

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2009 NOV 18 PM 12:51

TO: Office of the City/Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: December 1, 2009

RE: Resolutions Adopting Five-Year Implementation Plans For The Acorn, Broadway/MacArthur/San Pablo, Central District, Coliseum, Oak Center, And Stanford/Adeline Redevelopment Project Areas

SUMMARY

This item is a request for Redevelopment Agency approval of resolutions adopting Five-Year Implementation Plans for 2009-14 for the Acorn, Broadway/MacArthur/San Pablo, Central District, Coliseum, Oak Center, and Stanford/Adeline redevelopment project areas.

The adoption of the attached resolutions is necessary to satisfy Section 33490 of the California Community Redevelopment Law, a requirement that a redevelopment agency must adopt implementation plans for each redevelopment project area every five years.

The FY 2009-14 projected budgets for each of the redevelopment project areas are as follows:

**PROJECTED BUDGETS
By Project Area, FY2009-14*
(\$'000s)**

PROJECT AREA	Capital Projects & Programs	Personnel & General Activities	Debt Service	Low/Moderate -Income Housing
Acorn	2,435	1,167	810	1,423
Broadway/MacArthur/San Pablo	25,350	4,980	7,885	6,394
Central District	18,391	35,724	128,156	67,986
Coliseum	96,795	35,767	34,216	34,001
Oak Center	90	0	800	0
Stanford/Adeline	0	149	151	187

*Includes funds from all listed project areas, interest income and loan repayments.

FISCAL IMPACT

Proposed expenditures for FY 2009-10 for each of the six implementation plans are consistent with the Agency's FY 2009-10 Amended Budget. For the last three of the five years proposed, FY 2011-14, the attached schedules are projections only and are contingent upon specific

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Agency authorizations at a later date. The assumed rates of revenue growth for each project area are based upon a percentage growth (between 1.5% and 5% with the rates increasing as the economy recovers over time) in total assessed value of all taxable properties within each area, over a 2009 assessed valuation.

There will be no adverse impact on the General Fund or to the funds of the Redevelopment Agency. The resolutions only adopt six Five-Year Implementation Plans. No allocation or reallocation of funds is involved.

BACKGROUND

In January 1994, Assembly Bill 1290 (Isenberg) came into effect, dramatically changing redevelopment law in California. Among such changes was a requirement for redevelopment agencies to develop and adopt implementation plans for all redevelopment project areas established before December 31, 1994, and every five years thereafter over the life of each redevelopment plan. Redevelopment project areas created after January 1, 1995 are required to produce implementation plans at their creation and every five years thereafter over the life of the redevelopment plan.

The law requires that the content of the implementation plan include:

1. Specific goals and objectives of the Agency for the project area over the next five years;
2. Specific programs, including potential projects and estimated expenditures;
3. An explanation of how these goals, objectives, programs, and expenditures will eliminate blight;
4. Identification of specific fiscal year time limits for each project area and/or amendment area, including (a) the time limit for the commencement for eminent domain proceedings to acquire property within the project area; (b) the time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project; (c) the time limit for the effectiveness of the redevelopment plan; and (d) the time limit to repay indebtedness with the proceeds of property taxes; and
5. An explanation of how these goals, objectives, programs, and expenditures will fulfill redevelopment law low- and moderate-income housing requirements.

In response to this law, the Agency adopted the first set of five-year implementation plans for the Acorn, Central District, Oak Center, and Stanford/Adeline Redevelopment Projects in December 1994; since then, there have been three sets of approved implementation plans. This approval encompasses the fourth set of plans. The first implementation plan for the Coliseum Area Redevelopment Project was adopted when the original Coliseum Redevelopment Plan was adopted in July 1995; in 2004, the Coliseum Implementation Plan was adopted concurrent with the other five projects areas.

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Not included in this set of implementation plans are the Oak Knoll, West Oakland, Central City East, and Oakland Army Base project areas. The Oak Knoll Redevelopment Project Area was created in July 1998; in December 2006, the Oakland City Council/Redevelopment Agency Board approved the fiscal merger of the Oak Knoll and Central City East Redevelopment Areas. The current Oak Knoll Implementation Plan runs until December, 2011. The West Oakland and Central City East Redevelopment project areas were established in 2003 and new implementation plans were adopted in 2008. The Oakland Army Base will adopt a new implementation plan in 2010 after the master developer has refined its development proposal.

The law also provides for periodic public review of the five-year implementation plans, as a means to evaluate the progress of the redevelopment projects. A public hearing on the implementation plan must be held no earlier than two years and no later than three years after each plan's adoption. Depending upon the adoption date of the six Five-Year Implementation Plans discussed in this report, public hearings must be held between December 2011 and December 2012 for input on potential modifications.

KEY ISSUES AND IMPACTS

The Five-Year Implementation Plans are based on the Oakland Redevelopment Agency FY 2009-10 Amended Budget. The types of expenditures were identified and expenditure amounts were estimated in this Budget, but no specific projects were identified. Specific projects and funding allocations will be made through the Redevelopment Agency's standard budget process in 2010, for FY2010-12, and again in 2012, for FY2012-14.

SERAF Time Extensions

On July 24, 2009 the California legislature passed multiple pieces of legislation to balance the State's budget deficit. One budgeting measure was ABX4-26, which authorized the funding of a Supplemental Educational Revenue Augmentation Fund (SERAF) using revenue generated by redevelopment agencies from across the state. The SERAF will be in effect for two years (FY 2009-10 and FY 2010-11) and is funded at \$2.05 billion over the two-year period. The Oakland Redevelopment Agency's mandated expected contribution for FY 2009-10 is \$41,074,866, and \$8,497,000 for FY 2010-11. Under the SERAF legislation (Section 33331.5 of the Health and Safety Code), redevelopment agencies are entitled to a one-year extension on their plan effectiveness and receipt of tax increment time limits if they make the SERAF payments. While the California Redevelopment Association has filed a lawsuit challenging the SERAF requirement, if the lawsuit is unsuccessful and the Agency makes its first payment by May 2010, all affected project areas will be entitled to a one-year extension of plan effectiveness and a one-year extension of ability to collect the tax increment, subject to Council approval by ordinance.

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This new SERAF policy has the following impact on this set of Implementation Plans:

1. All tax increment revenue projections presented in this report are based upon the SERAF contribution occurring.
2. Because both the Central District and Acorn Project Areas are scheduled to expire within the next several years, the SERAF measure and potential one-year extensions directly impact the tax increment revenue projections presented in each of these plans. If SERAF is successfully applied to the Redevelopment Agency by the State, staff will recommend to Council that both the Central District and Acorn time limits be extended for one year.
 - (a) The Central District's effectiveness/activity time limit can be extended from June 12, 2012, to June 12, 2013, and its tax increment collection time limit can be extended from June 12, 2022, to June 12, 2023. This extension increases the overall amount of projected net tax increment revenue for the 2009-2014 plan years by approximately \$5,166,000.
 - (b) The Acorn's effectiveness/activity time limit can be extended from January 1, 2012, to January 1, 2013, and its tax increment collection time limit can be extended from January 1, 2022, to January 1, 2023. This extension increases the overall amount of projected net tax increment revenue for the 2009-2014 plan years by approximately \$666,000.
3. The Oak Center Project Area is scheduled to expire on January 1, 2012, but because this area's redevelopment activities are substantially complete, staff at this point has not determined whether the one-year time limit extensions will be requested.

SB 211 Extensions of Central District Plan Time Limits

For the Central District, time limits could be further extended under Senate Bill 211 (SB 211), which could supplement the one-year plan extension provided by SERAF. SB 211 became effective in 2002 and allows a redevelopment agency to extend deadlines for a plan's effectiveness for an additional 10 years and for receiving tax increment revenue for an additional 10 years. The net effect of pursuing this option would result in increased receipt of tax increment for both this 2009-2014 plan period and the 2014-2019 plan period.

This option would be accomplished by redevelopment plan amendment. However, it should be noted that the SB 211 plan amendment process is very involved. The statute requires the amendment to identify the significant blight that remains on specific parcels, and restricts the Agency's activities to eradicating the blight on just those parcels. By adopting the amendment, the Agency would be restricted to spending the Agency's Low and Moderate Income Housing Funds only to low- and very low-income families, and the amendment increases the amount of property tax increment revenues that must be set-aside in the Low and Moderate Income Housing Fund to 30%.

Because the SB 211 extension process is lengthy and complicated, and to avoid any confusion with the SERAF extension, staff would likely recommend to council that the two extensions be pursued separately, with the SERAF one-year extension coming first, followed by the SB 211 10- year extension prior to the expiration of Central District's plan effectiveness time limit.

Mergers and Extensions

Staff is considering merging some or all of the redevelopment areas in order to facilitate financing, particularly in the Army Base, Broadway/MacArthur/San Pablo and West Oakland areas. When the economy was good, the Broadway/MacArthur/San Pablo redevelopment area had difficulty bonding because of its small size, concentration of ownership and concentration of uses. The Army Base and West Oakland areas have similar difficulties. These three areas are the next to bond and the Agency needs to implement a strategy to facilitate financing for these and the other redevelopment areas. These strategies can significantly lower risk for investors, which will lower the interest rate the Agency pays on the bonds.

There are several possibilities for mergers including:

- 1) Minimal fiscal merger for debt, where all areas would be liable for debt payments should one area not be able to service its debt;
- 2) Limited or one way mergers, similar to the one between Oak Knoll and Central City East which only allows funds to be transferred from Oak Knoll to Central City East;
- 3) Mergers of project areas that are geographically adjacent to one another, such as: Acorn, Oak Center, Oakland Army Base and West Oakland; Central District and Broadway/MacArthur/San Pablo; or Central City East and Coliseum; or
- 4) Full merger of all areas, which can greatly expand the Agencies ability to concentrate redevelopment efforts and implement large projects like the City's Retail Strategy.

After approving any merger, the option chosen would need to be incorporated into the implementation plans for the areas involved. This can be implemented as part of the public hearing required in the middle of the 5-year plan period, between December 2011 and December 2012.

Key Changes to Plans

The following key changes were made to each Implementation Plan, from the previous set of implementation plans adopted by the Agency:

Acorn

- No significant changes have occurred since the previous plan.
- This plan will reach its term limit in 2012 or 2013 depending on the Agency's payment to SERAF and adoption of the corresponding one-year extension of the plan. After the end of the plan, the Agency will only be allowed to collect tax increment to cover debt.

Broadway/MacArthur/San Pablo

- Outline of accomplishments to date since the establishment of the redevelopment area in 2000
- Additional detail regarding the projection and use of tax increment revenue for FY 2009-14 for mandated transfers, set-asides and debt payments.
- Description of on-going programs and projects that will be funded with current and future tax increment revenues.

Central District

- Projection of capital expenditures for FY 2009-14, including carry-forwards, operating revenue, and bond proceeds.
- Updated descriptions of specific capital projects and programs.
- This plan will reach its term limit in 2012 or 2013 depending on the Agency's payment to SERAF and adoption of the corresponding one-year extension of the plan. After the end of the plan, the Agency will only be allowed to collect tax increment to cover debt.

Coliseum

- Statement of current goals and strategies.
- Projection of tax increment revenue for FY 2009-14 and projected amounts for mandated transfers, set-asides and debt payments.
- Current allocations for new and ongoing projects and programs, with updated project and program descriptions.
- Description of blight conditions and strategies to address blight for FY 2009-14 based on recent planning and economic analyses of the project area.

Oak Center

- Limited activities/projects and debt service remain for this project area, and are to be funded from fund balance. This area no longer collects tax increment and the redevelopment plan ends in 2012.

Stanford/Adeline

- Additional detail regarding the projection and use of tax increment revenue for FY 2009-14 for mandated transfers, set-asides and debt payments.

In addition, per California redevelopment law, each of the Implementation Plans contains a detailed housing component addressing the Agency's housing responsibilities. Each housing component contains information regarding housing requirements for each project area, including a complete description of: 1) applicable housing production requirements; 2) applicable provisions regarding the Low and Moderate Income Housing Fund; 3) housing goals and objectives of the implementation plan; 4) estimated Low and Moderate Income Housing Fund revenues and expenditures; 5) anticipated housing program activities; and 6) allocation of housing funds over the previous implementation period.

SUSTAINABLE OPPORTUNITIES

Economic: The adoption of these Implementation Plans will have an economic benefit to each redevelopment area, as each plan outlines how tax increment funds will be used to support various business growth and retention projects and programs, capital improvement projects, housing programs, and operations and maintenance projects, which sustain the economic viability of each project area.

Environmental: The Agency will make an effort to ensure that any development projects completed as part of the Implementation Plans will adhere to the City's sustainable development guidelines, which include criteria for green building technologies, site selection and preparation, water, energy, indoor environmental quality and human factors, materials selection with recycled content or health considerations, and waste and recycling procedures.

Social Equity: Social equity is ensured through active public involvement in the various projects and programs budgeted for in the Implementation Plans, delineation of affordable housing set-aside funds for each of the project areas, and sponsorship of public art. In addition, developers of redevelopment projects will in some cases be subject to the Agency's employment and contracting programs including local construction employment, local and small local business participation goals, and living wage.

DISABILITY AND SENIOR CITIZEN ACCESS

Any projects and programs implemented in these project areas will be required to comply with applicable City, state, and federal disabled access requirements. Any new construction that occurs on the properties in these project areas will be required to comply with applicable City, state, and federal disabled access requirements. CEDA Building Services will address such standards during plan check and building inspection.

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ACTION REQUESTED OF THE CITY COUNCIL

It is recommended that the Agency approve the attached resolutions adopting Five-Year Implementation Plans for the Acorn, Broadway/MacArthur/San Pablo, Central District, Coliseum, Oak Center, and Stanford/Adeline redevelopment project areas.

Respectfully submitted,



Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed By:


Gregory Hunter, Deputy Director
Economic Development and Redevelopment

Jeffrey Chew, Project Manager
CEDA Redevelopment

Prepared By:

Sunny Nguyen, Project Manager
CEDA Redevelopment

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT
COMMITTEE:



Office of the City/Agency Administrator

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Approved as to form and legality:
CITY CLERK
CITY OF OAKLAND
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REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION PLAN FOR THE ACORN 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 Agency Administrator has prepared and presented to the Agency an Implementation Plan for the Acorn Redevelopment Project for 2009-2014; and

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

WHEREAS, the proposed Implementation Plan as presented to the Agency sets forth the specific goals and objectives for the Acorn 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 the Agency hereby approves and adopts the 2009-2014 Implementation Plan for the Acorn Redevelopment Project attached to this Resolution as Exhibit A; and be it further

RESOLVED: That the Agency Administrator or his 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.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
 LATONDA SIMMONS
 Secretary of the Redevelopment Agency
 of the City of Oakland, California

**A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION
PLAN FOR THE ACORN REDEVELOPMENT PROJECT**

EXHIBIT A

**ACORN REDEVELOPMENT PROJECT
FIVE-YEAR IMPLEMENTATION PLAN
2009-2014**

INTRODUCTION

The California Community Redevelopment Law ("CRL") requires redevelopment agencies to adopt an implementation plan for every redevelopment project area for each five-year period that the project area is in operation and until the term for plan effectiveness of the project area expires. This Implementation Plan (the "Plan") for the Central District Redevelopment Project is a policy statement that has been prepared to guide and to set priorities for redevelopment activities for the 2009-2014 period. This Implementation Plan covers the Acorn Project Area, and references to the "Project Area" in this Implementation Plan includes this area.

This Implementation Plan includes two separate components: a Redevelopment and a Housing Component. The Redevelopment Component revisits the goals and objectives of the Central District Urban Renewal Plan ("CDURP" or "Redevelopment Plan"), presents the projects, programs and expenditures (other than those related to low- and moderate-income housing) that have been developed to achieve the goals and objectives, and describes how these projects, programs and expenditures will eliminate blight within the Project Area. The Housing Component describes how the components of the plan will implement various CRL requirements regarding low- and moderate-income housing; how the Redevelopment Plan goals and objectives for housing preservation and production will be implemented; and how the statutory requirements for the expenditure of tax increment set-aside funds for housing purposes will be met.

The Redevelopment Agency is required to prepare a mid-term review of the Implementation Plan and conduct a public hearing between the second and third year after the Implementation Plan has been adopted. New issues and opportunities may be encountered in the course of administering the Implementation Plan during the five-year period. Therefore, this Implementation Plan may be amended, if necessary, to effectuate changes in Agency priorities. Any such amendments will be reflected in the mid-term review of the Implementation Plan.

I. BACKGROUND AND INTRODUCTION

The Acorn Redevelopment Project Area (the "Project Area") in the West Oakland neighborhood covers 24.55 acres of land on 14 city blocks, is ten blocks from Oakland's downtown area, close to major employment centers in Oakland and San Francisco, and has good public transportation access to BART and AC Transit. The Project Area is fifty percent industrial and fifty percent residential. The Project Area consists of single-family homes, single-family homes that have been converted to multiple units, apartment buildings and public housing projects.

Since the inception of the Acorn Redevelopment Project in November 1961, the Redevelopment Agency has funded or otherwise supported a number of actions called for in earlier implementation plans. Recent accomplishments and actions include:

- Housing development totaling over 1,000 rental units between 1960 and 1970, including Acorn I and II, MOHR, and Apollo;
- Development rehabilitation resulting in 293 refurbished and redesigned rental units and 83 single-family houses;
- Completion of two infrastructure projects along 8th Street; and
- Development of the Jack London Gateway Shopping Center (formerly the Acorn Shopping Center), which is now fully occupied. A grocery store has located in the Center and all previously vacant space has been occupied. Other tenants include a credit union, laundromat/dry cleaners, apparel stores and fast food restaurants. Additional improvements include parking lot repaving, landscaping, plumbing upgrades and installation of a new, more visible sign.

II. GOALS AND OBJECTIVES FOR THE PROJECT AREA

Although the original planned redevelopment activities have been completed, redevelopment goals and objectives for the Acorn Project Area still involve acquiring and/or rehabilitating blighted, vacant and underutilized properties, and identifying additional opportunities for improvements in housing, community retail, and infrastructure.

These activities will be focused primarily in and around the **Jack London Gateway Shopping Center**. In March of 2006, the East Bay Asian Local Development Corporation (“EBALDC”) obtained a funding commitment from the Redevelopment Agency in the amount of \$4.9 million for a 61-unit senior rental housing complex, located on an underutilized section of the Center’s parking lot identified as 900 Market Street. The project started construction January 31, 2008, and celebrated its grand opening on September 2, 2009. Jack London Gateway Associates (“JLG Associates”) also worked diligently on re-tenanting the “grocery space”, but after many tries they have decided to split the space into a smaller 13,000 square foot “grocery space” and an 11,000 square foot general retail space. The Agency agreed to allow the non-grocery use as long as the remaining space was held for a grocery use as required in the Disposition and Development Agreement. JLG Associates then leased the non-grocery space to Citi Trends, a value priced family apparel retailer with over 350 stores in twenty-two states.

III. PROJECTS AND EXPENDITURES PROPOSED FOR THE NEXT FIVE YEARS

The provisions of the Acorn Urban Renewal Plan (“Redevelopment Plan”) are scheduled to terminate January 1, 2012, and all activity under the terms of the Plan shall cease at that time. Though project activities under the terms of the Redevelopment Plan will cease, the Agency may continue to use tax increment revenue to pay off indebtedness and continue monitoring and enforcing ongoing contracts.

The following table outlines the projected tax increment revenue for the Acorn Redevelopment Project over the next five-years. This implementation plan stretches out to 2014 to cover

activities in the event that the Redevelopment Agency elects to extend the Redevelopment Plan's termination date beyond 2012. The projections presented below assume a 1.5% average growth in tax increment revenue over the project area's 2010 assessed property valuation in FY 2010-11, 2% growth over the 2010 valuation in FY 2011-12, and a 2.5% average growth during FY 2012-13 and FY 2013-14. The revenues stated for the last four of the five years proposed, FY 2010-14, are projections *only* and are contingent upon specific Council authorizations at a later date.

Projection of Tax Increment Revenue
FY 2009-14
(\$'000s)

	FISCAL YEAR					TOTAL 2009-14	
	2009-10	2010-11	2011-12	2012-13***			2013-14
Gross Tax Increment Revenue*	1,392	1,413	1,441	1,477	347	351	6,074
Prior Years Revenue	800	0	0	0	0	0	800
Housing Set Aside Requirement	(278)	(328)	(360)	(369)	(87)	(88)	(1,423)
Debt Service	(162)	(162)	(162)	(162)	(162)	(162)	(810)
State Education Funds (ERAF)	(942)	(97)	0	0	0	0	(1,039)
City Repayment	(255)	(259)	(272)	(280)	(98)	(101)	(1,167)
Net Tax Increment Revenues**	555	567	647	666	0	0	2,435

* Includes administrative costs.

** Net Tax Increment Revenue includes staffing and operations & maintenance costs.

*** Section 33331.5 allows for a 1-year time extension in exchange for the Agency making payments to the Supplemental Educational Revenue Augmentation Fund. If the extension doesn't happen there will be a \$1,130,000 reduction in gross tax increment; a \$282,000 reduction in the Housing Set-Aside; a \$182,000 reduction in the City Repayment; and a \$666,000 reduction in net tax increment for projects and programs for FY 2012-13.

The total projected net tax increment revenue that will be available in the Project Fund during the FY 2009-14 period is estimated to be approximately \$2,435,000.

The proposed expenditures for the next five years are based on the projected tax increment revenue that will be available in the Project Fund as described above. It is anticipated that existing residences could benefit from home rehabilitation loans. Additionally, the adjacent West Oakland Redevelopment Project will be engaging in various main street activities, the creation of an Area Plan and the implementation of the 7th Street design plan. Since the Acorn Project Area contains the entrance to the 7th Street corridor, and contains other underutilized commercial and industrial properties, it is recommended that funding be provided for commercial façade improvements and tenant improvements to attract and retain retail activity and commercial/industrial employers. It is also recommended that rehabilitation loans be provided for the aging housing stock in the area. The chart below shows the percent allocation for each year for non-housing set aside funds:

Year:	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14
Residential Rehabilitation Program	50%	50%	50%	50%	50%
Retail and commercial façade improvements and tenant improvement programs	50%	50%	50%	50%	50%

IV. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT

The substantial rehabilitation of Acorn has eliminated blight from the 30 year-old project and provided an updated, lower density, integrated income project. Additional funding will be used for façade improvements, commercial and residential rehabilitation loans.

V. TIME LIMITS

The California Community Redevelopment Law ("CRL") as contained in Sections 33000 *et seq.* of the California Health and Safety Code, requires that this Implementation Plan identify the fiscal year that the Agency expects each of the following time limits described below to expire. For this project area, the time limit expirations are as follows:

DESCRIPTION OF TIME LIMIT EXPIRATION	FISCAL YEAR
(1) The time limit for the commencement for eminent domain proceedings to acquire property within the Project Area	1998-1999
(2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project	2003-2004
(3) The time limit for the effectiveness of the Redevelopment Plan	2011-2012 (i.e., on January 1, 2012)
(4) The time limit to repay indebtedness with the proceeds of property taxes	2021-2022 (i.e., on January 1, 2022)

Some of these time limits may be extended pursuant to the CRL. For instance, if the Agency makes payment to the county Supplemental Educational Revenue Augmentation Fund, it is entitled to extend the time limits on the effectiveness of the Redevelopment Plan and the receipt of tax increment by an additional year (Section 33331.5). Or the Agency may extend these time limits by up to ten additional years if certain conditions are met and certain procedures are followed (Section 33333.10, *et seq.*). Should the Agency extend the time limit for the effectiveness of the Redevelopment Plan, this Implementation Plan shall cover this extended period up through the Implementation Plan term.

V. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL FULFILL THE LOW/MODERATE-INCOME HOUSING REQUIREMENTS

Implementation Plan Requirements

This Housing Component of the Implementation Plan is required by Article 16.5 of the CRL. (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. 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.

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 contains numerous provisions to guide redevelopment agency activities with regard to low-mod housing. These provisions divide a redevelopment agency's housing responsibilities into three major categories:

- The production and/or replacement of low-mod housing depending upon activities undertaken by an agency within its project areas;
- The set-aside and expenditure of specified amounts of tax increment revenue for the express and exclusive purpose of increasing and improving a community's supply of low-mod housing; and
- Preparing reports on how the agency has met, or preparing plans on how the agency will meet its responsibilities with regard to the first two items.

This Housing Component is part of the Agency's responsibilities under the third major category. Its contents address how the Agency's plans for the Project Area will achieve many of the housing responsibilities contained in the first and second major categories of Agency housing activities. 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 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));
- **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)).

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

- At least 20 percent of tax increment revenues must 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).
- The law requires the proportional expenditure of these housing funds on moderate, low, and very-low income housing (Section 33334.4).
- The law requires the transfer of housing funds to other public entities producing housing in the community in some cases if the low and moderate income housing fund has excess surplus (a possible outcome of the provisions of Sections 33334.12 et seq.).
- The law requires the proportional expenditure of housing funds on the same proportion of the population over the age of 65 as reported in the most recent U.S. census (Section 33334.4).

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 Obligations

The Agency is required to meet replacement-housing obligations pursuant to the 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.

The Agency does not anticipate undertaking or assisting any actions in the Project Area 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

Because the Acorn Redevelopment Plan was adopted prior to 1976, the Agency is not required to comply with the area housing unit production requirement of the CRL Section.

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

a. Set-Aside of Tax Increment

The Agency must comply with the Section 33334.2 requirement to allocate 20 percent of the gross tax increment (“Set-Aside”) to affordable housing activities. The Set-Aside is required to be deposited into the Agency’s Low and Moderate Income Housing Fund (the “Housing Fund”) created to hold the monies until expended.

The Redevelopment Agency has adopted a general policy that 25 percent of all tax increment be allocated to the Housing Fund, subject to certain conditions. The projections of deposits into the Housing Fund that are included in the following section assume that the 25 percent Set-Aside will be deposited into the Housing Fund in each of the years covered by the Implementation Plan except for 2009-10 and 2010-11, where some or all of the voluntary 5% increase may be used to make State-mandated payments to the Supplemental Educational Revenue Augmentation Fund if that requirement survives a pending legal challenge.

b. Proportional Expenditures of Housing Fund Monies

The Project Area is subject to the Section 33334.4 requirement that the Agency expend Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met every ten years, in the case of the income proportionality test, and over the duration of the implementation plan in the case of the age test, through the termination of the Redevelopment Plan life. These tests do not have to be met on an annual basis.

c. Very-Low and Low Income Housing Expenditures

The income proportionality test requires the Agency to expend Set-Aside funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the Government Code. The proportionality test used in this Implementation Plan is based on the 2008 Regional Housing Needs Allocation (RHNA) Plan prepared by the Association of Bay Area Governments. Based on the 2008 RHNA, the City’s minimum required allocation for very-low and low-income expenditures and maximum moderate income housing expenditures are:

Category	RHNA	Threshold
Very-Low Income	1,900	At least 27%
Low Income	2,098	At least 29%
Moderate Income	3,142	No more than 44%
Total	7,140	

Therefore, the CRL requires for Oakland that at least 27 percent of the Housing Fund monies dedicated to projects and programs be spent on housing for very-low income households. In addition, at least 29 percent of these funds must be spent on housing for low-income households, and no more than 44 percent of the funds may be spent

on housing for moderate-income households. However, the Agency is entitled to expend a disproportionate amount of the funds for very-low income households, and to subtract a commensurate amount from the low and/or moderate-income thresholds. Similarly, the Agency may provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate-income households. In no event may the expenditures targeted to moderate-income households exceed the established threshold amount.

