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OFFICE OF THE CITY CLERK
OAKLAND

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**

2010 DEC 23 PM 3:31

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: January 11, 2011

RE: An Agency Resolution Authorizing a Grant of up to \$100,000 in Broadway/MacArthur/San Pablo Redevelopment Funds to Oakland Affordable Housing Preservation Initiatives, Inc. (OAHPI) for the Installation of Solar Panels on a Multi-family Low-Income Housing Property Located at 3901 Webster Street.

SUMMARY

This is a request for Redevelopment Agency approval of a resolution authorizing a grant of up to \$100,000 in Agency funds from Broadway/MacArthur/San Pablo Redevelopment Project Area to Oakland Affordable Housing Preservation Initiatives, Inc. (OAHPI) to install solar panels on a 14 unit low-income property located at 3901 Webster Street within the boundaries of the Broadway/MacArthur/San Pablo Project Area.

The installation of a solar electric system on this property will reduce housing costs for 14 low-income households within the Redevelopment Project Area. Staff recommends that the Redevelopment Agency approve this resolution.

FISCAL IMPACT

The \$100,000 Agency grant to OAHPI for the solar panel project will be provided from the Broadway/MacArthur/San Pablo Tax Allocation Bond Series 2006C-T Fund (9538), Redevelopment Projects Organization (88669), Broadway/MacArthur/San Pablo Land Acquisition Project (T315210) to a project number to be determined. This project will have no impact on the General Fund.

BACKGROUND

Members of the Broadway/MacArthur/San Pablo Redevelopment Project Area Committee (PAC) have been working with Oakland Housing Authority (OHA) staff to develop a project concept of placing solar panels and/or solar hot water systems on permanently affordable multi-family housing units within the redevelopment Project Area. The project concept was inspired by the previous Project Area grant to GRID Alternatives to install solar panels on single-family homes occupied by low-income residents.

Item: _____
CED Committee
January 11, 2011

A proposal for funding solar panels and/or solar hot water systems on low-income multi-family properties in the Project Area was considered by the Broadway/MacArthur/San Pablo PAC at their September 3, 2009 meeting. The PAC elected to support the project with a maximum contribution of \$100,000.

OHA staff identified 3901 Webster Street as an ideal site for the pilot solar project based on: 1) its location in the Broadway/MacArthur/San Pablo project area, 2) the size of the building and number of households served, and 3) the fact that the building is scheduled to have a new roof installed, therefore making it a prime candidate for solar panels.

Since the time of the initial PAC commitment in September 2009, control of the proposed site has moved from an OHA public housing subsidized site, to a non-profit affiliate, Oakland Affordable Housing Preservation Initiatives, Inc. (OAHPI), which now owns it as part of a larger project based Section 8 portfolio. OHA continues to manage the property.

At the November 4, 2010 PAC meeting, the PAC renewed its commitment to the project and funding proposal and requested that staff take the item before the City Council for approval.

PROJECT DESCRIPTION

The total project cost is estimated to be \$170,000.00, of which the Agency contribution will be \$100,000. Agency funding will be combined with the OAHPI funds to pay for the purchase and installation of a solar electric system for the property located at 3901 Webster Street. Costs include materials, labor, supervision, and related electrical and monitoring equipment for the system. Installation of the system would occur in 2011.

If the funding is approved, OAHPI will obtain bids from licensed contractors. The bidding and award process is estimated to be 4 months. It is estimated that the project will take approximately three weeks to install once commenced. OAHPI will partner with Oakland-based Allen Temple Housing & Economic Development Corporation (ATHEDCO) to hire participants from their Dr. J. Alfred Smith Sr., Training Academy (DJASSTA). DJASSTA is an employment training and placement program that provides formerly incarcerated individuals with the skills and support they need to re-enter society and achieve self-sufficiency. This project will be used as a work experience site for four DJASSTA participants.

The redevelopment contribution will not exceed \$100,000. The Agency will execute a grant agreement with OAHPI that will outline the terms of the grant disbursement.

KEY ISSUES AND IMPACTS

OAHPI will contribute up to \$70,000 total to the project and OHA intends to use this project as a pilot for future greening efforts of this housing stock. Additionally, they will use the pilot project as a job training vehicle for at risk individuals.

Item: _____
CED Committee
January 11, 2011

The use of redevelopment funds for this project is consistent with the Broadway/MacArthur/San Pablo Redevelopment Plan and the Five Year Implementation Plan. The proposed project is eligible for redevelopment funding under California Redevelopment Law since it will result in a reduction in housing costs for low-income households. The units at 3901 Webster Street are Section 8 units owned by a non-profit affiliate of the Oakland Housing Authority. Under the Section 8 program, the calculation of the rent tenants can afford to pay (which is based on their income) is reduced by an estimate of utility costs that the tenant pays directly. The estimated utility costs are based on an area average and do not take into account whether the tenant lives in a building with solar panels or other energy efficiency measures. As a result, if the utility costs are significantly lowered for a building due to solar panels or other energy efficiency measures, the savings will go directly to the tenant in the form of reduced utility costs. Therefore, the tenants of 3901 Webster Street will continue to receive the same rent subsidy as before and will also be able to pocket the additional savings due to reduced utility costs.

