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APPROVED AS TO FORM AND LEGALITY

ORSA COUNSEL

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION NO. 2013.018

A RESOLUTION ADOPTING THE FIVE YEAR IMPLEMENTATION PLAN, 2011-2016, FOR THE OAK KNOLL 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 Oakland Redevelopment Successor Agency ("ORSA") as successor agency to the Redevelopment Agency has taken over the obligations of the former Redevelopment Agency, including obligations related to adoption, review and amendment of implementation plans; and

WHEREAS, the ORSA Administrator has prepared and presented to ORSA an Implementation Plan for the Oak Knoll Redevelopment Project for 2011-16; and

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

WHEREAS, the proposed Implementation Plan as presented to ORSA sets forth the specific goals and objectives for the Oak Knoll 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 ORSA hereby approves and adopts the 2011-2016 Implementation Plan for the Oak Knoll Redevelopment Project attached to this Resolution as Exhibit A; and be it further

RESOLVED: That the ORSA Administrator 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.

BY SUCCESSOR AGENCY, OAKLAND, CALIFORNIA, JUN 18 2013

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, KALB, KAPLAN, MCELHANEY, REID, SCHAAF, AND
CHAIRPERSON KERNIGHAN - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

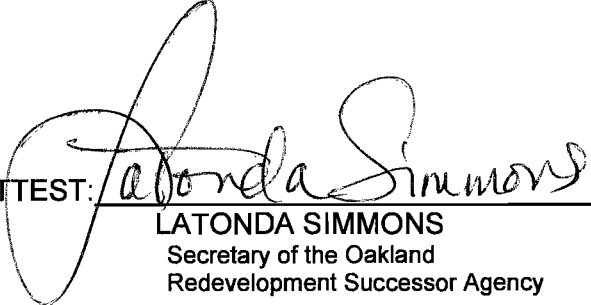
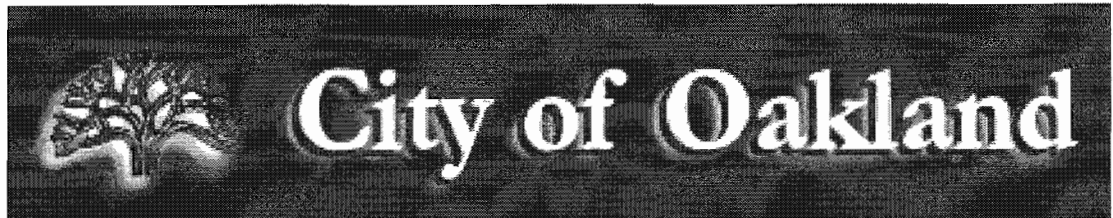
ATTEST: 
LATONDA SIMMONS
Secretary of the Oakland
Redevelopment Successor Agency

Exhibit A



OAK KNOLL
5-Year Implementation Plan

Fiscal Year 2011/12-2015/16

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	REDEVELOPMENT	2
A.	PROJECT SETTING AND REUSE PLAN	2
B.	SUMMARY OF BLIGHTING CONDITIONS	6
C.	GOALS AND OBJECTIVES	7
D.	SPECIFIC PROJECTS AND PROGRAMS	8
E.	EXPENDITURES DURING THE TERM OF THE PLAN	12
III.	HOUSING COMPONENT	13
A.	IMPLEMENTATION PLAN REQUIREMENTS	13
B.	APPLICABLE HOUSING PRODUCTION REQUIREMENTS	15

LIST OF TABLES

Table 1:	Relationship Between Goals & Objective, Programs, etc	11
Table 2:	Definition of Affordable Housing Costs	13
Table 3:	Projected Housing Production	17
Table 4:	Redevelopment Agency Assisted Housing Activities	21
Table 5:	Housing Units Newly Constructed in Redevelopment Project Areas	23

LIST OF MAPS

Map 1:	Project Area Boundaries	5
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IMPLEMENTATION PLAN FOR THE OAK KNOLL REDEVELOPMENT PROJECT

I. INTRODUCTION

The following is the five-year Implementation Plan for the Oak Knoll Redevelopment Project Area. The Implementation Plan period extends from fiscal years 2011-12 through 2015-16. This Implementation Plan is adopted by the Oakland Redevelopment Successor Agency (“Agency” or “ORSA”), the successor agency to the former Redevelopment Agency of the City of Oakland (“Redevelopment Agency”).