The Agency will allocate its funds in such a way that these percentages are met over the ten-year period from 2009 through 2019. In addition, the City or other entities may provide assistance for the construction of units affordable to very low and low income households that may also be counted toward meeting the proportionality requirements of Section 33334.4.

d. Age Restricted Housing Expenditures

Section 33334.4 also requires that the Agency assist housing that is available to all persons, regardless of age, in at least the same proportion as the population under age 65 bears to the City's total population as reported in the most recent census of the United States Census Bureau. The 2000 Census indicates that 89.5 percent of the City's population is under 65 years of age. As such, at least 89.5 percent of the Agency expenditures on affordable housing projects must be spent to assist projects that do not impose age restrictions on the residents. The following summarizes the allocation of housing fund monies.

Age Category	Percentage of Funds
Senior	10.5% Maximum
Unrestricted	89.5%
Total	

The Agency will ensure that over the term of this Implementation Plan from 2009 through 2014, not more than 10.5 percent of its expenditures on affordable housing projects are for projects exclusively serving seniors.

e. Transfer of Housing Funds to Other Providers

The Housing Fund is subject to the CRL provisions requiring the transfer of housing funds to other housing producers in the Oakland area in certain circumstances. Such transfers could possibly occur if the Housing Fund contained "excess surplus." Excess surplus means any unexpended and unencumbered amount in the Housing Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited into the Housing Fund during the preceding four fiscal years.

The Agency does not anticipate having an excess surplus during the current Implementation Plan cycle or throughout the subsequent remaining Project Area life.

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 that certain housing expenditures, and preservation and production requirements, be attained during five and ten year increments. The housing production requirement, if applicable, must be met every ten years, while the proportionality tests must be achieved over the next five or ten years, and then again through the end of the Project Area life. 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

The following table presents the projected future deposits into the Housing Fund. As shown below, \$1,424,380 in revenues are projected to be available over the five-year term of this Implementation Plan.

**Estimate Housing Set-Aside Revenue
2009-2014**

Plan Year	Fiscal Year	Housing Set Aside
1	2009-10 ¹	\$278,382
2	2010-11	\$328,459
3	2011-12	\$360,266
4	2012-13	\$369,273
5	2013-14	\$88,000
Total		\$1,424,380

5. Anticipated Housing Program Activities

The Agency may assist in a variety of programs to provide, improve and preserve affordable housing such as the following:

a. Production

¹ Note that in fiscal year 2009-2010 the Agency will deposit only 20% -- instead of 25% -- tax increment set-aside into the Housing Fund due to the State of California's requirement that Redevelopment Agencies make an additional deposit to fund education -- into the "Supplemental" Educational Revenue Augmentation Funds (SERAF) account. In FY 2010-11, the Agency will deposit approximately 23% of the projected gross increment for the project area in order to make the required SERAF payment.

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 rental 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 Agency funds are tracked individually for each project area, the funds from all of the Agency's project areas are combined into a single Low and Moderate Income Housing Fund. The Agency has 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 may be used both inside and outside the Project Area. In addition, the City of

Oakland also provides assistance for the development, improvement and preservation of affordable housing.

The tables on the following pages provide information for the previous implementation plan period, 2004-2009, regarding:

- the amounts of Low and Moderate Income Housing Fund moneys 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.

Redevelopment Agency Assisted Housing Activities Completed or Underway, 2004 - 2009

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
1574-1590 7th Street	Homeownership	Underway	West Oakland			2	3	\$ 127,327
3701 Martin Luther King, Jr. Way	Homeownership	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 109,909
3829 Martin Luther King, Jr. Way	TBD	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 52,000
6 th & Oak Streets	Seniors	Underway	Central District		69			\$ 3,699,656
720 E. 11 th Street Project	Families	Underway	Central City East	30	24			\$ 4,859,833
Altenheim Phase I	Senior	2007	None	39	53		1	\$ 4,084,660
Altenheim Phase II	Seniors	Underway	None	48	32		1	\$ 1,753,000
Byron Avenue Homes	Homeownership	Underway	Central City East	4	4	2		\$ 386,550
California Hotel	Special Needs	Underway	West Oakland	149				\$ 600,000
Drachma, Inc (14 unit scattered site)	Families	Underway	West Oakland	14				\$ 840,000
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	Underway	Coliseum		13	15		\$ 3,601,000
Effie's House	Families	Underway	None	4	17			\$ 1,257,000
Eldridge Gonaway	Families	Underway	Central City East		39		1	\$ 1,655,000
Emancipation Village	Special Needs	Underway	None	35			2	\$ 1,652,000
Fairmount Apartments	Families	Underway	None	30			1	\$ 3,400,000
Faith Housing	TBD	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 689,598
Foothill Plaza Apartments	Families	Underway	Central City East	53			1	\$ 2,910,000
Fox Courts	Families	2009	Central District	40	39		1	\$ 4,950,000
Golf Links	Homeownership	2009	None			3	7	\$ 584,000
Harrison Senior	Senior	Underway	Central District		73			\$ 5,133,000
Hills Elmhurst Plaza Senior Housing	Senior	Underway	Coliseum		63		1	\$ 6,032,000
Hugh Taylor	SRO	Underway	Central City East	42				\$ 1,222,000
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
Lincoln Court	Senior	2006	None	81			1	\$ 2,000,000
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

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
Lion Creek Crossings, Phase IV	Families	Underway	Coliseum	50			1	\$ 2,980,547
MacArthur Homes (3801-3807 MLK Jr. Way)	Homeownership	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 800,000
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
Marin Way Court	Families	Underway	Coliseum		19		1	\$ 1,200,000
Mortgage Assistance Program ²	Homeownership	multiple	Citywide	47	242	2	1	\$13,451,314
Oak Park Homes	Families	2004	Central City East	34			1	\$ 3,419,000
Oak Street Terrace Senior	Senior	2004	Central District	16	22		1	\$ 2,072,000
Oaks Hotel	SRO and Special Needs	Underway	Central District	85				\$ 1,100,000
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	Underway	Central City East	99			1	\$ 450,000
Project Pride	Transitional	Underway	West Oakland	42				\$ 1,600,000
Redwood Hill	Homeownership	Underway	None		8	9		\$ 2,310,000
Saint Joseph's Family Phase IIb	Families	Underway	Coliseum	54	4			\$ 3,019,656
Saint Joseph's Family Phase IIa	Families	Underway	Coliseum			16		\$ 3,584,000
Saint Joseph's Senior	Senior	Underway	Coliseum	42	25		1	\$ 4,639,000
Saint Patrick's Terrace	Senior	Underway	West Oakland		65			\$ 753,600
Sausal Creek	Homeownership	2008	None			17		\$ 3,980,000
Seven Directions	Families	2009	Coliseum	23	12		1	\$ 3,289,000
Slim Jenkins	Families	Underway	West Oakland	27		3	2	\$ 1,920,000
Southlake Towers	Seniors	2004	Central District	26	103		1	\$ 445,300
Tassafaronga Homeownership	Homeownership	Underway	Coliseum		17	5		\$ 1,868,000
Tassafaronga Village Rental Phase I	Families	Underway	Coliseum		50			\$ 3,000,000

(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 2004.

(2) TBD = "to be determined" – specific affordability levels have not yet been established.

² Represents fiscal years 2004-2005 through 2008-2009.

**Housing Units Newly Constructed in Redevelopment Project Areas,
Assisted With Locally-Controlled Government Assistance and
No Redevelopment Agency Low & Moderate Income Housing Financing, 2004 - 2009**

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level			
				Very Low	Low	Moderate	Above Moderate
Lion Creek Crossings, Phase II	Families	2007	Coliseum	63	29		
Nathan A. Miley Senior Housing Community	Senior	2007	Central City East	50	19		
Uptown Project – Parcel 1	Families	2008	Central District	55		15	185
Uptown Project – Parcel 2	Families	2007	Central District	44		9	140
Uptown Project – Parcel 3	Families	2008	Central District	34		9	174
Wang Scattered Site – 901 70 th St.	Homeownership	2004	Coliseum		1		
Wang Scattered Site – 1311 Campbell Street	Homeownership	2005	West Oakland		1		

7. Time Limits and Compliance with Housing Obligations

Per Section 33490(a)(4), there are fewer than six years until the Agency reaches the time limit on the effectiveness of the Redevelopment Plan. Since there are no planned projects in the Project Area that would create a replacement housing obligation, and since area production requirements do not apply to the Project Area, there is no issue with complying with these statutory requirements prior to the time limit. Since all of the Agency's housing setaside funds are pooled into one Citywide Low and Moderate Income Housing Fund, the housing setaside funds generated by the Project Area will continue to remain with the Low and Moderate Income Housing Fund upon expiration of the time limits.

OFFICE OF THE CITY CLERK
OAKLAND
FILED
Approved as to form and legality
2009 NOV 10 PM 12:51
Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION PLAN FOR THE BROADWAY/MACARTHUR/SAN PABLO 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 Agency Administrator has prepared and presented to the Agency an Implementation Plan for the Broadway/MacArthur/San Pablo Redevelopment Project for 2009-2014; and

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

WHEREAS, the proposed Implementation Plan as presented to the Agency sets forth the specific goals and objectives for the Broadway/MacArthur/San Pablo 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 the Agency hereby approves and adopts the 2009-2014 Implementation Plan for the Broadway/MacArthur/San Pablo Redevelopment Project attached to this Resolution as Exhibit A; and be it further

RESOLVED: That the Agency Administrator or his 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.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST:

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

**A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION PLAN FOR THE
BROADWAY/MACARTHUR/SAN PABLO REDEVELOPMENT PROJECT**

EXHIBIT A

**BROADWAY/MACARTHUR/SAN PABLO REDEVELOPMENT PROJECT
FIVE-YEAR IMPLEMENTATION PLAN
2009-2014**

I. INTRODUCTION

The Broadway/MacArthur/San Pablo Redevelopment Plan was adopted on July 25, 2000 (Ordinance No. 12269 C.M.S.). The Project Area consists of two distinct sub-areas in North Oakland and is comprised of 676 acres. The Broadway/MacArthur sub-area incorporates Broadway Auto Row and Telegraph Avenue between 27th and 42nd Streets. The San Pablo sub-area incorporates the Golden Gate neighborhood on San Pablo Avenue between 53rd and 67th Streets.

The California Community Redevelopment Law ("CRL") requires redevelopment agencies to adopt an implementation plan for every redevelopment project area for each five-year period that the project area is in operation and until the term for plan effectiveness of the project area expires. This Implementation Plan for the Broadway/MacArthur/San Pablo Redevelopment Project is a policy statement that has been prepared to guide and to set priorities for redevelopment activities for the 2009-2014 period. The purpose of the Implementation Plan is to provide a clear and reasonable statement of the Agency's short-term intent regarding activities in the Project Area and to establish a nexus between Agency goals and objectives, program activities and the purpose of redevelopment, which is to eliminate blight and to develop and preserve affordable housing.

This Implementation Plan includes two separate components: a Redevelopment and a Housing Component. The Redevelopment Component revisits the goals and objectives of the Broadway/MacArthur/San Pablo Redevelopment Plan, presents the projects, programs and expenditures (other than those related to low- and moderate-income housing) that have been developed to achieve the goals and objectives, and describes how these projects, programs and expenditures will eliminate blight within the Project Area. The Housing Component describes how the components of the plan will implement various CRL requirements regarding low- and moderate-income housing; how the Redevelopment Plan goals and objectives for housing preservation and production will be implemented; and how the statutory requirements for the expenditure of tax increment set-aside funds for housing purposes will be met.

The Redevelopment Agency is required to prepare a mid-term review of the Implementation Plan and conduct a public hearing between the second and third year after the Implementation Plan has been adopted. New issues and opportunities may be encountered in the course of administering the Implementation Plan during the five-year period. Therefore, this Implementation Plan may be amended, if necessary, to effectuate changes in Agency priorities. Any such amendments will be reflected in the mid-term review of the Implementation Plan.

The Implementation Plan is a policy statement rather than an unalterable course of action. The intention is to set priorities for redevelopment activities within the Project Area for the period covered by the Implementation Plan based on the projected funding available during that period. Any funding allocations described in the Implementation Plan are estimates only and do not

commit or limit the Agency to using the funds in the exact manner described. The commitment of funds for projects and programs occurs through the adopted Redevelopment Budget or by separate action of the Agency Board. New issues and opportunities may arise during the course of administering the Redevelopment Plan for the Project Area which may result in the need to amend the Implementation Plan.

This Implementation Plan was developed with considerable community input, led by the Broadway/MacArthur/San Pablo Project Area Committee ("PAC"), comprising homeowners, residential tenants, business owners, and representatives from local community organizations in the Project Area. The PAC was approved and seated on March 21, 2000. Their initial three-year term that was required under redevelopment law ended in July 2003. The Oakland City Council has approved annual one-year extensions for the PAC through July 2010. The PAC reviewed and recommended approval of the proposed expenditure plan for this Implementation Plan at their September 3, 2009, meeting and reviewed a draft of this Implementation Plan at their November 5, 2009, meeting.

II. BACKGROUND

Since the Broadway/MacArthur/San Pablo Redevelopment Plan was first adopted in 2000, the Redevelopment Agency has funded or otherwise supported a number of actions called for in the earlier implementation strategies. The following programs and projects have been accomplished to date in this Project Area:

- Established a Façade Improvement Program and Tenant Improvement Program and completed 30 façade projects and five tenant improvement projects.
- Completed the Broadway Median Improvements on Broadway from W. MacArthur to 42nd Street.
- Completed the Telegraph Avenue Pedestrian Streetscape Improvement Plan.
- Completed the 40th Street Streetscape Project on 40th Street between Telegraph and Martin Luther King, Jr. Way.
- Executed a Disposition and Development Agreement and completed development of 34 units of housing at 3860 Martin Luther King, Jr. Way.
- Started construction on the San Pablo Pedestrian Streetlight Project in July 2009.
- Established the Neighborhood Projects Initiative program and funded 20 projects over three rounds of the program including median renovations on 40th Street and West MacArthur, upgrades to the Golden Gate Recreation Center playing fields, a dog park and tot lot in Mosswood Park, and banners, street trees, and planters on Telegraph Avenue.
- Completed entitlements for the MacArthur Transit Village project and approval of an Owner Participation Agreement committing redevelopment funding to the project.
- Provided grants to Rebuilding Together Oakland to fund renovations on eight properties occupied by low-income home-owners.

- Provided grants to Grid Alternatives to fund solar panels on two properties occupied by low-income residents.
- Provided funding for the Broadway/Valdez District Specific Plan, which is currently underway.

III. GOALS AND OBJECTIVES FOR THE PROJECT AREA

The goals of the Broadway/MacArthur/San Pablo Redevelopment Project are as follows:

- 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 Area residents.
- D. Improve transportation, public facilities and infrastructure throughout the Project Area.
- E. Stimulate home ownership opportunities in the Project Area and preserve and expand the supply of rental housing through new construction, rehabilitation, and conservation of living units in the Project Area.
- F. Revitalize neighborhood commercial areas.

IV. PROJECTS AND EXPENDITURES PROPOSED FOR THE NEXT FIVE YEARS

The following table outlines the projected tax increment revenue from the Broadway/MacArthur/San Pablo Redevelopment Project Area over the five-year period of this Implementation Plan. The figures assume a 1% growth in the total assessed value of all taxable properties within the Project Area over the 2009 assessed valuation during the first year, which increases to a 3% growth rate in 2012. The revenues stated for the last four of the five years proposed, FY 2010-14, are projections *only* and are contingent upon specific Council authorizations at a later date.

Projection of Tax Increment Revenue

	FISCAL YEAR					TOTAL
	2009-10	2010-11	2011-12	2012-13	2013-14	2009-14
Gross Tax Increment Revenue	5,112,073	5,163,194	5,433,449	5,596,452	5,764,346	27,069,514
Prior Years Revenue	1,700,000	-	-	-	-	1,700,000
Housing Set Aside Requirement	(1,022,415)	(1,773,408)	(1,358,362)	(1,399,113)	(1,441,086)	(6,394,384)
AB 1290 Pass-Through	(1,022,420)	(1,041,227)	(1,140,681)	(1,200,666)	(1,262,451)	(5,667,445)
Estimated Debt Service	(1,157,000)	(1,157,000)	(1,857,000)	(1,857,000)	(1,857,000)	(7,885,000)
State Education Funds (ERAF)	(2,205,084)	(364,531)	-	-	-	(2,569,615)
Net Tax Increment Revenues*	1,405,155	1,427,028	1,077,406	1,139,673	1,203,809	6,253,071

* Net tax increment revenue amounts include staffing and operations and maintenance costs.

The total projected net tax increment revenues, net of debt service, which will be available in the Project Fund between 2009 and 2014 are estimated to be approximately \$6.3 million. Of this total, it is projected that approximately \$5 million will be needed to cover on-going staffing and operating costs for this Project Area. That leaves a remainder of \$1.3 million for projects and programs. The above projections assume that an \$8 million bond will be issued in Fiscal Year 2011-2012. The total projected Low and Moderate Income Housing Fund revenues are estimated to be \$6.8 million.

In addition to the money shown above, approximately \$16 million remains from the last five year Implementation Plan period, which includes funds from a \$17 million bond issue in 2006. The majority of these funds have already been committed by the Agency Board/City Council for projects and programs within the Project Area and will be expended within the first year of this Implementation Plan.

The proposed expenditures for the next five years are based on the projected tax increment revenue that will be available in the Project Fund net of staffing and operating costs, the proceeds from the proposed bond issue in Fiscal Year 2011-2012, and the remaining funds from the past five-year Implementation Plan period. The following table provides the approximate funding allocation (excluding the Low and Moderate Income Housing Funds) to each implementation strategy.

Project/Program Category (Example projects and programs)	Committed Funds from Prior Years	Future Tax Increment and Prior Year Funds	Anticipated Bond Proceeds	Total Funding	% of total funds
Business Assistance and Commercial Corridor Enhancement (Façade and Tenant Improvement Programs)	\$700,000	\$0	\$350,000	\$1,050,000	4%
Neighborhood Improvements/Public Facility Upgrades (Neighborhood Project Initiatives Program)	\$200,000	\$0	\$400,000	\$600,000	2%
Low Income Housing Rehab (Rebuilding Together Oakland, Solar Programs, etc.)	\$0	\$400,000	\$0	\$400,000	2%
Catalyst Infill Project Development (MacArthur Transit Village)	\$10,500,000	\$0	\$6,300,000	\$16,800,000	66%
Crime Prevention/Safety (Enhanced Security Officer)	\$400,000		\$0	\$400,000	2%
Land Acquisition/Assembly/Remediation	\$2,000,000	\$0	\$0	\$2,000,000	8%
Streetscapes/Infrastructure projects (San Pablo Streetlights, Telegraph Streetscape)	\$1,850,000	\$400,000	\$950,000	\$3,200,000	13%
Planning Activities (Broadway Specific Plan, and Redevelopment Plan Amendments)	\$400,000	\$500,000	\$0	\$900,000	4%
Total	\$16,050,000	\$1,200,000	\$8,000,000	\$25,350,000	100%

Below is a brief description of the programs and projects referenced in the expenditure plan that have been identified as key components of the implementation strategy for FY 2009-14.

Façade Improvement Program and Tenant Improvement Program

The Façade Improvement and Tenant Improvement programs provide grants and architectural design assistance to property owners and tenants located on the commercial corridors within the Project Area (including Telegraph Avenue, San Pablo Avenue, West MacArthur Boulevard, 40th Street, Martin Luther King, Jr. Way, and Broadway). The goals of the Façade Improvement Program are to promote retail activity, restore historic properties, enhance the general appearance of commercial corridors, and improve blighted properties. The Façade Improvement Program offers matching grants of up to \$30,000 for improvements to storefronts, including new signage, window repair, and exterior painting. The Tenant Improvement Program is designed to assist property owners in attracting retail businesses to locations that are difficult and costly to renovate, and serves as an incentive for new retail businesses to locate within the Project Area. The Tenant Improvement Program offers matching grants for tenant improvements to the interiors of vacant retail spaces of up to \$10 per square foot, with a total grant not to exceed \$45,000. To date, the Agency has completed 30 façade projects and five tenant improvement

projects. These two programs will continue to operate during the period of this Implementation Plan.

Neighborhood Projects Initiative Program

The Neighborhood Projects Initiative (“NPI”) program is a community grant program that funds one-time, small-scale, community-initiated physical improvement projects. The program is designed to support existing blight reduction and beautification efforts in the Project Area and to encourage community participation in redevelopment. The program was launched in 2006 and has awarded grants to 20 community projects over three funding cycles. Previously funded projects include community planting projects on the 40th Street and West MacArthur Boulevard medians, a dog run facility and tot lot at Mosswood Park, street trees, planters, banners and lighting improvements along Telegraph Avenue, improvements to the Golden Gate and Mosswood Recreation Centers, surveillance cameras at crime hot spots on Martin Luther King, Jr. Way and San Pablo Avenue, and a mural on the building of the non-profit Ella Baker Center for Human Rights. The fourth funding cycle is currently in process. The Agency anticipates administering two additional grant cycles in 2011 and 2013.

Low Income Housing Rehabilitation

In addition to the funding that is set aside for the Low and Moderate Income Housing Fund, the PAC has prioritized the use of redevelopment funds to assist with low income housing rehabilitation within the Project Area. Example programs that have been funded in the past and that may continue during the course of this implementation plan include funding to Rebuilding Together Oakland for the rehabilitation of homes owned by low-income seniors and funding for the placement of solar panels on low-income households to reduce utility costs.

MacArthur Transit Village

The MacArthur Transit Village project includes the development of a mixed-use transit village at the MacArthur BART Station, consisting of 624 units of multi-family housing (including 108 below market-rate units), 42,500 square feet of neighborhood-serving retail, and 5,000 square feet of community space. The project involves relocating the existing BART surface lot to a parking structure on the site and developing the land that is made available and on surrounding parcels. In 2009, the Agency entered into an Owner Participation Agreement (“OPA”) with the development team, MacArthur Transit Community Partners, to further the development of the project. During the five-year period of this Implementation Plan, the Agency anticipates working with the development team to acquire all of the necessary parcels for this project, construct the parking garage and public infrastructure components of the project, and start construction of the first two phases of housing.

Enhanced Security Officer

This program funds a patrol officer that is specifically assigned to the Project Area to provide additional police services during peak hours to address crime and safety issues on the main commercial corridors within the Project Area. The Agency anticipates funding this officer during FYs 2009-11.

Targeted Land Acquisition

The Agency has set aside funding to use for the opportunity purchase of key parcels within the Project Area to further the goals of blight removal, crime reduction, and infill development. Parcels that will be targeted include brownfield sites, properties known to be crime magnets, and key opportunity sites for catalyst development. Identified focus corridors for land acquisition include West MacArthur Boulevard, San Pablo Avenue, and Broadway.

San Pablo Pedestrian Streetlight Project

This project includes the installation of pedestrian-level street lights in the San Pablo Golden Gate neighborhood on San Pablo Avenue between 53rd and 67th Streets. This project has been identified as a high priority by the PAC in order to improve safety and pedestrian access to the Golden Gate retail district. The project budget of \$1.875 million was funded by bond proceeds. Construction began in July 2009 and is anticipated to be completed by April 2010.

Telegraph Streetscape Project

The Agency completed a design plan for streetscape improvements on Telegraph Avenue in July 2005. The Agency anticipates applying for grant funding opportunities to implement this project and using redevelopment funds to serve as the required financial match.

Broadway Specific Plan

The Agency contributed funds for the preparation of a Specific Plan to analyze retail and housing opportunities for the reuse of key properties in the Broadway Auto Row portion of the Project Area. The corridor under study includes the portion of Broadway from West Grand to Highway 580. Approximately half of the area is in the Broadway/MacArthur/San Pablo Redevelopment Project Area and the remainder is in the Central District. Work on the Specific Plan began in FY 2008-09 and is projected to be completed in 2010.

Redevelopment Plan Amendment Activities

During the course of this Implementation Plan, the Agency plans to complete one or more Redevelopment Plan amendments including extending the eminent domain authority of the Project Area and looking at possible extensions of the Project Area boundaries to include adjacent neighborhoods that have blight conditions impacting the existing Project Area.

V. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT

The leading indicators of blight in the Broadway/MacArthur/San Pablo Redevelopment Project Area include underutilized and vacant land, deteriorated and dilapidated buildings, high rates of vandalism and crime, high commercial vacancies, inadequate public improvements, and lack of private investment.

The Agency will focus on the following strategies to eliminate blight in the Broadway/MacArthur/San Pablo Redevelopment Project Area:

- Assist with the development of vacant and underutilized properties through land assembly, environmental assessments and clean-ups, and marketing to developers.
- Assist with the development of catalyst projects, such as the MacArthur Transit Village, to improve property values and stimulate investment in the Project Area.
- Make public improvements to Project Area infrastructure including, lighting, streetscape, park improvements, and other public facility upgrades by funding the Neighborhood Projects Initiative program and streetscape projects.
- Supply grants to improve blighted structures and decrease commercial vacancies through programs such as the Façade Improvement Program and the Tenant Improvement Program.
- Provide grants to improve blighted residential properties occupied by low-income homeowners by funding programs such as Rebuilding Together Oakland.

VI. TIME LIMITS

The California Community Redevelopment Law ("CRL") as contained in Sections 33000 *et seq.* of the California Health and Safety Code, requires that this Implementation Plan identify the fiscal year that the Agency expects each of the following time limits described below to expire. For this project area, the time limit expirations are as follows:

DESCRIPTION OF TIME LIMIT EXPIRATION	FISCAL YEAR
(1) The time limit for the commencement for eminent domain proceedings to acquire property within the Project Area	2012-2013
(2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project	2019-2020
(3) The time limit for the effectiveness of the Redevelopment Plan	2029-2030 (i.e., on July 25, 2030)
(4) The time limit to repay indebtedness with the proceeds of property taxes	2044-2045 (i.e., on July 25, 2045)

Some of these time limits may be extended pursuant to the CRL. For instance, if the Agency makes payment to the county Supplemental Educational Revenue Augmentation Fund, it is entitled to extend the time limits on the effectiveness of the Redevelopment Plan and the receipt of tax increment by an additional year (Section 33331.5).

VII. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL FULFILL THE LOW/MODERATE-INCOME HOUSING REQUIREMENTS

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. 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.

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 contains numerous provisions to guide redevelopment agency activities with regard to low-mod housing. These provisions divide a redevelopment agency's housing responsibilities into three major categories:

- The production and/or replacement of low-mod housing depending upon activities undertaken by an agency within its project areas;

- The set-aside and expenditure of specified amounts of tax increment revenue for the express and exclusive purpose of increasing and improving a community's supply of low-mod housing; and
- Preparing reports on how the agency has met, or preparing plans on how the agency will meet its responsibilities with regard to the first two items.

This Housing Component is part of the Agency's responsibilities under the third major category. Its contents address how the Agency's plans for the Project Area will achieve many of the housing responsibilities contained in the first and second major categories of Agency housing activities. 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 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));
- **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)).

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

- At least 20 percent of tax increment revenues must 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).
- The law requires the proportional expenditure of these housing funds on moderate, low, and very-low income housing (Section 33334.4).
- The law requires the transfer of housing funds to other public entities producing housing in the community in some cases if the law and moderate income housing fund has excess surplus (a possible outcome of the provisions of Sections 33334.12 et seq.).

- The law requires the proportional expenditure of housing funds on the same proportion of the population over the age of 65 as reported in the most recent U.S. census (Section 33334.4).

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 the 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.

The Agency does not anticipate undertaking or assisting any actions in the Project Area 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 CRL Section 33413(b). 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.

It is possible that there will be some residential infill within the Project Area that is not Agency-assisted. As a result, the Agency will need to ensure the creation of low and moderate income 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, 2000 - 2009

From the inception of the Redevelopment Plan for this Project Area through 2009 (i.e. the first 10 year Production Requirement Compliance Period July 2000 to December 2009), there have been 373 units of housing completed.

