

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

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2008 OCT 16 PM 6:54

**To:** Office of the City/Agency Administrator  
**Attn:** Dan Lindheim  
**From:** Community and Economic Development Agency  
**Date:** October 28, 2008

**Re: A Public Hearing Regarding An Agency Resolution Authorizing A Contribution Of Redevelopment Agency Funds To The City Of Oakland Under The Cooperation Agreement In An Amount Not to Exceed \$500,000 For The Design And Rehabilitation Of 3233 Market Street For Use As The West Oakland Teen Center**

**A City Resolution Accepting and Appropriating A Contribution Of Redevelopment Agency Funds Under The Cooperation Agreement In An Amount Not To Exceed \$500,000 For The Design And Rehabilitation Of 3233 Market Street For Use For The West Oakland Teen Center**

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**SUMMARY**

Staff has prepared two resolutions that will allocate Redevelopment Agency ("Agency") funds for the design and rehabilitation of 3233 Market Street for use as the future West Oakland Teen Center ("Teen Center"). This project is located in the West Oakland Redevelopment Project Area. The first resolution authorizes the Agency to contribute West Oakland Redevelopment Project Area funds to the City under the Cooperation Agreement. The second resolution authorizes the City to accept and appropriate Agency funds for the Teen Center. The City Council authorized \$500,000 of West Oakland Redevelopment Project Area funds for the development of a teen center as part of the FY 07-09 Adopted Budget. The Teen Center will provide much needed comprehensive youth services to an underserved area of West Oakland. Although this project is eligible for redevelopment funding for the building's design and construction as a teen center, it should be noted that there are presently no operating funds identified for the teen center's maintenance and operations. Redevelopment funds may not be used for these purposes. This item is a public hearing.

**FISCAL IMPACT**

The development of the Teen Center will cost \$500,000. Funds are available in West Oakland Operations Fund (Fund 9590, Organization 88679, Project S324120). It should be noted that \$22,000 District 3 PayGo funds were used to temporarily fund a contract for design services with Leadership Excellence and that this amount will be reimbursed to the District 3 PayGo account.

Item: \_\_\_\_\_  
CED Committee  
October 28, 2008

## **BACKGROUND**

Staff, as directed by City Council, has examined the concept of funding teen centers using Redevelopment funds. The City Council's aim in the creation of teen centers is to create a place that maintains an environment uniquely suited to teens needs that is presently not found in several Oakland communities. Teen centers will offer youth a positive outlet for them to express themselves, establish a safe gathering place and be shielded from youth violence. The Agency budgeted \$500,000 for teen centers in each Council District in the FY 07-09 Adopted Budget. This allocation was presented and approved during the Council's final deliberations of the Budget in June, 2007, subject to the City and Agency making the findings required by redevelopment law and complying with other redevelopment law requirements. Even before the City Council action allocating redevelopment funds, District 3 Councilmember Nancy Nadel identified a site in District Three at 3233 Market Street for use as a teen center. This property is an 8,812 square foot former church on a 11,130 square foot corner lot. The City authorized the purchase of 3233 Market Street for the fair market value of \$850,000 plus customary closing costs by Ordinance No. 12823 C.M.S. on September 18, 2007 and the property was purchased on October 26, 2007. The purchase was funded by District 3 PayGo Municipal Improvements, Priority Project and other carryforward funds set aside in District 3.

District 3 staff also began the design process for the center. The center's design will be developed by local youth with assistance from a licensed architect. The youth will identify the uses that they would like to see in the center, such as recording studios, art studios, or kitchens for learning culinary arts. District 3 staff identified an Oakland non-profit, Leadership Excellence, to supervise and manage this work. A contract for \$22,000 has been executed with Leadership Excellence for design services for the teen center. The contract's starting date was September 15, 2008 and the term is for twelve months. This contract was temporarily funded from District 3 funds, because of the project's tight timeframe. The \$22,000 for the contract will be reimbursed to District 3 from the redevelopment portion of the funds.

