



FILED
OFFICE OF THE CITY CLERK
OAKLAND

2013 MAY 30 PM 4:36 **AGENDA REPORT**

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Oak Knoll & CCE Five-Year
Implementation Plans

DATE: May 20, 2013

ORSA Administrator

Date

Approval

5/20/13

COUNCIL DISTRICT:

RECOMMENDATION

Staff recommends that the City Council, acting as the governing board of the Oakland Redevelopment Successor Agency ("ORSA"), convene a Public Hearing and upon conclusion adopt:

A RESOLUTION ADOPTING THE FIVE YEAR IMPLEMENTATION PLAN, 2011-2016, FOR THE OAK KNOLL REDEVELOPMENT PROJECT

A RESOLUTION ADOPTING THE FIVE YEAR IMPLEMENTATION PLAN, 2013-2018, FOR THE CENTRAL CITY EAST REDEVELOPMENT PROJECT

EXECUTIVE SUMMARY

The purpose of this report is to approve the two Oakland Redevelopment Successor Agency (ORSA) resolutions that will adopt the Five Year Implementation Plans for the Central City East (CCE) Redevelopment Project and the Oak Knoll Redevelopment Project. The 2011-2016 Oak Knoll Implementation Plan was not adopted previously, and must be adopted to place the Oak Knoll Area into compliance with state redevelopment law. The 2013-2018 CCE Implementation Plan needs to be adopted before the current plan expires in July, 2013.

OUTCOME

The conduct of a public hearing and adoption of the resolutions which accompany this staff report will put ORSA into compliance with state redevelopment law, which, notwithstanding the dissolution of redevelopment agencies still requires that each Project Area must adopt implementation plans for each redevelopment project area every five years.

Item: _____
CED Committee
June 11, 2013

BACKGROUND/LEGISLATIVE HISTORY

The Redevelopment Agency was dissolved on February 1, 2012. The dissolution process required the designation of a successor agency to the Agency. The successor agency, under the supervision of an oversight board, is responsible for winding down the former redevelopment agency's affairs including meeting the remaining legal obligations of the redevelopment agency. On July 17, 2012, ORSA was formed to act as successor agency to the former Redevelopment Agency. In addition, the City elected to step in as successor to the former Redevelopment Agency's housing assets, obligations and functions (although the Low and Moderate Income Housing Fund continues to be held by ORSA). ORSA has adopted Recognized Obligation Payment Schedules (ROPS) listing the remaining enforceable obligations of ORSA, including many contractual obligations related to activities in the various Project Areas.

As a result, ORSA has initiated the process under the dissolution legislation to unwind the affairs of the dissolved Redevelopment Agency. Existing obligations still include many activities to eliminate physical and economic blight conditions in the various redevelopment areas by completing the construction of public improvements and facilities, and meeting the former Redevelopment Agency's contractual obligations in partnerships 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.

Even with the dissolution of the Redevelopment Agency, redevelopment law requires agencies to conduct a public hearing for the adoption of the new five-Year Implementation Plans. ORSA has provided the public noticing of this public hearing as required by redevelopment law.

Central City East: On July 29, 2003, the Central City East Redevelopment Plan was adopted and the Central City East Project Area was created. The first five-year Implementation Plan for Central City East was simultaneously adopted. The second Implementation Plan for 2008-2013 was adopted in July of 2008. The second plan's five year period will expire in July of 2013, and the third implementation Plan has been drafted and should be approved by the end of July, 2013.

Item: _____
CED Committee
June 11, 2013

Oak Knoll: The Final Reuse Plan for the former Naval Medical Center Oakland facility at Oak Knoll was approved by the Housing and Urban Development Department and the Department of Defense on September 10, 1997. The Oak Knoll Redevelopment Plan was adopted by the City Council on July 14, 1998. The first five-year Implementation Plan for Oak Knoll was adopted in 1998 and expired in 2003, based on the Final Reuse Plan. The Navy eventually transferred most of the Oak Knoll property to a private owner in March of 2006. The second Implementation Plan was adopted in 2006 and expired 2011. With the threat of elimination of redevelopment and the uncertain status of development in the Project Area due to the bankruptcy status of the private owner, a new Implementation Plan was not submitted at the time of expiration.

ANALYSIS

Each Five-Year Implementation Plan lists specific projects and programs instituted in each Redevelopment Area. Each of the projects and programs detailed is oriented towards the former Redevelopment Agency's primary goal of reducing or eliminating blight and ensuring the long term economic vitality of the community.

Minimal changes have been applied to the respective Implementation Plans from the previous Implementation plans that were adopted by the Agency.

The previous plans had detailed the various economic and funding resources that would be directed towards accomplishing those projects and programs. The sole source of funding referenced in the 2006-11 Oak Knoll Implementation Plan and the 2008-13 CCE Implementation Plan was tax increment. With the dissolution of the redevelopment agency, tax increment is no longer being generated for each area as of Fiscal Year 2012, and is reflected in each Plan. Therefore, each of the Implementation Plans lists the (non-housing) projects and programs the Agency has identified to address blight, but they also show the revenues available for the projects/programs as zero. There is no list detailing the expenditures at this time.

The housing goals and objectives will be to assist in accomplishing California Redevelopment Law obligations as required. No new housing funds are currently available, as any unobligated housing funds were swept to the taxing entities per Health and Safety Code Section 3417.6.

If other funding sources are identified in the future, the Implementation Plans can be amended during the midterm amendment timeframe to reflect the change in revenues and all linked expenditures.

Central City East Implementation Plan

The new CCE Plan has maintained the same projects and programs since the 2008-2013 Plan. The Revenue section reflects the dissolution of the redevelopment agency and the lack of ability to collect new tax increment. The Capital Expenditure and Funding Categories sections were

Item: _____
CED Committee
June 11, 2013

eliminated, as no new funding is currently scheduled to be collected, and by extension, directed into separate funding categories.

Oak Knoll Implementation Plan:

The Revenue section reflects the dissolution of the redevelopment agency and the lack of ability to collect new tax increment. The Capital Expenditure and Funding Categories sections were eliminated, as no new funding is currently scheduled to be collected, and by extension, directed into separate funding categories.

The Oak Knoll Plan also includes two new additions to the *Specific Projects and Programs and Relationship to Blight Elimination* section:

1. Agency Parcel Development or Land sale: This program allows for the proper management and development of Agency owned parcels within the Project Area. The “*Barcelona Street Parcel*” is identified as a proposed development site. No new funds are generated for this program, so the Agency may have to use existing funds that have been obligated towards Oak Knoll project operations and/or property management funds, as identified on the Recognized Obligation Payment Schedule (ROPS).
2. Vegetation Management: This program allows for the management of the surrounding landscape within and around Oak Knoll. Currently, the management is being handled by other parties; but the Agency wanted to allow for a possible contingency course of action. No new funds are generated for this program, so the Agency may have to use existing funds that have been obligated towards Oak Knoll project operations and/or property maintenance funds, as identified on the ROPS.

PUBLIC OUTREACH/INTEREST

These actions require a public hearing, posting and advertising in the newspaper. The Project Area Committee no longer exists for Central City East, and had never existed for Oak Knoll.

COORDINATION

Staff consulted with the City Administrator’s Budget Office and the Office of the City Attorney in the preparation of this agenda report.