SUSTAINABLE OPPORTUNITIES

Environmental: The installation of solar panels will generate clean, renewable power and reduce greenhouse gas emissions.

Economic: The installation of solar panels on low-income properties within the Project Area will reduce housing costs for low-income residents.

Social Equity: The goal of this project is to reduce housing costs and provide job training opportunities for low-income residents.

DISABILITY AND SENIOR CITIZEN ACCESS

This project will have no impact on disability and senior citizen access.

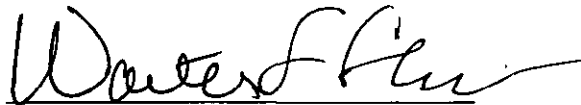
RECOMMENDATION AND RATIONALE

Staff recommends that the Agency accepts the Broadway/MacArthur/San Pablo Redevelopment PAC's recommendation to provide a grant of up to \$100,000 to OAHPI to complete a solar panel installation at 3901 Webster Street within the Project Area. This work will help to reduce the housing costs for low-income households in the Project Area.

ACTION REQUESTED OF THE CITY COUNCIL


It is requested that the attached Agency resolution be approved authorizing a grant of up to \$100,000 to Oakland Affordable Housing Preservation Initiatives, Inc. from the Broadway/MacArthur/San Pablo Redevelopment Project Area for the installation of solar panels on the building located at 3901 Webster Street.

Respectfully submitted,



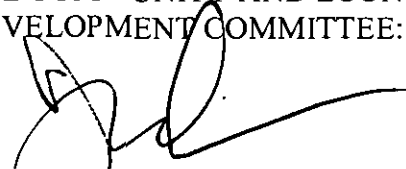
Walter S. Cohen, Director

Community and Economic Development
Agency

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

Prepared by:
Christine Lebron, Urban Economic Analyst II
Redevelopment Division

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



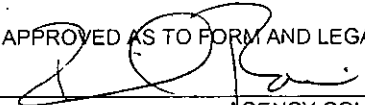
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Item: _____
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APPROVED AS TO FORM AND LEGALITY:


AGENCY COUNSEL

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

AN AGENCY RESOLUTION AUTHORIZING A GRANT OF UP TO \$100,000 IN BROADWAY/MACARTHUR/SAN PABLO REDEVELOPMENT FUNDS TO OAKLAND AFFORDABLE HOUSING PRESERVATION INITIATIVES, INC. (OAHPI) FOR THE INSTALLATION OF SOLAR PANELS ON A MULTI-FAMILY LOW-INCOME HOUSING PROPERTY LOCATED AT 3901 WEBSTER STREET

WHEREAS, the Broadway/MacArthur/San Pablo Redevelopment Project Area contains low-income households struggling with on-going housing affordability; and

WHEREAS, Oakland Affordable Housing Preservation Initiatives, inc. ("OAHPI"), is an Oakland Housing Authority ("OHA") affiliated non-profit and presently owns the property at 3901 Webster Street within the Project Area, which is rented to low-income households; and

WHEREAS, OHA staff presented a proposal to the Broadway/MacArthur/San Pablo Redevelopment Project Area Committee ("PAC") on September 3, 2009 and November 4, 2010 requesting funding to assist with a solar panel installation project on this property; and

WHEREAS, the PAC approved a motion to support a \$100,000 funding request; and

WHEREAS, the solar panel installation project will result in the reduction of housing costs for low-income households; and

WHEREAS, the provision of funding for this purpose are consistent with and will further the purposes of the Broadway/MacArthur/San Pablo Redevelopment Plan and its Five-Year Implementation Plan adopted on December 7, 2009; and

WHEREAS, Section 33449 of the California Community Redevelopment Law authorizes a redevelopment agency to improve housing for low and moderate income households; and

WHEREAS, the Agency wishes to support the OAHPI solar project by providing up to \$100,000 from Broadway/MacArthur/San Pablo project funds to OAHPI for use on

its low-income residential property within the Project Area boundaries; now, therefore, be it

RESOLVED: That the Agency hereby authorizes a grant of up to \$100,000 from the Broadway/MacArthur/San Pablo Tax Allocation Bond Series 2006C-T Fund (9538), Redevelopment Projects Organization (88669), Broadway/MacArthur/San Pablo Land Acquisition Project (T315210) to a new project number to be determined for OAHPI to install solar panels on the low-income permanently affordable housing property located at 3901 Webster Street within the Broadway/MacArthur/San Pablo Redevelopment Project Area; and be it

FURTHER RESOLVED: That the making of the grant shall be contingent on and subject to such appropriate terms and conditions as the Agency Administrator or his or her designee may establish; and be it

FURTHER RESOLVED: That the Agency has independently reviewed and considered this environmental determination, and the Agency finds and determines that this action complies with the California Environmental Quality Act ("CEQA") because the project is exempt from CEQA pursuant to Section 15301 (minor alterations to existing facilities) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the Agency Administrator or her designee is authorized to conduct negotiations, execute a grant agreement, and take any other actions with respect to the grant consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

LATONDA SIMMONS
Secretary, Redevelopment Agency
of the City of Oakland