The following table illustrates housing production in the Project Area from 2000 to 2009:

**Broadway/MacArthur/San Pablo Project Area
Housing Production, 2000 to 2009**

Project	Total Units	Very Low	Low	Moderate	Unrestricted
371 30 th Street	26				26
McLure Street Housing	14				14
The Veranda (532-536 30 th St)	26				26
City Limits (1205 67 th St)	61				61
6465 San Pablo Ave	33				33
6501 San Pablo Ave	25				25
Artisan Walk (6459 San Pablo Ave)	66				66
San Pablo Heights/Tri-City Lofts	24				24
Temescal Station, Phase I	10				10
Temescal Station, Phase II	18				18
Wang Scattered Site (62 nd & Marshall)	2				2
3860 Martin Luther King Jr. Way	34				34
Scattered Site Infill Development ¹	34				34
TOTALS	373	0	0	0	373
Affordable Units Required	56				
Very Low Income Units Required	23				

During this time period there have not been any units of low and moderate income housing developed in the Project Area. Based on this lack of production, the Agency has a deficit of 56 low and moderate income units including a deficit of 23 very-low income units for the Project Area. However, to comply with area production requirements, the City of Oakland has two developments completed during FY 2008-2009 outside of the Project Area in other project areas that do not have production requirements and whose units have not been used toward any production requirements: Fox Courts (Central District) with a total of 79 affordable units including 40 very low income units and Jack London Gateway (Acorn) with a total of 60 affordable units including 24 very low income units. Given these two developments and the option in CRL to credit the Agency with one production unit for every two affordable units constructed outside of the Project Area, these two developments yield a total of 69 affordable units that can be counted toward the Project Area's production requirement, including 32 very low income units. These two developments sufficiently address the production deficit of Broadway/MacArthur/ San Pablo Project Area for the current compliance period. Further, there is now a surplus of 13 affordable units and 9 very low income units that can be applied to the next compliance period (see following section f).

¹ Source: Win2Data "Year Built" 2004-08

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

The Agency estimates that between 2010 and 2019 (i.e. the next 10 year Production Requirement Compliance Period), as many as 930 units of housing may be newly constructed, substantially rehabilitated, or acquired with affordability covenants. This includes the MacArthur BART Transit Village, which is slated to develop 625 units of housing.

The following table illustrates projected housing production from 2010 to 2019 and how most of the housing production obligations will be fulfilled:

**Broadway/MacArthur/San Pablo Project Area
Projected Housing Production, 2010 to 2019**

Project	Total Units	Very Low	Low	Moderate	Unrestricted
3884 Martin Luther King Jr. Way	40				40
3414 Andover St	16				16
4225 Broadway	19				19
485 West MacArthur Blvd	16				16
5300-5310 San Pablo Ave	32				32
557 Merrimac	40				40
Courthouse Condominiums	142				142
MacArthur BART Transit Village ²	625	89	1	18	517
TOTALS	930	89	1	18	822
Affordable Units Required	196				
Very Low Income Units Required	79				

It should be noted that all of these units will be located within the Project Area and therefore the affordable units can be counted on a one-for-one basis toward the production obligation.³

e. Estimated Number of Units Required for Housing Production Obligation

If 930 units are built during this Implementation Plan period, the total number built from Redevelopment Plan inception through 2019 would be 1,303. This would generate a housing production obligation of at least 196 units affordable to very-low, low or moderate income households. Of these, at least 79 units would be required to be affordable to and restricted for occupancy by very-low income households.

² Allocation of units has not been determined. For purposes of analysis, the least number of affordable units has been used to estimate the total production and inclusionary requirements.

³ If the production requirement is met with units located outside of the Project Area, two units must be produced to fulfill one unit of housing production obligation.

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 approximately 108 units of low- and moderate income units estimated to be constructed 2010-2019. As stated in section c. above, the surplus of 13 low-mod affordable units and 9 very low income units that can be applied to this compliance period (Section 33413(b)(4)). As shown in the following table, based on these estimates, the Agency will not achieve its production requirements for the last two compliance periods, with a deficit of 75 low-mod affordable units in total, but a surplus of 19 very-low units.

	Affordable	Very Low
Total Units Required	196	79
less Units Projected	108	89
less Unit surplus from prior production requirement period	13	9
Total Surplus (Deficit) Units	(75)	19

To the extent there is a deficit, the Agency will identify projects and if necessary provide financial assistance to ensure that the required number of low-mod units are developed or otherwise made available.

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

a. Set-Aside of Tax Increment

The Agency must comply with the Section 33334.2 requirement to allocate 20 percent of the gross tax increment (“Set-Aside”) to affordable housing activities. The Set-Aside is required to be deposited into the Agency’s Low and Moderate Income Housing Fund (the “Housing Fund”) created to hold the monies until expended.

The Redevelopment Agency has adopted a general policy that 25 percent of all tax increment be allocated to the Housing Fund, subject to certain conditions. The projections of deposits into the Housing Fund that are included in the following section assume that the 25 percent Set-Aside will be deposited into the Housing Fund in each of the years covered by the Implementation Plan except for 2009-10 and 2010-11, where some or all of the voluntary 5 percent increase may be used to make State-mandated payments to the Supplemental Educational Revenue Augmentation Fund if that requirement survives a pending legal challenge.

b. Proportional Expenditures of Housing Fund Monies

The Project Area is subject to the Section 33334.4 requirement that the Agency expend Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met every

ten years, in the case of the income proportionality test, and over the duration of the implementation plan in the case of the age test, through the termination of the Redevelopment Plan life. These tests do not have to be met on an annual basis.

c. Very-Low and Low Income Housing Expenditures

The income proportionality test requires the Agency to expend Set-Aside funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the Government Code. The proportionality test used in this Implementation Plan is based on the adopted 2008 Regional Housing Needs Allocation (RHNA) Plan prepared by the Association of Bay Area Governments. Based on the 2008 RHNA, the City’s minimum required allocation for very-low and low-income expenditures and maximum moderate income housing expenditures are:

Category	RHNA	Threshold
Very-Low Income	1,900	At least 27%
Low Income	2,098	At least 29%
Moderate Income	3,142	No more than 44%
Total	7,140	

Therefore, the CRL requires for Oakland that at least 27 percent of the Housing Fund monies dedicated to projects and programs be spent on housing for very-low income households. In addition, at least 29 percent of these funds must be spent on housing for low-income households, and no more than 44 percent of the funds may be spent on housing for moderate-income households. However, the Agency is entitled to expend a disproportionate amount of the funds for very-low income households, and to subtract a commensurate amount from the low and/or moderate-income thresholds. Similarly, the Agency may provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate-income households. In no event may the expenditures targeted to moderate-income households exceed the established threshold amount.

The Agency will allocate its funds in such a way that these percentages are met over the ten-year period from 2009 through 2019. In addition, the City and other entities may provide assistance for the construction of units affordable to very low and low income households that may also be counted toward meeting the proportionality requirements of Section 33334.4.

d. Age Restricted Housing Expenditures

Section 33334.4 also requires that the Agency assist housing that is available to all persons, regardless of age, in at least the same proportion as the population under age 65 bears to the City’s total population as reported in the most recent census of the United States Census Bureau. The 2000 Census indicates that 89.5 percent of the City’s population is under 65 years of age. As such, at least 89.5 percent of the Agency expenditures on affordable housing projects must be spent to assist projects

that do not impose age restrictions on the residents. The following summarizes the allocation of housing fund monies.

Age Category	Percentage of Funds
Senior	10.5% maximum
Unrestricted	89.5% minimum
Total	

The Agency will ensure that over the term of this Implementation Plan from 2009 through 2014 not more than 10.5 percent of its expenditures on affordable housing projects are for projects exclusively serving seniors.

e. Transfer of Housing Funds to Other Providers

The Housing Fund is subject to the CRL provisions requiring the transfer of housing funds to other housing producers in the Oakland area in certain circumstances. Such transfers could possibly occur if the Housing Fund contained "excess surplus." Excess surplus means any unexpended and unencumbered amount in the Housing Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited into the Housing Fund during the project's preceding four fiscal years.

The Agency does not anticipate having an excess surplus during the current Implementation Plan cycle or throughout the subsequent remaining Project Area life.

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 that certain housing expenditures, and preservation and production requirements, be attained during five and ten year increments. The housing production requirement, if applicable, must be met every ten years, while the proportionality tests must be achieved over the next five or ten years, and then again through the end of the Project Area life. 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

The following table presents the projected future deposits into the Housing Fund. As shown below, \$6,394,388 in revenues are projected to be available over the five-year term of this Implementation Plan.

**Estimate Housing Set-Aside Revenue
2009-2014**

Plan Year	Fiscal Year	Housing Set Aside
1	2009-10 ⁴	\$1,022,419
2	2010-11	\$1,173,408
3	2011-12	\$1,358,362
4	2012-13	\$1,399,113
5	2013-14	\$1,441,086
Total		\$6,394,388

5. Anticipated Housing Program Activities

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 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.

⁴ Note that in fiscal year 2009-2010 the Agency will deposit only 20% -- instead of 25% -- tax increment set-aside into the Housing Fund due to the State of California's requirement that Redevelopment Agencies make an additional deposit to fund education -- into "Supplemental" Educational Revenue Augmentation Funds (SERAF) account. In FY 2010-11, the Agency will deposit approximately 23% of the projected gross increment for the project area in order to make the required SERAF payment.

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 Agency funds are tracked individually for each project area, the funds from all of the Agency's project areas are combined into a single Low and Moderate Income Housing Fund (except for West Oakland and Central City East, both of which restrict the use of housing funds to their Project Areas). The Agency has 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 may be used both inside and outside the Project Area. In addition, the City of Oakland also provides assistance for the development, improvement and preservation of affordable housing.

The tables on the following pages provide information for the previous implementation plan period 2004-2009, regarding:

- the amounts of Low and Moderate Income Housing Fund moneys 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

Redevelopment Agency Assisted Housing Activities Completed or Underway, 2004 - 2009

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
1574-1590 7th Street	Homeownership	Underway	West Oakland			2	3	\$ 127,327
3701 Martin Luther King, Jr. Way	Homeownership	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 109,909
3829 Martin Luther King, Jr. Way	TBD	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 52,000
6 th & Oak Streets	Seniors	Underway	Central District		69			\$ 3,699,656
720 E. 11 th Street Project	Families	Underway	Central City East	30	24			\$ 4,859,833
Altenheim Phase I	Senior	2007	None	39	53		1	\$ 4,084,660
Altenheim Phase II	Seniors	Underway	None	48	32		1	\$ 1,753,000
Byron Avenue Homes	Homeownership	Underway	Central City East	4	4	2		\$ 386,550
California Hotel	Special Needs	Underway	West Oakland	149				\$ 600,000
Drachma, Inc (14 unit scattered site)	Families	Underway	West Oakland	14				\$ 840,000
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	Underway	Coliseum		13	15		\$ 3,601,000
Effie's House	Families	Underway	None	4	17			\$ 1,257,000
Eldridge Gonaway	Families	Underway	Central City East		39		1	\$ 1,655,000
Emancipation Village	Special Needs	Underway	None	35			2	\$ 1,652,000
Fairmount Apartments	Families	Underway	None	30			1	\$ 3,400,000
Faith Housing	TBD	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 689,598
Foothill Plaza Apartments	Families	Underway	Central City East	53			1	\$ 2,910,000
Fox Courts	Families	2009	Central District	40	39		1	\$ 4,950,000
Golf Links	Homeownership	2009	None			3	7	\$ 584,000
Harrison Senior	Senior	Underway	Central District		73			\$ 5,133,000
Hills Elmhurst Plaza Senior Housing	Senior	Underway	Coliseum		63		1	\$ 6,032,000
Hugh Taylor	SRO	Underway	Central City East	42				\$ 1,222,000
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
Lincoln Court	Senior	2006	None	81			1	\$ 2,000,000
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

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
Lion Creek Crossings, Phase IV	Families	Underway	Coliseum	50			1	\$ 2,980,547
MacArthur Homes (3801-3807 MLK Jr. Way)	Homeownership	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 800,000
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
Marin Way Court	Families	Underway	Coliseum		19		1	\$ 1,200,000
Mortgage Assistance Program ⁵	Homeownership	multiple	Citywide	47	242	2	1	\$13,451,314
Oak Park Homes	Families	2004	Central City East	34			1	\$ 3,419,000
Oak Street Terrace Senior	Senior	2004	Central District	16	22		1	\$ 2,072,000
Oaks Hotel	SRO and Special Needs	Underway	Central District	85				\$ 1,100,000
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	Underway	Central City East	99			1	\$ 450,000
Project Pride	Transitional	Underway	West Oakland	42				\$ 1,600,000
Redwood Hill	Homeownership	Underway	None		8	9		\$ 2,310,000
Saint Joseph's Family Phase IIb	Families	Underway	Coliseum	54	4			\$ 3,019,656
Saint Joseph's Family Phase IIa	Families	Underway	Coliseum			16		\$ 3,584,000
Saint Joseph's Senior	Senior	Underway	Coliseum	42	25		1	\$ 4,639,000
Saint Patrick's Terrace	Senior	Underway	West Oakland		65			\$ 753,600
Sausal Creek	Homeownership	2008	None			17		\$ 3,980,000
Seven Directions	Families	2009	Coliseum	23	12		1	\$ 3,289,000
Slim Jenkins	Families	Underway	West Oakland	27		3	2	\$ 1,920,000
Southlake Towers	Seniors	2004	Central District	26	103		1	\$ 445,300
Tassafaronga Homeownership	Homeownership	Underway	Coliseum		17	5		\$ 1,868,000
Tassafaronga Village Rental Phase I	Families	Underway	Coliseum		50			\$ 3,000,000

(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 2004.

(2) TBD = "to be determined" - specific affordability levels have not yet been established.

⁵ Represents fiscal years 2004-2005 through 2008-2009.

**Housing Units Newly Constructed in Redevelopment Project Areas,
Assisted With Locally-Controlled Government Assistance and
No Redevelopment Agency Low & Moderate Income Housing Financing, 2004 - 2009**

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level			
				Very Low	Low	Moderate	Above Moderate
Lion Creek Crossings, Phase II	Families	2007	Coliseum	63	29		
Nathan A. Miley Senior Housing Community	Senior	2007	Central City East	50	19		
Uptown Project - Parcel 1	Families	2008	Central District	55		15	185
Uptown Project - Parcel 2	Families	2007	Central District	44		9	140
Uptown Project - Parcel 3	Families	2008	Central District	34		9	174
Wang Scattered Site - 901 70 th St.	Homeownership	2004	Coliseum		1		
Wang Scattered Site - 1311 Campbell Street	Homeownership	2005	West Oakland		1		

OFFICE OF FILED
Approved as to form and legality
OAKLAND CITY CLERK
2009 NOV 19
Agency Counsel PM 12:51

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION PLAN FOR THE CENTRAL DISTRICT 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 Agency Administrator has prepared and presented to the Agency an Implementation Plan for the Central District Redevelopment Project for 2009-2014; and

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

WHEREAS, the proposed Implementation Plan as presented to the Agency sets forth the specific goals and objectives for the Central District 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 the Agency hereby approves and adopts the 2009-2014 Implementation Plan for the Central District Redevelopment Project attached to this Resolution as Exhibit A; and be it further

RESOLVED: That the Agency Administrator or his 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.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland, California

**A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION PLAN FOR THE
CENTRAL DISTRICT REDEVELOPMENT PROJECT**

EXHIBIT A

**CENTRAL DISTRICT REDEVELOPMENT PROJECT
FIVE -YEAR IMPLEMENTATION PLAN
2009-2014**

INTRODUCTION

The California Community Redevelopment Law ("CRL") requires redevelopment agencies to adopt an implementation plan for every redevelopment project area for each five-year period that the project area is in operation and until the term for plan effectiveness of the project area expires. This Implementation Plan (the "Plan") for the Central District Redevelopment Project is a policy statement that has been prepared to guide and to set priorities for redevelopment activities for the 2009-2014 period. This Implementation Plan covers both the original Central District Redevelopment Project Area and that territory added to the Project Area by amendment in 2001, and references to the "Project Area" in this Implementation Plan includes all such area.

This Implementation Plan includes two separate components: a Redevelopment and a Housing Component. The Redevelopment Component revisits the goals and objectives of the Central District Urban Renewal Plan ("CDURP" or "Redevelopment Plan"), presents the projects, programs and expenditures (other than those related to low- and moderate-income housing) that have been developed to achieve the goals and objectives, and describes how these projects, programs and expenditures will eliminate blight within the Project Area. The Housing Component describes how the components of the plan will implement various CRL requirements regarding low- and moderate-income housing; how the Redevelopment Plan goals and objectives for housing preservation and production will be implemented; and how the statutory requirements for the expenditure of tax increment set-aside funds for housing purposes will be met.

The Redevelopment Agency is required to prepare a mid-term review of the Implementation Plan and conduct a public hearing between the second and third year after the Implementation Plan has been adopted. New issues and opportunities may be encountered in the course of administering the Implementation Plan during the five-year period. Therefore, this Implementation Plan may be amended, if necessary, to effectuate changes in Agency priorities. Any such amendments will be reflected in the mid-term review of the Implementation Plan.

A. BACKGROUND

On June 12, 1969, the Oakland City Council adopted the CDURP. The CDURP was subsequently amended or supplemented on January 21, 1971, on May 29, 1973, on December 16, 1975, on December 12, 1978, on June 12, 1979, on August 3, 1982, on October 2, 1984, on June 11, 1985, on March 27, 1990, on February 18, 1997, on October 27, 1998, on July 24, 2001, on January 6, 2004, on July 20, 2004, on December 21, 2004 and on June 20, 2006. The Redevelopment Plan was amended in 2001 to add additional territory, known as the Brush & MLK Amendment Area.

The Project Area covers approximately 250 city blocks (828 acres) generally bounded by I-980, Lake Merritt, 27th Street and the Embarcadero. Within the Project Area, there are four major

redevelopment activity areas: City Center, Chinatown, Oakland and the Uptown area. The Project Area is a major economic and transportation hub in the San Francisco-Oakland Metropolitan Area and includes 24 Class A and 51 Class B office buildings with approximately 10.7 million square feet of office space. The Project Area is also at the center of the Bay Area Rapid Transit (BART) system, with three stations (12th Street Oakland City Center, 19th Street Oakland and Lake Merritt (Oakland)) located within its boundaries. More than forty AC Transit bus lines connect the Project Area with other parts of Oakland and nearby communities. A map of the Project Area is attached to this report.

The Agency's ability to address the Project Area's conditions of blight is directly linked to the Project Area's time limits for incurring and repaying debt, completing Redevelopment Plan activities, and collecting tax increment. Therefore, these time limits must be considered as an integral part of the overall Redevelopment Plan. In effect, pending an amendment per Section 33333.10, et seq., to extend by ten years (a) the Redevelopment Plan's effectiveness time limit, and (b) the Redevelopment Plan's tax increment collection time limit, the Redevelopment Plan's effectiveness for the original Project Area will expire two years earlier than the required five-year implementation plan cycle¹. However, the Agency will likely consider pursuing the extension under Section 33333.10, et seq. Currently, the Project Area has the following time, Redevelopment Plan effectiveness and fiscal limits:

¹ On July 24, 2009 the California legislature passed multiple pieces of legislation to balance the State's budget deficit. One budgeting measure was ABX4-26, which authorized the funding of a Supplemental Educational Revenue Augmentation Fund (SERAF) using revenue generated by redevelopment agencies from across the state. The SERAF will be in effect for two years (FY 2009-10 and FY 2010-11) and is funded at \$2.05 billion over the two-year period. The Oakland Redevelopment Agency's mandated expected contribution for FY 2009-10 is \$41,074,866, and \$8,497,000 for FY 2010-11. Payments are due by May 10 of the applicable year. Under Section 33331.5, agencies are entitled to a one-year extension on their plan effectiveness and receipt of tax increment time limits if they make the SERAF payments.

The California Redevelopment Association has filed a lawsuit challenging the SERAF requirement. If the lawsuit is unsuccessful and the Agency makes its first payment by May 10, 2010, the Central District Project will be entitled to a one-year extension of its time limits, subject to Council approval by ordinance, meaning that the Plan's effectiveness/activity time limit will be extended from June 12, 2012, to June 12, 2013, and the Plan's tax increment collection time limit will be extended from June 12, 2022, to June 12, 2023. Similarly, the same time limits for the Brush & MLK Amendment Area will be extended by one year meaning that the Plan's effectiveness/activity time limit will be extended from July 24, 2032, to July 24, 2033, and the Plan's tax increment collection time limit will be extended from July 24, 2047, to July 24, 2048 for the extended area.

Central District (Original Project Area)

Time Limit to Incur New Debt:	No Time Limit
Plan Effectiveness/Activity Time Limit:	June 12, 2012
Tax Increment Collection Time Limit:	June 12, 2022
Time Limit to Commence Eminent Domain:	June 12, 2009

Central District (Brush & MLK Amendment Area)

Time Limit to Incur New Debt:	July 24, 2021
Plan Effectiveness/Activity Time Limit:	July 24, 2032
Tax Increment Collection Time Limit:	July 24, 2047
Time Limit to Commence Eminent Domain:	July 24, 2013

B. CONDITIONS OF BLIGHT

Sections 33030-33039 of the California Health and Safety Code outline the legal framework for establishing a redevelopment area. The law states that redevelopment may be required in the interest of the health, safety, and general welfare of people in communities that are plagued by *blighted areas, which constitute physical and economic liabilities*. Such blight must also cause a reduction or lack of proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community which cannot reasonably be expected to be reversed or alleviated by private enterprise or governmental action, or both, without redevelopment. In order to establish a redevelopment area, the CRL Law requires that blighting conditions in the area must be substantiated by at least one physical as well as one economic condition as defined by the law. The leading indicators of physical and economic blight in the Project Area include:

- Buildings with substandard, defective, or obsolete design or physical construction, which include obsolete interior arrangements, inadequate mechanical/electrical/plumbing systems, light and sanitation and lack of ADA compliance
- Buildings in which it is unsafe or unhealthy for people to live or work
- Underutilized and vacant land or abandoned buildings
- Lots of irregular form, shape, and inadequate size
- Faulty or inadequate utilities
- Hazardous materials contamination
- Above average commercial vacancies or below average lease rates
- Lack of private investment

C. GOALS AND OBJECTIVES FOR THE PROJECT AREA

Generally, it is the objective of the Agency to assist in the improvement of the Project Area, which is in need of redevelopment and private reinvestment to correct health and safety concerns and to address economic and physical blighting conditions. The following specific goals and objectives are included in the CDURP:

- A. Strengthening of the Project Area's existing role as an important office center for administrative, financial, business service and governmental activities.
- B. Revitalization and strengthening of the Oakland Central District's historical role as the major regional retail center for the Metropolitan Oakland Area.
- C. Establishment of the Project Area as an important cultural and entertainment center.
- D. Re-establishment of residential areas for all economic levels within specific portions of the Project Area.
- E. Provisions of employment and other economic benefits to disadvantaged persons living within or near the Project Area.
- F. Restoration of historically significant structures within the Project Area.
- G. Improved environmental design within the Project Area, including creation of a definite sense of place, clear gateways, emphatic focal points and physical design which expresses and respects the special nature of each sub-area.

The primary function of this Implementation Plan is to illustrate how the Agency's efforts during the five-year term of this Implementation Plan will continue to eliminate blighting conditions throughout the Project Area. The goals above are considered with each action the Agency takes, so that all expenditures go towards supporting the programs and projects that will address blighting conditions and attract private investment to the Project Area. The next section provides a description of those activities planned for the term of this Plan.

D. PROJECTS AND EXPENDITURES PROPOSED FOR THE NEXT FIVE YEARS

This section of the Implementation Plan identifies projects, programs and expenditures to be used in the realization of the goals and objectives over the term of the Plan. The elements of this Redevelopment Component of the Implementation Plan are interrelated to accomplish the alleviation of blight in the Project Area. The means for achieving the goals and objectives of the Redevelopment Component are the projects, programs and expenditures that are proposed to be undertaken by the Agency over the five-year term. By implementing these projects and programs, the Agency will continue to abate blight in the Project Area despite the challenging economic environment created by the national recession with its weak real estate, financial and employment markets.

The following table outlines the projected tax increment revenues for the Project Area over the five-year period of this Implementation Plan. These figures assume an annual growth rate of two percent over the 2009 assessed property valuation.

Table 1
Projection of Tax Increment Revenue
Fiscal Years 2009-14
Project Area (including Amendment Area)
(\$'000s)

	FISCAL YEAR					TOTAL 2009-14	
	2009-10	2010-11	2011-12	2012-13***			2013-14
Gross Tax Increment Revenue*	59,094	59,981	61,180	62,709	43,386	44,913	287,877
Housing Set-Aside Req't	(11,818)	(13,968)	(15,295)	(15,677)	(10,847)	(11,228)	(67,986)
AB 1290 Pass-through	(5,327)	(5,504)	(5,746)	(6,053)	(2,188)	(2,494)	(25,124)
Debt Service	(23,660)	(25,839)	(25,856)	(26,033)	(26,033)	(26,768)	(128,156)
TI Rebate	(1,288)	(1,317)	(1,346)	(1,377)	(1,377)	(1,423)	(4,146)
State Education Funds (ERAF)	(5,665)	(2,685)	0	0	0	0	(8,350)
City Repayment	(8,005)	(8,077)	(8,239)	(8,403)	(2,941)	(3,000)	(35,724)
Net Tax Increment Revenues**	4,619	3,908	4,698	5,166	0	0	18,391

* Includes administrative costs.

** Net Tax Increment Revenue includes staffing and operations & maintenance costs.

*** Section 33331.5 allows for a 1-year time extension in exchange for the Agency making payments to the Supplemental Educational Revenue Augmentation Fund. If the extension does not happen, there will be a \$19,323,000 reduction in gross tax increment; a \$4,831,000 reduction in the Housing Set-Aside; a \$3,865,000 reduction in the AB 1290 Pass-through; a \$5,462,000 reduction in the City Repayment; and a \$5,166,000 reduction in net tax increment for projects and programs for FY 2012-13.

The total net tax increment revenue that will be available in the Capital Projects Fund for Agency activities in the Project Area between FY 2009/10 and FY 2012/13, the last year of the effectiveness of the Project Area's Redevelopment Plan, is estimated to be approximately \$18.4 million. Total funding for the 25 percent set-aside into the Low and Moderate Income Housing Fund during the 2009/10 to 2013/14 is estimated to be approximately \$73 million, since payments into the Low and Moderate Income Housing Fund continue after the expiration of the effectiveness of the Project Area's Redevelopment Plan until the end of the Project Area's time limit to repay all indebtedness in 2023.

The proposed projects and program expenditures for the next implementation period will be funded from projected net tax increment revenues (as described in Table 1), capital funds (including bond proceeds and revenue from capital projects), sales proceeds, fund transfers and miscellaneous sources (including interest and rental income). Table 2 below outlines the amount of capital allocated to each of the projects and programs in fiscal year 2009-11 within certain geographic areas. The table also identifies the net tax increment available for activities in the years 2011/12 and 2012/13. However, no specific amounts have been allocated to projects or programs as such allocations will be determined and approved by the City Council as part of its FY 2011/13 budget for the Agency.