COST SUMMARY/IMPLICATIONS

The report reviews the former Redevelopment Agency's redevelopment activities for the previous three fiscal years. This report also includes an overview of the former Redevelopment Agency's revenues and expenses for each Project Area during this three-year period. There is no direct fiscal impact from the review, revision, and approval of these plans.

There will be no adverse fiscal impacts directly linked to this action. The resolutions only adopt the Five-Year Implementation Plans for Central City East and Oak Knoll. No allocation or reallocation of funds is involved.

Any project expenditures identified in these plans would be funded from unencumbered bond funds or from payments approved on the ROPS, which would require additional specific approval from the City Council/ORSA Board. Any specific fiscal impacts from such projects would be discussed at that time.

SUSTAINABLE OPPORTUNITIES

Economic: The redevelopment activities outlined in the Five-Year Implementation Plans have both a direct and indirect economic benefit on each Project Area, as each plan outlines how Redevelopment efforts will be used to support various business growth and retention projects and programs, capital improvement projects, housing programs, and other commercial development, which sustain the economic viability of each Project Area. The former Agency's financial support for affordable housing development has expanded the supply of affordable housing in Oakland for low and very low income households and individuals. In many cases the former Agency's partnerships with private developers and contractors require compliance with the City's contracting programs, including Small/Local Business Enterprise Construction and Professional Services Program ("L/SLBE") and the Local Employment Program. All of the workers performing construction work for many of the redevelopment projects must be paid prevailing wage rates and project developer will also be subject to the Living Wage Ordinance in certain cases.

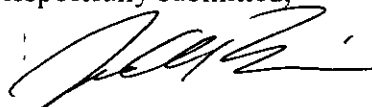
Environmental: Many of the former Agency's redevelopment activities involve underutilized and blighted properties. By developing in already built-up areas, many of the former Agency's redevelopment projects, especially those located near mass transit, reduce the pressure to build on agricultural and other undeveloped land at the periphery of the Bay Area. The location of the former Agency's transportation-oriented developments near mass transit enables residents to reduce dependency on automobiles and therefore contribute to lowering the emission of greenhouse gases. Some of the sites involved in the former Agency's efforts are also contaminated with hazardous materials, and will be cleaned up as part of the redevelopment activity. The former Agency has also made every effort to ensure that any redevelopment project completed or underway will adhere to the City's sustainable development guidelines, which include criteria for

green building technologies, site selection and preparation, water, energy conservation, indoor environmental quality, materials selection, and waste and recycling procedures.

Social Equity: Social equity is ensured through active public involvement in the various redevelopment projects and programs, production of affordable housing for diverse income groups in each of the Project Areas, and sponsorship of public art. For example, the production of affordable housing is a means of achieving greater social equity, as these projects provide low and very low income families affordable housing that is located in proximity to public transportation, employment opportunities and social services

For questions regarding this report, please contact Kimani Rogers, Urban Economic Analyst, at (510) 238-6204.

Respectfully submitted,



from

Fred Blackwell
Assistant City Administrator

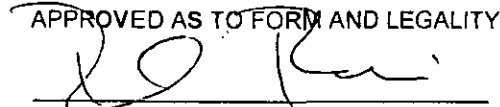
Reviewed by:

Gregory Hunter, Office of Neighborhood Investment
Larry Gallegos, Project Area Manager

Prepared by:

Kimani Rogers, Urban Economic Analyst
Office of Neighborhood Investment

2013 MAY 30 PM 4: 30

APPROVED AS TO FORM AND LEGALITY

ORSA COUNSEL

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION NO. _____

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, _____

PASSED BY THE FOLLOWING VOTE:

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

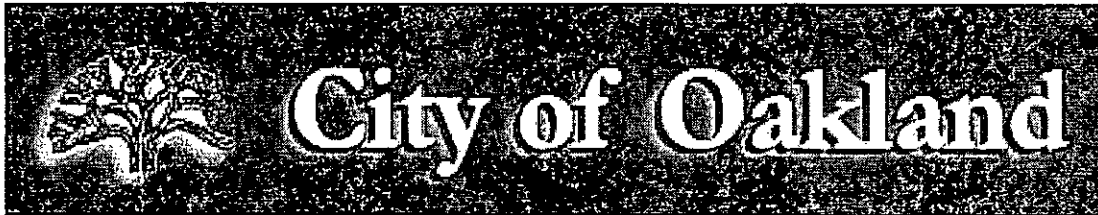
NOES-

ABSENT-

ABSTENTION-

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
--------	-------------------------------	---

**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, ABx1 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 Ridgmont 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 be 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 reinstate 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.

(Remainder of page left blank)

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 or 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 1	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	SRC	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		

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2013 MAY 30 PM 4:30

APPROVED AS TO FORM AND LEGALITY


ORSA COUNSEL

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION NO. _____

A RESOLUTION ADOPTING THE FIVE YEAR IMPLEMENTATION PLAN, 2013-2018, FOR THE CENTRAL CITY EAST 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 Central City East Redevelopment Project for 2013-18; 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 Central City East 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 2013-2018 Implementation Plan for the Central City East Redevelopment Project attached to this Resolution as Exhibit A; and be it further

**Central City East
5-Year Implementation Plan
2013-2018**

Oakland Redevelopment Successor Agency

Table of Contents

Introduction	1
Redevelopment Component	2
Reasons for Adoption of the Project Area	2
Goals and Objectives	7
Specific Programs	11
Expenditures During Third Five Years	18
Housing Component	19
Implementation Plan Requirements	19
Applicable Low & Moderate Income Housing Requirements	21

Chart Index

Exhibit 1: Project Area Boundaries	4
Exhibit 2: Census Tract Boundaries	6
Exhibit 3: Summary of Project Area Demographics	8
Exhibit 4: Relationship between Goals & Objectives, Projects & Programs, & Blight Elimination	17
Exhibit 5: Definition of Affordable Housing Cost	19
Exhibit 6: Housing Production in Central City East	23
Exhibit 7: Projected Housing Development in Central City East	24
Exhibit 8: Affordable Unit Production Requirements	24
Exhibit 9: Affordable Unit Production Requirements (Pending)	24
Exhibit 10: Low and Moderate Income Housing Fund Allocations	27

Attachments

Attachment 1: Central City East Properties To Be Developed	28
--	----

**Five Year
Implementation Plan
2013-2018
Central City East**

Introduction

The Central City East Redevelopment Project was adopted by the City Council on July 29, 2003. An initial five-year implementation plan covering July 29, 2003, through July 29, 2008, was adopted at that time in compliance with Article 16.5 of the California Community Redevelopment Law ("CRL"), which was subsequently amended. The second plan was adopted in 2008, and covered July 29, 2008 through July 29, 2013. This is the third five year Implementation Plan for the period of July 29, 2013 through July 29, 2018. 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 and through to the Project Area's termination. The Implementation Plan incorporates currently known financial constraints of the Agency in developing a program of activities to accomplish revitalization efforts for the Central City East 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, ABx1 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.