This Implementation Plan is composed of two separate components: a Redevelopment Component and a Housing Component. The Redevelopment Component revisits the proposed goals and objectives of the Redevelopment Plan; defines the Agency’s strategy to achieve these goals and objectives; presents the projects, programs and expenditures (other than those relating to low and moderate income housing) that have been developed as a means to achieve the goals and objectives; and describes how the goals and objectives, projects, programs and expenditures will eliminate blight within the Project Area. Article 16.5 also requires that an Implementation Plan explain how the components of the Implementation Plan will implement various CRL requirements regarding low and moderate income housing. Generally, the goals, activities, and expenditures included in the Redevelopment Component do not implement the housing requirements of the CRL. The activities that do implement these requirements are contained in the Housing Component. .

This Implementation Plan is a policy statement rather than an unalterable course of action. It has been prepared to set priorities for redevelopment activities within the Project Area for the five-year period covered by this Plan. The Implementation Plan incorporates currently known financial constraints of the Agency in developing a program of activities to accomplish revitalization efforts for the Oak Knoll Redevelopment Project Area. However, new issues and opportunities may be encountered during the course of administering the Redevelopment Plan for the Project Area. Therefore, this Implementation Plan may be amended, if necessary, to effectuate its purposes.

The purpose of this Implementation Plan is to provide a clear and reasonable statement of the Agency’s near-term intent regarding activities in the Project Area and to establish a nexus with the Agency’s current charge to wind down the affairs of the Redevelopment Agency.

Dissolution of Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld state legislation, ABxl 26 (the “dissolution law”), which dissolved all redevelopment agencies in California. On February 1, 2012, the Redevelopment Agency was dissolved. The dissolution process required the designation of a successor agency to the Redevelopment Agency to take over the affairs of the Redevelopment Agency, as well as a housing successor to specifically take over the housing assets and functions of the Redevelopment Agency. The successor agency, under the supervision of an oversight board, is responsible for winding down the former redevelopment agency's obligations and affairs, including fulfilling the legally enforceable obligations of the former redevelopment agency. On July 17, 2012, the Oakland Redevelopment Successor Agency was formed to act as the successor agency to the former Redevelopment Agency. On January 10, 2012, the City elected to become the housing successor.

As a result, ORSA has initiated the process under the dissolution legislation to unwind the affairs of the dissolved Redevelopment Agency and fulfill existing enforceable obligations. Existing obligations still include many activities to eliminate physical and economic blight conditions in the Project Area, such as completing the construction of public improvements and facilities, and meeting the former Redevelopment Agency's contractual obligations in partnership with the private sector to develop vacant and/or underutilized properties.

Under the dissolution law, following issuance of a finding of completion by the California Department of Finance (issued when ORSA has made certain required payments), ORSA will have the authority to use excess bond proceeds (i.e., the current balance of tax allocation bond proceeds for bonds issued prior to 2011 that have not been designated to pay for enforceable obligations) consistent with bond covenants. Thus, ORSA will have the limited ability to pursue new projects using such proceeds in compliance with bond covenants that require bond proceeds to be used for redevelopment purposes in the Project Area. Also, the finding of completion will allow ORSA to propose, in the form of a “Long-Range Property Management Plan,” that certain properties held by the former Redevelopment Agency be retained for future development. Such properties will be transferred to the City. Thus, ORSA in conjunction with the City will have the ability to pursue development opportunities on some properties in the Project Area.

II. REDEVELOPMENT (NON-HOUSING) COMPONENT

A. PROJECT SETTING AND REUSE PLAN

1. Project Area Setting

The Oak Knoll Redevelopment Project Area boundaries were selected to include all Federal lands subject to closure as part of the former Naval Medical Center Oakland

“NMCO”). The former NMCO lies in the southeastern portion of Oakland, east of the McArthur Freeway, (U.S. Interstate 580) between the Keller Avenue and Golf Links Road exits, approximately eight miles from downtown Oakland (see Figure 1).

The Project Area consists of approximately 183 acres, of which approximately 135 acres are developed, maintained or landscaped, and includes buildings, roads, parking lots, and recreation facilities. Steep slopes characterize much of the site and many buildings are built in areas where the natural topography ranges from 10 percent to 30 percent slopes. The area surrounding the Project Area contains mostly single-family homes, condominiums and apartments with limited retail services along Mountain Boulevard and in the Ridgemont Plaza strip center.

2. Base Closure & Reuse Plan

On September 30, 1993, the 183-acre Navel Medical Center Oakland facility was recommended to be closed pursuant to the Defense Base Closure and Realignment (“BRAC”) Act of 1990, (Public Law 101-510) Title XXXIX, and confirmed by Congress for closure in October 1993. NMCO had been in military ownership and use since 1942, providing medical services to military and civilian families until its closure on September 30, 1996.