## **KEY ISSUES AND IMPACTS**

### Need For A Teen Center

West Oakland youth face many challenges. Poverty, unemployment rates and the teen pregnancy rates are also higher for West Oakland than for the rest of the city and Alameda County. According to the 2000 Census, approximately 33% of West Oakland's population is under 18 years of age. However, only approximately 19% of West Oakland students read at grade level. More than half the children in West Oakland are from families that receive assistance from federal Temporary Assistance For Needy Families, and nearly 80% of West Oakland middle

Item: \_\_\_\_\_  
CED Committee  
October 28, 2008

school students are eligible for federally subsidized free breakfast and lunch programs. Over 50% of West Oakland children live with someone other than their biological parents.

Public services and community resources are scarce in West Oakland, where there are more than 40 liquor stores, but no full service grocery stores. Surveys indicate that a majority of youth interviewed after violent incidents attribute lack of productive activities as the number one cause for violence. West Oakland teens have repeatedly requested a safe place to gather. They need and deserve such a center. There is no Teen Center in the Hoover-Foster area of West Oakland, and because of gang turf issues, many young people will not travel from Hoover-Foster to the small Teen Center located at Campbell Village. The Teen Center will provide a comprehensive spectrum of programs and services to youth and young adults in one location. The Teen Center will also help provide a continuum of services to children as they “grow out” of the nearby YMCA programs.

The Teen Center will fulfill a critical need in West Oakland for structured, constructive, safe activities, particularly those which help students with skill-building and academic performance. It will be an attractive and functional space dedicated to teenagers and will help create the social support that is essential in reducing individuals’ vulnerability to the environmental stressors and behavioral risk factors that exist in West Oakland.

#### Eligibility For Redevelopment Funding

The proposed West Oakland Teen Center is eligible for Agency funding under redevelopment law which requires that improvements to community facilities serve a redevelopment purpose. A redevelopment agency may with the consent of the city fund the design and construction of publicly-owned buildings and facilities, but only if it can make the following findings: (1) that the improvements are of benefit to the redevelopment project area or the immediate neighborhood in which the project is located; (2) that no other reasonable means of financing the improvements are available to the city other than redevelopment funding; (3) that the improvements will assist in the elimination of one or more blight conditions in the project area; and (4) that the improvements are consistent with the five-year implementation plan for the project area.

Redevelopment law prohibits the use of redevelopment funds to pay for normal maintenance or operations of publicly owned facilities. Blight conditions recognized by redevelopment law include, among other things, unsafe or unhealthy buildings, serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, faulty or inadequate water or sewer utilities, conditions that prevent or substantially hinder the viable use of capacity of buildings, or buildings of substandard, defective, or obsolete design or construction given current development standards.

Item: \_\_\_\_\_  
CED Committee  
October 28, 2008

The teen center will benefit the West Oakland Project Area by increasing the services available to teens throughout the Project Area, especially in the Hoover-Foster neighborhood. The Center will get youth off the street and will encourage youth to pursue productive activities which will assist in reducing youth violence and channel youth into more positive management of their free time. The project will also benefit the Project Area by eliminating blight conditions at the project site.

The former church located at 3233 Market Street presently suffers from several blighting conditions. It has been vacant for more than six months which contributes to economic and visual blight on this block of Market Street. Several major building systems, including alarm, security and plumbing are obsolete and need replacement, including the building's roof joist which was damaged by a fire.

No other reasonable means of financing these projects are available to the City other than Agency funding. There are no funds in the FY 2007-2012 Capital Improvement Budget that address this teen center. There are no more funds available from District 3 PayGo, as they have been allocated for other projects throughout the council district.

This project is consistent with the Redevelopment Plan and the Five Year Implementation Plan ("Implementation Plan") for the West Oakland Project Area. The Implementation Plan includes the goals of supporting recreation, education, and healthcare programs for all members of the Project Area community, especially youth, seniors and disabled persons, and restoring blighted properties in the Project Area. Staff briefed the West Oakland Project Area Committee about the funds at the time of their allocation and gave an update on the Teen Center on September 10, 2008.