Redevelopment Component

Reasons for Adoption of the Project Area

a. Request for Assistance

In early 2001, neighborhood groups in the MacArthur Boulevard area from 73rd to 106th Avenues requested that the City Council include the area in a redevelopment project. Residents were frustrated with deteriorating conditions along the commercial corridors in the central and eastern

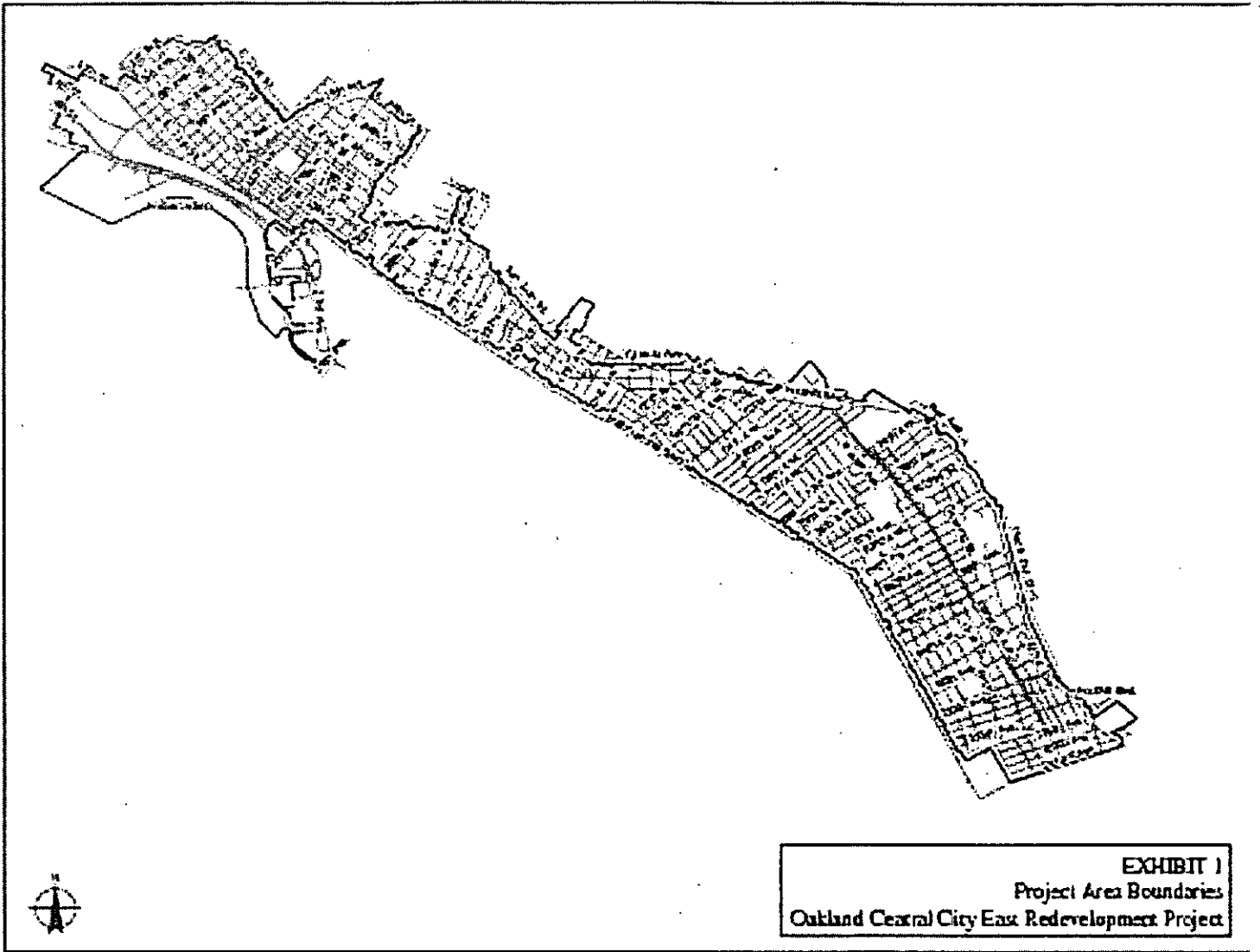
portions of the City and the impact on the adjacent residential areas. Residents cited deteriorated and vacant buildings, prostitution and drug trafficking as specific problems impacting the area. The merchants joined the request, which included Foothill and Bancroft Boulevards from High Street to 73rd Avenue. Later Fruitvale and Eastlake neighborhoods asked to be included.

b. Project Area Setting

The Central City East Redevelopment Project ("Project" or "Project Area") encompasses approximately 3,339 acres beginning at the southern border of the downtown and extending east to Durant Street. The linear Project Area borders the existing Coliseum Redevelopment Project on the south along International Boulevard and to the north along MacArthur Boulevard between Durant Street and 73rd Avenues. At 73rd Avenue, the northern boundary of the Project Area follows Foothill Boulevard in a southwesterly direction to 23rd Avenue where the boundary jogs up to 27th Street then follows 14th Avenue to 20th Street and continues along 20th Street to the western boundary along 1st Avenue. The boundary includes the deletion of one parcel owned by Silveira et. el. along the 5th Avenue area, that was included in the original Project Area (Exhibit 1).

Excluding streets and public rights-of-way, the Project Area encompasses 16,675 parcels that comprise approximately 2,410 acres. The Project Area is primarily developed with single-family residences, with retail uses located in the northwest portion of the Project Area adjacent to the downtown, and along International, MacArthur and Foothill Boulevards. In addition, there is small peninsula of industrial uses along Embarcadero just south of the Nimitz (880) Freeway.

Exhibit 1: Project Area Boundaries



c. Project Area Demographics

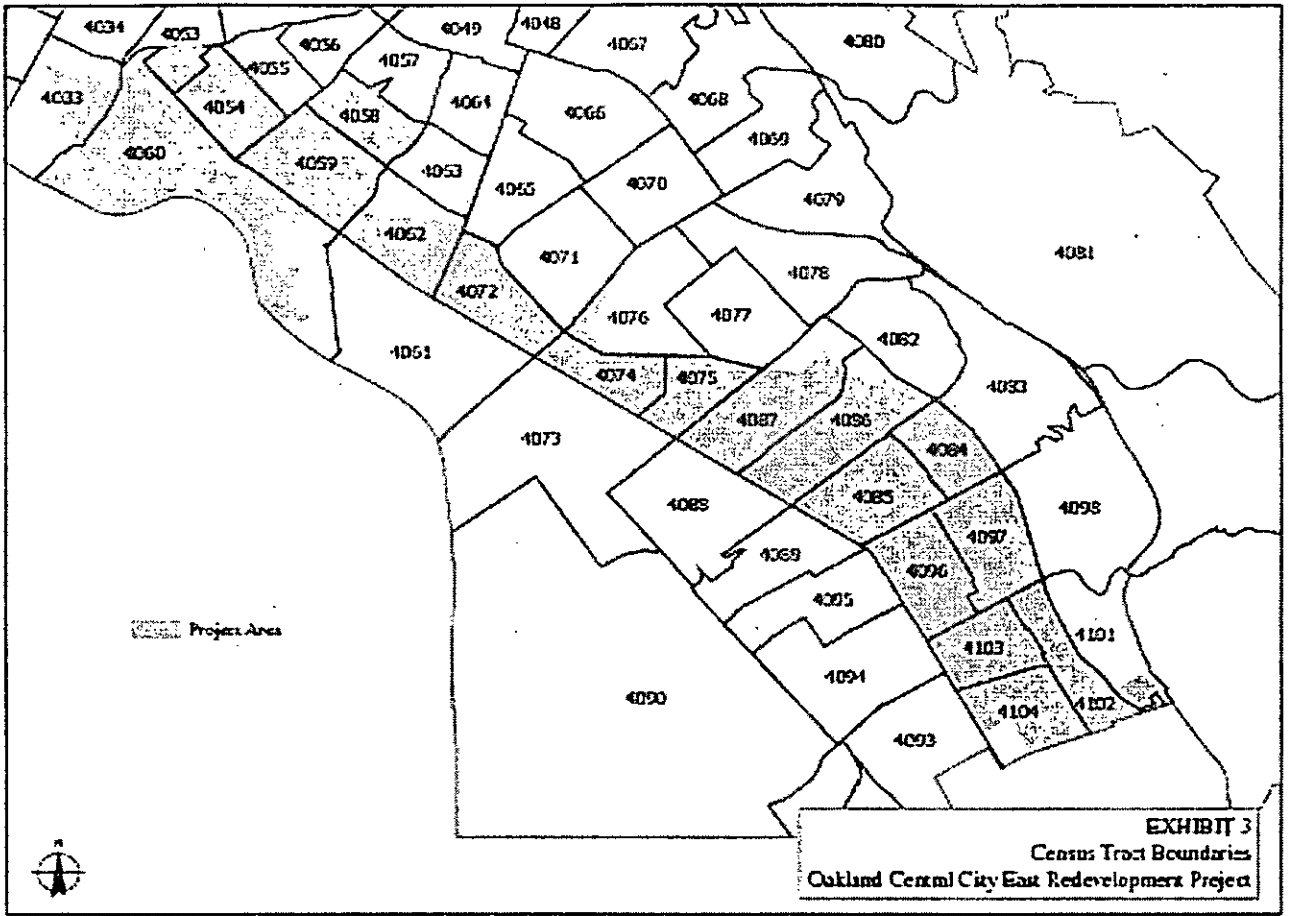
In general, the Project Area has larger but poorer households than the City and Alameda County. These factors have a direct bearing on the ability of residents to address many of the blighting conditions that exist in the Project Area. The 2000 population of the Project Area was estimated to be 92,094. The number of households was estimated to be 27,259, resulting in 3.38 persons per household on average.¹ When compared to the 2.47 persons per household for the balance of City and 2.79 persons per household for Alameda County, it was evident that households in the Project Area are large on average.