The federal base conversion process requires that the local community prepare a Reuse Plan for the eventual civilian reuse of the military property. Through the Oakland Base Reuse Authority, the recognized local reuse authority, an extensive community outreach and input program was sponsored. The Final Reuse Plan (FRP), a required federal document, was approved by the Housing and Urban Development Department (HUD) and the Department of Defense (DOD) on September 10, 1997. The FRP identified four basic land uses for the NMCO. These include open space at the northeastern and western edges, a nine-hole golf course and single-family residential development (318 units) in the central portion and a driving range and other recreational components in the southern end. A mixed-use area containing multi-family development and several existing structures to be reused by non-profit/public benefit organizations were to be located between the open space at the western edge and the residential/golf course area. This area was also to contain private commercial office and possibly retail uses.

The Oak Knoll Redevelopment Project was adopted by the City Council on July 14, 1998, by Ordinance Number 12065 C.M.S. pursuant to special provisions of the California Community Redevelopment Law for military base closures (see Sections 33492 through 33492.20 of the Health and Safety Code). The site met the Blight requirements of CRL because of the unsafe aged buildings, inadequate or deteriorated infrastructure, incompatible and uneconomic land uses, non compliance of land and buildings that did not meet local building, plumbing, mechanical or electrical code standards. Additionally the land is not subdivided according to local regulations. These conditions were confirmed as a serious physical, social and economic burden on the

City. It was determined that private enterprise could not act alone and that governmental action may necessary to correct the blighting conditions.

Also during this time, the City of Oakland adopted its updated General Plan and as a result, the General Plan superseded the Reuse Plan as of 1998.

Due to budget constraints and the potential costs associated with environment clean up and site clearance of the former military base, the Agency did not accept a transfer of ownership from the Navy to the Agency through OBRA and no development or redevelopment has occurred on the former Base since Redevelopment Plan adoption in 1998. Instead, the Navy retained ownership of the former Base property and sold 167 acres of land directly to a private developer in a public auction in November 2005. The 167-acres were transferred to a private owner, Lehman Brothers, in March 2006. The owner had selected a developer, SunCal, to develop the property. SunCal had come up with a plan that would lead to the development of over 260 residential units, 40 acres of green space and other amenities within the property. The housing market crash in 2008 led to the owner and developer declaring bankruptcy. The owner went through bankruptcy court to address the issue of the Oak Knoll property. The City of Oakland, Alameda County, and various community stakeholders convinced the bankruptcy courts to require that the owner invest funds to demolish vacant buildings, as well as provide for the vegetation management and the security of the property. The property was awarded back to the property owner in 2012 and the owner plans to partner with a developer and reinitiate development.

Map 1: Project Area Boundaries



The Agency anticipates that the current developer for the 167 acres will propose some changes to the proportion of square footage and/or land uses within the Project Area to make development economically feasible, given that it has been several years (since September 1997) since the Reuse Plan was adopted. The Agency will work with the developer and other city agencies as necessary to ensure that the development that occurs is consistent with the goals and intent of the adopted General Plan, which will serve as the guiding document for the redevelopment of the property.

B. SUMMARY OF BLIGHTING CONDITIONS

In February of 1942, the Secretary of the Navy purchased part of what was then the Oak Knoll Golf and County Club. By early spring of that year, the Navy had built its first buildings on the site, which included 25 redwood barracks-type buildings. The hospital was commissioned July 1, 1942. It had six ward buildings and 204 beds. By 1945, the hospital was caring for more than 6,000 patients and had a military and civilian staff of approximately 3,000. The Navy broke ground for a permanent hospital on December 7, 1965, which was completed in 1968. Until Base closure, the hospital facilities continued to function as an active medical center.

In addition to the hospital facilities, there is the original club house that was constructed prior to the Navy's purchase, recreation facilities and housing. There are four housing areas: one at the top of the hill in the eastern part of the site; one just east of the recreation fields in the southwest part of the site, one south of the hospital, and the fourth in the northwest corner of the site. There are single-family detached houses as well as multi-family and dormitory housing. The Base recreation facilities are generally located in the southwest corner of the site. Recreation facilities include lighted playing fields, tennis courts, basketball courts, a sheltered picnic area, a gymnasium, a bowling alley, and an indoor swimming pool. In total, there are approximately 89 structures and/or facilities on the site.