Table 2.
Projection of Capital Expenditures
Central District Project Area
Fiscal Years 2009-12

Central Business District-wide						
Capital Project Descriptions	Committed Funds from Prior Years	FY 2009-10	FY 2010-11	FY 2011-12	FY 20012-13	TOTAL
Total Funding	\$41,974,889	\$24,281,743	6,009,913	TBD	TBD	\$72,266,545
1-1/2% Public Art	1,924,967	0	0	-	-	1,924,967
14th & Broadway Transit Center	318,390	0	0	-	-	318,390
Small Business Retail (Broadway) Loan Program	110,843	387,630	126,800	-	-	625,273
Central District Public Facilities	0	5,000,000	0	-	-	5,000,000
- Lincoln Rec Center Pub Facility	491,809	0	0	-	-	491,809
- Malonga Public Facility	524,695	0	0	-	-	524,695
- Jefferson Sq. Public Facility	536,972	0	0	-	-	536,972
- Chinese Garden Public Facility	210,675	0	0	-	-	210,675
Downtown Capital Project Support	1,743,673	1,000,000	500,000	-	-	3,243,673
Downtown Façade Improvement Program	372,617	1,658,500	0	-	-	2,031,117
Merchant Promo District 2 & 9	30,000	10,000	10,000	-	-	50,000
Oracle Corp Software License	67,104	200,000	200,000	-	-	467,104
Retail/Entertainment Catalyst Project	1,018,511	500,000	0	-	-	1,518,511
Downtown Streetscape Master Plan	3,053,003	0	0	-	-	3,053,003
Subtotal	\$10,403,259	\$8,756,130	\$836,800	TBD	TBD	\$19,996,189
Uptown						
Capital Project Descriptions	Committed Funds from Prior Years	FY 2009-10	FY 2010-11	FY 2011-12	FY 20012-13	TOTAL
Fox Theater Master Plan & Development	2,700,000	0	0	-	-	2,700,000
Fox Theater Master Plan, Maintenance, Retail/Office	17,463	0	0	-	-	17,463
Fox - GASS Grant	892,241	0	0	-	-	892,241
Oakland Ice Center	0	2,205,000	2,315,000	-	-	4,520,000
Oakland Ice Center Capital Improvements	165,855	0	0	-	-	165,855
Touraine Hotel/HRMSC	90	98,113	98,113	-	-	196,310
Telegraph Phase I ORA	1,703,248	0	0	-	-	1,703,248
Telegraph Plaza Garage Operations	0	196,000	205,000	-	-	401,000
Broadway - West Grand - ORA	400,780	0	0	-	-	400,780
Uptown - Retail Entertainment Catalyst Proj	215,766	0	0	-	-	215,766
Uptown Forest City Residential	305,003	0	0	-	-	305,003
Uptown - Forest City DDA	170,004	0	0	-	-	170,004
Fox Courts DDA	0	170,000	0	-	-	170,000
Uptown- Forest City Residential	666,000	0	0	-	-	666,000
Central District Parking Garage Dev.	22,835,000	0	0	-	-	22,835,000

Table 2. cont.

Uptown cont.						
Capital Project Descriptions	Committed Funds from Prior Years	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	TOTAL
Uptown Garage (21st and Telegraph)	0	2,900,000	0	-	-	2,900,000
Central District Site Acquisition	0	7,500,000	0	-	-	7,500,000
Development Assistance Program	1,500,000	0	0	-	-	1,500,000
Subtotal	\$ 31,571,630	\$13,069,113	\$2,618,113	TBD	TBD	\$47,258,856

Downtown						
Capital Project Descriptions	Committed Funds from Prior Years	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	TOTAL
Franklin 88 Garage Operations	\$0	220,000	230,000	-	-	\$450,000
City Center West Garage Operations	0	2,062,500	2,151,000	-	-	4,213,500
UCOP Garage Operations	0	174,000	174,000	-	-	348,000
Subtotal	\$ 0	\$2,456,500	\$2,555,000	TBD	TBD	\$5,011,500

The redevelopment activities the Agency has planned for the next five years focus on rehabilitation and enhancement of the Project Area's infrastructure and buildings, while facilitating new mixed-use and infill development, attracting new businesses to the downtown and operating public facilities in support of these efforts. Economic development is also made a priority, as evidenced by the specific retail plan for the Broadway/Valdez district, as well as continuous and comprehensive marketing efforts in the areas of overall image enhancement; business attraction marketing; city promotion; visitor marketing (through the Oakland Convention & Visitors Bureau contract); and film, special events and cultural arts to enhance vitality and fuel continued revitalization of the area. Private sector activities will additionally contribute to blight abatement within the Project Area. The projects and programs will generally be implemented either throughout the Project Area, or they will be focused specifically in the Uptown and Downtown areas.

CENTRAL DISTRICT-WIDE

1-1/2% Public Art Program

The Agency's Public Art Program authorizes the allocation of 1.5 percent of Agency capital construction project funding for the commissioning of public artwork. Agency funds will be used for artwork that will be installed as part of the Agency's Streetscape Improvement projects in the Uptown Activity area and for public art installations that will be part of future Agency-assisted development projects.

10K Housing Initiative

In 1999, the Mayor and the City Council launched the 10K Downtown Housing Initiative. This major downtown redevelopment effort aimed to attract 10,000 new residents to the Central District by marketing the area, identifying opportunity sites and working with private developers to build housing for these new urban dwellers.

The 10K initiative has significantly contributed to positioning the Project Area as a desirable location for the development of rental and owner-occupied housing. As of September 2009, 4,250 housing units were completed, 310 units are in construction, 2,149 units have planning approvals and 2,247 units are in planning. Although these 8,956 units exceed the goal of the 10K initiative, the recent severe downturn in the local housing market and the national credit crisis cast serious doubt on the prospect that those residential projects that are not yet under construction will be built in the near term. In fact, it will take some time until existing housing inventories in the Project Area will be absorbed by the market before any new construction can take place. As a result of these changing conditions in the housing market, the Agency has moved away from implementation of the 10K strategy and is shifting its redevelopment efforts to other projects aimed at infrastructure improvements, upgrading building interiors, facades and attracting retail to the Project Area. From 2004/5 to 2008/9, major accomplishments for Agency-sponsored projects included:

- Completion of the second phase of the 86-unit Market Square II (formerly Housewives Market), in December of 2007.
- Completion of construction on Forest City Residential Development West's 665-unit Uptown in December of 2008;
- Completion of Fox Courts, an 80-unit affordable housing development, behind the Fox Theater.

Plans for 2009-13 include amending contracts for the following two Agency-sponsored 10K housing projects that have either stopped construction or have not yet started:

- **Citywalk (252 residential units and 3,000 square feet of retail)** – This project stopped construction. A new developer has acquired title to the development and is securing project financing to complete this rental project by early 2011.
- **Uptown Parcel 4** – In 2006, the Agency entered into a Disposition and Development Agreement with Forest City to develop a mid-rise residential project with 175 – 200 units, and 20,000 square feet of retail. The developer was scheduled to start construction in October of 2008, but did not proceed because of the deteriorating conditions in the local housing market. Plans for FY 2009-13 include renegotiating the terms of the Project DDA, and working on temporary improvements to the property that will serve the Uptown Activity area.

Business Improvement District/Community Benefit District

The purpose of a Business Improvement District (“BID”), also known as a Community Benefit District (“CBD”), is to generate revenues from special assessments that are used to improve the public perception of Oakland’s commercial and mixed-use neighborhoods, including the Central Business District, as a place to work, shop, live and conduct business. BIDs provide enhanced services beyond the baseline services already provided by the City. BID activities include, but are not limited to private security and ambassador services, enhanced landscaping, sidewalk cleaning, special events, district branding and other marketing activities to support the economic vitality of the district. Within the Central District, major accomplishments include the formation of the Koreatown/Northgate Community Benefit District in July 2007, as well as formation of the Downtown Oakland and Lake Merritt/Uptown Community Benefit Districts in July 2008. Collectively, these three districts generate approximately \$2.2 million per year.

Plans for FY 2009-13 include working with community representatives interested in exploring the possible formation of a BID within the Old Oakland neighborhood and facilitating the development of policies and procedures which support an effective coordination of efforts between various City divisions (e.g. Public Works, Environmental Services, Oakland Police) and the three existing downtown BIDs.

Downtown Capital Project Support

The purpose of this program is to provide equipment, promotional materials and professional services in support of redevelopment activities throughout the Project Area during the next budget cycle. During FY 2009-12, funding from Downtown Capital Support will be used to (1) purchase new computer work stations, (2) provide training for downtown staff, (3) pay for the Public Works Agency’s project management support on the Agency’s Streetscape Improvement District projects, (4) provide funding for consultant contracts related to an amendment to the Redevelopment Plan for the Central District to extend the time limits relating to the Plan’s effectiveness, (5) pay for certain street improvements in the Uptown Area, (6) provide capital support for Agency-owned facilities, (7) pay for litigation support, (8) provide funding for the Broadway/Valdez District and Lake Merritt Specific Plan, and (9) provide funding support for a proposed downtown shuttle service.

Downtown Façade Improvement Program

The Downtown Façade Improvement Program (“FIP”) was created in 1999 and covers the Uptown, Old Oakland/Chinatown and the Lower Broadway area. The program also includes the Downtown Historic Façade Improvement Program. The Downtown FIP provides matching grants and design assistance to existing businesses for the purpose of making storefront and façade improvements. The FIP is intended to restore the exterior of historic buildings, update and modernize the exterior of older buildings, promote retail activity, improve the pedestrian experience and help support other redevelopment projects by enhancing the general appearance of surrounding properties. Eligible work includes the following:

- Painting/wall repair/cleaning
- New awnings/canopies

- Renovation or repair of windows • Landscaping and exterior lighting
- Rehabilitation of historic facades • Doors and storefront systems
- Improvement & removal of safety grilles • Removal & replacement of signage

During 2004/5-2008/9, 181 façade projects were completed, and 19 are under construction. The goal for 2009/10-2012/13 is to start and/or complete 75 projects. FIP staff will continue to identify new eligible applicants and work closely with property owners during the implementation of each façade project during implementation of the program.

The Downtown Tenant Improvement Program

The Downtown Tenant Improvement Program (“TIP”) provides incentives to attract retail, restaurants, arts and entertainment businesses to targeted locations in the Project Area. While the market for retail (especially restaurants and bars) in the Project Area has improved, in many cases the spaces, buildings or properties that are available are functionally obsolescent and not suitable for retail use. The TIP provides property and business owners matching grants to cover expenses for asbestos abatement, compliance with the Americans with Disabilities Act (ADA), interior demolition, upgrading mechanical, plumbing and electrical systems, and restoration of interior historic design features. The TIP can be used separately or in conjunction with the Downtown FIP. The program started in September of 2003 and has been highly successful. During 2004/5-2008/9, 117 tenant improvement projects were completed, and 11 are under construction. The goal for 2009/10-2012/13 is to start and/or complete 60 tenant improvement projects. TIP staff will continue to identify new eligible applicants and work closely with property owners during the implementation of each tenant improvement project during implementation of the program.

Central District Parking Garage Operation and Development

During the last five-year implementation period, the Agency-assisted 325-space 17th Street Parking garage was completed by a private developer, and the Agency completed construction of a 135-space garage at the Franklin 88 condominium project. The Agency is continuing to operate City Center Garage West, the UCOP garage, the Franklin 88 garage and Telegraph Parking Plaza. The Agency is evaluating the need for additional public parking facilities throughout the Project Area. One alternative involves enlarging Telegraph Parking Plaza, an existing garage at the corner of Thomas L. Berkeley Way and Telegraph Avenue. There may be a need for additional public parking facilities in the area surrounding the garage as over 1,200 parking spaces were eliminated as a result of Forest City’s Uptown project. A complicating factor for any proposed redevelopment of the garage is the potential need for an adjacent privately-owned parcel that would enhance any garage reconstruction project, but which is not available at this time. During 2009/10-2012/13, the Agency will analyze the construction and financial feasibility of significantly upgrading or replacing the garage, and, if deemed feasible, proceed to enlist a developer/contractor to implement this project. The Agency is also evaluating the development of additional public parking in the Broadway/Valdez Retail Study area. In this case the Agency will have to acquire private property for garage development. The Agency is investigating opportunity site purchases in the Broadway/Valdez Retail Study area.

Downtown Streetscape Master Plan

The Streetscape Master Plan calls for the construction of various public improvements to complement existing and future redevelopment projects, and to attract new public and private investment into the Project Area. The recommendations of the Streetscape Master Plan were guided by the objective of improving the appearance of selected sub-areas of the Project Area. The planned improvements will achieve this goal by creating a definite sense of place, clear gateways, emphatic focal points and an attractive physical design. The improvements consist of repair and/or restoration of existing pavement, widening existing sidewalks, constructing pedestrian bulb-outs, introducing new landscaping such as street trees, improving signage and striping, installing new lighting, modifying existing traffic lane patterns, and creating bicycle lanes. Agency funds for the implementation of the Streetscape Master Plan are complemented with local Alameda County Transportation Improvement Authority Measure B grant funding, local Alameda County Congestion Management Agency grant funding, and state grant funding via a voter-approved Proposition 1C bond measure. During 2004/5-2008/9, 100% plans, specifications and cost estimates were completed for the following projects: Broadway Phase II and III, Latham Square, Telegraph Avenue, Telegraph Phase One, Old Oakland, 11th Street and Broadway-West Grand. Construction was completed for the following projects: Broadway Phase II and III (Broadway 12th to 20th), Telegraph Phase One (the west side of Telegraph Avenue from 18th Street to 20th St., 11th Street between Broadway and Clay Street, Broadway-West Grand (Broadway from West Grand to 24th Street).

Plans for 2009/10-2012/13 include starting construction of the Old Oakland Streetscape Improvement Project, additional work on the Telegraph Avenue Streetscape Improvements, including redesign and renovation of the 17th Street BART entrance, and Latham Square.

Basement Backfill and Repair Program

The Central District Basement Backfill and Repair Program (“BBRP”) is a new program that was developed by the Agency in 2008 to assist private property owners with the repair of their deteriorated sub-sidewalk basement spaces in specific areas in the Project Area. The overall purpose of this program is to correct the problems associated with these deteriorated basements – such as leaking and rusted elevator access doors, deteriorated structural elements, rusted rebar, and leaking skylights and sidewalk grilles – so that the City can proceed with construction of several streetscape projects included in the Downtown Streetscape Master Plan. Plans for 2009-12 include continuation of this program in specific areas of Downtown Oakland, and working with as many property owners as are interested in pursuing repair of their basements. During FY 2008/09, seven of 12 engineering contracts were executed and design work is underway.

UPTOWN

Center 21, formerly known as the Bermuda Building

Center 21 is comprised of two towers, the 215,000-square-foot, nine-story, 2100 Franklin which was completed in January 2008, and the existing 2101 Webster tower, a 20-story, 475,000-square-foot building. The Agency worked with the original developer, Brandywine Realty, on

the development of the project and also played a major role in facilitating the transfer of the property to the CIM group. This project is finished and being leased up. Center 21 will not require further work during the 2009/10-2012/13 implementation period.

Fox Theater Master Plan, Renovation and Maintenance

The Fox Theater, a major historic landmark which is located on Telegraph Avenue, was vacant and boarded up for many years and had a blighting influence on the surrounding area. The Agency's Fox Theater Master Plan called for the renovation and adaptive reuse of the Fox Theater into a performing arts center and an educational facility for the Oakland School for the Arts. The Agency established a non-profit public benefit corporation, Fox Oakland Theater (FOT), to oversee the rehabilitation, lease-up and management of the theater. The Agency leveraged significant public and private funding with its capital contribution toward the implementation of the Fox Theater Master Plan. Accomplishments for the 2004/05-2008/09 implementation period include project completion in February of 2009. FOT also executed leases with Another Planet Entertainment, a major concert promoter in the Bay Area, and the Oakland School for the Arts, and will continue to seek a tenant for all remaining rentable space in the building during the 2009/10-2012/13 implementation period. This project will continue to act as a catalyst for private investment in surrounding buildings, and contribute to increasing property values, property taxes, sales taxes, and new job creation as a result of new businesses opening up in the theater's vicinity.

Oakland Ice Center

The Oakland Ice Center ("OIC") greatly supports the Agency's redevelopment efforts in the Uptown Area by providing a recreational ice skating facility that attracts many people to this part of downtown Oakland, especially on evenings and weekends. The OIC contributes to the establishment of the Uptown Area as a cultural and entertainment center. Agency accomplishments for the facility during the 2004/05-2008/09 implementation period include enlisting San Jose Arena Management (SJAM) to maintain and operate the facility, completing major capital improvements at the facility in August of 2007, completing a new entrance on the 17th Street side of the facility in December of 2009, and, for the first time, generating positive cash flow for the Agency during FY 2007-09. Plans for the 2009/10-2012/13 implementation period include negotiating and securing Council approval for a contract extension with SJAM, and initiating further upgrades for the facility.

Henry J. Robinson Multi-Service Center

The Henry J. Robinson Multi-Service Center (HRMSC) provides economic benefits to disadvantaged persons living within or near the Project Area by operating major supportive housing services to eliminate homelessness for struggling families through the provision of a two-year transitional housing program, an emergency shelter and drop-in services for the homeless population in Oakland. The HRMSC provides transitional housing for up to 54 families; and gives homeless individuals the opportunity to stabilize their lives while completing, through the process of case management, the necessary work needed to become productive citizens. The Center also provides 8 emergency housing units, a drop-in center, and an award-winning program for children. The programs at the HRMSC are funded by grants, with the

Department of Housing and Urban Development (HUD) funding the Supportive Housing Program at the Center. The Redevelopment Agency receives income from leasing the center, and the funds are utilized for capital improvements and maintenance repairs at the facility.

The housing and services provided at the HRMSC feed into the City of Oakland's Permanent Access To Housing (PATH) Strategy to end homelessness in Oakland. Major accomplishments at the HRMSC during the 2004/5-2008/09 implementation period included the provision of transitional housing, emergency housing and other supportive services/skill development programs for approximately 2,400 families. For the next implementation period, based on past performance, it is anticipated that 75% of all program participants who come in from the streets or from shelters will move into transitional housing and improve their residential stability, 100% of program participants will take part in skill development programs (vocational training, educational enrollment, life skills and money management), and 75 percent of all participants will increase their personal skills in the areas of budget management, decision-making and problem solving.

Uptown Project (Phases 1 and 2)

In October of 2005, the Agency entered into a Lease Disposition and Development Agreement (LDDA) with Forest City, Inc. and its affiliates to redevelop two underutilized "super blocks" located in the Uptown Area. The Uptown (Phase 1) includes a transit-oriented development consisting of 665 rental apartments, of which 20 percent (133 units) are affordable to households earning 50 percent or less of the area's median income (AMI) for a period of 55 years. In addition, five percent (33 units) of the 665 units are affordable to households earning incomes not exceeding 120 percent of AMI for a period of 55 years. There are also 9,000 square feet of neighborhood-serving retail and a 25,000 square-foot public park. Major accomplishments during the 2004/05-2008/09 implementation period include: Completion of 665 units and related improvements, and completion of Fox Square, a new park serving the area.

In 2006, the Agency entered into a DDA with Forest City to develop a mid-rise residential project, the Uptown (Phase 2) with 175 – 200 units, and 20,000 square feet of retail. The developer was scheduled to start construction in October of 2008, but did not proceed because of the deteriorating conditions in the local housing market and the national financial crisis. Plans for the implementation period include renegotiating the schedule of performance for the Project, and identifying and implementing an interim use for the site that may include temporary public parking and art display areas that will serve the Fox Theater and other businesses in the area.

Lastly, the Agency selected Resources for Community Development for the development of Fox Courts, an 80-unit affordable rental housing project behind the Fox Theater in the Uptown area. This project was completed in April of 2009.

Uptown Parcel 5

The Agency owns a parcel bounded by San Pablo Avenue, 18th Street, 19th Street and the Fox Courts Project. In October of 2009, the Agency issued a request for development proposal for the site. Plans for the 2009/10-2012/13 implementation period include selection and Council

approval of a developer for the site, entering into a DDA or Ground Lease and working towards the start of construction of a new mixed-use project on the site.

Broadway/Valdez District Specific Plan

In December 2007, the Oakland City Council reviewed recommendations from the Upper Broadway Strategy – A Component of the Oakland Retail Enhancement Strategy. The report identifies the Broadway Retail Corridor (BRC), of which the Valdez Triangle is located in the Project Area, as a key area in Oakland for comparison/life-style retail, office and housing mixed-use development. The Agency is participating in an interdepartmental effort to create a specific plan for the BRC that provides for an urban mixed-use, mixed-income development with major retail and high density housing components and the appropriate accompanying environmental impact report (EIR). Goals for the implementation period include completion of the specific plan and the EIR, identification and selective acquisition of opportunity sites necessary for the implementation of the plan, including identification of sites to provide a new parking garage in the area; identification of appropriate funding sources for implementation of the strategy, and evaluation of blight in the BRC for inclusion of the affected parcels in an amendment to the Redevelopment Plan for the Central District to extend the time limits relating to the Plan's effectiveness.

DOWNTOWN

Public Facilities

The Agency is managing four public garages. These public parking facilities include the Franklin 88, UC Office of President, Telegraph Parking Plaza and City Center Garage West.

Franklin 88 - This 135-space garage serves Chinatown and was completed in October of 2004. The garage also provides overflow parking for the adjacent Courtyard by Marriott Hotel per a parking license agreement with the Agency. The revenues of the garage have recently declined. Staff, in cooperation with the Home Owners Association at Franklin 88 issued a Request for Proposals to parking companies to find a new operator that will pay the Agency a minimum monthly payment, plus a percentage of gross revenues, as opposed to the fee-for service arrangement that is in place with the current operator. Staff hopes that this will improve the performance of the garage and eliminate the need for Agency subsidies.

City Center Garage West - This garage continues to provide parking for offices and commercial tenants and workers in the City Center area, including workers in the Federal Building, the State Building, the City Administration Complex, Preservation Park and many other buildings near City Center. During the last implementation period the Agency pre-paid its development loan for the project to the City of Oakland. The garage is now free of debt. The garage is projected to generate annual gross revenues of approximately \$2.47 million during FY 2009-10, and \$2.55 million during FY 2010-11. Project funding will cover operating costs for the garage.

UC Office of President Parking Operations - The Agency owns and operates public parking in

the UCOP Building at 11th, 12th and Franklin Streets. It is anticipated that this public parking garage will generate approximately \$281,000 in net income during FY 2009-10. The garage is expected to operate without a subsidy in FY 2009-11. During the 2004/05-2008/09 implementation period, the Agency entered into an agreement with SKS Broadway LLC to sell the garage once SKS has commenced construction of the Key System project.

Telegraph Parking Plaza - The Agency acquired Telegraph Parking Plaza from the City during FY 2008-09. There is a need for additional public parking facilities in the Uptown project area since over 1,200 spaces were eliminated in the area as a result of Forest City's Uptown project. Staff has identified Telegraph Plaza Garage, which is in proximity to the Paramount Theater and the Fox Theater, as a candidate for parking capacity expansion. During FY 2008-09, Agency staff entered into an Exclusive Negotiating Agreement (ENA) with a developer for a mixed-use project, including housing and retail, on the site. However, the current downturn of the regional housing market and the national credit crisis made new private development at the site unlikely in the near term. During the next implementation period, the Agency will analyze the construction and financial feasibility of significantly upgrading or replacing the garage, and, if deemed feasible, proceed to enlist a developer/contractor to implement this project.

City Center Site Preparation

Originally, this project included four large properties located in the City Center area of downtown. In the past, the Agency transferred the property located at 555 12th Street to the Shorenstein Company for the development of an office tower, and it sold the property known as T-10, located at 14th and Jefferson Street' to the Olson Company for the development of "City Walk", a for-sale residential project. Olson broke ground for the City Walk project in March of 2005, but the project halted construction in July of 2007. The Agency is working with the Olson Company to amend the existing Disposition and Development Agreement (DDA) and find a qualified entity that can complete the project, which has been repositioned as a rental housing development. After completion of 555 12th Street, Shorenstein had options to purchase the sites known as T-5/6 located at 12th Street and Clay Street, and T-12 located at 12th Street and Jefferson Street. Shorenstein acquired T-12 from the Agency in December of 2007, and started construction of a 750,000 square-foot office building in November of 2008. Since then, Shorenstein has removed all hazardous soils from the property, which was overseen and paid for by the Agency. In January of 2009, Shorenstein halted project construction and requested an extension of the completion date. Shorenstein cited the national recession, deepening unemployment and rising vacancies in the Bay Area office market as primary reasons for their action. Plans for the implementation period include negotiation and preparation of the legal documents required for the requested extension.

Key System Building – 12th & Broadway

This project includes renovation of the historic Key System building and its integration into a new mixed-use office and retail tower to be developed on an adjacent vacant site. Key accomplishments for the 2004-09 implementation period include obtaining Council authorization to transfer an expanded Owner Participation Agreement and a Purchase and Sales Agreement for the UCOP garage to SKS Broadway LLC, and obtaining Council authorization to sell the

adjacent 145-space UCOP garage at its fair market value to SKS in order to facilitate the financial feasibility of the project and to maximize the amount of retail space in the new building. The current OPA requires construction of a new office building to start in October of 2009. However, in light of prevailing office and employment market conditions, the developer has requested a three-year extension to the date of construction commencement. Goals for the implementation period include negotiation and preparation of the legal documents required for the requested extension.

Central District – Site Acquisition

The Agency is considering making purchase offers on various opportunity parcels in the Central District for redevelopment purposes. Opportunity sites include a large Caltrans-owned parcel and two properties in the Central District Project Area. If the Agency acquires any of these properties, it will issue Requests for Proposals during the implementation period.

Public Parks and Facilities

As the population in the Central District is growing and public use of parks and facilities is increasing, there is a need to address deferred maintenance issues at certain public parks and facilities within the Project Area. As a result, the Agency provides capital improvement grants for certain public parks and facilities in the Central District Redevelopment Project Area. In FY 2007-2009 the Agency made available \$2 million in grants to improve the parks and public facilities listed below. The Agency allocated an additional \$1 million toward capital improvements in October of 2009.

Lincoln Square Park (261-11th Street). The Lincoln Square Park project will provide a new synthetic turf field connecting the park to the adjacent Lincoln Elementary School. The school, as well as four day-care centers and two Head Start Programs use Lincoln Square Park as additional play area. Construction will start in April of 2010 and will be completed in October of 2010.

Madison Square Park (810 Jackson Street). The existing facilities at Madison Square Park were enhanced to provide a gathering space for community groups who have been using the nearby BART plaza site for various activities. The total project cost was \$285,000 and was completed in February 2008.

Malonga Casquelourd Center for the Arts (1428 Alice Street). The Malonga facility requires major renovation of its building systems, building exterior and common areas. The first phase of work began in 2008 and will be completed in the late 2010.

Jefferson Square Park (618 Jefferson Street). Jefferson Park will undergo major renovations to upgrade its tot lot, add a new dog park with separate areas for small and large dogs, relocate an existing full-sized basketball court, and complete general landscaping improvements. Community meetings and completion of the design took place in 2008. Upgrades will begin in April of 2010 and be completed in November of 2010.

Chinese Garden Park (7th and Harrison Streets). Proposed improvements to the Chinese Garden Park include repairs to pathways, concrete pad at the pavilion, resodding of the lawn, tree planting and irrigation systems. Design is underway and bids will be accepted in March 2009. Construction will begin in November of 2009 and be completed in April of 2010.

Fox Square – The Agency, with financial assistance from the City, worked with Forest City to create Fox Square, a new 25,000 square-foot public park in the Uptown area. The park was completed in October of 2008. The Agency negotiated with Forest City to provide all maintenance services at this new park at their expense.

Plans for the implementation period include completion of all capital improvements at the various sites.