Although this project is eligible for redevelopment funding for the building's design and construction as a teen center, it should be noted that there are presently no operating funds identified for the teen center's maintenance and operations. Redevelopment funds may not be used for these purposes.

## **PROJECT DESCRIPTION**

The teen center site, 3233 Market Street, is in the West Oakland Redevelopment Project Area's West MacArthur/Hoover subarea. This neighborhood is also known as the Hoover-Foster neighborhood. Attachment A is a map of the West Oakland Redevelopment Project Area and shows the project's location. The West Oakland Redevelopment Project Area covers 1,565 acres in West Oakland and is approximately bounded on the north by the Oakland/Emeryville city

Item: \_\_\_\_\_  
CED Committee  
October 28, 2008

limits and 40<sup>th</sup> Street, on the east by I-980 and Mandela and Union Streets, on the south by 18<sup>th</sup> Street and Middle Harbor Road, and on the west by Pine and Wood Streets.

## **SUSTAINABLE OPPORTUNITIES**

**Economic:** The teen center will provide teen youth programs in the underserved Hoover-Foster neighborhood of West Oakland. This project will improve neighborhood conditions by restoring a vacant building to a productive use, helping to make this area more attractive to current and prospective residents, tenants and businesses.

**Environmental:** The teen center is an adaptive reuse of an existing building in a built-out area of the West Oakland.

**Social Equity:** The teen center will provide a positive stimulus to this area of West Oakland where public services and community resources are scarce. The project will improve neighborhood conditions for current and future residents and business people.

## **DISABILITY AND SENIOR CITIZEN ACCESS**

The renovation of 3233 Market Street for the West Oakland Teen Center will maintain accessibility to persons with disabilities and senior citizens. All construction will fulfill the requirements of the Americans with Disabilities Act.

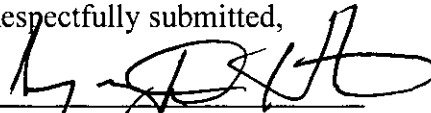
## **RECOMMENDATION AND RATIONALE**

Staff recommends that the Agency and City Council adopt the Agency and City resolutions authorizing the contribution of \$500,000 of Agency funds to the City under the Cooperation Agreement and the acceptance of \$500,000 of Agency funds by the City for the design and rehabilitation of 3233 Market Street for use as the West Oakland Teen Center.

**ACTION REQUESTED OF THE REDEVELOPMENT AGENCY/CITY COUNCIL**

Staff requests the City Council and Agency to adopt the City and Agency resolutions appropriating and allocating Redevelopment Agency funds in an amount not to exceed \$500,000 for the design and rehabilitation of 3233 Market Street for use as the West Oakland Teen Center.

Respectfully submitted,



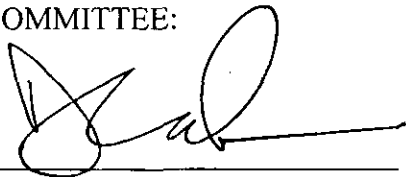
Dan Lindheim, Director  
Community and Economic Development Agency

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

Patrick Lane, Redevelopment Area Manager

Prepared by: Wendy Simon, Urban Economic Analyst IV

APPROVED AND FORWARDED  
TO THE COMMUNITY AND  
ECONOMIC DEVELOPMENT  
COMMITTEE:

