

**REDEVELOPMENT AGENCY OF THE
CITY OF OAKLAND
AGENDA REPORT**

TO: Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: December 14, 2004

**RE: A RESOLUTION ADOPTING THE COLISEUM NEIGHBORHOOD
PROJECT INITIATIVE PROGRAM, AND REAPPROPRIATING \$180,000 IN
FY 2004-2005 FOR THE PROGRAM FROM COLISEUM
REDEVELOPMENT PROJECT AREA FUNDS**

SUMMARY

The proposed Coliseum Neighborhood Project Initiative Program is intended to further blight reduction and beautification efforts through the funding of small-scale, community initiated public improvement and infrastructure projects. While the Redevelopment Agency, through strategic investment of tax increment dollars, has positively impacted the growth of tax increment within its redevelopment areas, it currently has no programs to fund smaller scaled public infrastructure projects.

The Neighborhood Project Initiative Program intends to support the existing network of community based and merchant organizations in funding neighborhood infrastructure improvement projects, which are beneficial to the community, within the public domain and currently have no other public funding source.

The initial deployment of the initiative would be in the Coliseum Redevelopment Project Area, as a pilot program, and receive its funding through a transfer of unexpended project funds of that same project area. Should the initiative prove successful in reducing blight and supporting community momentum in their efforts to beautify neighborhoods then other redevelopment areas will have the option of adopting similar programs.

FISCAL IMPACT

The Coliseum Redevelopment Area will allocate \$180,000 of unexpended project funds for initial financing of the pilot program. There is no additional staff costs associated with the Initiative, as existing City staff will manage the program.

The Neighborhood Project Initiative will be funded from FY 04-05 Coliseum Capital unexpended project (9451, 94800, 78811, P207810).

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BACKGROUND

The Redevelopment Agency has been successful in effecting positive change through contributing funding support of high profile development projects, area enhancing streetscape programs, and smart growth development projects. While these major projects have done much to reduce overall blight and enhance the infrastructure and appearance of redevelopment areas, they have not addressed smaller community infrastructure and physical improvement needs. Over time, Coliseum staff has received numerous requests for assistance in the implementation of small-scale neighborhood projects.

Coliseum Redevelopment funded programs associated with Business Services, Enhanced Patrol and Workforce Development target assistance to commercial districts within the Coliseum Redevelopment area. Historically, the Coliseum Redevelopment Project Area's contribution to neighborhood improvement projects was provided through financial support of the Neighborhood Commercial Revitalization's (NCR) Façade Improvement Program. Although the benefits of the Façade Improvement Program have been well documented, the program's structure prevents it from expanding its scope beyond that of facade projects within a designated commercial district.

The Agency, through the use of Coliseum tax increment funds, has contributed significantly to development projects that have assisted in redefining neighborhoods and communities throughout the Redevelopment Area. These changes have been welcomed by the residential community, which comprises approximately 25% of the Coliseum Redevelopment Area, and business community, but these key developments have not lessened the community's overall need for small scale infrastructure projects to complement and provide a linkage between major developments and the community. Requests for small project support are made of Coliseum staff on a continuous basis while attending both community and business association meetings.

The Neighborhood Project Initiative was developed by Coliseum staff to respond to these community requests and provide the mechanisms needed for program implementation. Staff has discussed proposed guidelines with community members, City Council staff and City staff who potentially would be responsible for program/project delivery. As proposed, the Neighborhood Project Initiative would be administered through the existing City of Oakland Service Delivery System structure.

KEY ISSUES AND IMPACTS

Neighborhood redevelopment efforts can benefit from improved funding for basic blight removal and beautification activities. The Neighborhood Project Initiative is intended to provide another means to support the broad goals of the City Council, project area redevelopment goals and implementation plan, as well as community interests in anti-blight activities.

The Program will complement existing City programs and Agency projects, as well as, fill a funding gap for small-scale neighborhood projects. It will support the on-going efforts of Service Delivery System (SDS) teams, redevelopment communities, redevelopment project area advisory committees, redevelopment Project Area Committees (PACs) and sub-committees to abate blight and create more livable communities.

The Program's initial funding source as proposed is Coliseum project area unexpended project carry-forward and the initial appropriation is \$180,000. Should the Program prove successful in its intended purpose, future year appropriations would be funded directly through undesignated Coliseum tax increment funds. Staff proposes that future annual contributions for the Neighborhood Project Initiative not exceed 3% - 5% of the net tax increment for the proposed year.