Oakland Convention Center

In June of 2007, the CIM Group Oakland acquired Oakland Marriott City Center and the Courtyard Oakland Downtown. The Oakland Marriott City Center is contiguous with the Oakland Convention Center, which CIM manages on behalf of its owner, the City of Oakland. CIM has approached the Agency to provide capital improvement funding to renovate various components of the aging Convention Center. Plans for the 2009/10-2012/13 implementation period include reaching agreement with CIM over the terms and conditions of such funding and implementation of the work.

Developer Funding Assistance

The severe downturn in the local housing market and the national financial crisis presented many housing developers that had projects in construction with a rapidly changing market environment that has forced some of them to convert for-sale housing projects to rental housing projects and has forced others into foreclosure. The Agency has received requests for funding assistance from developers to assist them in addressing these problematic circumstances. The Agency has allocated funding for this purpose and will consider requests from developers on a case-by-case basis.

Downtown Walking Patrol and Police Services Program

The Walking Patrol Program and Police Services Program were established to enhance safety and security above standard police patrol levels in order to facilitate the leasing or sale of office space in the Central District Project Area. The service has rendered an improved perception of security by business owners, customers, and workers in the area, and decreased crime rates. Proposed Agency funding for FY 2009-11 is approximately \$1 million for each year. It is anticipated that this level of funding will continue until the end of the implementation period.

Economic Development Program

The Agency is supporting the Economic Development Division's Economic Development Program to increase investment in Oakland in a way that contributes to the prosperity of

businesses and provides sustainable job opportunities for Oakland residents and diverse economy in Oakland. Efforts are focused in four primary sectors: retail, office, industrial, sustainable and international trade business opportunities. The program serves not only the Central District Project Area and I-880 corridor, but also other commercial areas and business districts of the city. Specifically the program focuses on:

- Retention and expansion of existing businesses
- Implementation of the Citywide Retail Enhancement Strategy
- Downtown Office Strategy, which aims to attract new, financially secure and experienced business investment into Oakland's downtown office market by assisting in efforts to create an attractive place for more national and international investment and business location
- Creation of the Oakland Business Assistance Center, a visible, easily accessible, single location for Oakland businesses to obtain support and information on how to operate, grow and sustain their businesses in Oakland
- Sustainable Strategy which provides increasing opportunities for Oakland businesses to develop sustainable business practices that promote healthy businesses as well as a healthy environment

Marketing & Special Events Program

The Marketing & Special Events Program positions Oakland and the Project Area as a center for business in the Bay Area through a comprehensive marketing strategy in the areas of overall image enhancement; business attraction marketing; city promotion; visitor marketing (through the Oakland Convention & Visitors Bureau contract); and film, special events and cultural arts to enhance vitality and fuel continued revitalization. Major functions include creating and implementing marketing campaigns; production of marketing collateral, high-profile special events and business support activities; promoting Oakland and the Project Area at key trade shows and conventions; generating positive publicity, including business-related media coverage; providing marketing technical assistance for small businesses and key cultural attractions; and promoting Oakland and the Project Area as a prime destination for shopping, dining, arts and entertainment.

IV. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT

The Agency proposes to continue to focus its activities in the next three to five years on eliminating physical and economic blight conditions through the construction of public improvements and utilities, and assisting the private sector in developing vacant and/or underutilized properties. It is the Agency's intent that the Implementation Plan as proposed will encourage further private sector investment in both commercial and residential designated areas.

The Agency will focus on three categories of activities in order to eliminate blight in the Central District. These are:

1. Assemble blighted and underutilized properties into sites suitable for new development. Such 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 suitable of development for new uses. Through an Owner Participation Agreement (“OPA”) or Disposition and Development Agreement (“DDA”), the Agency may provide land write-downs or may grant or loan money to assist new retail, commercial and housing development, or facilitate the expansion of existing facilities. Projects that include this activity could be located within the Upper Broadway Retail Strategy area.

2. Supply low cost loans, grants, subsidies and directly improve blighted structures, including the Fox Theater, the Uptown Project, the Façade Programs, the Downtown Historic Façade Program and the Downtown Tenant Improvement Program. By eliminating physical deterioration, and improving the substandard or functionally obsolescent condition of retail and commercial buildings, more businesses will be attracted to the area, which will improve retail sales, property values and property taxes. The increased business activity should attract new patrons to the Project Area.

3. Provide infrastructure improvements covering a variety of public works projects ranging from installation of utilities, traffic capacity projects, mass-transit improvements, parking facilities, new streets, under grounding 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, and freeway noise walls. This may also include streetscape projects including construction of new curbs, gutters and sidewalks; planting 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 Project 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 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. The proposed Agency programs for these activities include the Streetscape Master Plan, including Streetscape Improvements in Uptown, Old Oakland/ Chinatown and Lower Broadway, the Broadway Improvement Program and the continued operation and possible new construction of public parking facilities.

V. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL FULFILL THE LOW/MODERATE-INCOME HOUSING REQUIREMENTS

Implementation Plan Requirements

This Housing Component of the Implementation Plan is required by Article 16.5 of the CRL. (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. 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.

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 contains numerous provisions to guide redevelopment agency activities with regard to low-mod housing. These provisions divide a redevelopment agency's housing responsibilities into three major categories:

- The production and/or replacement of low-mod housing depending upon activities undertaken by an agency within its project areas;
- The set-aside and expenditure of specified amounts of tax increment revenue for the express and exclusive purpose of increasing and improving a community's supply of low-mod housing; and

- Preparing reports on how the agency has met, or preparing plans on how the agency will meet its responsibilities with regard to the first two items.

This Housing Component is part of the Agency's responsibilities under the third major category. Its contents address how the Agency's plans for the Project Area will achieve many of the housing responsibilities contained in the first and second major categories of Agency housing activities. 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 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 of all new residential dwelling units developed by public or private entities or persons other than the Agency within a project area under the jurisdiction of an 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 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)).
- **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)).

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

- At least 20 percent of tax increment revenues must 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).
- The law requires the proportional expenditure of these housing funds on moderate, low, and very-low income housing (Section 33334.4).
- The law requires the transfer of housing funds to other public entities producing housing in the community in some cases if the low and moderate income housing fund has excess surplus (Section 33334.12).
- The law requires the proportional expenditure of housing funds on the same proportion of the population over the age of 65 as reported in the most recent U.S. census (Section 33334.4).

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 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 33490(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 the CRL. 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.

The Agency does not anticipate undertaking or assisting any actions in the Project Area 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

Because the Redevelopment Plan was adopted prior to 1976, the Agency is not required to comply with the housing unit production requirement of the CRL Section 33413(b).

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

a. Set-Aside of Tax Increment

The Agency must comply with the Section 33334.2 requirement to allocate 20 percent of the gross tax increment (“Set-Aside”) to affordable housing activities. The Set-Aside is required to be deposited into the Agency’s Low and Moderate Income Housing Fund (the “Housing Fund”) created to hold the monies until expended.

The Redevelopment Agency has adopted a general policy that 25 percent of all tax increment be allocated to the Housing Fund, subject to certain conditions. The projections of deposits into the Housing Fund that are included in the following section assume that the 25 percent Set-Aside will be deposited into the Housing Fund in each of the years covered by the Implementation Plan except for 2009-10 and 2010-11, where some or all of the voluntary 5% increase may be used to make State-mandated payments to the Supplemental Educational Revenue Augmentation Fund if that requirement survives a pending legal challenge.

b. Proportional Expenditures of Housing Fund Monies

The Project Area is subject to the Section 33334.4 requirement that the Agency expend Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met every ten years, in the case of the income proportionality test, and over the duration of the implementation plan in the case of the age test, through the termination of the Redevelopment Plan life. These tests do not have to be met on an annual basis.

c. Very-Low and Low Income Housing Expenditures

The income proportionality test requires the Agency to expend Set-Aside funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the Government Code. The proportionality test used in this Implementation Plan is based on the 2008 Regional Housing Needs Allocation (RHNA) Plan prepared by the Association of Bay Area Governments. Based on the 2008 RHNA, the City’s minimum required allocation for very-low and low-income expenditures and maximum moderate income housing expenditures are:

Category	RHNA	Threshold
Very-Low Income	1,900	At least 27%
Low Income	2,098	At least 29%
Moderate Income	3,142	No more than 44%
Total	7,140	

Therefore, the CRL requires for Oakland that at least 27 percent of the Housing Fund monies dedicated to projects and programs be spent on housing for very-low income households. In addition, at least 29 percent of these funds must be spent on housing

for low-income households, and no more than 44 percent of the funds may be spent on housing for moderate-income households. However, the Agency is entitled to expend a disproportionate amount of the funds for very-low income households, and to subtract a commensurate amount from the low and/or moderate-income thresholds. Similarly, the Agency may provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate-income households. In no event may the expenditures targeted to moderate-income households exceed the established threshold amount.

The Agency will allocate its funds in such a way that these percentages are met over the ten-year period from 2009 through 2019. In addition, the City or other entities may provide assistance for the construction of units affordable to very low and low income households that may also be counted toward meeting the proportionality requirements of Section 33334.4.

d. Age Restricted Housing Expenditures

Section 33334.4 also requires that the Agency assist housing that is available to all persons, regardless of age, in at least the same proportion as the population under age 65 bears to the City's total population as reported in the most recent census of the United States Census Bureau. The 2000 Census indicates that 89.5 percent of the City's population is under 65 years of age. As such, at least 89.5 percent of the Agency expenditures on affordable housing projects must be spent to assist projects that do not impose age restrictions on the residents. The following summarizes the allocation of housing fund monies.

Age Category	Percentage of Funds
Senior	10.5% Maximum
Unrestricted	89.5%
Total	

The Agency will ensure that over the term of this Implementation Plan from 2009 through 2014, not more than 10.5 percent of its expenditures on affordable housing projects are for projects exclusively serving seniors.

e. Transfer of Housing Funds to Other Providers

The Housing Fund is subject to CRL provisions requiring the transfer of housing funds to other housing producers in the Oakland area under certain circumstances. For example, such transfers could possibly occur if the Housing Fund had "excess surplus", meaning any unexpended and unencumbered amount in the Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited into the Housing Fund during the preceding four fiscal years.

The Agency does not anticipate having an excess surplus during the current Implementation Plan cycle or throughout the subsequent remaining Project Area life.

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 that certain housing expenditures, and preservation and production requirements, be attained during five and ten year increments. The housing production requirement, if applicable, must be met every ten years, while the proportionality tests must be achieved over the next five or ten years, and then again through the end of the Project Area life. 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

The following table presents the projected future deposits into the Housing Fund. As shown below, \$67,987,747 in revenues are projected to be available over the five-year term of this Implementation Plan.

**Estimate Housing Set-Aside Revenue
2009-2014**

Plan Year	Fiscal Year	Housing Set Aside
1	2009-10 ²	\$11,818,852
2	2010-11	\$13,968,380
3	2011-12	\$15,295,069
4	2012-13	\$15,677,446
5	2013-14	\$11,228,000
Total		\$67,987,747

5. Anticipated Housing Program Activities

The Agency may assist in a variety of programs to provide, improve and preserve affordable housing such as the following:

² Note that in fiscal year 2009-2010 the Agency will deposit only 20% -- instead of 25% -- tax increment set-aside into the Housing Fund due to the State of California's requirement that Redevelopment Agencies make an additional deposit to fund education -- into the "Supplemental" Educational Revenue Augmentation Funds (SERAF) account. In FY 2010-11, the Agency will deposit approximately 23% of the projected gross increment for the project area in order to make the required SERAF payment.

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 rental 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 Agency funds are tracked individually for each project area, the funds from all of the Agency's project areas are combined into a single Low and Moderate Income Housing Fund (except for West Oakland and Central City East, both of which restrict the use of housing funds to their Project Areas). The Agency has 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 may be used both inside and outside the Project Area. In addition, the City of Oakland also provides assistance for the development, improvement and preservation of affordable housing.

The tables on the following pages provide information for the previous implementation plan period, 2004-2009, regarding:

- the amounts of Low and Moderate Income Housing Fund moneys 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

Redevelopment Agency Assisted Housing Activities Completed or Underway, 2004 - 2009

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
1574-1590 7th Street	Homeownership	Underway	West Oakland			2	3	\$ 127,327
3701 Martin Luther King, Jr. Way	Homeownership	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 109,909
3829 Martin Luther King, Jr. Way	TBD	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 52,000
6 th & Oak Streets	Seniors	Underway	Central District		69			\$ 3,699,656
720 E. 11 th Street Project	Families	Underway	Central City East	30	24			\$ 4,859,833
Altenheim Phase I	Senior	2007	None	39	53		1	\$ 4,084,660
Altenheim Phase II	Seniors	Underway	None	48	32		1	\$ 1,753,000
Byron Avenue Homes	Homeownership	Underway	Central City East	4	4	2		\$ 386,550
California Hotel	Special Needs	Underway	West Oakland	149				\$ 600,000
Drachma, Inc (14 unit scattered site)	Families	Underway	West Oakland	14				\$ 840,000
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	Underway	Coliseum		13	15		\$ 3,601,000
Effie's House	Families	Underway	None	4	17			\$ 1,257,000
Eldridge Gonaway	Families	Underway	Central City East		39		1	\$ 1,655,000
Emancipation Village	Special Needs	Underway	None	35			2	\$ 1,652,000
Fairmount Apartments	Families	Underway	None	30			1	\$ 3,400,000
Faith Housing	TBD	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 689,598
Foothill Plaza Apartments	Families	Underway	Central City East	53			1	\$ 2,910,000
Fox Courts	Families	2009	Central District	40	39		1	\$ 4,950,000
Golf Links	Homeownership	2009	None			3	7	\$ 584,000
Harrison Senior	Senior	Underway	Central District		73			\$ 5,133,000
Hills Elmhurst Plaza Senior Housing	Senior	Underway	Coliseum		63		1	\$ 6,032,000
Hugh Taylor	SRO	Underway	Central City East	42				\$ 1,222,000
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
Lincoln Court	Senior	2006	None	81			1	\$ 2,000,000
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	Underway	Coliseum	50			1	\$ 2,980,547

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
MacArthur Homes (3801-3807 MLK Jr. Way)	Homeownership	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 800,000
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
Marin Way Court	Families	Underway	Coliseum		19		1	\$ 1,200,000
Mortgage Assistance Program ³	Homeownership	multiple	Citywide	47	242	2	1	\$13,451,314
Oak Park Homes	Families	2004	Central City East	34			1	\$ 3,419,000
Oak Street Terrace Senior	Senior	2004	Central District	16	22		1	\$ 2,072,000
Oaks Hotel	SRO and Special Needs	Underway	Central District	85				\$ 1,100,000
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	Underway	Central City East	99			1	\$ 450,000
Project Pride	Transitional	Underway	West Oakland	42				\$ 1,600,000
Redwood Hill	Homeownership	Underway	None		8	9		\$ 2,310,000
Saint Joseph's Family Phase IIb	Families	Underway	Coliseum	54	4			\$ 3,019,656
Saint Joseph's Family Phase IIa	Families	Underway	Coliseum			16		\$ 3,584,000
Saint Joseph's Senior	Senior	Underway	Coliseum	42	25		1	\$ 4,639,000
Saint Patrick's Terrace	Senior	Underway	West Oakland		65			\$ 753,600
Sausal Creek	Homeownership	2008	None			17		\$ 3,980,000
Seven Directions	Families	2009	Coliseum	23	12		1	\$ 3,289,000
Slim Jenkins	Families	Underway	West Oakland	27		3	2	\$ 1,920,000
Southlake Towers	Seniors	2004	Central District	26	103		1	\$ 445,300
Tassafaronga Homeownership	Homeownership	Underway	Coliseum		17	5		\$ 1,868,000
Tassafaronga Village Rental Phase I	Families	Underway	Coliseum		50			\$ 3,000,000

(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 2004.

(2) TBD = "to be determined" – specific affordability levels have not yet been established.

³ Represents fiscal years 2004-2005 through 2008-2009.

**Housing Units Newly Constructed in Redevelopment Project Areas,
Assisted With Locally-Controlled Government Assistance and
No Redevelopment Agency Low & Moderate Income Housing Financing, 2004 - 2009**

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level			
				Very Low	Low	Moderate	Above Moderate
Lion Creek Crossings, Phase II	Families	2007	Coliseum	63	29		
Nathan A. Miley Senior Housing Community	Senior	2007	Central City East	50	19		
Uptown Project – Parcel 1	Families	2008	Central District	55		15	185
Uptown Project – Parcel 2	Families	2007	Central District	44		9	140
Uptown Project – Parcel 3	Families	2008	Central District	34		9	174
Wang Scattered Site – 901 70 th St.	Homeownership	2004	Coliseum		1		
Wang Scattered Site – 1311 Campbell Street	Homeownership	2005	West Oakland		1		

7. Time Limits and Compliance with Housing Obligations

Per Section 33490(a)(4), there are fewer than six years until the Agency reaches the time limit on the effectiveness of the Redevelopment Plan. Since there are no planned projects in the Project Area that would create a replacement housing obligation, and since area production requirements do not apply to the Project Area, there is no issue with complying with these statutory requirements prior to the time limit. Since all of the Agency's housing setaside funds are pooled into one Citywide Low and Moderate Income Housing Fund, the housing setaside funds generated by the Project Area will continue to remain with the Low and Moderate Income Housing Fund upon expiration of the time limits.

Approved as to form and legality
R. S. 2009 NOV 18
Agency Counsel
OFFICE OF THE CITY CLERK
OAKLAND
PM 12:51

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION PLAN FOR THE COLISEUM AREA 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 Agency Administrator has prepared and presented to the Agency an Implementation Plan for the Coliseum Area Redevelopment Project for 2009-2014; and

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

WHEREAS, the proposed Implementation Plan as presented to the Agency sets forth the specific goals and objectives for the Coliseum 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 the Agency hereby approves and adopts the 2009-2014 Implementation Plan for the Coliseum Area Redevelopment Project attached to this Resolution as Exhibit A; and be it further

RESOLVED: That the Agency Administrator or his 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.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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

**A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION
PLAN FOR THE COLISEUM AREA REDEVELOPMENT PROJECT**

EXHIBIT A

**COLISEUM AREA REDEVELOPMENT PROJECT
FIVE-YEAR IMPLEMENTATION PLAN
FY 2009-2014**

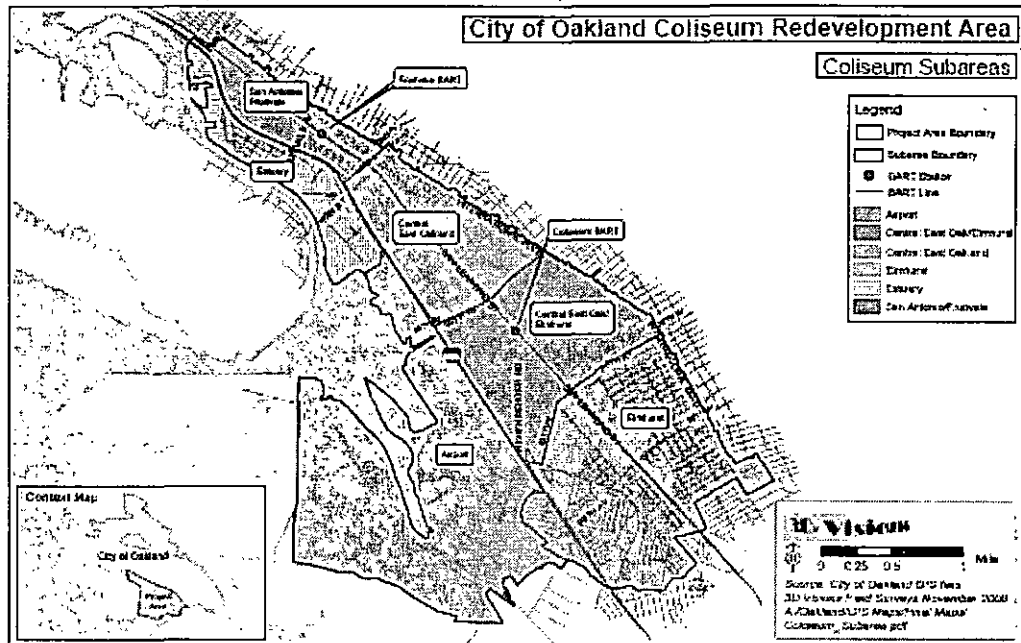
I. BACKGROUND AND INTRODUCTION

The Coliseum Area Redevelopment Plan was adopted on June 23, 1995 (Ordinance Number 11824 C.M.S.), and later amended on July 22, 1997 (Ordinance Number 12001 C.M.S.) to include an additional 680 acres in the San Antonio district of Oakland. (References herein to the “Project Area” includes the original Coliseum project area as well as the additional territory added by the 1997 amendment.) The redevelopment plan documents, including the Implementation Strategy, were developed with considerable community input, led by the Coliseum Area Redevelopment Advisory Committee (“CARAC”), comprising representatives from the business, residential, faith and non-profit communities.

The Coliseum Redevelopment Project Area includes 6,764 acres bounded by 22nd Avenue, International Boulevard, the Oakland-San Leandro city border, and the Oakland International Airport and the Estuary. Approximately 75 percent of the total Project Area consists of commercial, industrial, and airport related uses with the remaining 25 percent of the total Project Area residential.

The Coliseum Project Area consists of six geographic sub-areas:

- Airport (MLK Shoreline/Edgewater and Hegenberger Gateway)
- Central East Oakland
- Central East Oakland/ Elmhurst (Coliseum BART Station Area)
- Elmhurst
- Estuary
- San Antonio/Fruitvale (Fruitvale Bart Station Area)



This Implementation Plan includes two complementary components, a redevelopment component and a housing component. The redevelopment section revisits the goals and objectives of the Redevelopment Plan, presents the projects, programs and expenditures that have been developed to achieve the goals and objectives and describes how these project, programs and expenditures will eliminate blight in the Coliseum Project Area. In the complementary housing section a similar review is presented for the low and moderate (“low-mod”) income housing program.

The principal objectives of the Redevelopment Plan are the abatement of physical and economic blight through the redevelopment of vacant and underutilized properties and the replacement of obsolete infrastructure. Since the Coliseum Area Redevelopment Plan was first adopted in 1995, the Redevelopment Agency has funded or otherwise supported a number of actions called for in the previous Implementation Plan:

- A. Improve intermodal transportation opportunities, public facilities and infrastructure in residential, commercial and industrial areas:
 - i. Completed construction of the Coliseum Transit Hub streetscape and continued utility undergrounding along San Leandro Street
 - ii. Completed four major roads of the Airport Gateway Streetscape Improvements as part of the Airport Gateway Urban Design Concept, Hegenberger Road, 98th Avenue as part of the Airport Roadway project, Airport Access Road, and Doolittle Drive Streetscape Improvements
 - iii. Completed the Hegenberger East Streetscape, Coliseum Transit Hub along San Leandro Street at the Coliseum BART Station and the 29th Avenue Street Improvement
 - iv. Developed the design for the 66th Avenue Streetscape Project from San Leandro Street to International Boulevard to implement the MTC Housing Incentive Program grant
 - v. Constructed the Coliseum InterCity Rail Platform for Amtrak and Capitol Corridor rail service complementing the Coliseum Oakland Airport BART Station and AC Transit intermodal transportation hub
 - vi. Developed the design and launched the San Leandro Street Utility Under Ground project with PG & E and City of Oakland PWA Electrical Division as part of the overall Coliseum Transit Village project
 - vii. Constructed Railroad Avenue Improvements and designed Railroad Avenue Phase II street improvements
 - viii. Provided funding support for the administration, construction monitoring and plan review during construction of proposed Oakland Airport Connector project
 - ix. Supported and completed designs and environmental reviews for the Fruitvale Alive Streetscape Project (portions in the Coliseum Project Area)
 - x. Allocated funds to support the construction of the East Oakland Sports Complex
 - xi. Substantially constructed the 81st Avenue Branch of the Oakland Public Library

- B. Assist with environmental assessments, clean-up and land assembly to stimulate catalyst development projects and improve underutilized properties:
- i. Completed infrastructure improvements for the third phase of the Oakland Housing OHA Lion Creek Crossings Project enabling the construction of 370 units of mixed-income housing
 - ii. Completion of the Jingletown Housing Development – for sale units for first time homebuyers
 - iii. Completion of the Fruitvale Transit Village Phase I project including key tenants such as the La Clinica de la Raza, the Cesar Chavez Branch Library, the Oakland Multipurpose Senior Center and a retail courtyard of 38,000 square feet around the 34th Avenue Paseo, now known as Avenida de la Fuentes
 - iv. Coordinated the completion of the conveyance and construction of the OUSD Cesar Chavez Education Center housing the kindergarten and early education program, and three (3) elementary schools
 - v. Completion of the Las Bougainvilleas Senior Housing Development – 64 rental units for low-income seniors
 - vi. Completed design and construction for the replacement park associated with the Lion Creek Crossings development
 - vii. Provided continued support and funding acquisition for Fruitvale Transit Village Phase I and Coliseum Transit Village and associated infrastructure improvements
 - viii. Completion of the Fruitvale Station Shopping Center, 160,000 sf. on 13 acres
- C. Improve security and directly address on-going blight conditions through targeted engagement programs:
- i. Cited approximately 1,400 code violations via Tough on Blight Campaign in cooperation with Building Services Division
 - ii. Installed security cameras to deter illegal dumping and graffiti
 - iii. Contracted through Youth Employment Partnership workforce development to assist in graffiti abatement
 - iv. Funded Neighborhood Enforcement Team (NET) and 8L18 Police Department programs and funded additional patrol and investigative operations including walking patrols and vice enforcement actions to promote public safety
 - v. Initiated Community Cleanup Corps (CCC) with Department of Human Services using Goodwill Industries as the training coordinator to employ homeless individuals for blight abatement
 - vi. Implemented murals to abate graffiti

- D. Promote and stimulate investment in the neighborhoods, commercial and industrial areas throughout the Coliseum Redevelopment Project Area:
 - i. Tenant Improvement Program
 - ii. Façade Improvement Program
 - iii. Rebuilding Together Oakland
 - iv. Established Coliseum Green Works workforce and neighborhood project development program
 - v. Neighborhood Projects Initiative (“NPI”) provided funds for improvements to Officer William “Willie” Wilkins Memorial park, Sobrante Park, and Fruitvale Plaza/35th Ave Park
 - vi. Infill Development Incentives Program
 - vii. Coliseum Revolving Loan Program
 - viii. Developed a new marketing program with new neighborhood and area profiles on the Coliseum Redevelopment Project Area, Transit Oriented Development (TOD), the Hegenberger/ I-880 District, In-Fill Housing, and the Coliseum Auto Mile

II. GOALS AND OBJECTIVES FOR THE PROJECT AREA

The following implementation goals are based on those stated in the original Redevelopment Plan for the Coliseum Area Redevelopment Project as well as goals presented in the previous Five-Year Implementation Plan.

- A. Eliminate blighting influences and correct environmental deficiencies in the Project Area.
- B. Assemble land into parcels suitable for sustainable, integrated development with improved pedestrian and vehicular circulation in the Project Area.
- C. Re-plan, redesign and develop undeveloped areas which are economically stagnant or improperly utilized.
- D. Provide opportunities for participation by owners and tenants in the revitalization of their properties.
- E. Strengthen retail and other commercial functions in the Project Area.
- F. Strengthen the economic base of the Project Area and the community by the installation of improvements to stimulate commercial/light industrial expansion, employment and economic growth.

- G. Improve transportation, public facilities and infrastructure in residential, commercial and industrial areas.
- H. Improve public safety for people living and working in the area.
- I. Provide adequate land for parking and open spaces.
- J. Establish and implement performance criteria to assure high site design standards and environmental quality and other design elements which provide unity and integrity to the entire Project.
- K. Expand and improve the community's supply of low- and moderate-income housing.
- L. Improve the quality of the residential environment by assisting new construction, rehabilitation, and conservation of living units in the area.
- M. Revitalize the International Boulevard corridor and other key Project Area corridors.

