may provide assistance for the construction of units affordable to very low and low income households that may also be counted toward meeting the proportionality requirements of Section 33334.4.

**d. Age Restricted Housing Expenditures**

Section 33334.4 also requires that the Agency assist housing that is available to all persons, regardless of age, in at least the same proportion as the population under age 65 bears to the City's total population as reported in the most recent census of the United States Census Bureau. The 2000 Census indicates that 89.5 percent of the City's population is under 65 years of age. As such, at least 89.5 percent of the Agency expenditures on affordable housing projects must be spent to assist projects that do not impose age restrictions on the residents. The following summarizes the allocation of housing fund monies.

<b>Age Category</b>	<b>Percentage of Funds</b>
Senior	10.5% maximum
Unrestricted	89.5% minimum
Total	100 %

The Agency will ensure that over the term of this Implementation Plan from 2010 through 2020 not more than 10.5 percent of its expenditures on affordable housing projects are for projects serving seniors.

**e. Transfer of Housing Funds to Other Providers**

The Project Area is subject to the CRL provisions requiring the transfer of housing funds to other housing producers in the Oakland area in certain circumstances. Such transfers could possibly occur if the Housing Fund contained "excess surplus." Excess surplus means any unexpended and unencumbered amount in a Project Area's Housing Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited into the Housing Fund during the project's preceding four fiscal years.

The Agency does not anticipate having an excess surplus during the current Implementation Plan cycle or throughout the subsequent remaining Project Area life.

**3. Housing Goals and Objectives of the Implementation Plan**

The primary goal of the Agency is to comply with the affordable housing requirements imposed by the CRL in a responsible manner. The affordable housing activities identified in this proposed Implementation Plan will explicitly assist in accomplishing the intent of the CRL in regards to the provision of low-mod housing.

The CRL establishes that certain housing expenditures, and preservation and production requirements, be attained during five and ten year increments. The housing production requirement, if applicable, must be met every ten years, while the proportionality tests must be achieved over the next five or ten years, and then again through the end of the Project Area life. It is the Agency's goal and objective for this Implementation Plan to accomplish sufficient activity and expenditures over the Implementation Plan term, and through the term of the Project Area, to comply with the applicable requirements.

**4. Estimated Housing Fund Revenues and Expenditures**

The following table presents the projected future deposits into the Housing Fund, based on 25 percent of gross tax increment. As shown below, \$8,916,876 in revenues are projected to be available over the five-year term of this Implementation Plan. Because the Agency has made findings that expenditures of Housing Fund revenues outside the project area would be of benefit to the project area, the Housing Funds may be expended either inside or outside the project area.

**Estimate Housing Set-Aside Revenue  
2010-2015**

<b>Plan Year</b>	<b>Fiscal Year</b>	<b>Housing Set Aside</b>
1	2010-11 <sup>3</sup>	\$1,251,204
2	2011-12	\$1,477,095
3	2012-13	\$1,668,779
4	2013-14	\$2,007,140
5	2014-15	\$2,512,657
Total		\$8,916,876

**5. Anticipated Housing Program Activities**

The Agency may assist in a variety of programs to provide, improve, and preserve affordable housing such as the following:

**a. Production**

The Agency can make loans and grants from the Low and Moderate Income Housing Fund to non-profit and for-profit developers for the new construction or rehabilitation of affordable housing. Loans can be made on a deferred payment and/or below market interest rate basis.

The Agency can also participate in land acquisition, land cost write-down, developer recruitment, credit enhancement, and other participation to cause affordable housing to be developed. This is normally accomplished after identification of a housing site, development of a housing concept, and issuance of a Request for Proposals for development of housing. Such affordable housing could be rental or ownership housing. The Agency may also acquire land and directly build housing.

**b. Rehabilitation**

The Agency may offer low-interest or no-interest loans or grants to assist low- and moderate income homeowners in making repairs to existing residences. Such repairs could consist of correcting health and safety violations, re-landscaping, and re-painting. This preserves the affordability of the housing and extends its lifespan, as well as improves the neighborhood. Additionally, such programs can be extended to owners of rentals properties to make repairs to affordable rental housing. In either case, covenants must be recorded to keep these properties affordable for the time period required by CRL.