Income, education, and housing characteristics were compiled for 2001 by census tract (including territory outside of the Project Area). The Project Area generally conforms to the Census tract boundaries and is believed to be reflective of condition in the Project Area (see Exhibit 2). Median household income is 15 percent below the median for the City, and 41 percent below the median for Alameda County. Per capita income in the Project Area is 35 percent below the Citywide median and 50 percent below the median for Alameda County. The relatively low per capita income in the Project Area is due to the fact that households in the Project Area are larger (3.07 persons per household vs. 2.65 for the City). Residential Overcrowding, the high cost of housing in the Bay Area and the relatively low incomes of households in the Project Area has made it difficult for households to pay for housing and maintain their properties. In addition, the lack of affordable housing has contributed to the overcrowded housing conditions in the Project Area. The Project Area also has a lower level of home ownership, with only 38 percent of the housing occupied by owners versus 43 percent in the balance of the City and 55 percent Countywide. The tendency of some absentee owners to not maintain their properties is a problem in the Project Area. Code enforcement officials indicate that some of the worst absentee landlords in the City own property in the Project Area. In addition, there are a large number of vacant and abandoned buildings in the Project Area.

The relatively low education levels and high unemployment rate also affects blighting conditions in the Project Area in that many of it's young people have become involved in gangs and crime as a means of earning money and as a source of self-esteem. Overall crime rates and violent crime rates are among the highest in the City.

¹ Source: Hausrath Economic Group for 2000 statistics.

Exhibit 2: Census Tract Boundaries



Another important differentiating factor is the higher level of dependency on public transportation that exists in the Project Area. The percentage of persons without access to at least one automobile is higher in the Project Area than in the City and County. Convenient shopping and adequate local services are critical for the vitality of the neighborhoods in the Project Area.

As discussed in the following section, the Agency, with input from the former Central City East Project Area Committee (PAC), had previously identified a number of goals and objectives to address these blighting conditions.

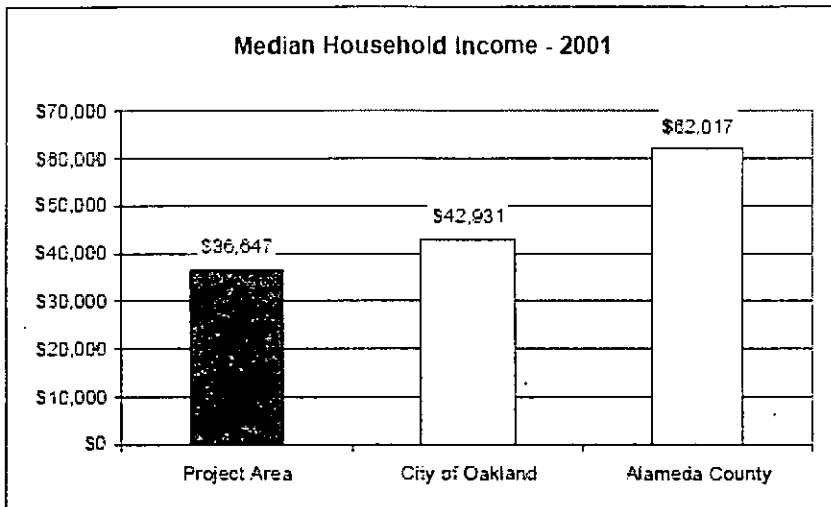
Goals and Objectives

Goals and objectives as described in the Central City East Redevelopment Plan include:

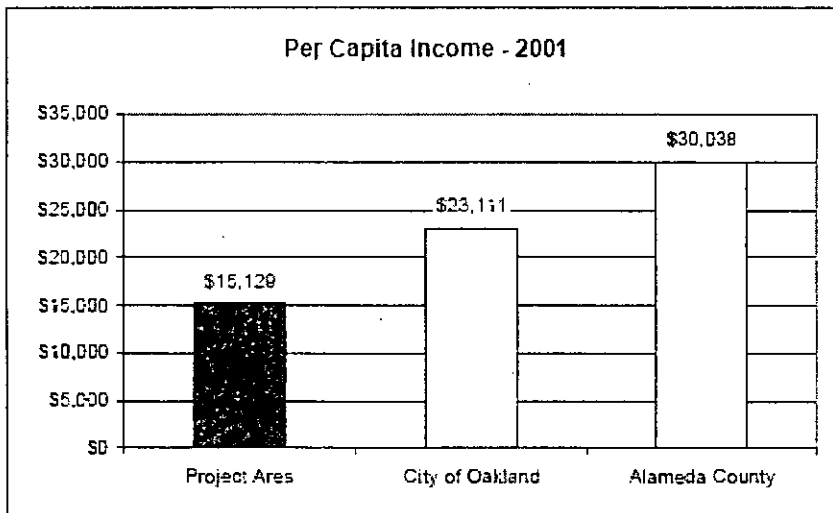
- a. Stimulate in-fill development and land assembly opportunities on obsolete, underutilized and vacant properties in the Project Area.
- b. Stimulate opportunities for adaptive re-use and preservation of existing building stock in the Project Area.
- c. Attract new businesses and retain existing businesses in the Project Area, providing job training and employment opportunities for Project Area residents.
- d. Improve transportation, open space, parking, and other public facilities and infrastructure throughout the Project Area.
- e. Stimulate home ownership opportunities in the Project Area.
- f. Improve the quality of the residential environment by assisting in new construction, rehabilitation and conservation of living units in the Project Area, including units affordable to low- and moderate-income households.
- g. Revitalize neighborhood commercial areas and strengthen retail in the Project Area.