Most of the buildings on the site were built before 1949 for war-related uses. Their state of disrepair varies widely. Because of their age and the Navy's lower design and construction standards, many possess seismic and code-related life-safety deficiencies as well as outdated physical work environments. None of the existing buildings, including the hospital, meet seismic safety standards. Repairs to the hospital alone to bring the structure into conformance with seismic safety standards were estimated as of 1996 to total \$30 million. At least 90 percent of the buildings were identified to have asbestos siding and all had some lead paint. As identified in the Report to the City Council prepared for the plan adoption, 61 percent the buildings were identified as deteriorated or dilapidated, 82 percent of the buildings contained characteristics of defective design or physical construction, 41 percent were reported by the Navy to contain asbestos, and 27 percent of the buildings surveyed by the Navy required seismic upgrades before reuse.

Exacerbating these building and site conditions, the property has sat vacant since its 1996 closure and as a result, the blighting conditions and unsafe conditions have elevated. Since 1996, minimal on-site maintenance and security was provided; therefore, conditions have deteriorated.

C. GOALS AND OBJECTIVES

The following are the goals and objectives as described in the 1998 Oak Knoll Redevelopment Plan:

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

- j. To provide for the expansion, improvement and preservation of the community's supply of housing available to low and moderate income persons and families within or outside the Project Area.

By separate action, the former Redevelopment Agency adopted the following specific amendments to the Oak Knoll Redevelopment Plan:

- Increase in the tax increment limit from \$87 million to \$1.5 billion;
- Increase in the bonded indebtedness limit from \$21.5 million to \$400 million;
- Update the Oak Knoll Land Use Map to conform to the General Plan
- Expand the list of authorized public improvements for Oak Knoll Project Area
- Change text references in the Oak Knoll Redevelopment Plan to the "Reuse Plan" to the "General Plan," and make other text changes.

This proposed Implementation Plan is consistent with the Redevelopment Plan amendments. The programs and projects proposed in this Implementation Plan are intended to facilitate the achievement of the Goals and Objectives listed above and as revised by the former Redevelopment Agency. The Agency will be winding-down its redevelopment activities over the term of this Implementation Plan. It is the Agency's hope and intent that the Implementation Plan as proposed will encourage further private sector investment in both commercial and residential designated areas.

D. SPECIFIC PROJECTS AND PROGRAMS AND RELATIONSHIP TO BLIGHT ELIMINATION

To the extent possible, the focus of the fiscal year 2011-12 to 2011-16 Implementation Plan will be to continue to assist in alleviating the blighting conditions in the Project Area and benefit the residents and businesses in the Project Area and adjacent communities. Eight categories of programs had been developed, with considerable community input by the surrounding community. These categories were identified as important public improvements that would benefit the community surrounding the Project Area as well as the general Oakland community. These specific projects proposed for the five-year period are described below. The degree to which the Agency will actually participate in the projects and programs will depend in part on remaining funds available, the remaining legal authority of the Agency to pursue redevelopment, developer interest, and the Agency's ability to attract development that will eliminate blight and meet the goals and objectives of the Redevelopment Plan. The relationship between the goals and objectives, project and program and blight elimination is provided in Table 1.

1. Retail and Commercial Tenant Recruitment

This program includes low interest or zero-interest participatory loans and grants to property owners and tenants to support and encourage the rehabilitation of deteriorated and obsolete structures. The Oak Knoll Project Area and the surrounding community seriously lack local-serving commercial services. This program can assist in attracting a

wider range of retail and commercial uses and assist the limited existing community businesses in the general area with needed capital to expand, replace equipment or modernize to serve a greater number of current and future residents.

2. *Historic Preservation*

This program will support the preservation and reuse of historic resources to the benefit of residents in the Project Area and the surrounding community. This program will include funds for the elimination of seismic and fire/life safety hazards, and rehabilitation and reuse of historic buildings for viable beneficial uses. One of the historic properties that will benefit from the availability of this program will be the Club Knoll building. Club Knoll is a 1928 community facility that has not been maintained and is in a state of disrepair. If restored, the facility can be utilized for a significant number of community activities.

3. *Community and Recreational Facilities*

This program will allow the development of new, converted or rehabilitated facilities such as parks, community centers, open space, and cultural facilities. This program will be similar to Community Facilities Program for the Central City East Project Area. Projects contemplated under this program will include extensive creek system restoration, restoring significant amounts of open space, enhancing more active recreational uses by the development of modern public recreation and youth sports facilities extensive public trails and parks, and the acquisition of additional open space. Rifle Range Creek, which traverses the entire Project Area, was significantly altered by the Navy development with portions placed in underground culverts and roadways built across the creek. In order to preserve and enhance the public opportunities to enjoy the natural attributes of the property, significant restoration work will be required. The site also presently contains over 50 acres of undeveloped open space because of the hilly terrain. Redevelopment assistance is required to assist in maximizing the possibilities of dedicated public recreational and open space opportunities.