Along with the Project Area Goals and Objectives, the implementation of the Redevelopment Plan will also conform to the City's General Plan and adopted land-use policies and standards, and with City-wide goals and adopted policies for encouraging sustainable development and implementing contracting and employment programs. Taken together, achieving all of these goals and objectives will ensure successful redevelopment and foster a livable community.

III. PROJECTS AND EXPENDITURES PROPOSED FOR THE NEXT FIVE YEARS

The realization of Project Area goals and objectives for redevelopment, as well as the overarching purpose of successful revitalization, will be accomplished through the implementation of projects and programs categorized by the following four strategies. These strategies reflect input from business and neighborhood communities and are consistent with the strategies advanced in previous Implementation Plans:

Project and Program Strategies to Realize Redevelopment Goals and Objectives:

- A. Improve intermodal transportation opportunities, public facilities and infrastructure in residential, commercial and industrial areas
 - i. Develop Coliseum and Fruitvale Transit Villages
 - ii. Target streetscape improvements to key transit corridors
 - iii. Target improvements to public libraries, parks, community and recreation facilities
 - iv. Develop transit improvement and improve access between targeted development areas and activity nodes
 - v. Develop and improve bicycle, pedestrian and greenway routes

- B. Assist with environmental assessments, clean-up and land assembly to stimulate catalyst development projects and improve underutilized properties
 - i. Continue implementation of in-fill incentive programs
 - ii. Coordinate with City sustainable economic development plan to support catalyst developments in designated growth sectors
 - iii. Acquire and assemble land for attracting development interest in key growth and change areas

- C. Improve security and directly address on-going blight conditions through targeted engagement programs
 - i. Eliminate land-use conflicts between residential and industrial edge
 - ii. Continue implementation of anti-blight and code enforcement programs

- D. Promote and stimulate investment in the residential neighborhoods, commercial and industrial areas throughout the Coliseum Redevelopment Project Area
 - i. Assist in neighborhood commercial district and corridor revitalization
 - ii. Provide job-training and employment for residents
 - iii. Promote community-initiated neighborhood small capital projects
 - iv. Continue implementation of business and commercial support programs
 - v. Support and promote in-fill housing development

Table 1 outlines the projected tax increment revenue for the Coliseum Area Redevelopment Project over the five-year period of this Implementation Plan. The projections assume a 2% average growth in tax increment revenue over the 2010 assessed property valuation within the Project Area. The revenues stated for the last four of the five years proposed, FY2010-14, are projections *only* and are contingent upon specific Council authorizations at a later date.

Total projected gross tax increment revenues that will be available during the FY 2009-14 period are estimated to be \$144,217,135. The total projected Low and Moderate Income Housing Fund revenue is estimated to be \$34,000,605.

*Table 1: Projection of Coliseum Tax Increment Revenue
FY 2009-2014*

	FISCAL YEAR					TOTAL
	2009-10	2010-11	2011-12	2012-13	2013-14	2009-14
Gross Tax Increment Revenue (1)	27,515,305	28,065,611	28,626,923	29,606,757	30,402,539	144,217,135
Prior Years Revenue	8,500,000	-	-	-	-	8,500,000
Housing Set Aside Requirement (2)	(5,503,061)	(6,338,489)	(7,156,731)	(7,401,689)	(7,600,635)	(34,000,605)
AB 1290 Pass-Through	(6,871,840)	(7,074,353)	(7,280,916)	(7,641,494)	(7,934,342)	(36,802,945)
Debt Service	(6,844,710)	(6,846,721)	(6,844,518)	(6,842,962)	(6,836,985)	(34,215,896)
State Education Funds (ERAF)	(11,126,855)	(1,917,284)	-	-	-	(13,044,139)
School Set-Aside	-	-	(734,476)	(772,061)	(803,058)	(2,309,595)
Net Tax Increment Revenues (3)	5,668,845	5,888,764	6,610,282	6,948,551	7,227,519	32,343,961

(1) Net of Alameda County Administrative fee and estimated to grow at 2% per year.

(2) Housing Set Aside is 20% in 2009-2010, and 25% in years 2010-2014.

(3) Net Tax Increment Revenue includes staffing and operations & maintenance costs.

The list below summarizes tax increment revenue and expenditure information from Table 1 for the Coliseum area over the five-year planning period:

- For the five-year period, \$32.3 million net tax increment is projected to be available for City and Agency personnel costs, operating expenses, projects and programs
- \$34 million for the Low and Moderate Income Housing Fund
- \$36.8 million for other taxing agencies under the AB 1290 distribution formula
- \$34.2 million in debt service
- \$13 million in payments to the state Educational Revenue Augmentation Fund (“ERAF”)
- The State of California has required additional payments to the Supplemental Educational Revenue Augmentation Fund (“SERAF”) in the passage of the Fiscal Year 2009-2010 State of California budget. The California Redevelopment Association and participating cities and agencies are challenging the state-mandated payments under both the ERAF and SERAF provision. CRA and participating agencies filed litigation in October 2009 and expect a decision in spring 2010.
- There are no funds directed to the Oakland Unified School District in the two years, FY 2009-2011.

The Agency has allocated about \$97 million in projected tax increment revenue, tax allocation bonds, capital funding balances and prior year’s tax increment revenue to approximately 19 capital projects and 17 programs in the Coliseum Project Area. (See Table 2.)

Future expenditures for the remaining years based on available tax increment and other funds will largely be aimed toward improving transportation and infrastructure, improving obsolete and underutilized properties, and furthering the transit village development in the neighborhoods surrounding the Coliseum and Fruitvale BART stations. Additional investments will be made to improve security, improve linkages between area employers and potential area employees, retain and attract business, and revitalize neighborhood residential and commercial areas throughout the Project Area.

Table 2, on the following page, shows all major planned and ongoing projects and programs in the Project Area as approved by the City Council through individual Council actions and through the Agency's Fiscal Year 2009-2011 Adopted Budget.

Table 2: Currently Approved Coliseum Redevelopment Area Capital Projects and Programs

	Carry Forward FY 2008-09*	Tax Increment FY 2009-11	Bond Proceeds FY 2009-11	Total Project and Program Funding
Coliseum Area-Wide Projects and Programs				
Site Acquisition	67,942,299			67,942,299
Coliseum Capital Project Support		200,000		200,000
Coliseum Contract Contingency			400,000	400,000
Façade and Tenant Improvement Programs	453,592	1,250,000		1,703,592
Infill Incentives Program	84,961	150,000		234,961
Green Works Program		200,000		200,000
Blight Abatement Programs		580,000		580,000
Marketing and Business Assistance Center	180,124	810,000		990,124
Neighborhood Project Initiative Program	646,000	360,000		1,006,000
Coliseum Revolving Loan Fund	1,313,300	-		1,313,300
Police Enhancement Programs		550,000		550,000
Miscellaneous Program & Project Balance	136,643			36,643
Subtotal	70,756,919	4,100,000	400,000	75,256,919
Central Estuary Area				
Central Estuary Area Specific Plan	1,531,071			1,531,071
Subtotal	1,531,071			1,531,071
Hegenberger / Airport Gateway				
Oakland Airport Connector	725,000			725,000
S. Coliseum / Edes Ave Streetscape	1,800,000		900,000	2,700,000
Subtotal	2,525,000	-	900,000	3,425,000
Fruitvale BART Station Area				
Fruitvale Alive Streetscape	46,978		200,000	246,978
Subtotal	46,978	-	200,000	246,978
Coliseum BART Station Area				
Coliseum Transit Village Infrastructure			2,065,000	2,065,000
66th Ave Streetscape	927,582			927,582
Subtotal	927,582	-	2,065,000	2,992,582
Neighborhood Improvement Projects				
General Coliseum Infrastructure			1,675,000	1,675,000
Railroad Avenue Street Improvement	1,789,783		100,000	1,889,783
Sunshine Court Improvements			1,050,000	1,050,000
International Boulevard Streetscape Improvement			1,000,000	1,000,000
Subtotal	1,789,783	-	3,825,000	5,614,783
Public Facilities				
East Oakland Sports Center	1,000,000	1,000,000		2,000,000
Other Parks Projects	478,033			478,033
81st Avenue Branch Library	4,500,000	250,000		4,750,000
Other Library Projects	500,000			500,000
Subtotal	6,478,033	1,250,000	-	7,728,033
GRAND TOTAL	\$84,055,366	\$5,350,000	\$7,390,000	\$96,795,366

* Not including projects with no future allocations planned and less than \$50,000 balance remaining

Below are brief descriptions of projects and programs the Agency intends to pursue over the next five years in furtherance of the goals and objectives of the Coliseum Area Redevelopment Project. Most of the projects and projects below correspond to those listed above in Table 2. Others are included because they are projects that the Agency plans to pursue over the five year period, but for which funding has not yet been formally allocated.

COLISEUM-WIDE PROGRAMS

NEIGHBORHOOD PROMOTION AND IMPROVEMENT

Façade and Tenant Improvement Programs

These programs offer architectural assistance and matching grants for improvements to commercial property on targeted streets in the Project Area. The Façade Improvement Program provides grants for the improvement of building exteriors and the Tenant Improvement Program provides grants for interior spaces. Some tenant and façade improvements administered by redevelopment staff are also funded with monies from the federal Community Development Block Grant program.

Rebuilding Together Oakland

Rebuilding Together Oakland uses volunteer labor and leverages financial and in-kind donations to rehabilitate the homes of low-income elderly and disabled homeowners at no cost to the homeowners, so that they may live in safety, comfort and independence. Rebuilding Together Oakland also rehabilitates non-profit community facilities that work directly within low-income communities.

Green Works Development Program

Provides a two-year cycle of dedicated matching funds for “green-job” workforce training with connected capital funds for short-term/limited-scale green project installations (e.g., identified public landscaping/park components; neighborhood/residential greening projects) that will utilize up to 40 project area residents in-training as part of a formal green conservation crew. Specific installations are to be identified as augmentations to planned Coliseum Project Area capital projects or in response to expressed neighborhood/residential need.

Neighborhood Project Initiative

The Neighborhood Project Initiative (“NPI”) is intended to further blight reduction and beautification efforts in redevelopment areas through the funding of small-scale, community-initiated public/private improvement and infrastructure projects that currently have no other funding source. Funds have been allocated to 27 small projects since the program’s inception.

Infill Development Incentives Program

This program offers developers and property owners up to \$15,000 in matching funds for predevelopment analysis. The program is intended to encourage the exploration of residential and nonresidential development options for infill areas in the Coliseum Redevelopment Project Area. Major corridors are a particular focus of the program.

SECURITY AND BLIGHT ABATEMENT

Security Enhancement Program

Coliseum Area Redevelopment funds support OPD activities in the Project Area through the Neighborhood Enforcement Team (“NET”) program and the 8L18 Enhanced Patrol Area, which funds overtime costs for extra police patrols in commercial/industrial areas on nights and weekends. The Coliseum Commercial Security Program funds walking and possibly bicycle patrols along commercial corridors.

Graffiti Abatement Programs

The Coliseum Redevelopment Project plans to abate graffiti through three different efforts: an apprenticeship program employing individuals to paint over graffiti, a mural program for highly visible properties, and through the implementation of “green walls”, where trellises and plantings cover walls that are frequently vandalized.

Coliseum Tough on Blight Operation

This program is an enhanced blight enforcement operation that aggressively pursues blighted properties and blighting conditions within the Coliseum Project Area in cooperation with the Building Services Division, conducting two sweeps of Project Area streets per year.

Community Cleanup Corps

Individuals transitioning out of homelessness alleviate blight in Oakland redevelopment areas through a program of education, training and paid work experience. Program participants learn life skills, work readiness skills and safety skills in a classroom setting, and perform fieldwork activities, including light clean up, weed and blight abatement and limited vegetation management activities.

Site Improvement Program

In response to community input the Coliseum Area Redevelopment Project team is working to develop a new Site Improvement Program to support neighborhood capital projects for both residential and commercial districts of the Coliseum Area. The broader emphasis on neighborhood and industrial site improvement projects will complement large scale project efforts and ongoing matching grant programs to further promote investment in commercial properties.

CAPITAL PROJECT SUPPORT

Coliseum Capital Project Support

This program provides equipment, promotional materials, and professional services in support of redevelopment activities throughout the Coliseum Project Area. Funds will also be used for environmental assessments, consultants, appraisals, and legal fees for general infrastructure and offsite improvements that support major redevelopment, neighborhood, and economic catalyst projects.

Site Acquisitions

The Agency will continue to explore site acquisition strategies to facilitate:

- Replacement parking for the development of residential housing on the existing Coliseum BART surface parking lot
- Development of a major mixed-use commercial center within the area bounded by 66th Avenue, Interstate 880, Hegenberger Road and San Leandro Street
- Continued development of the Coliseum Auto Mile
- Infill projects on International Boulevard
- Neighborhood shopping center sites with grocery store anchors in locations such as San Leandro Street and 66th Avenue
- Greater retail attraction to the Project Area

CENTRAL ESTUARY AREA

Central Estuary Area Specific Plan

The Central Estuary Area generally encompasses 19th Avenue to the north, 54th Avenue to the south, I-880 to the east and the Estuary and San Leandro Bay to the west. The Coliseum Area Redevelopment Project has engaged the services of the firm Community Design + Architecture to prepare a Central Estuary Specific Plan and a related Environmental Impact Report for the area through a formal planning process.

HEGENBERGER / I-880 GATEWAY

South Coliseum Way/Edes Avenue Streetscape Design

This project is intended to provide a stronger link between the hotels on Edes Avenue and the Coliseum entertainment complex and may include ornamental streetlights, banners and trees. It will extend from the south entrance of McAfee Coliseum to 85th Avenue along South Coliseum Way and Edes Avenue.

Airport Connector

The Airport Connector is an elevated rail link between the Coliseum BART station and Oakland International Airport. Planned as a self-propelled, automated aerial guideway system, the Connector will support the Airport's growth by connecting the Airport with public transit at the Coliseum Transit Hub including BART, Amtrak and AC Transit. Agency resources pay for City costs of plan review, administration and construction monitoring.

FRUITVALE BART STATION AREA

Fruitvale BART Transit Village

The Fruitvale Transit Village, located west of East 12th Street between 33rd and 35th Avenues, is a major mixed-use development project that has revitalized the Fruitvale BART station area between 33rd and 35th Avenues west of International Boulevard. Three out of four phases, as well as a major public pedestrian plaza that connects the BART station with International Boulevard,

have been completed. Phase I included the construction of Las Bougainvilleas, a 68-unit senior housing development. Phase II comprised demolition, utility realignment, and streetscape improvement along East 12th Street. Phase III saw the construction of two major mixed-use buildings flanking the pedestrian plaza. In this phase, the Fruitvale Development Corporation (FDC) provided space for a new senior center, a day care center, senior and family housing, a community resource center, a health clinic, and a shopping and public pedestrian plaza. Phase IV, proposed for construction on the East 12th Street BART supplemental parking lot, will include 275 units of market rate and affordable rental housing to complement the transit village's existing mix of retail and community services.

Fruitvale Alive Streetscape Improvements

Improvements to this key corridor linking I-580 to I-880 will increase intermodal transit, address pedestrian safety and improve pedestrian connections between transit nodes and commercial centers. The blocks along Fruitvale Avenue between E. 12th and Farnam St. are within the Coliseum Project Area. The Redevelopment Agency is allocating \$200,000 in additional funds for this project in fiscal year 2009-10 to complement grants from the Metropolitan Transportation Commission.

COLISEUM BART STATION AREA

Coliseum BART Station Transit Village

The Coliseum Transit Village is a mixed-use transit oriented development at the inter-modal mass transit hub at the Coliseum BART Station. Currently, the City and BART are working with OEDC/MacFarlane Partners on the development, which will replace the existing Coliseum BART parking lot and provide approximately 400 units of housing and about 20,000 sq. ft. of neighborhood-serving retail. The project, together with Lion Creek Crossings Phase IV, was recently awarded \$8.5 million in Transit Oriented Development (TOD) funding from the California Department of Housing and Community Development. Coliseum funds are allocated to infrastructure improvements supporting the Coliseum Transit Village and Lion Creek Crossings Phase IV to partially match the TOD grant.

Lion Creek Crossings (formerly Coliseum Gardens HOPE VI) Project

The Oakland Housing Authority, in partnership with EBALDC and Related Companies of California, is developing a mixed-income housing project on 20 acres at San Leandro Street between 66th and 70th Avenues. The project, which received \$34.5 million of HUD HOPE VI funding and a \$4 million Agency contribution, replaces the Coliseum Gardens public housing project that was demolished in 2004, and includes two new streets, a City park and the restoration of a portion of Lion Creek. Phase IV of Lion Creek Crossings recently received \$7.5 million in Transit Oriented Development funding from the California Department of Housing and Community Development.

Coliseum Transit Village Replacement Parking Infrastructure

As the core of the Coliseum Transit Village is situated on BART parking lots, replacement parking for BART patrons will be temporarily provided in surface parking. This temporary surface parking will ultimately be replaced by a parking garage system.

San Leandro Street Utility Undergrounding

Undergrounding of utilities along San Leandro Street between 66th and 73rd Avenues complements the recently completed Coliseum Transit Hub streetscape project and advances the larger redevelopment effort to create a transit-oriented development around the Coliseum BART station area. The undergrounding is currently underway and scheduled to be completed by the summer of 2010. The streetscape improvement and undergrounding projects for San Leandro Street comprise a \$6 million effort using \$3.5 million of Agency funds and \$2.5 million of federal, state and local grants.

66th Avenue Streetscape

This project is located on 66th Avenue between San Leandro Street and International Boulevard. Leveraging the Lion Creek Crossings and San Leandro Street infrastructure improvements, the project will improve pedestrian access to the transit facilities on both International Boulevard and San Leandro Street from area schools, residences and activity centers. Project design is complete with construction scheduled to begin in the summer of 2010. Grant funds in the amount of \$1,230,000 from MTC Housing Incentive Program and \$387,115 from the Transportation For Clean Air program complement Agency funding.

NEIGHBORHOOD IMPROVEMENTS

STREETSCAPES

Many streets in the older industrial and neighborhood commercial districts require improvement to accommodate current pedestrian and vehicle activity. Some of the streets lack sidewalks or other pedestrian amenities, which inhibit the full utilization of adjacent properties. The Coliseum Redevelopment Project aims to transform these districts into vital, functioning areas by upgrading the roadway infrastructure to help support and encourage private development.

International Boulevard Streetscape Improvement

Improvements are planned for three nodes comprising 23 blocks along the thoroughfare from 40th Avenue to 89th Avenue. The Agency and City are seeking regional, state and federal funding to complement existing City funding for the project. Coliseum Redevelopment funds will support project design and administration costs for Public Works capital improvement of International Boulevard, with allocations of \$750,000 in fiscal year 2009-10 and \$250,000 in fiscal year 2010-11.

Railroad Avenue Street Improvement Phase II

Improvement of Railroad Avenue from Louisiana Street to 98th Avenue will complete Agency efforts to reduce dumping activities and drainage problems on the roadway. Phase I successfully enhanced the appearance and function of Railroad Avenue from 85th Avenue to Louisiana Street for the businesses along that section of the road. Phase II, financed with approximately \$1.2 million of Coliseum Redevelopment funds, will provide the same level of improvements for the residents along the southern portion of Railroad Avenue. Construction of Phase 2 is scheduled to commence early spring 2010.

Sunshine Court Improvements

Sunshine Court is a severely unimproved street that falls within the Coliseum and Central City

East (CCE) Redevelopment Areas. It runs between 74th and 76th Avenue, beginning at International Boulevard and turning south to terminate at 76th Avenue. Redevelopment funds will be used to improve the blighted, damaged and unsafe condition of Sunshine Court. The Redevelopment Agency and the City of Oakland are in the process of acquiring the road. Improvements to the road will be necessary before it can be dedicated to the City. \$1,050,000 of Coliseum funds are allocated for Sunshine Court improvements in fiscal year 2009-10.

Industrial Zone Improvements: General Coliseum Infrastructure Project

The General Coliseum Infrastructure project will provide infrastructure investments in targeted industrial areas to increase jobs in the Coliseum area. Components include utilities and lighting equipment, surface and street improvements, landscape amenities, trees and signage. Targeted areas include the Melrose-Coliseum, Woodland-81st Avenue and Tidewater industrial zones. \$1,000,000 is allocated to this project in fiscal year 2009-10 and \$675,000 in fiscal year 2010-11.

PUBLIC FACILITIES

PARKS AND OPEN SPACE

The renovation and upgrading of various parks throughout the Coliseum Project Area minimizes the hazards of outdated and overused park structures and makes these public sites more safe and pleasant for community use. This investment in parks will also increase surrounding property values and eliminate blight.

Officer William “Willie” Wilkins Memorial Park (formerly Elmhurst Plaza Park)

Improvements to this park at 9700 C Street will include new lighting, a new play area, new restrooms, a picnic area, lawn, a jogging path with exercise stations and other paths.

Sobrante Park

Improvements to this park at 470 El Paseo Drive will include a new restroom structure and utility connections as well as handicap accessible pathways.

PUBLIC BUILDINGS AND FACILITIES

The Coliseum Redevelopment Area has many public facilities that are in need of renovations to meet current City building and safety standards. This project will refurbish and upgrade various recreation centers and libraries located within the Project Area to make these buildings more usable to the community and more relevant to current activities.

Teen Center at 5818 International Boulevard

Coliseum Redevelopment funds were used to purchase this former day-care facility for use as a teen center, and improvements are currently funded by the Agency through the Neighborhood Project Initiative program.

81st Avenue Community Branch Library

The Agency has contributed \$4.5 million toward the construction of a new public library in East Oakland at 81st Avenue and Rudsdale Street. The 21,000 square foot facility is a joint project of the Oakland Unified School District and the City of Oakland. When completed it will be the City’s first LEED certified, silver rated public building, sharing space with two new schools,

Encompass Academy and Woodland School. The library will serve 11 nearby schools, and will provide over 60 computers, a full-service computer training area as well as job and adult education resources, and life-skill program.

East Oakland Sports Center

The Agency has approved a \$2 million contribution to the East Oakland Sports Center project at Brookfield Recreation Center on Edes Avenue. The Agency funding supports construction and is matched by the East Bay Regional Parks Measure DD funding for an aquatic and exercise facility for the East Oakland area.

Brookfield and Martin Luther King, Jr. Libraries

Redevelopment funds are allocated for improvements that will enhance the functionality of these branch libraries serving the Coliseum Project Area community. Improvements to the Martin Luther King, Jr. Library are to include ADA upgrades to restrooms and drinking fountain, security and landscaping improvements. At Brookfield library skylight glazing will be replaced with insulated panels to reduce heat gain and glare and HVAC controls are to be enhanced.

IV. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT

The Agency proposes to continue to focus activities on eliminating physical and economic blight over the next five years by implementing plans, programs and projects funded by tax increment revenues and tax allocation bonds. The principal objectives of the Implementation Plan are the abatement of physical and economic blight through the redevelopment of vacant and underutilized properties and the replacement of obsolete infrastructure. It is the Agency's intent that the Implementation Plan as proposed will encourage further private sector investment in commercial, residential and industrial areas.

The leading indicators of blight in the Coliseum Project Area include obsolete and underutilized land, poor transportation circulation and connections, and lack of private investment. Over the last thirteen years, the Coliseum Project Area has made considerable steps in addressing these blight conditions and spurring investment in the Project Area. Nevertheless, given the size of the Project Area, there are still continuing conditions of significant blight.

The recently completed *Coliseum Redevelopment Plan Amendment Blight Analysis* (Hausrath Economics Group 2009) documents significant physical and economic blight remaining in the Project Area. Conditions of physical blight include deteriorated and dilapidated parcels, substandard properties and multiple public nuisances. These conditions lead to inefficiencies and underutilization of land and encourage further blight such as graffiti, dumping and illegal activities. Such conditions exist at moderate percentages throughout the Project Area but are most concentrated in the Central East Oakland and Elmhurst sub-areas straddling the San Leandro Industrial Corridor and in the Central Estuary Area (see Hausrath, pp.32-38).

Other significant physical blight includes areas with inadequate public infrastructure including sidewalks, curbs, gutters and access to open space. These conditions are prevalent in several

neighborhoods bordering industrial areas such as in Brookfield Village adjacent to and east of Railroad Avenue, Elmhurst neighborhoods between 86th and 92nd Avenues east of San Leandro Boulevard, and the immediate areas north and south of the Coliseum BART station. Additionally, the unresolved residential/industrial land-use mix in these areas create environments where residents experience high pollutant and diesel emissions levels, must navigate hazardous and unwelcoming pedestrian environments and where industrial business operations are often limited by land-use and transportation constraints.

Documented economic blight conditions include a continuing lack of commercial facilities serving the residential population of the Project Area. The Coliseum Project Area has a much lower density of important commercial facilities such as banks and supermarkets compared to Countywide and Citywide averages while suffering from an excess of negative commercial uses such as bars and liquor stores. The Project Area also is impacted by prevailing crime rates considerably higher than the rest of Oakland or Alameda County (Hausrath, pp. 55-7).

This Implementation Plan specifically addresses these and other blight conditions in the scope of identified projects and programs per the strategies listed in Section III. Over the next five years the Agency intends to:

- A. Continue development planning and investment in the Central Estuary area and the Coliseum BART area;
- B. Improve infrastructure and public facilities along the San Leandro Corridor and residential-industrial edge neighborhoods in Elmhurst, Brookfield and around the Coliseum BART station;
- C. Continue investment in targeted blight and crime reduction programs such as commercial security enhancements, Community Cleanup Corps and public art/mural programs;
- D. Improve and support transportation infrastructure for mobility and goods movements (streetscape projects and the Airport Connector) and improve open space access across the project Area (East Bay Greenway);
- E. Support commercial catalyst developments in accordance with the City's Economic Development Plan in the Coliseum, by assisting in the clean-up and pre-development of vacant/underutilized parcels in the I-880/Shoreline and Hegenberger Gateway areas and along key transit corridors such as International Boulevard;
- F. Invest in creating linkages between area employers and businesses and potential area employees through sustainable job-training and local business retention efforts;

- G. Continue major planned catalyst projects including:
- i. Support for transit villages at the Fruitvale BART station areas
 - ii. Construction of the 66th Avenue and International Boulevard streetscape projects
 - iii. Implementation of the Coliseum Transit Oriented Development Concept Plan at the Coliseum BART station area
 - iv. Implementation of the state HCD Proposition 1C Transit Oriented Development (TOD) Infrastructure Grant to link Lion Creek Crossings and the proposed Coliseum Transit Village to the Coliseum BART Station Area Plaza
 - v. Improved implementation of the Neighborhood Project Initiative program in the Project Area
 - vi. Implementation of the industrial infrastructure for Woodland-81st Ave, Melrose-Coliseum and Tidewater Zones set forth in the *City of Oakland Industrial District Strategy Support: Public Infrastructure Assessment and Recommendations*; BKF Engineers; October 2008.
- H. Implement other projects and programs as described in Section III.

The goals, objectives and expenditures of the Implementation Plan will collectively attract continued development to the Project Area, create a safer public environment, and support needed investments that otherwise would not be borne by the private sector to address the prevailing blight conditions as documented in the Coliseum Project Area.

