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OFFICE OF THE CLERK
OAKLAND, CALIF.

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**

2011 JAN 27 PM 12:00

AGENDA REPORT

TO: Office of the Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: February 8, 2011

RE: Agency Resolution Accepting and Appropriating \$2,000,000 of Transportation Investment Generating Economic Recovery (TIGER) II Planning Grant Funds from the United States Department of Transportation for the Oakland Army Base Infrastructure Master Plan and the West Oakland Area Plan, and Appropriating up to \$3,010,000 from the Oakland Army Base Joint Infrastructure Development Fund (9572), up to \$90,000 from the Oakland Army Base Operations Fund (9570), and up to \$310,000 from the West Oakland Operations Fund (9590) as Matching Funds

SUMMARY

In April 2010, the Department of Transportation (DOT) and the Department of Housing and Urban Development (HUD), wishing to improve the linkage between DOT and HUD programs, issued a joint Notice of Funding Availability (NOFA) for the DOT Transportation Investment Generating Economic Recovery (TIGER) II and HUD Community Challenge planning grant programs. The total amount available through both programs was \$75,000,000.

Due to the nationwide scope of the grants and limited funding, staff anticipated intense competition for the grants. After consulting with DOT, staff determined that the most competitive application, which would address both DOT and HUD goals, would be a joint application for two projects in adjoining redevelopment areas: an Infrastructure Master Plan (the "Infrastructure Plan") for the former Army Base in the Oakland Army Base Redevelopment Area (OARB) and an Area Plan and associated environmental review (the "Area Plan") for the West Oakland Redevelopment Area. Although the Infrastructure Plan and the Area Plan are two distinct and separate projects, their combined narratives encompassed a broader spectrum of DOT and HUD activities, such as transportation, housing, economic development, and land use planning, and made for a more compelling application than either project would have alone.

Staff submitted an application for the projects in August 2010 and received word from DOT in October 2010 that the Agency would be awarded \$2,000,000 in TIGER II grant funding. The bulk of the grant, \$1,600,000, will be applied toward the Infrastructure Plan, which will direct utility and roadway improvements for the former Army Base. The balance of the grant will be used to complete an Area Plan and environmental review for West Oakland. Staff requests that the Agency Board accept and appropriate the grant funding and appropriate up to \$3,410,000 from the Oakland Army Base and West Oakland Redevelopment Area Funds as matching funding.

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FISCAL IMPACT

The TIGER II Grant Program provides federal funding to prepare an Infrastructure Plan for the former Army Base and an Area Plan and associated environmental review for West Oakland. The total grant award is \$2,000,000, with \$1,600,000 allocated to the Army Base and \$400,000 allocated to West Oakland. The grant requires local matching funds of at least 20 percent of total project cost, which is estimated to be \$6,317,000 for both the Infrastructure Plan and Area Plan.

The Agency's local match for the two projects totals \$3,410,000. The bulk of the match will come from the Joint Infrastructure Development Fund (JIDF), which was established through Resolution 2010-0088 C.M.S. specifically for the purposes of infrastructure and public improvement planning, environmental review and documentation, design, construction and other redevelopment activities on the former Army Base. The JIDF funds must be used for these purposes at the former Army Base regardless of this proposal to use the dollars as matching funds for the TIGER II grant; designating a portion of the JIDF as match funding for a project which is moving forward regardless of the grant enables the Agency to best leverage its existing resources.

Additional match funding will come from the West Oakland and the Oakland Army Base Redevelopment funds. In May 2010, the West Oakland Project Area Committee approved funding for an Area Plan. Because approximately 41 acres of the OARB are located in West Oakland and will be included in the Area Plan, some of the matching funding for the Area Plan will come from Oakland Army Base Redevelopment funds.

The Agency will provide match funding from the following sources:

- \$3,010,000 from the Oakland Army Base Joint Infrastructure Development Fund (9572), Organization (88679)
- \$90,000 from the Oakland Army Base Operations Fund (9570), Organization (88679)
- \$310,000 from West Oakland Operations Fund (9590), Organization (88679)

In addition, the two projects will entail operating costs, such as Community and Economic Development Agency and Public Works staff time, which will count as in-kind matches. These in-kind matches are estimated to be \$612,000 for the Infrastructure Plan and \$295,000 for the Area Plan, for a total of \$907,000.