**EXHIBIT 3
PROJECT AREA DEMOGRAPHICS
OAKLAND - CENTRAL CITY EAST REDEVELOPMENT PROJECT**

Income Characteristics:



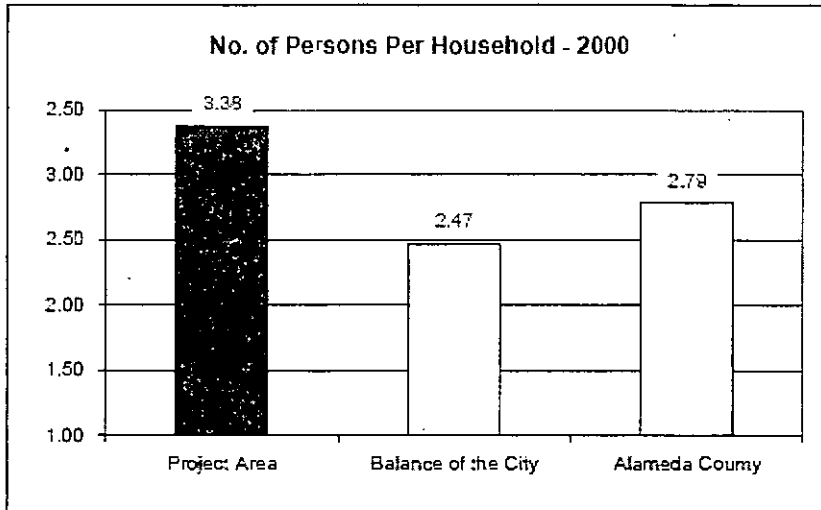
Source: Claritas



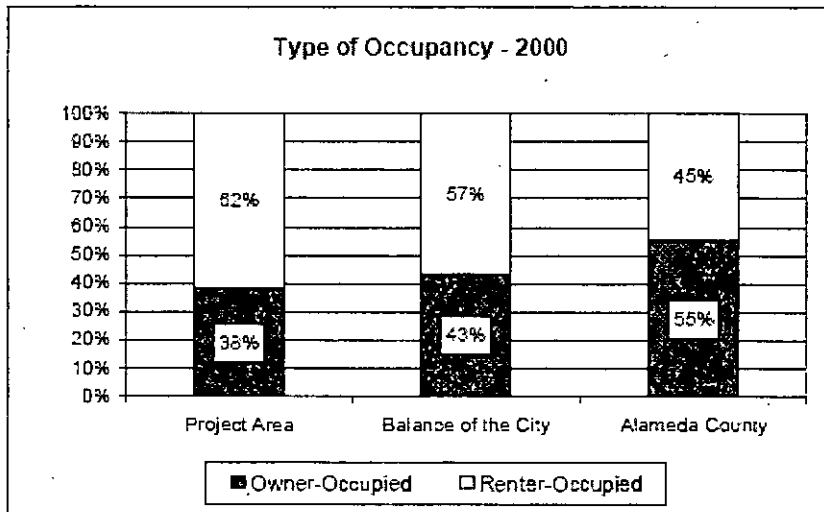
Source: Claritas

**EXHIBIT 3
PROJECT AREA DEMOGRAPHICS
OAKLAND - CENTRAL CITY EAST REDEVELOPMENT PROJECT**

Housing Characteristics:



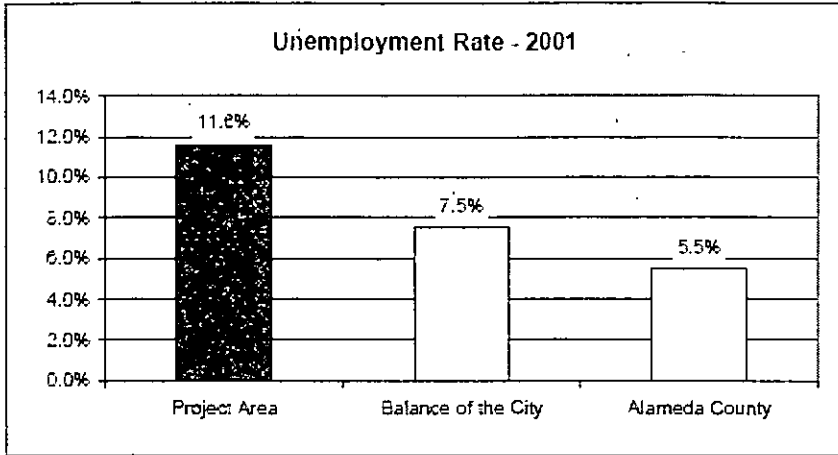
Source: Hausrath Economics Group



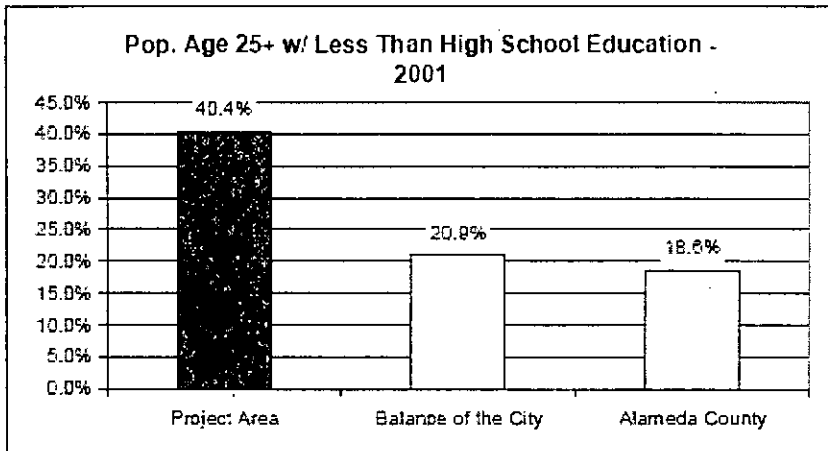
Source: Claritas

**EXHIBIT 3
PROJECT AREA DEMOGRAPHICS
OAKLAND - CENTRAL CITY EAST REDEVELOPMENT PROJECT**

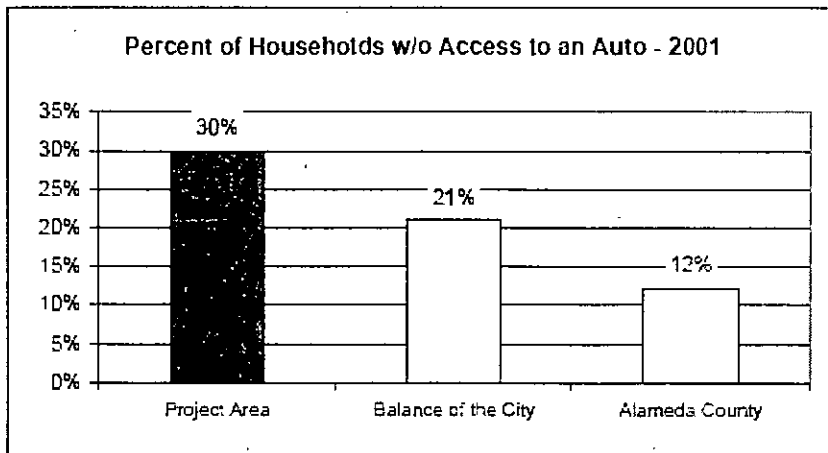
Employment, Education & Transportation:



Source: Claritas



Source: Claritas



Source: Claritas

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.