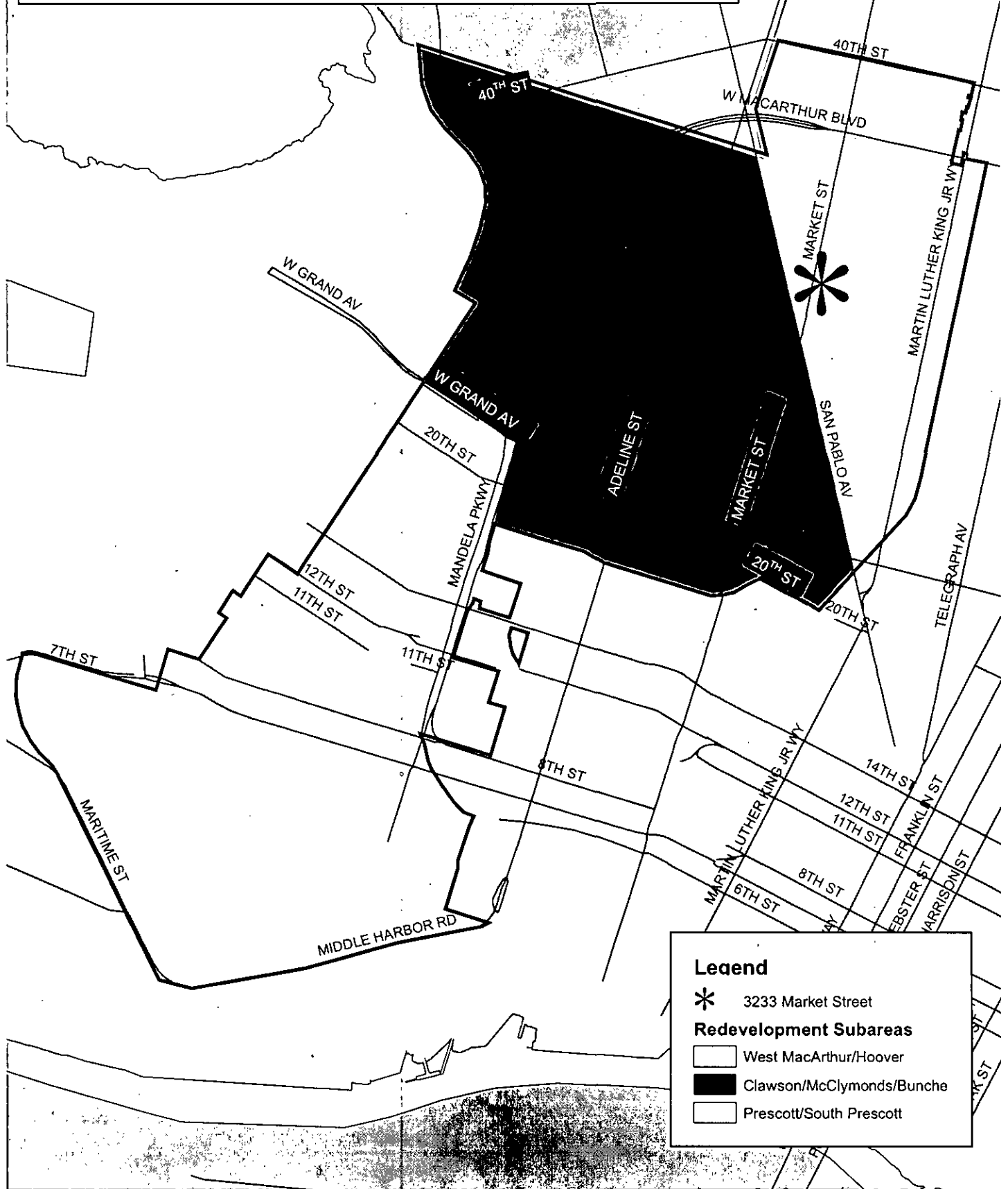


Office of the City/Agency  
Administrator

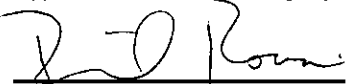
Attachment A: Map of West Oakland Project Area and 3233 Market Street

Item: \_\_\_\_\_  
CED Committee  
October 28, 2008

**Attachment A:  
West Oakland Redevelopment Project Area  
Location of 3233 Market Street**



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Approved as to Form and Legality  
  
Deputy City Attorney

## OAKLAND CITY COUNCIL

RESOLUTION No. \_\_\_\_\_ C.M.S.