The TIGER II grant funds will be appropriated into OBRA Federal and State Grant Fund (9577) under two project numbers to be established, one for each redevelopment area.

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BACKGROUND

The competitiveness of the TIGER II application was measured by how well the proposed project met four main criteria. Points were awarded for each criterion. Applications which scored well were moved forward for further consideration, such as whether the project's expected benefits outweighed the project's costs and the size of the grant merited. Based on the Agency's responses to the following criteria, DOT awarded the Agency a planning grant of \$2,000,000, the third largest of the 33 grants awarded.

Purpose and Outcomes (35 points). Expected outputs and outcomes of the project had to be consistent with region-wide plans and support at least two of the following six Livability Principles:

1. Provide more transportation choices
2. Promote equitable, affordable housing
3. Enhance economic competitiveness
4. Support existing communities
5. Coordinate policies and leverage investment
6. Enhance the unique characteristics of all communities by investing in healthy, safe, and walkable neighborhoods

Although the OARB and West Oakland projects are clearly two separate projects, a joint application for the projects enabled the Agency to demonstrate comprehensive support for the Livability Principles. The Infrastructure Plan, which is concerned solely with infrastructure development on the former Army Base, has a regional transportation scope. The Area Plan, which is concerned with the strategic reuse of opportunity sites in West Oakland, talks to community development, affordable housing, and healthy, walkable neighborhoods.

Work Plan (35 points). Both outputs and outcomes had to include clearly defined and easily measurable performance metrics.

The Agency provided a detailed work plan which demonstrated its understanding of the tasks ahead. The work plan exhaustively listed expected outcomes, deliverables, major activities to be performed, completion dates, critical management actions, coordinating parties, and budgeted costs.

Leveraging and Collaboration (15 points). Applicants needed to demonstrate an ability to obtain other community, local, state, private, and federal support and resources that could be combined with DOT and HUD program resources. A minimum match of 20 percent in non-federal funds was required. Projects received points if they exceeded the minimum match and were given priority if they demonstrated significant non-federal contributions.

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The Agency garnered points for having local funding and in-kind matches that far exceeded the minimum 20 percent requirement and therefore significant non-federal financing.

Capacity (15 points). Applicants needed to demonstrate capacity to implement the proposed activities in a timely manner. DOT and HUD gave priority to applications that demonstrated prior experience in bringing this type of project to completion. Priority was also given to applications that showed strong collaboration among a broad range of participants, including public, private and nonprofit entities.

The Agency was able to show it not only had experienced City and Agency staff for the projects, it could also call on support from numerous community groups and public agencies. The Agency submitted letters of support from nine different entities, including the Metropolitan Transportation Commission, Association of Bay Area Governments, Alameda County Health Care Services, BART, Promise Neighborhoods, East Bay Asian Local Development Corporation, Port of Oakland, Alameda Labor Council, and West Oakland Commerce Association.

KEY ISSUES AND IMPACTS

The grant agreement from DOT will incorporate a term sheet, which reflects the material terms and conditions for the two projects as they are defined in the application. For the purpose of the application, the two projects were referred to as a single project although they are only tangentially related. As a result of the Infrastructure Plan, it may be possible to relocate incompatible uses out of West Oakland to the Army Base. The vacated West Oakland sites could then be redeveloped with uses more suited to the surrounding neighborhoods. However, at this point it is yet to be determined what uses would relocate to the Army Base, where the redevelopable sites are in West Oakland, and what their preferred redevelopment would be. In reality, infrastructure development of the Army Base is unconnected to any future development in West Oakland.

The Army Base is currently moving ahead with environmental review under the California Environmental Quality Act (CEQA). If the Infrastructure Plan and the Area Plan were considered as two facets of one plan, the environmental analysis for the Army Base would need to include the cumulative effects of West Oakland development, which are presently unknown. Staff is working with DOT to make sure that the grant agreement and term sheet refer to the two projects as separate projects that share TIGER II funding.