4. *Infrastructure Improvement*

This program includes a variety of public works projects such as replacement and upgrading of utilities, traffic improvements, parking facilities, storm drainage and sanitary sewer improvements and upgrades, and flood control improvements. The program may also include street improvements (construction of streets, curbs, sidewalks, and gutters); streetscape improvements (street trees and landscaping, and street furniture (benches, trash receptacles); traffic measures (visual and safety improvements); and street lighting. Specific projects identified include traffic measures, and construction of utilities,

roads, and other infrastructure. A major component of the Oak Knoll project area redevelopment will be significant building demolition, removal and replacement of the majority of the infrastructure and the development of a circulation system to serve any new development and address the surrounding traffic improvement requirements.

5. *Security Enhancements*

This program provides additional funding for security patrols along commercial corridors and in surrounding vacant areas to increase security and safety. Provide a safe residential environment to encourage community interaction, outdoor enjoyment, and alternative modes of transportation. While the Oak Knoll Project Area is located in an urbanized area of Oakland, significant amounts of the Project Area is surrounded by dense vegetation and open space, as well as older commercial areas leading to the Project Area have significant crime issues.

6. *Agency Parcel Development or Land sale*

This program provides additional funding for the management and development of Agency owned parcels within the Project Area. The proper management and ultimate development of the Agency owned parcel(s) will contribute to the overall development of the Project Area. This would decrease blight, enhance the aesthetic appeal of the area, positively impact any commercial development and alleviate any safety concerns regarding the parcel(s) and surrounding areas. Key Parcels include:

- 1) Barcelona Street Parcel – APN# 048-6870-002. A 5.4453 acre site that includes portions of Barcelona Street and St. Andrews Road, that is controlled by the Agency.

7. *Vegetation Management*

This program provides additional funding for the management of the surrounding landscape. After the vegetation growth of the surrounding landscape, the summer months lead to the growth drying out and potentially turning into a substantial fire hazard in the high risk Fire Danger Area. Proper management of the area is required in order to properly address and minimize fire safety concerns.

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Table 1: Relationship Between Goals & Objectives, Programs, and Blight Elimination

Agency Goals	Agency Programs to Attain Goals and Eliminate Blight	Blighting Conditions						
		Unsafe/Unhealthy Bldgs.	Factors That Prevent/Substantially Hinder Economically Viable Use or Capacity of Buildings or Areas	Adjacent or Nearby Incompatible Uses	Buildings On Land That... Will Not Comply w/ Community ... Regulations	Properties served by Infrastructure That Does Not Meet Existing Adopted Utility or Community ... Standards	Buildings, That When Built, Did Not Conform to the Then Effective ... Codes adopted by the Community...	Land That Contains Materials or Facilities ... That Will Have to be Removed to Allow Development
Mitigation of the economic and social degradation faced by the community due to the closure of the NMC.	Retail/Com'l Tenant Recruitment Infrastructure Improvement Security Enhancements	X	X	X	X	X	X	X
Implementation of the Reuse Plan	Housing Programs Retail/Com'l Tenant Recruitment Historic Preservation Community/Recreational Facilities Infrastructure Improvement Security Enhancements	X	X	X	X	X	X	X
Elimination of blighting influences and correction of environmental deficiencies in the Project Area	Housing Programs Retail/Com'l Tenant Recruitment Historic Preservation Community/Recreational Facilities Infrastructure Improvement Security Enhancements	X	X	X	X	X	X	X
Subdivision of land into parcels suitable for modern, integrated development with improved pedestrian and vehicular circulation	Housing Programs Retail/Commercial Tenant Recruitment Infrastructure Improvement		X	X	X	X	X	X
Re-planning, redesign, and development of underutilized portions of the Project Area	Retail/Com'l Tenant Recruitment Historic Preservation Community/Recreational Facilities Infrastructure Improvement	X	X	X	X	X	X	X
Establishment of appropriate retail and/or other commercial functions as determined to be feasible	Retail/Com'l Tenant Recruitment Infrastructure Improvement Security Enhancements	X	X	X	X	X	X	X
Strengthening of the community economic base through the installation of site improvements to stimulate new residential, commercial and recreational uses	Infrastructure Improvement	X	X	X	X	X	X	X
Provision of adequate land for parking and open space	Community/ Recreational Facilities Infrastructure Improvement		X		X	X	X	X
Establishment and implementation of performance criteria for high design standard, environmental quality, and other design elements	Housing Programs Retail/Com'l Tenant Recruitment Historic Preservation Community/Recreational Facilities Infrastructure Improvement	X	X	X	X	X	X	X
Provide for expansion, improvement and preservation of affordable housing within and outside of the Project Area	Housing Programs Community/ Recreational Facilities Infrastructure Improvement	X	X	X	X	X	X	X