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**RESOLUTION ACCEPTING AND APPROPRIATING A CONTRIBUTION OF REDEVELOPMENT AGENCY FUNDS UNDER THE COOPERATION AGREEMENT IN AN AMOUNT NOT TO EXCEED \$500,000 FOR THE DESIGN AND REHABILITATION OF THE WEST OAKLAND TEEN CENTER AT 3233 MARKET STREET**

**WHEREAS**, the Redevelopment Agency wishes to fund costs to assist in the design and rehabilitation of 3233 Market Street for use as the West Oakland Teen Center in the West Oakland Redevelopment Project Area; and

**WHEREAS**, the Redevelopment Agency is implementing the FY 2007-09 Agency Budget for the West Oakland Redevelopment Project, including funding of the West Oakland Teen Center; and

**WHEREAS**, the Redevelopment Agency has authorized a contribution of \$500,000 to the West Oakland Teen Center project; and

**WHEREAS**, the City and the Redevelopment Agency entered into a Cooperation Agreement on July 1, 2004, which generally governs the provision of assistance and the payment of funds between the two agencies, including Redevelopment Agency financial contributions and other assistance to support City public improvements; and

**WHEREAS**, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for the installation cost of construction of publicly-owned facilities; if the legislative body has consented to such funding and has made certain findings; and

**WHEREAS**, improvements to public facilities such as teen centers are redevelopment purposes under Section 233021 of the California Health and Safety Code; and

**WHEREAS**, a public hearing was held before the City Council on this funding on November 4, 2008; and



**WHEREAS,** notice of this hearing was published pursuant to Health and Safety Code Section 33679 and the summary of the funding proposal required by Section 33679 was made available to the public prior to publication of the notice; now, therefore, be it

**RESOLVED:** That the City Council hereby consents to the use of up to \$500,000 in Agency funds for the design and rehabilitation of the West Oakland Teen Center to be located at 3233 Market Street; and be it

**FURTHER RESOLVED:** That the City Council hereby accepts a total of \$500,000 from the Agency under the Cooperation Agreement and appropriates such funds to the City's Oakland City's Oakland Redevelopment Agency Projects Fund (7780), engineer Design-Project Management Organization (92270) City Project to be established for the West Oakland Teen Center; and be it

**FURTHER RESOLVED:** That \$22,000 will be used to reimburse the District 3 PayGo Fund for contract expenses related to the design of the Teen Center; and be it

**FURTHER RESOLVED:** That the City Council hereby finds and determines as follows:

1. That the funding of the West Oakland Teen Center will benefit the West Oakland Redevelopment Project Area by increasing the services available to teens throughout the Project Area, especially in the Hoover-Foster neighborhood, encouraging them to pursue productive activities which will reduce crime and vandalism in the immediate area, and by improving the physical environment for residents, business and property owners in this Project Area;
2. That due to fiscal constraints on the City's general fund and the high number of capital projects competing for limited City funds, the City's Capital Improvement Program budget is unable to provide financing for the West Oakland Teen Center, and therefore no other reasonable means of financing the project is available to the City other than Redevelopment Agency funding;
3. That the use of tax increment funds from the West Oakland Project Area for the West Oakland Teen Center will assist in the elimination of blight in the West Oakland Project Area for the reasons set forth in the staff report accompanying this Resolution; and
4. That the renovation of 3233 Market Street for use as the West Oakland Teen Center is consistent with the Implementation Plan adopted for the West Oakland Redevelopment Project Area; and be it

**FURTHER RESOLVED:** That the City Administrator or his designee is hereby authorized to take whatever action is necessary with respect to the West Oakland Teen Center project consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, \_\_\_\_\_, 20\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

AYES - BROOKS, BRUNNER, CHANG, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

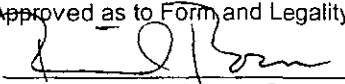
ATTEST: \_\_\_\_\_

LaTonda Simmons  
City Clerk and Clerk of the Council  
of the City of Oakland, California

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2008 OCT 16 PM 6:55

Approved as to Form and Legality

  
Agency Counsel

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. \_\_\_\_\_ C.M.S.