PROJECT DESCRIPTION

The Army Base requires the installation of all new utility and transportation systems before development of the Base can occur. An Infrastructure Master Plan enables the process of development to proceed by locating roads, public right-of-ways, and utilities, and providing a

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level of certainty about the order in which areas of the Army Base will be developed. The Infrastructure Plan will consider the Agency's objectives and fiscal capacity, timing and funding constraints, opportunities for early revenue generation, costs and other limiting factors in developing a preferred design for the Army Base. The Infrastructure Plan will also prioritize capital projects for the Army Base and provide a schedule for their implementation in concert with financing opportunities. With a roadmap for development in the Infrastructure Plan the Agency will be better able to take advantage of opportunities for federal and state aid.

The Area Plan will recommend strategies for the development of vacant or underutilized commercial and industrial sites, or sites with incompatible uses, within West Oakland's Opportunity Areas¹. The Area Plan will be a tool for attracting and developing commercial and industrial enterprises that support the future development efforts of the Army Base and the City of Oakland at large, and that provide jobs and services needed by the West Oakland community. It will identify locations for such enterprises to complement rather than detract from the surrounding residential neighborhoods.

SUSTAINABLE OPPORTUNITIES

Economic: This grant enables the Agency to reduce its funding commitment and still complete the Infrastructure and Area Plans. Completion of the two projects will result in approximately \$500,000,000 in capital improvements in the Oakland Army Base and potentially catalyze economic development in both redevelopment areas.

Environmental: The Infrastructure Plan will provide a roadmap for replacing failing stormwater, sanitary sewer, and water systems. The deteriorating stormwater and sewer lines are contributing to the adverse environmental issues at the Army Base, and millions of gallons of water are lost each year due to leaking water lines. The Area Plan will provide a development strategy that redirects trucking activities away from residential areas, reducing the negative impacts of noise and air pollution associated with these uses.

Social Equity: These projects both seek to reduce the amount of diesel particulate matter in the West Oakland community. The Infrastructure Plan will improve circulation within and access to the Army Base while the Area Plan will provide a development strategy that redirects trucking activities away from residential areas, eliminating the physical barriers, encouraging safety, social interaction and a sense of neighborhood.

DISABILITY AND SENIOR CITIZEN ACCESS

These projects will address senior and disability access by improving pedestrian safety and ease of access in their planning. The projects will comply fully with the Americans with Disabilities

¹ An 'Opportunity Area' for purposes of the Area Plan project is an area containing numerous large, vacant and/or underutilized commercial and industrial parcels that are not developed to the intensity of land uses allowed by current zoning.

Act (ADA) and with all City of Oakland regulations that ensure adequate access for senior citizens and persons with disabilities.

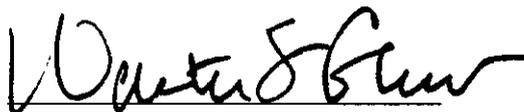
RECOMMENDATION AND RATIONALE

Staff recommends that the Agency Board approve the resolution to accept and appropriate a \$2,000,000 TIGER II planning grant from DOT and \$3,410,000 in local matching funds. Approval of the resolution will enable staff to proceed with preliminary engineering for the Army Base and planning for West Oakland.

ACTION REQUESTED OF THE CITY COUNCIL

Staff requests the Agency Board to approve the resolution to accept and appropriate \$2,000,000 of Transportation Investment Generating Economic Recovery II Planning Grant Funds from DOT for the Oakland Army Base Infrastructure Master Plan and the West Oakland Area Plan, and appropriating up to \$3,010,000 from the Oakland Army Base Joint Infrastructure Development Fund (9572), up to \$90,000 from the Oakland Army Base Operations Fund (9570), and up to \$310,000 from the West Oakland Operations Fund (9590) as matching funds

Respectfully submitted,



Walter S. Cohen, Director

Community and Economic Development Agency

Reviewed by:

Gregory Hunter, Deputy Director
Economic Development and Redevelopment

Prepared by:

Hui Wang, Urban Economic Analyst
Redevelopment Division

**APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:**



Office of the Agency Administrator

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Approved as to form and legality.