<sup>3</sup> Note that in fiscal year 2009-2010 the Agency will deposit only 20% -- instead of 25% -- tax increment set-aside into the Housing Fund due to the State of California's requirement that Redevelopment Agencies make an additional deposit to fund education -- into "Supplemental" Educational Revenue Augmentation Funds (SERAF) account. In FY 2010-11, the Agency will deposit approximately 23% of the projected gross increment for the project area in order to make the required SERAF payment.



**c. Affordability Assistance**

The Agency may provide direct subsidies to lower the cost of producing housing or first-time homebuyer programs to assist very-low to moderate income families with mortgage assistance for the purchase of a home. The latter can take the form of a deferred loan with a low interest rate and equity sharing provisions. When the home is sold, the loan and equity share would be used to help another first-time homebuyer.

**d. Preservation of Existing Affordable Housing**

The Agency may offer loans, grants or other forms of investment to assist in the preservation of existing assisted housing that is otherwise threatened with conversion to market rate. Such assistance would be coupled with affordability restrictions of 55 years for rental housing and 45 years for owner-occupied housing.

## **6. Allocation of Housing Funds over Previous Implementation Period**

While Agency funds are tracked individually for each project area, the funds from all of the Agency's project areas are combined into a single Low and Moderate Income Housing Fund (except for West Oakland and Central City East, both of which restrict the use of housing funds to their respective project areas). The Agency has made findings that affordable housing activities in any part of the City are of benefit to all of the redevelopment project areas. As a result, Low and Moderate Income Housing Funds may be used both inside and outside the Project Area. In addition, the City of Oakland also provides assistance for the development, improvement and preservation of affordable housing.

The tables on the following pages provide information for the previous implementation plan period 2005-2010 regarding:

- the amounts of Low and Moderate Income Housing Fund moneys utilized to assist units affordable to, and occupied by, extremely low income households, very low income households, and low-income households, including units available to families with children; and
- the number, the location, and level of affordability of units newly constructed with other locally controlled government assistance and without Agency assistance and that are required to be affordable to, and occupied by, persons of low, very low, or extremely low income for at least 55 years for rental housing or 45 years for homeownership housing

## Redevelopment Agency Assisted Housing Activities Completed or Underway, 2005 - 2010

Project Name	Type	Year Built	Project Area	# of Units at Each Affordability Level (1)				Agency Funding (2)
				Very Low	Low	Moderate	Above Moderate	
1574-1590 7th Street	Homeownership	Underway	West Oakland			2	3	\$ 127,327
3701 Martin Luther King, Jr. Way	Homeownership	Underway	None	TBD	TBD	TBD	TBD	\$ 109,909
3929 Martin Luther King, Jr. Way	TBD	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 52,000
6 <sup>th</sup> & Oak Streets	Seniors	Underway	Central District		69			\$ 3,699,656
720 E. 11 <sup>th</sup> Street Project	Families	Underway	Central City East	30	24			\$ 4,859,833
Altenheim Phase I	Senior	2007	None	39	53		1	\$ 4,084,660
Altenheim Phase II	Seniors	Underway	None	48	32		1	\$ 1,753,000
Byron Avenue Homes	Homeownership	Underway	Central City East	4	4	2		\$ 386,550
California Hotel	Special Needs	Underway	West Oakland	149				\$ 600,000
Drachma, Inc (14 unit scattered site)	Families	Underway	West Oakland	14				\$ 840,000
East Side Arts and Housing	Families	2006	Coliseum	4	12		2	\$ 1,130,000
Eastmont Court	Disabled or HIV/AIDS	2005	Central City East	18			1	\$ 1,427,000
Edes Avenue Homes, Phase A	Homeownership	2008	Coliseum		26			\$ 2,517,000
Edes Avenue Homes, Phase B	Homeownership	Underway	Coliseum		13	15		\$ 3,601,000
Effie's House	Families	Underway	None	4	17			\$ 1,257,000
Eldridge Gonaway	Families	Underway	Central City East		39		1	\$ 1,655,000
Emancipation Village	Special Needs	Underway	None	35			2	\$ 1,652,000
Fairmount Apartments	Families	Underway	None	30			1	\$ 3,400,000
Faith Housing	TBD	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 689,598
Foothill Plaza Apartments	Families	Underway	Central City East	53			1	\$ 2,910,000
Fox Courts	Families	2009	Central District	40	39		1	\$ 4,950,000
Golf Links	Homeownership	2009	None			3	7	\$ 584,000
Harrison Senior	Senior	Underway	Central District		73			\$ 5,133,000
Hills Elmhurst Plaza Senior Housing	Senior	Underway	Coliseum		63		1	\$ 6,032,000
Hugh Taylor	SRO	Underway	Central City East	42				\$ 1,222,000
Ironhorse at Central Station	Families	2009	Oakland Army Base		98		1	\$ 8,379,000
Jack London Gateway	Senior	2009	Acorn	24	36		1	\$ 4,900,000
Lincoln Court	Senior	2006	None	81			1	\$ 2,000,000
Lion Creek Crossings, Phase I	Families	2005	Coliseum	14	56			\$ 1,500,000
Lion Creek Crossings, Phase III	Families	2008	Coliseum		58		1	\$ 3,000,000
Lion Creek Crossings, Phase IV	Families	Underway	Coliseum	50			1	\$ 2,980,547
MacArthur Homes	Homeownership	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 800,000
Madison Street Lofts	Families	2008	Central District	78			1	\$ 4,522,915
Mandela Gateway Rental	Families	2005	West Oakland	60	60		2	\$ 2,500,000
Mandela Gateway Townhomes	Families	2008	West Oakland		8	6		\$ 1,479,100
Marin Way Court	Families	Underway	Coliseum		19		1	\$ 1,200,000
Mortgage Assistance Program (3)	Homeownership	multiple	Citywide	47	242	2	1	\$13,451,314
Oaks Hotel	SRO and Special Needs	Underway	Central District	85				\$ 1,100,000
Orchards on Foothill	Senior	2008	Central City East	64			1	\$ 1,025,000
Palm Court	Homeownership	2005	Acorn		12			\$ 855,400
Palm Villas Residential Project	Homeownership	2005	Central City East			78		\$ 5,353,000
Percy Abrams Jr. Senior	Senior	2006	None	44				\$ 1,000,000
Posada de Colores	Senior	Underway	Central City East	99			1	\$ 450,000