E. EXPENDITURES DURING THE FIVE YEAR TERM OF THE IMPLEMENTATION PLAN

The Oak Knoll Redevelopment Plan provides the Agency with the authority to finance the Project with financial assistance from any or all of the following sources: (1) City of Oakland; (2) State of California; (3) federal government; (4) Real Property Tax Trust Funds (“RPTTF”), to the extent available; (5) Agency bonds, including excess bond proceeds; (6) interest income; (7) loans from private financial institutions; (8) lease or sale of Agency-owned property; (9) donations; and (10) any other legally available public or private sources. The previous Implementation plans had funded redevelopment programs solely from future tax increment revenues. However, due to the dissolution, this is no longer a funding source.

The Redevelopment Agency was dissolved by the Legislature, in 2012, although the obligations of redevelopment law (including adoption of Five-Year Implementation Plans) still exist. The dissolution of the Redevelopment Agency results in tax increment no longer being a viable source of funds for redevelopment. No new tax increment can be collected, barring a reinstatement of redevelopment or a similar economic development tool. No other additional new funding sources were identified at the time of drafting the Implementation Plan.

III. Housing Component

I. 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, to the extent those housing obligations still exist given the dissolution of redevelopment agencies. 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.

Table 2: 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 contained numerous provisions to guide redevelopment agency activities with regard to low-mod housing. Most of these provisions were not repealed by the dissolution law, and so the Agency as successor agency to the former Redevelopment Agency stepped into these obligations. However, the continued applicability of these obligations may be the subject of litigation.

These provisions divide housing responsibilities into two major categories:

- The production and/or replacement of low-mod housing depending upon activities undertaken by an agency within project areas; and
- Preparing reports on how the Agency has met, or preparing plans on how the Agency will meet its responsibilities with regard to the above.

This Housing Component is part of the Agency's responsibilities to prepare reports on housing activities. Its contents address how the Agency's plans for the Project Area will achieve many of the housing responsibilities noted above. 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 (30%) 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 (15%) 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 (15%) 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)). The dissolution law did not repeal or modify the area production requirements in the CRL, so it appears that the Agency as successor agency has stepped into the obligation to ensure compliance with these requirements. The area production requirements have been included on the Agency's approved Recognized Obligation Payment Schedules ("ROPS") as enforceable obligations of the Agency, since obligations imposed by state law are considered enforceable obligations of the Agency under the dissolution law; see Health and Safety Code Section 34171(d)(1)(C).
- **REPLACEMENT HOUSING REQUIREMENTS.** Suitable locations must be identified for replacement housing units rehabilitated, developed or constructed pursuant to Section 33413(a), if the destruction of removal of low-mod units will result from a project contained in the Implementation Plan (Section 33490(a)(3)). The dissolution law did not

repeal or modify the replacement housing requirements in the CRL, so it appears that the Agency as successor agency has stepped into the obligation to ensure compliance with these requirements. Replacement housing requirements have been included on the Agency's approved ROPS as enforceable obligations of the Agency, since obligations imposed by state law are considered enforceable obligations of the Agency under the dissolution law; see Health and Safety Code Section 34171(d)(1)(C).

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

Prior to the dissolution of redevelopment agencies, the CRL required that at least 20 percent of tax increment revenues 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). Since the dissolution law abolished tax increment financing, there is no longer a requirement to deposit funds into the Low and Moderate Income Housing Fund. The remaining unencumbered balance of the Low and Moderate Income Housing Fund has been swept to the taxing entities per Health and Safety Code Section 34179.6.

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)).

II. *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. The low-mod housing provisions as applied 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.

As noted above, the Agency believes that the replacement housing obligations survive the dissolution law and are still legal obligations of the Agency as successor to the former Redevelopment Agency. However, 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). As noted above, the Agency believes that the area production requirements survive the dissolution law and are still legal obligations of the Agency as successor to the former Redevelopment Agency. Subparagraph (1) of the Section requires that 30 percent (30%) of all housing units developed by the Agency be affordable to low-mod persons.