During the first and second five-year terms of the Project, the former Redevelopment Agency assisted in projects and programs that addressed the goals and objectives identified in the Redevelopment Plan. Due to the dissolution, the Agency anticipates these goals will be addressed to a dramatically lesser extent during this next five-year term.

Programs and Program Actions During the Third Five-Years of the Redevelopment Plan and Relationship to Blight Elimination

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 Exhibit 4.

a. Retail and Commercial Recruitment Loan Program

The Retail Tenant and Commercial Recruitment Program enables the Agency to offer financial assistance in the form of low interest or zero-interest participatory loans and grants within the Redevelopment Project Area. One aspect of this program can be used to assist property owners with rehabilitation of retail and commercial properties to create and improve ground floor retail and commercial spaces and attract new tenants to underutilized and vacant buildings.

Another aspect of this program may include loans to tenants for interior improvements. Some existing community businesses may need capital to expand, replace equipment, or modernize.

By providing these loans and grants, the Agency may make rehabilitation feasible for many properties and businesses for which improvement would not be considered possible because of the unlikelihood of an adequate return on the investment. This program would have the effect of attracting businesses, thereby providing a wider range of retail and commercial uses.

b. Façade and Tenant Improvement Program

The Façade Improvement Program provides matching grants to existing businesses for the purposes of storefront improvements and façade treatments. The matching grant can be structured in different ways, e.g., the Agency may provide \$1 of grant for each \$2 of improvement value, or some other ratio. The business would be required to fund the remaining amount. This program provides assistance to businesses to encourage restoring, modernizing and improving

the facades of commercial structures to enhance the attractiveness and visual appearance of the area. Typical improvements would include paint, signage, lighting, awnings, window and door replacement, limited parapet additions, finishes and decorative features designed to highlight building characteristics. Edge treatment grants could also be made available for improvements (such as landscaping and fencing) to the frontage of properties. The Tenant improvement Program provides a similar service for the interior improvements of commercial buildings that have been vacant for at least six months.

By eliminating physical deterioration and improving the substandard (obsolete) appearance of the retail and commercial buildings and surrounding sites, more patrons will be attracted to the area, which will improve declining retail sales. The increased business activity should slow the rate of business closures and attract new businesses to the Project Area. Also, by improving the buildings, property values should increase.

c. Historic Preservation Program

Portions of the Project Area that include significant historic buildings can be made into viable retail, commercial, or residential properties through various Agency-sponsored efforts and Agency assistance.

This program can both preserve important resources and eliminate the hazardous conditions in which people live and work by addressing issues such as seismic safety. Furthermore, rehabilitation of historic buildings provides reuse of valuable properties that may be underutilized or vacant, and preserves the character of an area.

d. Project Planning

The purpose of this program is to provide funding for outside consultants to develop plans, both physical and strategic, for the project area. This program will allow for in depth research resulting in plans that address the large and diverse project area but will also allow the development of plans which are specific to subarea that will fit into the large goals and objectives of the CCE redevelopment plan.

e. Land Assembly and Relocation Program

The purpose of this program is to assist private, public, and non-profit developers in assembling small, underutilized and/or poorly configured parcels of property into sites suitable for new development. The Agency's efforts in assembling land for private use would be applied in selective cases and only upon selection of a qualified developer. The Agency should avoid land assembly in cases where there is no current agreement with a development entity for development of the site. The Agency may assist in the selective assembly of land through

voluntary purchase, negotiated purchase, or eminent domain, to the extent that funding and legal authority is available.

Land assembly would likely take place in response to property owner, developer or Agency initiated efforts to assemble property needed for the expansion of existing uses or for the creation of sites capable of development for new uses. Through an Owner Participation Agreement (CPA) or Disposition and Development Agreement (DDA), the Agency or the City may provide land write downs or may grant or loan money to assist new retail, commercial, or housing development or expansion of existing facilities. By expanding existing buildings the Agency will help to reduce the number of inadequate sized buildings, which will in turn accommodate a wider variety of contemporary retail and commercial uses. By assembling small parcels, the Agency will reduce the number of inadequate sized parcels in multiple ownership and provide adequate space to develop contemporary facilities or expand existing buildings to accommodate a wider variety of uses.

The Agency may also choose to participate in the acquisition of property for infrastructure or public facilities purposes that would primarily benefit the Project Area. The program may also include site preparation activities such as demolition and clearance, and assistance for environmental remediation.

The Agency will provide relocation assistance as required by California State Housing and Community Development Regulations and Agency Guidelines. This will ensure that uniform, fair, and equitable treatment is afforded to displaced businesses and residents as a result of the Agency's land assembly and relocation program. Specific details will be provided in the actual Relocation Plan adopted by the City Council.

f. infrastructure improvements & Community Facilities Program

infrastructure improvements cover a variety of public works projects ranging from installation of utilities, traffic capacity projects, mass-transit improvements, parking facilities, new streets, undergrounding overhead distribution and communication lines, storm drainage and sanitary sewers, bridges and under- or over-crossings, flood control improvements, pedestrian and bicycle friendly areas, traffic calming, freeway noise walls, and many other assorted capital projects. This may also include streetscape projects including constructing new curbs, gutters and sidewalks where they do not exist or where broken curbs, gutters and sidewalks require replacement; installing street trees and shrubs; constructing both decorative and handicapped accessible crosswalks; constructing new medians with landscaping; adding visual and safety improvements to existing medians; installing street furniture, such as trash receptacles and newspaper racks; and improving area lighting by increasing the number of luminaries, increasing the wattage of individual streetlights or adding pedestrian streetlights.

improving the infrastructure will help to attract development to the area by eliminating costs that might otherwise be born by the private sector. This should help to increase building activity and improve property values. Furthermore, public improvements such as parking structures/lots will

improve the viability of commercial property, helping to compensate for individual property site deficiencies, and lighting improvements will create a safer environment in which to shop and reduce graffiti.

Community-based projects focus on the need for new or improved community facilities such as parks, community centers, libraries, open space and cultural facilities. Such facilities can be provided in conjunction with public schools to enrich the educational experience. Projects are anticipated for development using Redevelopment Agency and/or other funds from the City, State and Federal governments. These projects are intended to encourage further investment in the neighborhoods and make them more desirable places to visit and live.

By increasing investment in neighborhoods there will be an added benefit of assisting in the rehabilitation of deteriorated buildings and alleviate the existence of substandard structures. Also, by providing additional recreation facilities, certain crimes related to gang activity should be reduced.

g. Public/Private Development Program

Public/private coordination occurs when the Agency participates in significant private development projects. Through an Owner Participation Agreement or Disposition and Development Agreement, the Agency may grant or loan money to assist new commercial development or expansion of existing commercial facilities. This program may fund construction, landscaping, façade upgrades, parking improvements and City's Public Work's development requirements (e.g. fire hydrants or traffic mitigation projects, etc.)

By expanding existing buildings, the Agency will help to reduce the number of inadequate sized buildings, which will in turn accommodate a wider variety of contemporary commercial and industrial uses. By assembling small parcels, the Agency will reduce the number of inadequate sized parcels in multiple ownership and provide adequate space to develop contemporary facilities or expand existing buildings to accommodate a wider variety of uses.