V. TIME LIMITS

The California Community Redevelopment Law ("CRL") as contained in Sections 33000 *et seq.* of the California Health and Safety Code, requires that this Implementation Plan identify the fiscal year that the Agency expects each of the following time limits described below to expire. For this Project Area and its amendment area, the time limit expirations are as follows:

DESCRIPTION OF TIME LIMIT EXPIRATION – ORIGINAL PROJECT AREA	FISCAL YEAR
(1) The time limit for the commencement for eminent domain proceedings to acquire property within the Project Area	2007-2008*
(2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project	2014-2015
(3) The time limit for the effectiveness of the Redevelopment Plan	2026-2027 (i.e., on July 25, 2027)
(4) The time limit to repay indebtedness with the proceeds of property taxes	2041-2042 (i.e., on July 25, 2042)

*Plan amendment extending this limit for 12 years is pending.

DESCRIPTION OF TIME LIMIT EXPIRATION – KENNEDY/FRUITVALE AMENDMENT AREA	FISCAL YEAR
(1) The time limit for the commencement for eminent domain proceedings to acquire property within the Project Area	2007-2008*
(2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project	2016-2017
(3) The time limit for the effectiveness of the Redevelopment Plan	2027-2028 (i.e., on July 29, 2028)
(4) The time limit to repay indebtedness with the proceeds of property taxes	2042-2043 (i.e., on July 29, 2043)

*Plan amendment extending this limit for 12 years is pending.

Some of these time limits may be extended pursuant to the CRL. For instance, if the Agency makes payment to the county Supplemental Educational Revenue Augmentation Fund, it is entitled to extend the time limits on the effectiveness of the Redevelopment Plan and the receipt of tax increment by an additional year (Section 33331.5).

VI. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL FULFILL THE LOW/MODERATE-INCOME HOUSING REQUIREMENTS

Implementation Plan Requirements

This Housing Component of the Implementation Plan is required by Article 16.5 of the CRL. (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. 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.

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 contains numerous provisions to guide redevelopment agency activities with regard to low-mod housing. These provisions divide a redevelopment agency's housing responsibilities into three major categories:

- The production and/or replacement of low-mod housing depending upon activities undertaken by an agency within its project areas;
- The set-aside and expenditure of specified amounts of tax increment revenue for the express and exclusive purpose of increasing and improving a community's supply of low-mod housing; and
- Preparing reports on how the agency has met, or preparing plans on how the agency will meet its responsibilities with regard to the first two items.

This Housing Component is part of the Agency's responsibilities under the third major category. Its contents address how the Agency's plans for the Project Area will achieve many of the housing responsibilities contained in the first and second major categories of Agency housing activities. 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 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));

- **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)).

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

- At least 20 percent of tax increment revenues must 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).
- The law requires the proportional expenditure of these housing funds on moderate, low, and very-low income housing (Section 33334.4).
- The law requires the transfer of housing funds to other public entities producing housing in the community in some cases if the low and moderate income housing fund has excess surplus (a possible outcome of the provisions of Sections 33334.12 et seq.).
- The law requires the proportional expenditure of housing funds on the same proportion of the population over the age of 65 as reported in the most recent U.S. census (Section 33334.4).

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 Obligations

The Agency is required to meet replacement-housing obligations pursuant to the CRL. 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.

In connection with the Tassafaronga Village Rental project, which will be assisted by the Agency, 87 vacant units of housing affordable to very low income households will be demolished. The Agency has adopted a Replacement Housing Plan that specifies that 137 units will be replaced with comparable new units to be built on the project site.

b. Housing Production Obligation

The Agency is required to comply with the housing unit production requirement of the CRL Section 33413(b). 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 will assist the private sector in developing affordable housing and it is possible that there will be some residential infill within the Project Area that is not Agency assisted. As a result, the Agency will need to ensure the creation of low- and moderate-income housing in order to comply with the provisions of subparagraph (2) of Section 33413(b). Subparagraph two 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.

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 1995 - 2014

From the inception of the Project Area in 1995 through 2004 (i.e. the first 10 year Production Requirement Compliance Period) a total of 690 units of housing were newly constructed or substantially rehabilitated.

For the second 10 year Compliance Period (2005-2014), a total of 707 units have been newly constructed or substantially rehabilitated to date (2005-2009).

The following table illustrates cumulative housing production from 1995 to 2009:

Coliseum Project Area Housing Production, 1995 to 2009

Project	Total Units	Very Low	Low	Moderate	Unrestricted
Jingletown Housing	53		53		
Oakwood Estates	36		19		17
Las Bougainvillas (1223-1237 37 th Ave)	68	67			1
Allen Temple Gardens	50	49			1
Allen Temple Manor	24	23			1
Habitat Village	40		40		
International Blvd Housing	30	29			1
Wang Scattered Site – 1063 82 nd Ave	2		2		
Wang Scattered Site – 1226 94 th Ave	1		1		
Stanley Avenue Apartments	24	23			1
Durant Square	251				251
Fruitvale Transit Village	47	3	7		37
Water Park Lofts	27				27
Derby Live/Work	35				35
Wang Scattered Site – 70 th Ave	1		1		
Wang Scattered Site – 71 st Ave	1				1
Subtotal 1995-2004	690	194	123	0	373
Chapman Street Condos	8				8
Lion Creek Crossings, Phase I	70	14	56		
Cotton Mill Studios	74				74
East Side Arts & Housing	18	4	12		2
The Estuary	100				100
Harborwalk	81				81
Lion Creek Crossings, Phase II	92	63	29		
Edes Avenue Homes, Phase A	26		26		
Seven Directions	36	23	12		1
Lion Creek Crossings, Phase III	59	58			1
Tassafaronga Village, Phase I	50		50		
Scattered Site Infill Development ¹	93				93
Subtotal 2005-2009	707	162	185	0	360
TOTAL 1995-2009	1,397	356	308	0	733
Affordable Units Required	210				
Very Low Income Units Required	84				

From 1995 to 2004, during the first Production Requirement Compliance Period, a total of 317 units of low and moderate income housing were developed, including 194 units of very low income housing.

¹ Source: Win2Data "Year Built" 2004-08

From 2005 to 2009, during the second Production Requirement Compliance Period, a total of 347 units of low and moderate income housing were developed, including 162 units of very low income housing.

Based on this housing unit production from 1995 to 2009, the Agency has a surplus of 454 low and moderate income units including a surplus of 272 very-low income units.

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

The Agency estimates that between 2009 and 2014, as many as 2,999 units of housing may be newly constructed, substantially rehabilitated, or acquired with affordability covenants.

The following table summarized the Coliseum Redevelopment area pending unit production:

**Coliseum Project Area Projected Housing Production,
2010 to 2014**

Project	Total Units	Very			
		Low	Low	Moderate	Unrestricted
10550 International Blvd	92				92
1242 35th Avenue	30				30
2641 International Blvd	154				154
2985 Ford Street	71				71
4021 International Blvd, Phase II	60				60
4108 International Blvd	16				16
414 29th Avenue	14				14
849 70th Avenue	70				70
Arcadia Park (98th at San Leandro St)	166				166
Brookfield Place Apartments	58		57		1
Coliseum BART Transit Village	414				414
Edes Avenue Homes, Phase B	28	13	15		
Fruitvale Point	96				96
Fruitvale Transit Village, Phase II	275				275
Gateway Community Development Project (formerly Fruitvale Gateway)	810				810
Hills Elmhurst Plaza	228				228
Hills Elmhurst Plaza Senior Housing	64	63			1
Lion Creek Crossing, Homeownership	28			28	
Lion Creek Crossing, Phase IV	51	50			1
Saint Joseph's Family Phase IIb	58	54	4		
Saint Joseph's family Phase IIa	16			16	
Saint Joseph's Senior	78	52	25		1
Tassafaronga Village, Homeownership	22		17	5	
Tassafaronga Village, Phase II	20		20		
Wattling Street	80				80
TOTAL	2,999	232	138	49	2,580
Affordable Units Required	660				
Very Low Income Units Required	264				

It should be noted that all of these units will be located within the Project Area and therefore the affordable units can be counted on a one-for-one basis toward the production obligation.²

² If the production requirement is met with units located outside of the Project Area, two units must be produced to fulfill one unit of housing production obligation.

e. Estimated Number of Units Required for Housing Production Obligation.

If 2,999 units are built during this Implementation Plan period, the total number built from Plan inception through 2014 would be 4,396. This would generate a housing production obligation of at least 660 units affordable to very-low, low or moderate income households. Of these, at least 264 units would be required to be affordable to and restricted for occupancy by very-low income households.

f. How the Housing Production Obligation Will be Met

The tables in sections c and d. above shows that if all projected housing units are built, there will be approximately 1,083 of low and moderate income units estimated including 588 of very low income units to be constructed 1995-2014.

As shown in the table below, based on these estimates, the Agency will have exceeded its production requirements, with a surplus of 423 affordable units in total, and a surplus of 324 very-low units.

	Affordable	Very Low
Total Units Required	660	264
less Units Projected	1,083	588
Total Surplus (Deficit) Units	423	324

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

a. Set-Aside of Tax Increment

The Agency must comply with the Section 33334.2 requirement to allocate 20 percent of the gross tax increment (“Set-Aside”) to affordable housing activities. The Set-Aside is required to be deposited into the Agency’s Low and Moderate Income Housing Fund (the “Housing Fund”) created to hold the monies until expended.

The Redevelopment Agency has adopted a general policy that 25 percent of all tax increment be allocated to the Housing Fund, subject to certain conditions. The projections of deposits into the Housing Fund that are included in the following section assume that the 25 percent Set-Aside will be deposited into the Housing Fund in each of the years covered by the Implementation Plan except for 2009-10 and 2010-11, where some or all of the voluntary 5% increase may be used to make State-mandated payments to the Supplemental Educational Revenue Augmentation Fund if that requirement survives a pending legal challenge.

b. Proportional Expenditures of Housing Fund Monies

The Project Area is subject to the Section 33334.4 requirement that the Agency expend Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met every

ten years, in the case of the income proportionality test, and over the duration of the implementation plan in the case of the age test, through the termination of the Redevelopment Plan life. These tests do not have to be met on an annual basis.

c. Very-Low and Low Income Housing Expenditures

The income proportionality test requires the Agency to expend Set-Aside funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the Government Code. The proportionality test used in this Implementation Plan is based on the adopted 2008 Regional Housing Needs Allocation (RHNA) Plan prepared by the Association of Bay Area Governments. Based on the 2008 RHNA, the City’s minimum required allocation for very-low and low-income expenditures and maximum moderate income housing expenditures are:

Category	RHNA	Threshold
Very-Low Income	1,900	At least 27%
Low Income	2,098	At least 29%
Moderate Income	3,142	No more than 44%
Total	7,140	

Therefore, the CRL requires for Oakland that at least 27 percent of the Housing Fund monies dedicated to projects and programs be spent on housing for very-low income households. In addition, at least 29 percent of these funds must be spent on housing for low-income households, and no more than 44 percent of the funds may be spent on housing for moderate-income households. However, the Agency is entitled to expend a disproportionate amount of the funds for very-low income households, and to subtract a commensurate amount from the low and/or moderate-income thresholds. Similarly, the Agency may provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate-income households. In no event may the expenditures targeted to moderate-income households exceed the established threshold amount.

The Agency will allocate its funds in such a way that these percentages are met over the ten-year period from 2009 through 2019. In addition, the City and other entities may provide assistance for the construction of units affordable to very low and low income households that may also be counted toward meeting the proportionality requirements of Section 33334.4.

d. Age Restricted Housing Expenditures

Section 33334.4 also requires that the Agency assist housing that is available to all persons, regardless of age, in at least the same proportion as the population under age 65 bears to the City’s total population as reported in the most recent census of the United States Census Bureau. The 2000 Census indicates that 89.5 percent of the City’s population is under 65 years of age. As such, at least 89.5 percent of the Agency expenditures on affordable housing projects must be spent to assist projects

that do not impose age restrictions on the residents. The following summarizes the allocation of housing fund monies.

Age Category	Percentage of Funds
Senior	10.5% maximum
Unrestricted	89.5% minimum
Total	

The Agency will ensure that over the term of this Implementation Plan from 2009 through 2014 not more than 10.5 percent of its expenditures on affordable housing projects are for projects exclusively serving seniors.

e. Transfer of Housing Funds to Other Providers

The Housing Fund is subject to the CRL provisions requiring the transfer of housing funds to other housing producers in the Oakland area in certain circumstances. Such transfers could possibly occur if the Housing Fund contained "excess surplus." Excess surplus means any unexpended and unencumbered amount in the Housing Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited into the Housing Fund during the project's preceding four fiscal years.

The Agency does not anticipate having an excess surplus during the current Implementation Plan cycle or throughout the subsequent remaining Project Area life.

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 that certain housing expenditures, and preservation and production requirements, be attained during five and ten year increments. The housing production requirement, if applicable, must be met every ten years, while the proportionality tests must be achieved over the next five or ten years, and then again through the end of the Project Area life. 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

The following table presents the projected future deposits into the Housing Fund. As shown below, \$34,000,600 in revenues are projected to be available over the five-year term of this Implementation Plan.

Estimate Housing Set-Aside Revenue 2009-2014

Plan Year	Fiscal Year	Housing Set Aside
1	2009-10 ³	\$5,503,056
2	2010-11	\$6,338,489
3	2011-12	\$7,156,731
4	2012-13	\$7,401,689
5	2013-14	\$7,600,635
Total		\$34,000,600

5. Anticipated Housing Program Activities

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.

³ Note that in fiscal year 2009-2010 the Agency will deposit only 20% -- instead of 25% -- tax increment set-aside into the Housing Fund due to the State of California's requirement that Redevelopment Agencies make an additional deposit to fund education -- into "Supplemental" Educational Revenue Augmentation Funds (SERAF) account. In FY 2010-11, the Agency will deposit approximately 23% of the projected gross increment for the project area in order to make the required SERAF payment.

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 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 Agency funds are tracked individually for each project area, the funds from all of the Agency's project areas are combined into a single Low and Moderate Income Housing Fund (except for West Oakland and Central City East, both of which restrict the use of housing funds to their Project Areas). The Agency has 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 may be used both inside and outside the project area. In addition, the City of Oakland also provides assistance for the development, improvement and preservation of affordable housing.

The tables on the following pages provide information for the previous implementation plan period 2004-2009, regarding:

- the amounts of Low and Moderate Income Housing Fund moneys 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

Redevelopment Agency Assisted Housing Activities Completed or Underway, 2004 - 2009

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
1574-1590 7th Street	Homeownership	Underway	West Oakland			2	3	\$ 127,327
3701 Martin Luther King, Jr. Way	Homeownership	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 109,909
3829 Martin Luther King, Jr. Way	TBD	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 52,000
6 th & Oak Streets	Seniors	Underway	Central District		69			\$ 3,699,656
720 E. 11 th Street Project	Families	Underway	Central City East	30	24			\$ 4,859,833
Altenheim Phase I	Senior	2007	None	39	53		1	\$ 4,084,660
Altenheim Phase II	Seniors	Underway	None	48	32		1	\$ 1,753,000
Byron Avenue Homes	Homeownership	Underway	Central City East	4	4	2		\$ 386,550
California Hotel	Special Needs	Underway	West Oakland	149				\$ 600,000
Drachma, Inc (14 unit scattered site)	Families	Underway	West Oakland	14				\$ 840,000
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	Underway	Coliseum		13	15		\$ 3,601,000
Effie's House	Families	Underway	None	4	17			\$ 1,257,000
Eldridge Gonaway	Families	Underway	Central City East		39		1	\$ 1,655,000
Emancipation Village	Special Needs	Underway	None	35			2	\$ 1,652,000
Fairmount Apartments	Families	Underway	None	30			1	\$ 3,400,000
Faith Housing	TBD	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 689,598
Foothill Plaza Apartments	Families	Underway	Central City East	53			1	\$ 2,910,000
Fox Courts	Families	2009	Central District	40	39		1	\$ 4,950,000
Golf Links	Homeownership	2009	None			3	7	\$ 584,000
Harrison Senior	Senior	Underway	Central District		73			\$ 5,133,000
Hills Elmhurst Plaza Senior Housing	Senior	Underway	Coliseum		63		1	\$ 6,032,000
Hugh Taylor	SRO	Underway	Central City East	42				\$ 1,222,000
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
Lincoln Court	Senior	2006	None	81			1	\$ 2,000,000
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	Underway	Coliseum	50			1	\$ 2,980,547

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
MacArthur Homes (3801-3807 MLK Jr. Way)	Homeownership	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 800,000
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
Marin Way Court	Families	Underway	Coliseum		19		1	\$ 1,200,000
Mortgage Assistance Program ⁴	Homeownership	multiple	Citywide	47	242	2	1	\$13,451,314
Oak Park Homes	Families	2004	Central City East	34			1	\$ 3,419,000
Oak Street Terrace Senior	Senior	2004	Central District	16	22		1	\$ 2,072,000
Oaks Hotel	SRO and Special Needs	Underway	Central District	85				\$ 1,100,000
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	Underway	Central City East	99			1	\$ 450,000
Project Pride	Transitional	Underway	West Oakland	42				\$ 1,600,000
Redwood Hill	Homeownership	Underway	None		8	9		\$ 2,310,000
Saint Joseph's Family Phase IIb	Families	Underway	Coliseum	54	4			\$ 3,019,656
Saint Joseph's Family Phase IIa	Families	Underway	Coliseum			16		\$ 3,584,000
Saint Joseph's Senior	Senior	Underway	Coliseum	42	25		1	\$ 4,639,000
Saint Patrick's Terrace	Senior	Underway	West Oakland		65			\$ 753,600
Sausal Creek	Homeownership	2008	None			17		\$ 3,980,000
Seven Directions	Families	2009	Coliseum	23	12		1	\$ 3,289,000
Slim Jenkins	Families	Underway	West Oakland	27		3	2	\$ 1,920,000
Southlake Towers	Seniors	2004	Central District	26	103		1	\$ 445,300
Tassafaronga Homeownership	Homeownership	Underway	Coliseum		17	5		\$ 1,868,000
Tassafaronga Village Rental Phase I	Families	Underway	Coliseum		50			\$ 3,000,000

(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 2004.

(2) TBD = "to be determined" – specific affordability levels have not yet been established.

⁴ Represents fiscal years 2004-2005 through 2008-2009.

**Housing Units Newly Constructed in Redevelopment Project Areas,
Assisted With Locally-Controlled Government Assistance and
No Redevelopment Agency Low & Moderate Income Housing Financing, 2004 - 2009**

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level			
				Very Low	Low	Moderate	Above Moderate
Lion Creek Crossings, Phase II	Families	2007	Coliseum	63	29		
Nathan A. Miley Senior Housing Community	Senior	2007	Central City East	50	19		
Uptown Project – Parcel 1	Families	2008	Central District	55		15	185
Uptown Project – Parcel 2	Families	2007	Central District	44		9	140
Uptown Project – Parcel 3	Families	2008	Central District	34		9	174
Wang Scattered Site – 901 70 th St.	Homeownership	2004	Coliseum		1		
Wang Scattered Site – 1311 Campbell Street	Homeownership	2005	West Oakland		1		

Approved as to form and legality:

FILED
CLERK OF THE CITY CLERK
OAKLAND
2009 NOV 18 PM 12:51
Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION PLAN FOR THE OAK CENTER 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 Agency Administrator has prepared and presented to the Agency an Implementation Plan for the Oak Center Redevelopment Project for 2009-2014; and

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

WHEREAS, the proposed Implementation Plan as presented to the Agency sets forth the specific goals and objectives for the Oak Center 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 the Agency hereby approves and adopts the 2009-2014 Implementation Plan for the Oak Center Redevelopment Project attached to this Resolution as Exhibit A; and be it further

RESOLVED: That the Agency Administrator or his 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.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST:

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

**A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION
PLAN FOR THE OAK CENTER REDEVELOPMENT PROJECT**

EXHIBIT A

**OAK CENTER REDEVELOPMENT PROJECT
FIVE-YEAR IMPLEMENTATION PLAN
2009-2014**

I. BACKGROUND AND INTRODUCTION

The Oak Center Redevelopment Project Area (the “Project Area”) is a 56 block residential community in West Oakland, adjacent to downtown and the Acorn Project Area, mainly comprised of Victorian style structures. Although many of these turn-of-the century buildings were preserved or rehabilitated through many efforts and a variety of financing techniques, a substantial number of structures were not feasible for rehabilitation, and therefore demolished, resulting in scattered vacant land, most of which has been developed. The Oak Center Urban Renewal Plan (the “Redevelopment Plan”) was adopted in 1965 and amended in 1970.

II. GOALS AND OBJECTIVES FOR THE PROJECT AREA

Although the Project is basically completed, there are a couple of vacant parcels remaining to be sold and developed. Plans over the next five years include the development and disposition of any remaining vacant parcels. Ongoing monitoring will ensure compliance with the Oak Center Redevelopment Plan.

The Oak Center Neighborhood Association (OCNA) worked with staff to establish priorities for expenditure of capital funds. The City Council has approved capital improvements in the Project Area to 1) provide signage and landscape improvements to identify the area as a historic preservation district through a design and build professional services agreement, 2) repair and upgrade the Oak Center Cultural Center, 3) provide public and neighborhood improvements, and 4) enter into agreements for designing and building the historic district demarcation.

In order to enhance development within the area and to further the goals of the Redevelopment Plan, the community requested to have the area designated as a Historic District. The OCNA worked with staff and achieved status as a Historic Preservation Area in July 2003. Historic District designation places the district’s Designated Historic Properties (DHPs) on the Local Register of Historical Resources.

In early 2009 the Oak Center Historical Marker Project was completed, through which plaques were created and installed to identify homes and public locations of historic significance throughout the Oak Center neighborhood.

During the second half of 2009, improvements were made to the Oak Center Cultural Center including resurfacing the deFremery Park tennis courts, and painting and making roof repairs to the historic deFremery House.

III. PROJECTS AND EXPENDITURES PROPOSED FOR THE NEXT FIVE YEARS

**Projection of Tax Increment Revenue
FY 2009-14
(\$'000s)**

	FISCAL YEAR					TOTAL
	2009-10	2010-11	2011-12	2012-13	2013-14	2009-14
Gross Tax Increment Revenue	-	-	-	-	-	-
Prior Years Revenue	490	400	-	-	-	890
Housing Set Aside Requirement	-	-	-	-	-	-
State Education Funds (ERAF)	-	-	-	-	-	-
AB 1290 Pass-Through	-	-	-	-	-	-
Debt Service	(400)	(400)	-	-	-	(800)
Net Tax Increment Revenue	90	0	-	-	-	90

The Oak Center Redevelopment Project has reached the dollar limit set forth in the Redevelopment Plan for collecting tax increment. The Redevelopment Plan is scheduled to terminate on January 1, 2012, after which all redevelopment activities pursuant to the Redevelopment Plan must cease. The Project Area's redevelopment activities are substantially complete. Remaining funds from prior years in the amount of \$890,000 are included in the Agency's adopted 2009-11 budget, and will be used primarily for debt repayment during FY 2009-10 and FY 2010-11, with \$90,000 remaining for projects. The remaining project comprises public improvements at deFremery Park.

IV. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT

The public improvements and neighborhood facilities supported by redevelopment activities have improved the quality of life, enhanced the areas around completed projects and encouraged investment in the remaining unimproved Victorians and other vacant and underutilized property. The planned public improvements at deFremery Park will help eliminate blight conditions in the Project Area by improving the safety of the public buildings and facilities, and protecting the historically significant deFremery House, which has suffered from years of deferred maintenance.

V. TIME LIMITS

The California Community Redevelopment Law ("CRL") as contained in Sections 33000 *et seq.* of the California Health and Safety Code, requires that this Implementation Plan identify the fiscal year that the Agency expects each of the following time limits described below to expire. For this project area, the time limit expirations are as follows:

DESCRIPTION OF TIME LIMIT EXPIRATION	FISCAL YEAR
(1) The time limit for the commencement for eminent domain proceedings to acquire property within the Project Area	1998-1999
(2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project	2003-2004
(3) The time limit for the effectiveness of the Redevelopment Plan	2011-2012 (i.e., on January 1, 2012)
(4) The time limit to repay indebtedness with the proceeds of property taxes	2021-2022 (i.e., on January 1, 2022)

Some of these time limits may be extended pursuant to the CRL. For instance, if the Agency makes payment to the county Supplemental Educational Revenue Augmentation Fund, it is entitled to extend the time limits on the effectiveness of the Redevelopment Plan and the receipt of tax increment by an additional year (Section 33331.5). Or the Agency may extend these time limits by up to ten additional years if certain conditions are met and certain procedures are followed (Section 33333.10, et seq.). Should the Agency extend the time limit for the effectiveness of the Redevelopment Plan, this Implementation Plan shall cover this extended period up through the Implementation Plan term.

VI. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL FULFILL THE LOW/MODERATE-INCOME HOUSING REQUIREMENTS

Implementation Plan Requirements

This Housing Component of the Implementation Plan is required by Article 16.5 of the CRL. (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. 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.

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 contains numerous provisions to guide redevelopment agency activities with regard to low-mod housing. These provisions divide a redevelopment agency's housing responsibilities into three major categories:

- The production and/or replacement of low-mod housing depending upon activities undertaken by an agency within its project areas;
- The set-aside and expenditure of specified amounts of tax increment revenue for the express and exclusive purpose of increasing and improving a community's supply of low-mod housing; and
- Preparing reports on how the agency has met, or preparing plans on how the agency will meet its responsibilities with regard to the first two items.

This Housing Component is part of the Agency's responsibilities under the third major category. Its contents address how the Agency's plans for the Project Area will achieve many of the housing responsibilities contained in the first and second major categories of Agency housing activities. 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 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)).

- **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)).

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

- At least 20 percent of tax increment revenues must 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).
- The law requires the proportional expenditure of these housing funds on moderate, low, and very-low income housing (Section 33334.4).
- The law requires the transfer of housing funds to other public entities producing housing in the community in some cases if the low and moderate income housing fund has excess surplus (a possible outcome of the provisions of Sections 33334.12 et seq.).
- The law requires the proportional expenditure of housing funds on the same proportion of the population over the age of 65 as reported in the most recent U.S. census (Section 33334.4).

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 Obligations

The Agency is required to meet replacement-housing obligations pursuant to the CRL. 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.

The Agency does not anticipate undertaking or assisting any actions in the Project Area 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

Because the Oak Center Redevelopment Plan was adopted prior to 1976, the Agency is not required to comply with the area housing unit production requirement of the CRL Section 33413(b).

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

a. Set-Aside of Tax Increment

The Agency must comply with the Section 33334.2 requirement to allocate 20 percent of the gross tax increment ("Set-Aside") to affordable housing activities. The Set-Aside is required to be deposited into the Agency's Low and Moderate Income Housing Fund (the "Housing Fund") created to hold the monies until expended.

The Redevelopment Agency has adopted a general policy that 25 percent of all tax increment be allocated to the Housing Fund, subject to certain conditions. The projections of deposits into the Housing Fund that are included in the following section assume that the 25 percent Set-Aside will be deposited into the Housing Fund in each of the years covered by the Implementation Plan except for 2009-10 and 2010-11, where some or all of the voluntary 5% increase may be used to make State-

mandated payments to the Supplemental Educational Revenue Augmentation Fund if that requirement survives a pending legal challenge..

b. Proportional Expenditures of Housing Fund Monies

The Project Area is subject to the Section 33334.4 requirement that the Agency expend Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met every ten years, in the case of the income proportionality test, and over the duration of the implementation plan in the case of the age test, through the termination of the Redevelopment Plan life. These tests do not have to be met on an annual basis.

c. Very-Low and Low Income Housing Expenditures

The income proportionality test requires the Agency to expend Set-Aside funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the Government Code. The proportionality test used in this Implementation Plan is based on the 2008 Regional Housing Needs Allocation (RHNA) Plan prepared by the Association of Bay Area Governments. Based on the 2008 RHNA, the City’s minimum required allocation for very-low and low-income expenditures and maximum moderate income housing expenditures are:

Category	RHNA	Threshold
Very-Low Income	1,900	At least 27%
Low Income	2,098	At least 29%
Moderate Income	3,142	No more than 44%
Total	7,140	

Therefore, the CRL requires for Oakland that at least 27 percent of the Housing Fund monies dedicated to projects and programs be spent on housing for very-low income households. In addition, at least 29 percent of these funds must be spent on housing for low-income households, and no more than 44 percent of the funds may be spent on housing for moderate-income households. However, the Agency is entitled to expend a disproportionate amount of the funds for very-low income households, and to subtract a commensurate amount from the low and/or moderate-income thresholds. Similarly, the Agency may provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate-income households. In no event may the expenditures targeted to moderate-income households exceed the established threshold amount.