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**AGENCY RESOLUTION AUTHORIZING A CONTRIBUTION OF  
WEST OAKLAND REDEVELOPMENT AGENCY FUNDS TO THE  
CITY OF OAKLAND UNDER THE COOPERATION AGREEMENT  
IN AN AMOUNT NOT TO EXCEED \$500,000 FOR THE DESIGN  
AND REHABILITATION OF THE WEST OAKLAND TEEN  
CENTER AT 3233 MARKET STREET**

**WHEREAS**, the Agency wishes to fund costs for the design and rehabilitation of 3233 Market Street, now owned by the City, for use as the West Oakland Teen Center; and

**WHEREAS**, the City and Agency entered into a Cooperation Agreement on July 1, 2004, which generally governs the provision of assistance and the payment of funds between the two agencies, including Redevelopment Agency financial contributions and other assistance to support City public improvements; and

**WHEREAS**, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for the construction of publicly-owned facilities if the legislative body has consented to such findings and has made certain findings; and

**WHEREAS**, improvements to public facilities are a redevelopment purpose under Section 33021 of the California Health and Safety Code; and

**WHEREAS**, a public hearing was held on this funding on November 4, 2008; and

**WHEREAS**, notice of the public hearing was published pursuant to Health and Safety Code Section 33679, and the summary of the funding proposal required by Section 33679 was made available to the public prior to publication of the notice; and

**WHEREAS**, the Agency will contribute and utilize Agency funds to reimburse the City's Oakland Redevelopment Agency Projects Fund (7780), Engineer Design-Project Management Organization (92270) City Project to be established for the West Oakland Teen Center; and

**WHEREAS**, the City Council has consented to the use of Agency funding for the West Oakland Teen Center project pursuant to Section 33445 of the California Health and Safety Code; now, therefore, be it

**RESOLVED**, That the Agency Administrator is authorized to contribute an amount not to exceed \$500,000, under the Cooperation Agreement to the City of Oakland for the design and rehabilitation of the West Oakland Teen Center at 3233 Market Street; and be it

**FURTHER RESOLVED:** That \$500,000 in Agency funding will be allocated from the West Oakland Operations Fund (Fund 9590, Organization 88679, Project S324120) for this purpose; and be it

**FURTHER RESOLVED:** That the Agency hereby finds and determines as follows:

1. That the funding of the West Oakland Teen Center will benefit the West Oakland Redevelopment Project Area by increasing the services available to teens throughout the Project Area, especially in the Hoover-Foster neighborhood, encouraging them to pursue productive activities which will reduce crime and vandalism in the immediate area, and by improving the physical environment for residents, business and property owners in this Project Area;
2. That due to fiscal constraints on the City's general fund and the high number of capital projects competing for limited City funds, the City's Capital Improvement Program budget is unable to provide financing for the West Oakland Teen Center, and therefore no other reasonable means of financing the project is available to the City other than Redevelopment Agency funding;
3. That the use of tax increment funds from the West Oakland Project Area for the West Oakland Teen Center will assist in the elimination of blight in the West Oakland Project Area for the reasons set forth in the staff report accompanying this Resolution; and
4. That the renovation of 3233 Market Street for use as the West Oakland Teen Center is consistent with the Implementation Plan adopted for the West Oakland Redevelopment Project Area; and be it

**FURTHER RESOLVED:** That the Agency Administrator or his designee is hereby authorized to take whatever action is necessary with respect to Agency funding of the West Oakland Teen Center project consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2008

**PASSED BY THE FOLLOWING VOTE:**

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

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