Before the dissolution of redevelopment, the Redevelopment Agency acquired 20 parcels in six locations that had been prepared for development, see *Attachment 1: CCE Properties to be Developed*, for the full list of parcels. The Redevelopment Agency issued requests for proposals to select developers and then entered into development agreements for these six sites. The planned uses for these sites include:

Seminary Point – A 1.69 acre site made up of 11 parcels located at the intersection of Foothill Boulevard and Seminary Avenue. Sunfield Development, LLC has an ENA for the site and is prepared to enter into a DDA to build a new 27,000 sf neighborhood-serving retail center featuring a 14,250 sf Walgreens store as an anchor tenant with additional smaller retail tenants.

Eastmont - A 1.22 acre site located at the intersection of 73rd Avenue and Foothill Boulevard. The site will accommodate approximately 19,500 sf of retail and has been identified as a good

location for neighborhood serving retail. Given the shortage of financial institutions and drug stores, the Agency has identified a bank and drug store that would be interested in the area. The next step is to select a developer to implement the project.

36th Avenue and Foothill Boulevard – Two adjacent corner sites made up of 4 parcels totaling 0.78 acre. The sites are identified as good locations for retail in this underserved area. Each corner could accommodate an approximately 6,000 retail building and parking. The next step is to select a developer to implement the project.

Foothill Square - A 0.53 acre site located at 10451 MacArthur Blvd near the intersection of 106th Avenue and MacArthur Boulevard and across from Foothill Square. The site has been identified as good location for a mixed-use residential development. The site could accommodate approximately 75 residential units and 3,000 sf of retail. The next step is to select a developer to implement the project.

27th Avenue and Foothill Boulevard - A 0.52 acre site made up of 2 parcels located at 2777 and 2759 Foothill Blvd at the intersection of Foothill and 28th Avenue. The site could accommodate a retail neighborhood serving commercial development supported by the scheduled streetscape improvements along Foothill Blvd. The next step is to select a developer to implement the project.

Melrose Ford - A 0.73 acre site made up of 2 parcels only one of which is in the Central City East Redevelopment Area. The Site is located at the intersection of international Boulevard and Derby Street and a Reuse Feasibility Assessment for the property conducted in March 2011 identified several possible uses, including the option of retail uses fronting international Boulevard and a second building housing community/medical offices. The next step is to select a developer to implement the project.

h. Commercial Security/Crime Prevention Program

Due to the high crime rates in the Redevelopment Area, new programs can be developed to address the need for safer streets and neighborhoods. These programs may include, but are not limited to, lighting improvements, cameras on commercial corridors, security alarms.

By implementing such commercial security and crime prevention programs, the Agency will reduce crime as well as retain and recruit more businesses to the area. In addition the Agency will create safer and more livable neighborhoods for its constituents.

i. Contingency Fund

Due to various factors that can impact a project or programs financial requirements, a Contingency Fund category was created. All Contingency Funds must be used to support existing projects or programs. The Contingency Funds cannot be used to fund a new project or program.

The Contingency category will supply funds for projects or programs which are suffering from under funding due to an increase in expenses, expansion of scope or other demonstrated occurrences that will delay the project or program.

EXAMPLE PROGRAMS AND BLIGHT ELIMINATION CHART

Blighting Conditions	Typical Indicator of Blighting Condition	Proposed Redevelopment Programs								
		Affordable Housing Program	Retail & Commercial Recruitment Program	Repair & Tenant Improvement Program	Historic Preservation Program	Project Planning	Land Assembly & Relocation Program	Commercial Security/Crime Prevention Program	Public/Private Development Program	Infrastructure Improvement/Community Facilities Prog
Physical Blight										
Buildings in which it is unsafe or unhealthy for persons to live or work.	Building Code Violations	X	X	X	X	X			X	X
	Unreinforced Masonry Buildings	X	X	X	X	X			X	X
	Unsafe and Unhealthy Site Conditions	X	X				X		X	X
Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots.	Substandard Design and/or Construction	X	X	X	X	X	X		X	X
	Obsolete Design	X	X	X	X	X	X		X	X
Adjacent or nearby incompatible land uses that prevent the development of those parcels or other parcels of the project area.	Residential Uses Adjacent to Industrial or Heavy Commercial Uses	X					X		X	
The existence of suboptimal lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.	Lots of Inadequate Size and Shape in Multiple Ownership	X	X			X	X		X	X
Economic Blight										
Depressed or stagnant property values.	Depreciated or Stagnant Assess Property Values	X	X	X	X	X	X	X	X	X
	Low Property Sales Prices	X	X	X	X	X	X	X	X	X
Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings.	Abandoned Buildings and Excessive Vacant Lots	X	X	X	X	X	X	X	X	X
A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, or banks and/or lending institutions.	Lack of supermarkets, drug stores, or banks/financial institutions		X	X		X	X		X	
Serious residential overcrowding that has resulted in significant public health or safety problems.	Residential Overcrowding	X			X		X		X	
An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety or welfare problems.	Excess of bars and liquor stores		X			X	X		X	
	Excess of adult bookstores, theaters and other adult uses		X			X	X		X	
A high crime rate that constitutes a serious threat to the public safety and welfare.	High Crime Rates	X		X		X		X		X

NOTE: The impacts of any specific project or program on blighting conditions is dependent upon the actual design and intent of the project or program. These programs are examples only.

Exhibit 4: Relationship between Goals & Objectives, Projects & Programs, and Blight Elimination

Prepared by: Keyser Marston Associates, Inc. Revised by Redevelopment staff

Expenditures During the Third Five Years of the Redevelopment Plan

The Redevelopment Plan is prepared with the intent of providing the Agency with the necessary legal authority and flexibility to implement the revitalization of the Project. The Plan authorizes the Agency 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.

Housing Component – Central City East

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.

Exhibit 5: 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 or 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)).

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.

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 Prior to July, 2013

As shown in the following table, from the inception of the Redevelopment Plan for this Area (July 2003) through the end of the previous implementation Plan period (July, 2013), a total of 899 units had been newly constructed, substantially rehabilitated, or were under development:

Exhibit 6: Housing Production in Central City East, July 2003 – July, 2013

Project Name	Units	Type	Year Completed	Affordability Level			
				Very Low	Low	Mod	Above Mod
2524-2528 108th Avenue	3	Family	2004				3
2951-2957 68th Avenue	4	Family	2004				4
8850-8870 MacArthur Boulevard	3	Family	2003				3
9884 MacArthur Boulevard	6	Family	2005				6
Casa Velasco (3430 Foothill Blvd.) ^a	20	Senior	2003	19			1
District Homes Condos (1515 14th Ave)	18	Homeownership	2004				18
East 12th @ 4th Avenue	5	Family	2005				5
Eastwout Court (6850 Foothill Blvd.)	19	Disabled	2005	18			1
Foothill Family Apartments (6900 Foothill Blvd.) ^b	65	Family	2003	45	19		1
Nathan A. Milev Senior Housing	69	Senior	2007	50	19		
Oak Park Apartments (2618 E. 16th St.) ^c	35	Family	2004	34			1
Palm Villa (90th-94th St/MacArthur Blvd.) ^d	33	Homeownership	2005			33	
Scattered Site Infill Development ^e	92	Various	Various				92
Orchards on Foothill (2719 Foothill Blvd)	65	Senior	2008	64			1
Covington Manor	19	Family	2012				19
Clinton Commons (720 E. 11th St)	55	Family	2012	37	17		1
MacArthur Apartments (9800 MacArthur)	32	Family	2013	30	1		1
9839.49 MacArthur Blvd.	10	Homeownership	2013				10
Lakeside Senior Apartments	92	Senior	2014	91		1	
Effie's House ^f	21	Family	2013	4	17		
Hugh Taylor House ^f	42	Special Needs	2012	42			
Eldridge Gonaway Commons ^f	40	Family	2013	39			1
Posada de Colores ^f	100	Senior	2011	99			1
Kenneth Henry Court	51	Family	2012	22	29		
Total	899			594	102	34	169
Percentage	100%			66%	11%	4%	19%

a. Casa Velasco, a "substantial rehabilitation" development (as per State Redevelopment law) with new 55 year affordability restrictions, was completed Dec. 2003.