The Agency does not plan to develop housing 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 recognizes that there has been interest in private, unassisted development of housing in the Oak Knoll Redevelopment Area. If there is any development of housing, 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 (15%) 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 (40%) must be affordable to persons and families of very-low income.

However, Section 33413(b)(2)(A)(ii) allows an agency as an alternative to satisfy this requirement by ensuring that two affordable units are made available outside of the project area for every one unit that would otherwise be required within the project area.

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, 1998 to 2011

From the inception of the Redevelopment Plan for this Area through 2011 (i.e. the first ten-year Production Requirement Compliance Period July 1998 through June 2011)¹, no housing units have been developed.

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

The Agency estimates that between 2012 and 2022 (i.e. the next ten-year Production Requirement Compliance Period), there could be as many as 960 units of housing newly constructed, substantially rehabilitated, or acquired with affordability covenants. This projection is based on information published by the City’s Planning and Zoning Department titled “City of Oakland Active Major Development Projects—October 2012”.

Given current market conditions it is unlikely that any of these units will be constructed by 2022, but for purposes of this Implementation Plan, all potential units are counted.

Table 3: Projected Housing Production, 2012-2022

Project Name	Units	Type	Year Completed	Affordability Level			
				Very Low	Low	Mod	Above Mod
Oak Knoll Redevelopment Project	960						960
Total	960			0	0	0	960

Affordable Units Required	144
Very Low Income Units Required	58

e. Estimated Number of Units Required for Housing Production Obligation

If the projected 960 units are built during this Implementation Plan period, this would generate a housing production obligation of at least 144 units affordable to very-low, low or moderate income households. Of these, at least 58 units would be required to be affordable to and restricted for occupancy by very-low income households.

¹ The second five-year Implementation Plan for the Oak Knoll Redevelopment Area was adopted in 2006, two years late, that resulted in a compliance period longer than the required ten year period.

f. How the Housing Production Obligation Will be Met

The table in section d. above shows that if all projected housing units are built, there will be a significant affordable housing production requirement. At this time there are no plans for how that production requirement will be met. However, the Second Amendment to the Oak Knoll Redevelopment Plan, adopted December 19, 2006, enacted a limited merger of the Oak Knoll and Central City East Redevelopment Project Areas. This Second Amendment merged the affordable housing production requirements of the two areas, allowing, under certain conditions, surplus affordable housing units produced in Central City East to satisfy the production requirement for the Oak Knoll Redevelopment Area.

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

a. Set-Aside of Tax Increment

As noted above, since the dissolution law abolished tax increment financing, there is no longer a requirement to deposit funds into the Low and Moderate Income Housing Fund. The remaining unencumbered balance of the Low and Moderate Income Housing Fund has been swept to the taxing entities per Health and Safety Code Section 34179.6.

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 preservation and production requirements, be attained during five and ten year increments. The housing production requirement, if applicable, must be met every ten years. 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

As noted above, since the dissolution law abolished tax increment financing, there is no longer a requirement to deposit funds into the Low and Moderate Income Housing Fund. The remaining unencumbered balance of the Low and Moderate Income Housing Fund has been swept to the taxing entities per Health and Safety Code Section 34179.6. Therefore, there will be no housing fund revenues and no housing fund expenditures related to the Project Area.

5. Anticipated Housing Program Activities

As noted above, since the dissolution law abolished tax increment financing, there is no longer a requirement to deposit funds into the Low and Moderate Income Housing Fund. The remaining unencumbered balance of the Low and Moderate Income Housing Fund has been swept to the taxing entities per Health and Safety Code Section 34179.6. Therefore, there will be no housing fund revenues and no housing fund expenditures related to the Project Area available to fund housing programs. To the extent that funds do become available, 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.

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 the Redevelopment Agency had tax-increment funds deposited in the Low and Moderate Income Housing Fund, they were tracked individually for each project area. Those funds were combined into a single fund except for West Oakland and Central City East, both of which restrict the use of housing funds to their Project Areas. The Agency had 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 were used both inside and outside the project area.