The proposed fund for project support has been presented to the three SDS teams that operate within the Coliseum Redevelopment area and staff has received feedback that the SDS teams are prepared to develop systems and processes to administer the Program.

Future adoption of the Neighborhood Project Initiative and contribution of 3% - 5% of tax increment would be eligible in redevelopment areas that have been established for a minimum of five years. Currently, this would include the Acorn, Stanford/Adeline, Oak Center, Central District, and Coliseum redevelopment areas.

PROGRAM DESCRIPTION

Financial Contribution

Each SDS team within the Coliseum Redevelopment Area will receive an equal share of the contribution from that area. The total contribution for projects within the Redevelopment Area shall not exceed its annual appropriation. Grants to a single project shall not exceed 25% of the total amount allocated to each SDS team.

Program grants are intended to be used to leverage other funds, and spur community investment. Redevelopment law does not allow for redevelopment funding of ongoing maintenance

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activities. Therefore, projects must be one-time costs; any type of ongoing and/or continuing maintenance services will not be eligible. Funds may be used for hard costs (equipment, supplies, implementation and construction cost) only; City staff costs associated with a project preparation work or overhead will be deemed ineligible. Applicant's invoices will be paid upon completion of work and approval from City staff that the project's completion is satisfactory.

Eligible Projects

Crime Deterrent: Projects of this type can be physical improvements, such as improved lighting or fencing, removal of vegetation, or other crime deterrent activities. Projects consistent with the principles of Crime Prevention Through Environmental Design (CPTED) may be eligible.

Neighborhood or Corridor Beautification: Projects designed to improve the appearance of neighborhoods or commercial corridors. These could include physical improvements, such as the installation of barriers or fencing to deter illegal dumping, one-time community cleanup projects, repair or replacement of infrastructure (trash receptacles, park benches, roadside infrastructure).

Establishment of Community Identity: Projects could include banners, gateway signage, constructing and installing signs along public trails.

Physical improvements that do not fall into these categories may be deemed eligible by project staff, on a case-by-case basis.

Ineligible Projects Include: Ongoing and/or continuing maintenance services; projects deemed inappropriate or ineligible by redevelopment staff or legal counsel; non-fee services that are currently being provided by the City or the Agency; and projects located outside the funding Redevelopment Area.

Submittal Process

SDS teams will accept proposals submitted by Neighborhood and Merchant Associations registered with the City of Oakland, Neighborhood Crime Prevention Councils, and redevelopment advisory groups or Project Area Committees (PACs). Council Members and Neighborhood Commercial Revitalization (NCR) staff may also submit proposals.

Approval Process

Staff recommends that the Agency establish two annual review periods for submittal and review of proposed projects. SDS teams will receive submitted applications, and conduct an initial

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eligibility review to determine projects that satisfy the Program's basic requirements and goals. Priority will be given to collaborative efforts involving multiple organizations. Project impact, as measured by the population and area affected, will also be considered. Only one contribution will be allowed for any project or component of a larger project per fiscal year. Eligible projects will be forwarded to Redevelopment SDS representative for additional review and to determine that projects satisfy Area Redevelopment Plan requirements.

The final selection of projects to receive funding will be made by the City Council after the SDS review committee has considered all future impacts and sustainability. Approval of projects that involve installation of or improvements to City facilities or other publicly-owned improvements must follow the process set forth in redevelopment law. Under redevelopment law, the use of redevelopment funds to assist in the installation and construction of publicly-owned improvements requires Council findings that (1) the improvements benefit the project area or the immediate neighborhood, (2) no other reasonable means of financing the improvements are available, and (3) the funding will assist in the elimination of blight in the project area and is consistent with the five-year implementation plan for the area. Use of agency funds for the installation or construction of a publicly-owned building also requires a public report and a public hearing.

Implementation Guidelines

Each SDS team will be responsible for the administration and implementation of projects in its area. They will determine the prioritization of projects, oversee project implementation, conduct follow-up reviews, and issue funds upon project completion. Project management (i.e. bidding, report generation, community outreach) will be administered through implementing agency staff represented on each SDS team and the requesting entity. The SDS team and implementing agency will be responsible for approval of the project budget and project scope.