Project Name	Type	Year Built	Project Area	# of Units at Each Affordability Level (1)				Agency Funding (2)
				Very Low	Low	Moderate	Above Moderate	
Project Pride	Transitional	Underway	West Oakland	42				\$ 1,600,000
Redwood Hill	Homeownership	Underway	None		8	9		\$ 2,310,000
Saint Joseph's Family Phase IIb	Families	Underway	Coliseum	54	4			\$ 3,019,656
Saint Joseph's Family Phase IIa	Families	Underway	Coliseum			16		\$ 3,584,000
Saint Joseph's Senior	Senior	Underway	Coliseum	42	25		1	\$ 4,639,000
Sausal Creek	Homeownership	2008	None			17		\$ 3,980,000
Seven Directions	Families	2009	Coliseum	23	12		1	\$ 3,289,000
Slim Jenkins	Families	Underway	West Oakland	27		3	2	\$ 1,920,000
Tassafaronga Homeownership	Homeownership	Underway	Coliseum		17	5		\$ 1,868,000
Tassafaronga Village Rental Phase I	Families	Underway	Coliseum		50			\$ 3,000,000

(1) TBD = "to be determined" – specific affordability levels have not yet been established.

(2) Agency Funding includes all funding provided from Low and Moderate Income Housing Fund over the life of the project. Some funding may have been provided prior to 2004.

(3) Represents fiscal years 2004-2005 through 2008-2009.

**Housing Units Newly Constructed in Redevelopment Project Areas,  
Assisted With Locally-Controlled Government Assistance and  
No Redevelopment Agency Financing, 2005 - 2010**

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level			
				Very Low	Low	Moderate	Above Moderate
Bishop Nichols Senior Housing	Senior	2003	Stanford/Adeline	16			1
Fruitvale Transit Village, Phase 1	Families	2003	Coliseum	3	7		
International Blvd Family Housing, Phase 1	Families	2002	Coliseum	29			1
Lion Creek Crossings, Phase II	Families	2007	Coliseum	63	29		
Nathan A. Miley Senior Housing Community	Senior	2007	Central City East	50	19		
Uptown Project – Parcel 1	Families	2008	Central District	55		15	185
Stanley Avenue Apartments	Families	2002	Coliseum	23			1
Uptown Project – Parcel 2	Families	2007	Central District	44		9	140
Uptown Project – Parcel 3	Families	2008	Central District	34		9	174
Wang Scattered Site – 1311 Campbell Street	Homeownership	2005	West Oakland		1		