The tables on the following page provide information for the previous implementation plan period 1998-2011 regarding:

- the amounts of Low and Moderate Income Housing Fund monies 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

Table 4: Redevelopment Agency Assisted Housing Activities Completed or Underway, 1998 - 2011

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
Adeline Lofts	Family	2002	West Oakland	31	6		1	\$ 70,179
Allen Temple Gardens	Senior	2001	Coliseum	49			1	\$ 1,951,000
Altenheim Phase I	Senior	2007	None	39	53		1	\$ 4,084,660
Altenheim Phase II	Seniors	2010	None	48	32		1	\$ 1,753,000
Bayporte Village	Homeownership	2000	Acorn		71			\$ 2,000,000
Casa Velasco	Senior	2003	Central City East	19			1	\$ 1,350,000
Chestnut Court-ownership	Homeownership	2003	Oak Center		15			\$ 1,727,000
Chestnut Court-rental	Families	2003	Oak Center		26		1	\$ 2,976,000
Courtyards at Acorn	Families	2000	Acorn		87			\$ 904,500
CURA-North	Disabled or HIV/Aids	2001	None	17			1	\$ 587,876
Drachma, LP (19 unit scattered site)	Families	2003	West Oakland		19			\$ 1,712,000
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	2010	Coliseum		13	15		\$ 3,601,000
Fairmount Apartments	Families	2011	None	30			1	\$ 3,700,000
Fox Courts	Families	2009	Central District	40	39		1	\$ 4,950,000
Golf Links	Homeownership	2009	None			3	7	\$ 584,000
Habitat Fruitvale Homes	Homeownership	2003	None		4			\$ 112,000
Habitat Village (Bonita Village)	Homeownership	2001	Coliseum		40			\$ 1,212,740
Hugh Taylor	SRO	2011	Central City East	42				\$ 1,222,000
Irene Cooper Terrace	Senior	2000	Central City East	39			1	\$ 560,000
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
Lake Merritt Apartments	Senior	2003	Central City East	11	43		1	\$ 1,900,000
Lincoln Court	Senior	2006	None	81			1	\$ 2,000,000
Linden Court Rental	Families	2003	West Oakland		40		1	\$ 3,224,000
Linden Street Land Trust	Homeownership	2002	West Oakland		4			\$ 200,000

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
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	2011	Coliseum	50			1	\$ 2,980,547
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
MLK Plaza Homes	Homeownership	2002	None		6	5		\$ 1,287,175
Mortgage Assistance Program	Homeownership	multiple	Citywide					
Northgate Apartments	Families	2003	None	32	9		1	\$ 349,229
Oak Park Apartments	Families	2004	Central City East	34			1	\$ 3,419,000
Oak Street Terrace	Senior	2004	Central District	16	22		1	\$ 2,072,000
Oakwood Estates	Homeownership	1998	Coliseum		19		17	\$ 640,846
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	2011	Central City East	99			1	\$ 450,000
Saint Joseph's Senior	Senior	2011	Coliseum	35	48		1	\$ 4,639,000
San Pablo Gateway	Homeownership	2000	Broadway/MacArthur/San Pablo		5	6		\$ 1,475,000
Santana	Families	2003	Central City East	30				\$ 670,923
Sausal Creek	Homeownership	2008	None			17		\$ 3,980,000
Seven Directions	Families	2009	Coliseum	23	12		1	\$ 3,289,000
Southlake Towers	Senior	2004	Central District	26	103		1	\$ 445,300
Swans Market Apartments	Families	2000	Central District		18			\$ 2,500,000
Sylvester Rutledge Manor	Senior	2003	West Oakland	64			1	\$ 2,551,750
Tassafaronga Village Rental Phase I	Families	2010	Coliseum		50			\$ 3,000,000
Town Center at Acorn	Families	2000	Acorn	102	104			\$ 565,000
Wang Scattered Sites	Homeownership	2009	None		2		1	\$ 148,000

(1) 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 1998.

**Table 5: Housing Units Newly Constructed in Redevelopment Project Areas,
Assisted With Locally-Controlled Government Assistance and
No Redevelopment Agency Financing, 1998 – 2011**

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level			
				Very Low	Low	Moderate	Above Moderate
Allen Temple Manor	Disabled or HIV/AIDS	2001	Coliseum	23			1
Bishop Nichols Senior Housing	Senior	2003	Stanford/Adeline	16			1
Fruitvale Transit Village, Phase 1	Families	2003	Coliseum	3	7		37
International Blvd Family Housing, Phase 1	Families	2002	Coliseum	29			1
Saint Patrick's Terrace	Senior	2009	West Oakland	65			1
Stanley Avenue Apartments	Families	2002	Coliseum	23			1
Wang Scattered Site	Homeownership	2002	Coliseum		3		
Wang Scattered Site	Homeownership	2004	Coliseum		1		
Wang Scattered Site	Homeownership	2005	West Oakland		1		