All projects must be delivered/completed/installed within 120 days (four months) of the SDS project award date. Completed invoices must be presented and approved before reimbursement will be made out to the applicant. City staff will evaluate completed projects on a semi-annual basis to determine the community impact and overall effectiveness of the Program. All City purchasing guidelines and requirements must be adhered to in the administration of the Neighborhood Project Initiative Program.

SUSTAINABLE OPPORTUNITIES

By improving neighborhood appearance and infrastructure in redevelopment areas, the Neighborhood Project Initiative will aid in business attraction and retention. Projects funded by the program will improve infrastructure and facilitate the redevelopment of blighted and underutilized sites.

Economic: It is not anticipated that this Initiative will create tax increment for the Redevelopment Area.

Coliseum area businesses receiving contracts for services or products through this Initiative may realize some economic benefit.

Environmental: Projects that promote the use or deployment of environmentally sound products or services will be supported.

Social Equity: Adoption of this initiative provides for a more equitable disbursement of redevelopment funds throughout the Redevelopment Area.

DISABILITY AND SENIOR CITIZEN ACCESS

All projects funded by the Neighborhood Project Initiative will comply with the Americans with Disabilities Act (ADA) and the Older Americans Act, and other applicable laws. By improving infrastructure and safety, the Program will make neighborhoods more accessible to senior citizens and the disabled.

ACTION REQUESTED OF THE AGENCY

Staff requests that the Redevelopment Agency approve the attached resolution and report.

Respectfully submitted,

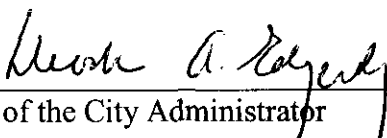


for **Daniel Vanderprieem, Director**

Redevelopment, Economic Development, and
Housing and Community Development

Prepared by:
Gregory Hunter, Manager
East Oakland Redevelopment

APPROVED AND FORWARDED TO THE
COMMUNITY & ECONOMIC DEVELOPMENT
COMMITTEE:



Office of the City Administrator

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REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

A RESOLUTION ADOPTING THE NEIGHBORHOOD PROJECTS INITIATIVE PROGRAM, REAPPROPRIATING \$180,000 IN FY 2004-2005 FOR THE PROGRAM FROM COLISEUM REDEVELOPMENT PROJECT AREA FUNDS, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO NEGOTIATE CONTRACTS FOR THE PROGRAM

WHEREAS, there is a need for a blight reduction program that impacts general blight conditions throughout the Coliseum Redevelopment Project Area; and

WHEREAS, the staff of the Community and Economic Development Agency have prepared a Coliseum Neighborhood Project Initiative Program (the "Program") to assist in addressing general blight conditions within the Project Area; and

WHEREAS, the Program will assist community and business groups in the Coliseum Project Area by providing them with monetary tools necessary to address the *correction of minor blighting effects while working in conjunction with other City of Oakland and Agency programs*; and

WHEREAS, the Program is consistent with and will further the purposes of the Coliseum Redevelopment Plan and its Five-Year Implementation Plan; and

WHEREAS, the Agency wishes to support these activities by allocating \$180,000 from FY 2004-2005 Coliseum Redevelopment Agency unexpended project funds for the Program; now, therefore, be it

RESOLVED: That the Agency hereby adopts the Coliseum Neighborhood Project Initiative Program to provide assistance in reducing blighting effects in the Coliseum Project Area; and be it further

RESOLVED: That the Agency hereby re-appropriates \$180,000 from FY 2004-2005 Coliseum Redevelopment Project Area Funds to the Coliseum Neighborhood Project Initiative; and be it further

RESOLVED: That the Agency Administrator or her designee is authorized to *adopt guidelines for the Program and to negotiate contracts for work associated with the*

Program within the available budget for this purpose, and to take other action with respect to the Program; and be it further

RESOLVED: That the Agency Administrator or her designee as agent of the City is hereby authorized to conduct negotiations and take any other actions consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, BRUNNER, CHANG, NADEL, QUAN, REID, WAN, AND CHAIRPERSON DE LA FUENTE,

NOES-

ABSENT-

ABSTENTION-

Attest: _____

CEDA FLOYD
Secretary of the Redevelopment Agency
of the City of Oakland