ORA Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

AGENCY RESOLUTION ACCEPTING AND APPROPRIATING \$2,000,000 OF TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER) II PLANNING GRANT FUNDS FROM THE UNITED STATES DEPARTMENT OF TRANSPORTATION FOR THE OAKLAND ARMY BASE INFRASTRUCTURE MASTER PLAN AND THE WEST OAKLAND AREA PLAN, AND APPROPRIATING UP TO \$3,010,000 FROM THE OAKLAND ARMY BASE JOINT INFRASTRUCTURE DEVELOPMENT FUND (9572), UP TO \$90,000 FROM THE OAKLAND ARMY BASE OPERATIONS FUND (9570), AND UP TO \$310,000 FROM THE WEST OAKLAND OPERATIONS FUND (9590) AS MATCHING FUNDS

WHEREAS, the Department of Transportation (DOT) and the Department of Housing and Urban Development (HUD) issued a joint Notice of Funding Availability (NOFA) in April 2010 for projects to be funded under either the DOT Transportation Investment Generating Economic Recovery (TIGER) II Program or the HUD Community Challenge Program; and

WHEREAS, the Five Year Implementation Plan for the Oakland Army Base Redevelopment Project Area, adopted on June 22, 2010 (Resolution 2010-0082 C.M.S.) proposes site preparation activities that include replacing the existing utilities on the former Army Base and improving the on-site roadway network; and

WHEREAS, the Five Year Implementation Plan for the West Oakland Redevelopment Project Area, adopted November 18, 2008 (Resolution 2008-0098 C.M.S.) identifies the redevelopment of vacant, obsolete, deteriorated property along commercial corridors as a priority; and

WHEREAS, an Oakland Army Base Infrastructure Master Plan (the "Infrastructure Plan") and a separate West Oakland Area Plan and associated environmental review (the "Area Plan") enable the Oakland Army Base and West Oakland Redevelopment Project Areas to meet their respective stated goals; and

WHEREAS, eligible applicants for the TIGER II and Community Challenge grants are state and local governments, including political subdivisions of state or local governments; and

WHEREAS, the Redevelopment Agency is a public agency and an eligible sponsor for the TIGER II grant; and

WHEREAS, the Redevelopment Agency of the City of Oakland applied to DOT and HUD for funding for the Infrastructure Master Plan and the Area Plan ; and

WHEREAS, the Agency's grant application was to support the planning efforts of two separate redevelopment projects located in separate but adjacent areas: the Oakland Army Base Redevelopment Project Area and the West Oakland Redevelopment Project Area; and

WHEREAS, DOT awarded the Redevelopment Agency a TIGER II planning grant in the amount of \$2,000,000 for both projects; and

WHEREAS, DOT requires a minimum local match of 20% of the project cost for the TIGER II grant; and

WHEREAS, the total cost for both the Infrastructure Plan and the Area Plan will be approximately \$6,317,000; and

WHEREAS, the Redevelopment Agency desires to provide \$3,410,000, an amount which exceeds the required 20% minimum local match, to fund the match; now therefore be it

RESOLVED: That the Agency Board hereby authorizes the Agency Administrator or his or her designee to accept and appropriate a grant for TIGER II funding in the amount up to \$2,000,000 to the OBRA Federal and State Grant Fund (9577) into a project to be established for each the Oakland Army Base Infrastructure Master Plan and the West Oakland Area Plan; and be it

FURTHER RESOLVED: That \$1,600,000 of the TIGER II grant will be allocated to the Infrastructure Plan and \$400,000 of the TIGER II grant will be allocated to the Area Plan; and be it

FURTHER RESOLVED: That the Redevelopment Agency will provide up to \$3,410,000 in local matching funds from the following sources:

- \$3,010,000 from the Oakland Army Base Joint Infrastructure Development Fund (9572), Organization (88679)
- \$90,000 from the Oakland Army Base Operations Fund (9570), Organization (88679)
- \$310,000 from West Oakland Operations Fund (9590), Organization

(88679); and be it

FURTHER RESOLVED: That the Agency Administrator or designee is hereby authorized to execute documents, administer the **TIGER II** grant, and take whatever other action is necessary and appropriate with respect to the projects and the **TIGER II** grant consistent with this resolution and its basic purpose

IN AGENCY, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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