b. According to OCHM and OHA, Foothill Family Apartments was completed in 2001, but the affordability restrictions began in 2003. As a result, these units may not count towards the affordable housing production requirements.

c. Oak Park Apartments, a "substantial rehabilitation" development (as per State Redevelopment law) with new 55 year affordability restrictions, was completed in Sept. 2004.

d. Palm Villa in its entirety consists of 78 moderate income homeownership units. Only 33 of these units

were sold after the CCE Redevelopment Plan Adoption date of July 2003 and thus, included in the housing production figures.

e. Source: Win2Data "Year Built" 2004-08

f. Effie's, Hugh Taylor, Eldridge Gonaway, Posada de Colores, and Kenneth Henry were all "substantial rehabilitations" (as per State Redevelopment law) of existing affordable housing with renewed 55 year affordability restrictions

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

The Agency estimates that between 2013 and 2022 (i.e. the next ten-year Production Requirement Compliance Period), there could be as many as 3,100 units of housing newly constructed, substantially rehabilitated, or acquired with affordability covenants.

Exhibit 7: Projected Housing Development in Central City East, July, 2013 – June, 2022

Project Name	Units	Type	Year Completed	Affordability Level			
				Very Low	Low	Mod	Above Mod
Brooklyn Basin (Oak to Ninth) ^a	3,100	Family	TBD				3,100
Total	3,100			0	0	0	3,100

a. Brooklyn Basin is estimated to consist of 3,100 units in its entirety in the Central City East Project Area. It is unlikely that all these units will be built during the compliance period, but all are included to be conservative. The project is expected to have an affordability component, which is estimated at 465 units. The completion timeline and affordability levels of these units are also unknown at this time and are therefore not included in the above table.

e. Estimated Number of Units Required for Housing Production Obligation

During the previous compliance period, the housing production obligation was fulfilled, with a surplus of affordable units affordable to very-low, low, and moderate income households, as summarized in the following table:

Exhibit 8: Affordable Unit Production Requirements Based on Completed/Underway Projects

	Total	Total Affordable	VLI Only
Total Units Completed/Underway	899	730	594
Less Required Affordable Units (15% total, 6% VLI)		135	54
Surplus/(Deficit)		595	540

a. Includes units for very low, low and moderate income households.

if the projected 3,100 units are built during the next Implementation Plan period or during the 10-year compliance period, this would generate a new housing production obligation of an additional 465 units affordable to very-low, low or moderate income households. Of these, at least 186 units would be required to be affordable to and restricted for occupancy by very-low income households.

Because the Agency has exceeded the production obligation for the previous 10-year period, the surplus units may be counted toward the future obligation for the next 10-year period. The below table summarizes the total production obligation for the upcoming 10-year compliance period, inclusive of those surplus units:

Exhibit 9: Affordable Unit Production Requirements Based on Completed/Underway and Pending Projects

	Total	Total Affordable	VLI Only
Total units Completed/Underway plus Pending Units	3,999		
Required Affordable Units (15% total, 6% VLI)		600	240
Affordable units Completed/Underway plus Pending Units		730	594
Net Surplus/(Deficit) including Pending		130	354

a. Includes units for very low, low and moderate income households.

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, to 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 for most redevelopment project areas were used

throughout the different project areas (including Central City East), while funds generated by Central City East could only be utilized inside the project area.

The table below provides information for the previous implementation plan period regarding Low and Moderate Income Housing Fund monies utilized in the project area 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.

Exhibit 10: Low and Moderate Income Housing Fund Allocations, July, 2008 – July, 2013

Project Name	Housing Type	Project Type	Year Complete	Agency Funding*
Posada de Colores	Senior	Rental Rehabilitation	2011	\$450,000
Effie's House	Family	Rental Rehabilitation	2013	\$2,517,000
Clinton Commons	Family	Rental New Construction	2012	\$5,827,497
MacArthur Apartments	Family	Rental New Construction	2013	\$4,485,000
Hugh Taylor House	Special Needs	Rental Rehabilitation	2012	\$1,222,000
Eldridge Gonaway Commons	Family	Rental Rehabilitation	2013	\$1,655,000
Kenneth Henry Court	Family	Rental Rehabilitation	2012	\$1,375,000
Owner-Occupied Rehabilitation Program ^b	Family	Ownership Rehabilitation	Various	\$1,255,243
First-Time Homebuyer Program ^c	Family	Mortgage Assistance	Various	\$630,941

(a) Agency Funding includes all allocations to projects in Central City East from 2008-2013, not only funds generated within the Central City East Redevelopment Area.

(b) Amount shown is amount expended. The amount originally allocated for Owner-Occupied Rehabilitation was \$3,090,399. However, some of these funds were lost due to the dissolution of Redevelopment.

(c) Amount shown is amount expended. The amount originally allocated for First-Time Homebuyer programs was \$2,870,813. However, some of these funds were lost due to the dissolution of Redevelopment.

Attachment 1

Project Name	Address	APN	Square Feet
SEMINARY POINT	5859 Foothill Blvd	038-3182-001	2,827
SEMINARY POINT	2521 Seminary Avenue	038-3182-002	6,276
SEMINARY POINT	2529 Seminary Avenue	038-3182-003	9,580
SEMINARY POINT	5844 Bancroft	038-3182-005	3,238
SEMINARY POINT	5803 Foothill Blvd	038-3182-020	18,127
SEMINARY POINT	5805 Foothill Blvd	038-3182-021	2,324
SEMINARY POINT	Foothill Blvd	038-3182-022	6,638
SEMINARY POINT	5833 Foothill Blvd	038-3182-023	15,755
SEMINARY POINT	5835 Foothill Blvd	038-3182-024	2,555
SEMINARY POINT	5847 Foothill Blvd	038-3182-025	3,773
SEMINARY POINT	5851 Foothill Blvd	038-3182-026	2,253
EASTMONT	73rd AVE & Foothill BLVD	039-3291-020	53,160
36TH AND Foothill	3614 Foothill Blvd. (36th & Foothill)	032-2084-050	5,000
36TH AND Foothill	3600 Foothill Blvd	032-2084-051	10,625
36TH AND Foothill	3566 Foothill Blvd	032-2115-037-01	6,541
36TH AND Foothill	3550 Foothill Blvd (36th & Foothill)	032-2115-038-01	11,893
FOOTHILL SQUARE	10451 Macarthur Blvd	047-5576-007-3	23,000
27TH AND Foothill	2777 Foothill Blvd	025-0733-008-02	17,818
27TH AND Foothill	2759 Foothill Blvd	025-0733-088-03	4,626
MELROSE FORD	Derby Street	025-0720-002-01	9,000