The Agency will allocate its funds in such a way that these percentages are met over the ten-year period from 2009 through 2019. In addition, the City and other entities may provide assistance for the construction of units affordable to very low and low income households that may also be counted toward meeting the proportionality requirements of Section 33334.4.

d. Age Restricted Housing Expenditures

Section 33334.4 also requires that the Agency assist housing that is available to all persons, regardless of age, in at least the same proportion as the population under age 65 bears to the City's total population as reported in the most recent census of the United States Census Bureau. The 2000 Census indicates that 89.5 percent of the City's population is under 65 years of age. As such, at least 89.5 percent of the Agency expenditures on affordable housing projects must be spent to assist projects that do not impose age restrictions on the residents. The following summarizes the allocation of housing fund monies.

Age Category	Percentage of Funds
Senior	10.5% Maximum
Unrestricted	89.5%
Total	

The Agency will ensure that over the term of this Implementation Plan from 2009 through 2014 not more than 10.5 percent of its expenditures on affordable housing projects are for projects exclusively serving seniors.

e. Transfer of Housing Funds to Other Providers

The Housing Fund is subject to the CRL provisions requiring the transfer of housing funds to other housing producers in the Oakland area in certain circumstances. Such transfers could possibly occur if the Housing Fund contained "excess surplus." Excess surplus means any unexpended and unencumbered amount in the Housing Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited into the Housing Fund during the project's preceding four fiscal years.

The Agency does not anticipate having an excess surplus during the current Implementation Plan cycle or throughout the subsequent remaining Project Area life.

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 that certain housing expenditures, and preservation and production requirements, be attained during five and ten year increments. The housing production requirement, if applicable, must be met every ten years, while the proportionality tests must be achieved over the next five or ten years, and then again through the end of the Project Area life. 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

Since the Oak Center Redevelopment Project Area is not receiving any tax increment revenue there are no deposits of tax increment funds into the Housing Fund anticipated from the Project Area.

5. Anticipated Housing Program Activities

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 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 Agency funds are tracked individually for each project area, the funds from all of the Agency's project areas are combined into a single Low and Moderate Income Housing Fund (except for West Oakland and Central City East, both of which restrict the use of housing funds to their Project Areas). The Agency has 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 may be used both inside and outside the Project Area. In addition, the City of Oakland also provides assistance for the development, improvement and preservation of affordable housing.

The tables on the following pages provide information for the previous implementation plan period, 2004-2009, regarding:

- the amounts of Low and Moderate Income Housing Fund moneys 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.

Redevelopment Agency Assisted Housing Activities Completed or Underway, 2004 - 2009

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
1574-1590 7th Street	Homeownership	Underway	West Oakland			2	3	\$ 127,327
3701 Martin Luther King, Jr. Way	Homeownership	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 109,909
3829 Martin Luther King, Jr. Way	TBD	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 52,000
6 th & Oak Streets	Seniors	Underway	Central District		69			\$ 3,699,656
720 E. 11 th Street Project	Families	Underway	Central City East	30	24			\$ 4,859,833
Altenheim Phase I	Senior	2007	None	39	53		1	\$ 4,084,660
Altenheim Phase II	Seniors	Underway	None	48	32		1	\$ 1,753,000
Byron Avenue Homes	Homeownership	Underway	Central City East	4	4	2		\$ 386,550
California Hotel	Special Needs	Underway	West Oakland	149				\$ 600,000
Drachma, Inc (14 unit scattered site)	Families	Underway	West Oakland	14				\$ 840,000
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	Underway	Coliseum		13	15		\$ 3,601,000
Effie's House	Families	Underway	None	4	17			\$ 1,257,000
Eldridge Gonaway	Families	Underway	Central City East		39		1	\$ 1,655,000
Emancipation Village	Special Needs	Underway	None	35			2	\$ 1,652,000
Fairmount Apartments	Families	Underway	None	30			1	\$ 3,400,000
Faith Housing	TBD	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 689,598
Foothill Plaza Apartments	Families	Underway	Central City East	53			1	\$ 2,910,000
Fox Courts	Families	2009	Central District	40	39		1	\$ 4,950,000
Golf Links	Homeownership	2009	None			3	7	\$ 584,000
Harrison Senior	Senior	Underway	Central District		73			\$ 5,133,000
Hills Elmhurst Plaza Senior Housing	Senior	Underway	Coliseum		63		1	\$ 6,032,000
Hugh Taylor	SRO	Underway	Central City East	42				\$ 1,222,000
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
Lincoln Court	Senior	2006	None	81			1	\$ 2,000,000
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	Underway	Coliseum	50			1	\$ 2,980,547

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
MacArthur Homes (3801-3807 MLK Jr. Way)	Homeownership	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 800,000
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
Marin Way Court	Families	Underway	Coliseum		19		1	\$ 1,200,000
Mortgage Assistance Program ¹	Homeownership	multiple	Citywide	47	242	2	1	\$13,451,314
Oak Park Homes	Families	2004	Central City East	34			1	\$ 3,419,000
Oak Street Terrace Senior	Senior	2004	Central District	16	22		1	\$ 2,072,000
Oaks Hotel	SRO and Special Needs	Underway	Central District	85				\$ 1,100,000
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	Underway	Central City East	99			1	\$ 450,000
Project Pride	Transitional	Underway	West Oakland	42				\$ 1,600,000
Redwood Hill	Homeownership	Underway	None		8	9		\$ 2,310,000
Saint Joseph's Family Phase IIb	Families	Underway	Coliseum	54	4			\$ 3,019,656
Saint Joseph's Family Phase IIa	Families	Underway	Coliseum			16		\$ 3,584,000
Saint Joseph's Senior	Senior	Underway	Coliseum	42	25		1	\$ 4,639,000
Saint Patrick's Terrace	Senior	Underway	West Oakland		65			\$ 753,600
Sausal Creek	Homeownership	2008	None			17		\$ 3,980,000
Seven Directions	Families	2009	Coliseum	23	12		1	\$ 3,289,000
Slim Jenkins	Families	Underway	West Oakland	27		3	2	\$ 1,920,000
Southlake Towers	Seniors	2004	Central District	26	103		1	\$ 445,300
Tassafaronga Homeownership	Homeownership	Underway	Coliseum		17	5		\$ 1,868,000
Tassafaronga Village Rental Phase I	Families	Underway	Coliseum		50			\$ 3,000,000

(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 2004.

(2) TBD = "to be determined" – specific affordability levels have not yet been established.

¹ Represents fiscal years 2004-2005 through 2008-2009.

**Housing Units Newly Constructed in Redevelopment Project Areas,
Assisted With Locally-Controlled Government Assistance and
No Redevelopment Agency Low & Moderate Income Housing Financing, 2004 - 2009**

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level			
				Very Low	Low	Moderate	Above Moderate
Lion Creek Crossings, Phase II	Families	2007	Coliseum	63	29		
Nathan A. Miley Senior Housing Community	Senior	2007	Central City East	50	19		
Uptown Project – Parcel 1	Families	2008	Central District	55		15	185
Uptown Project – Parcel 2	Families	2007	Central District	44		9	140
Uptown Project – Parcel 3	Families	2008	Central District	34		9	174
Wang Scattered Site – 901 70 th St.	Homeownership	2004	Coliseum		1		
Wang Scattered Site – 1311 Campbell Street	Homeownership	2005	West Oakland		1		

7. Time Limits and Compliance with Housing Obligations

Per Section 33490(a)(4), there are fewer than six years until the Agency reaches the time limit on the effectiveness of the Redevelopment Plan. Since there are no planned projects in the Project Area that would create a replacement housing obligation, and since area production requirements do not apply to the Project Area, there is no issue with complying with these statutory requirements prior to the time limit. Since all of the Agency's housing setaside funds are pooled into one Citywide Low and Moderate Income Housing Fund, the housing setaside funds generated by the Project Area will continue to remain with the Low and Moderate Income Housing Fund upon expiration of the time limits.

OFFICE OF THE CITY CLERK
OAKLAND
Approved as to form and legality
2009 NOV 8 PM 12:51
Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION PLAN FOR THE STANFORD/ADELINE 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 Agency Administrator has prepared and presented to the Agency an Implementation Plan for the Stanford/Adeline Redevelopment Project for 2009-2014; and

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

WHEREAS, the proposed Implementation Plan as presented to the Agency sets forth the specific goals and objectives for the Stanford/Adeline 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 the Agency hereby approves and adopts the 2009-2014 Implementation Plan for the Stanford/Adeline Redevelopment Project attached to this Resolution as Exhibit A; and be it further

RESOLVED: That the Agency Administrator or his 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.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

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

**A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION PLAN FOR THE
STANFORD/ADELINE REDEVELOPMENT PROJECT**

EXHIBIT A

**STANFORD/ADELINE REDEVELOPMENT PROJECT
FIVE-YEAR IMPLEMENTATION PLAN
2009-2014**

I. BACKGROUND AND INTRODUCTION

The Stanford Adeline Redevelopment Project Area in North Oakland covers 16.7 acres and serves as a major gateway from the City of Berkeley to the City of Oakland. Adopted in 1973, it is one of Oakland's earliest redevelopment areas. Since inception, property values in the area have increased substantially resulting in tax increment revenue that has been used for economic development, infrastructure improvements and the development of affordable housing.

The California Community Redevelopment Law ("CRL") requires redevelopment agencies to adopt an implementation plan for every redevelopment project area for each five-year period that the project area is in operation and until the term for plan effectiveness of the project area expires. This Implementation Plan for the Stanford/Adeline Redevelopment Project is a policy statement that has been prepared to guide and to set priorities for redevelopment activities for the 2009-2014 period. The purpose of the Implementation Plan is to provide a clear and reasonable statement of the Agency's short-term intent regarding activities in the Project Area and to establish a nexus between Agency goals and objectives, program activities and the purpose of redevelopment, which is to eliminate blight and to develop and preserve affordable housing.

This Implementation Plan includes two separate components: a Redevelopment and a Housing Component. The Redevelopment Component revisits the goals and objectives of the Stanford/Adeline Redevelopment Plan, presents the projects, programs and expenditures (other than those related to low- and moderate-income housing) that have been developed to achieve the goals and objectives, and describes how these projects, programs and expenditures will eliminate blight within the Project Area. The Housing Component describes how the components of the plan will implement various CRL requirements regarding low- and moderate-income housing; how the Redevelopment Plan goals and objectives for housing preservation and production will be implemented; and how the statutory requirements for the expenditure of tax increment set-aside funds for housing purposes will be met.

The Redevelopment Agency is required to prepare a mid-term review of the Implementation Plan and conduct a public hearing between the second and third year after the Implementation Plan has been adopted. New issues and opportunities may be encountered in the course of administering the Implementation Plan during the five-year period. Therefore, this Implementation Plan may be amended, if necessary, to effectuate changes in Agency priorities. Any such amendments will be reflected in the mid-term review of the Implementation Plan.

The Five-Year Implementation Plan is a policy statement rather than an unalterable course of action. The intention is to set priorities for redevelopment activities within the Project Area for the period covered by the plan based on the projected funding available during that period. Any funding allocations described in the plan are estimates only and do not commit or limit the Agency to using the funds in the exact manner described. The commitment of funds for projects

and programs occurs through the adopted Redevelopment Budget or by separate action of the Agency Board. New issues and opportunities may arise during the course of administering the Redevelopment Plan for the Project Area which may result in the need to amend the Implementation Plan.

Major accomplishments since the inception of the Project Area include:

- The development of 23 single-family moderate income homes;
- Reconfiguration of land use for commercial, industrial and residential purposes;
- Improvement of the traffic circulation pattern where three major streets converged.

II. GOALS AND OBJECTIVES FOR THE PROJECT AREA

The initial planned work for the Project was completed in 1987. In October 2003, the Agency purchased a two-unit residence in North Oakland from the City of Oakland for \$415,000. The Agency gave the City a promissory note for \$415,000 with interest at 6% per year in exchange for title to the property. Payments began at the end of June 2004 and will end in 2010. The funds paid by the Agency's Debt Fund to the City reimburse the Community Development Block Grant program for the costs incurred to acquire the property. The Agency sold the property in June 2005 and the proceeds were transferred to the Agency's Low and Moderate Income Housing Fund and used for the provision of affordable housing.

It is anticipated that all tax increment revenues from this Project, above and beyond what is used for debt service and staffing and operating costs, will be deposited in the Agency's Low and Moderate Income Housing Fund and used for the provision of affordable housing citywide.

III. PROJECTS AND EXPENDITURES PROPOSED FOR THE NEXT FIVE YEARS

The following table outlines the projected tax increment revenue for the Stanford/Adeline Redevelopment Project Area over the five-year period of this Implementation Plan. The figures assume a 1.5% growth in tax increment revenue 2009 assessed property valuation within the project area for the first year. The growth rate is projected to increase to 2.5% by 2012. The revenues stated for the last four of the five years proposed, FY 2010-14, are projections *only* and are contingent upon specific Council authorizations at a later date.

Projection of Tax Increment Revenue

	FISCAL YEAR					TOTAL
	2009-10	2010-11	2011-12	2012-13	2013-14	2009-14
Gross Tax Increment Revenue	152,433	154,719	157,814	161,759	165,803	792,528
Prior Years Revenue	400,000	-	-	-	-	400,000
Housing Set Aside Requirement	(30,487)	(35,389)	(39,454)	(40,440)	(41,451)	(187,221)
AB 1290 Pass-Through	-	-	-	-	-	-
Debt Service	(74,340)	(77,069)	-	-	-	(151,409)
State Education Funds (ERAF)	(417,222)	(13,001)	-	-	-	(430,423)
Net Tax Increment Revenues*	30,384	29,260	118,360	121,319	124,352	423,475

* Net tax increment revenue amounts include staffing and operations and maintenance costs.

IV. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT

The initial planned work for the Project was completed in 1987. Funds from this redevelopment project area will be used to expand assistance to community development programs and assist with the provision of affordable housing citywide. If blight conditions arise in this Project Area, the Agency may fund public improvements to address these conditions.

V. TIME LIMITS

The California Community Redevelopment Law ("CRL") as contained in Sections 33000 *et seq.* of the California Health and Safety Code, requires that this Implementation Plan identify the fiscal year that the Agency expects each of the following time limits described below to expire. For this project area, the time limit expirations are as follows:

DESCRIPTION OF TIME LIMIT EXPIRATION	FISCAL YEAR
(1) The time limit for the commencement for eminent domain proceedings to acquire property within the Project Area	1998-1999
(2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project	2003-2004
(3) The time limit for the effectiveness of the Redevelopment Plan	2015-2016 (i.e., on April 10, 2016)
(4) The time limit to repay indebtedness with the proceeds of property taxes	2025-2026 (i.e., on April 10, 2026)

Some of these time limits may be extended pursuant to the CRL. For instance, if the Agency makes payment to the county Supplemental Educational Revenue Augmentation Fund, it is entitled to extend the time limits on the effectiveness of the Redevelopment Plan and the receipt of tax increment by an additional year (Section 33331.5). Or the Agency may extend these time limits by up to ten additional years if certain conditions are met and certain procedures are followed (Section 33333.10, et seq.). Should the Agency extend the time limit for the effectiveness of the Redevelopment Plan, this Implementation Plan shall cover this extended period up through the Implementation Plan term.

VI. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL FULFILL THE LOW/MODERATE-INCOME HOUSING REQUIREMENTS

Implementation Plan Requirements

This Housing Component of the Implementation Plan is required by Article 16.5 of the CRL. (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. 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.

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 contains numerous provisions to guide redevelopment agency activities with regard to low-mod housing. These provisions divide a redevelopment agency's housing responsibilities into three major categories:

- The production and/or replacement of low-mod housing depending upon activities undertaken by an agency within its project areas;
- The set-aside and expenditure of specified amounts of tax increment revenue for the express and exclusive purpose of increasing and improving a community's supply of low-mod housing; and
- Preparing reports on how the agency has met, or preparing plans on how the agency will meet its responsibilities with regard to the first two items.

This Housing Component is part of the Agency's responsibilities under the third major category. Its contents address how the Agency's plans for the Project Area will achieve many of the housing responsibilities contained in the first and second major categories of Agency housing activities. 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 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)).
- **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)).

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

- At least 20 percent of tax increment revenues must 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).
- The law requires the proportional expenditure of these housing funds on moderate, low, and very-low income housing (Section 33334.4).
- The law requires the transfer of housing funds to other public entities producing housing in the community in some cases if the low and moderate income housing fund has excess surplus (Section 33334.12).
- The law requires the proportional expenditure of housing funds on the same proportion of the population over the age of 65 as reported in the most recent U.S. census (Section 33334.4).

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 the CRL. 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.

The Agency does not anticipate undertaking or assisting any actions in the Project Area 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

Because the Stanford Adeline Redevelopment Plan was adopted prior to 1976, the Agency is not required to comply with the area housing unit production requirement of the CRL.

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

a. Set-Aside of Tax Increment

The Agency must comply with the Section 33334.2 requirement to allocate 20 percent of the gross tax increment (“Set-Aside”) to affordable housing activities. The Set-Aside is required to be deposited into the Agency’s Low and Moderate Income Housing Fund (the “Housing Fund”) created to hold the monies until expended.

The Redevelopment Agency has adopted a general policy that 25 percent of all tax increment be allocated to the Housing Fund, subject to certain conditions. The projections of deposits into the Housing Fund that are included in the following section assume that the 25 percent Set-Aside will be deposited into the Housing Fund in each of the years covered by the Implementation Plan except for 2009-10 and 2010-11, where some or all of the voluntary 5% increase may be used to make State-mandated payments to the Supplemental Educational Revenue Augmentation Fund if that requirement survives a pending legal challenge.

b. Proportional Expenditures of Housing Fund Monies

The Project Area is subject to the Section 33334.4 requirement that the Agency expend Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met every ten years, in the case of the income proportionality test, and over the duration of the implementation plan in the case of the age test, through the termination of the Redevelopment Plan life. These tests do not have to be met on an annual basis.

c. Very-Low and Low Income Housing Expenditures

The income proportionality test requires the Agency to expend Set-Aside funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the Government Code. The proportionality test used in this Implementation Plan is based on the 2008 Regional Housing Needs Allocation (RHNA) Plan prepared by the Association of Bay Area Governments. Based on the 2008 RHNA, the City's minimum required allocation for very-low and low-income expenditures and maximum moderate income housing expenditures are:

Category	RHNA	Threshold
Very-Low Income	1,900	At least 27%
Low Income	2,098	At least 29%
Moderate Income	3,142	No more than 44%
Total	7,140	

Therefore, the CRL requires for Oakland that at least 27 percent of the Housing Fund monies dedicated to projects and programs be spent on housing for very-low income households. In addition, at least 29 percent of these funds must be spent on housing for low-income households, and no more than 44 percent of the funds may be spent on housing for moderate-income households. However, the Agency is entitled to expend a disproportionate amount of the funds for very-low income households, and to subtract a commensurate amount from the low and/or moderate-income thresholds. Similarly, the Agency may provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate-income households. In no event may the expenditures targeted to moderate-income households exceed the established threshold amount.

The Agency will allocate its funds in such a way that these percentages are met over the ten-year period from 2009 through 2019. In addition, the City and other entities may provide assistance for the construction of units affordable to very low and low income households that may also be counted toward meeting the proportionality requirements of Section 33334.4.

d. Age Restricted Housing Expenditures

Section 33334.4 also requires that the Agency assist housing that is available to all persons, regardless of age, in at least the same proportion as the population under age 65 bears to the City's total population as reported in the most recent census of the United States Census Bureau. The 2000 Census indicates that 89.5 percent of the City's population is under 65 years of age. As such, at least 89.5 percent of the Agency expenditures on affordable housing projects must be spent to assist projects that do not impose age restrictions on the residents. The following summarizes the allocation of housing fund monies.

Age Category	Percentage of Funds
Senior	10.5% Maximum
Unrestricted	89.5%
Total	

The Agency will ensure that over the term of this Implementation Plan from 2009 through 2014 not more than 10.5 percent of its expenditures on affordable housing projects are for projects exclusively serving seniors.

e. Transfer of Housing Funds to Other Providers

The Housing Fund is subject to the CRL provisions requiring the transfer of housing funds to other housing producers in the Oakland area in certain circumstances. Such transfers could possibly occur if the Housing Fund contained "excess surplus." Excess surplus means any unexpended and unencumbered amount in the Housing Fund that exceeds the greater of \$1,000,000 or the aggregate amount deposited into the Housing Fund during the project's preceding four fiscal years.

The Agency does not anticipate having an excess surplus during the current Implementation Plan cycle or throughout the subsequent remaining Project Area life.

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 that certain housing expenditures, and preservation and production requirements, be attained during five and ten year increments. The housing production requirement, if applicable, must be met every ten years, while the proportionality tests must be achieved over the next five or ten years, and then again through the end of the Project Area life. 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

The following table presents the projected future deposits into the Housing Fund. As shown below, \$187,223 in revenues are projected to be available over the five-year term of this Implementation Plan.

**Estimate Housing Set-Aside Revenue
2009-2014**

Plan Year	Fiscal Year	Housing Set Aside
1	2009-10 ¹	\$30,489
2	2010-11	\$35,389
3	2011-12	\$39,454
4	2012-13	\$40,440
5	2013-14	\$41,451
Total		\$187,223

5. Anticipated Housing Program Activities

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 rental properties to make repairs to affordable rental housing. In either

¹ Note that in fiscal year 2009-2010 the Agency will deposit only 20% -- instead of 25% -- tax increment set-aside into the Housing Fund due to the State of California's requirement that Redevelopment Agencies make an additional deposit to fund education -- into the "Supplemental" Educational Revenue Augmentation Funds (SERAF) account. In FY 2010-11, the Agency will deposit approximately 23% of the projected gross increment for the project area in order to make the required SERAF payment.

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 Agency funds are tracked individually for each project area, the funds from all of the Agency's project areas are combined into a single Low and Moderate Income Housing Fund (except for West Oakland and Central City East, both of which restrict the use of housing funds to their Project Areas). The Agency has 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 may be used both inside and outside the Project Area. In addition, the City of Oakland also provides assistance for the development, improvement and preservation of affordable housing.

The tables on the following pages provide information for the previous implementation plan period 2004-2009, regarding:

- the amounts of Low and Moderate Income Housing Fund moneys 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.

Redevelopment Agency Assisted Housing Activities Completed or Underway, 2004 - 2009

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
1574-1590 7th Street	Homeownership	Underway	West Oakland			2	3	\$ 127,327
3701 Martin Luther King, Jr. Way	Homeownership	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 109,909
3829 Martin Luther King, Jr. Way	TBD	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 52,000
6 th & Oak Streets	Seniors	Underway	Central District		69			\$ 3,699,656
720 E. 11 th Street Project	Families	Underway	Central City East	30	24			\$ 4,859,833
Altenheim Phase I	Senior	2007	None	39	53		1	\$ 4,084,660
Altenheim Phase II	Seniors	Underway	None	48	32		1	\$ 1,753,000
Byron Avenue Homes	Homeownership	Underway	Central City East	4	4	2		\$ 386,550
California Hotel	Special Needs	Underway	West Oakland	149				\$ 600,000
Drachma, Inc (14 unit scattered site)	Families	Underway	West Oakland	14				\$ 840,000
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	Underway	Coliseum		13	15		\$ 3,601,000
Effie's House	Families	Underway	None	4	17			\$ 1,257,000
Eldridge Gonaway	Families	Underway	Central City East		39		1	\$ 1,655,000
Emancipation Village	Special Needs	Underway	None	35			2	\$ 1,652,000
Fairmount Apartments	Families	Underway	None	30			1	\$ 3,400,000
Faith Housing	TBD	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 689,598
Foothill Plaza Apartments	Families	Underway	Central City East	53			1	\$ 2,910,000
Fox Courts	Families	2009	Central District	40	39		1	\$ 4,950,000
Golf Links	Homeownership	2009	None			3	7	\$ 584,000
Harrison Senior	Senior	Underway	Central District		73			\$ 5,133,000
Hills Elmhurst Plaza Senior Housing	Senior	Underway	Coliseum		63		1	\$ 6,032,000
Hugh Taylor	SRO	Underway	Central City East	42				\$ 1,222,000
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
Lincoln Court	Senior	2006	None	81			1	\$ 2,000,000
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

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
Lion Creek Crossings, Phase IV	Families	Underway	Coliseum	50			1	\$ 2,980,547
MacArthur Homes (3801-3807 MLK Jr. Way)	Homeownership	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 800,000
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
Marin Way Court	Families	Underway	Coliseum		19		1	\$ 1,200,000
Mortgage Assistance Program ²	Homeownership	multiple	Citywide	47	242	2	1	\$13,451,314
Oak Park Homes	Families	2004	Central City East	34			1	\$ 3,419,000
Oak Street Terrace Senior	Senior	2004	Central District	16	22		1	\$ 2,072,000
Oaks Hotel	SRO and Special Needs	Underway	Central District	85				\$ 1,100,000
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	Underway	Central City East	99			1	\$ 450,000
Project Pride	Transitional	Underway	West Oakland	42				\$ 1,600,000
Redwood Hill	Homeownership	Underway	None		8	9		\$ 2,310,000
Saint Joseph's Family Phase IIb	Families	Underway	Coliseum	54	4			\$ 3,019,656
Saint Joseph's Family Phase IIa	Families	Underway	Coliseum			16		\$ 3,584,000
Saint Joseph's Senior	Senior	Underway	Coliseum	42	25		1	\$ 4,639,000
Saint Patrick's Terrace	Senior	Underway	West Oakland		65			\$ 753,600
Sausal Creek	Homeownership	2008	None			17		\$ 3,980,000
Seven Directions	Families	2009	Coliseum	23	12		1	\$ 3,289,000
Slim Jenkins	Families	Underway	West Oakland	27		3	2	\$ 1,920,000
Southlake Towers	Seniors	2004	Central District	26	103		1	\$ 445,300
Tassafaronga Homeownership	Homeownership	Underway	Coliseum		17	5		\$ 1,868,000
Tassafaronga Village Rental Phase I	Families	Underway	Coliseum		50			\$ 3,000,000

(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 2004.

(2) TBD = "to be determined" - specific affordability levels have not yet been established.

² Represents fiscal years 2004-2005 through 2008-2009.

**Housing Units Newly Constructed in Redevelopment Project Areas,
Assisted With Locally-Controlled Government Assistance and
No Redevelopment Agency Low & Moderate Income Housing Financing, 2004 - 2009**

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level			
				Very Low	Low	Moderate	Above Moderate
Lion Creek Crossings, Phase II	Families	2007	Coliseum	63	29		
Nathan A. Miley Senior Housing Community	Senior	2007	Central City East	50	19		
Uptown Project - Parcel 1	Families	2008	Central District	55		15	185
Uptown Project - Parcel 2	Families	2007	Central District	44		9	140
Uptown Project - Parcel 3	Families	2008	Central District	34		9	174
Wang Scattered Site - 901 70 th St.	Homeownership	2004	Coliseum		1		
Wang Scattered Site - 1311 Campbell Street	Homeownership	2005	West Oakland		1		