

STREETS
2007 MAY 15 11:52 AM

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

TO: Office of the City/Agency Administrator
ATTN: Deborah A. Edgerly
FROM: Community and Economic Development Agency
DATE: May 15, 2007

RE: **A SUPPLEMENTAL REPORT TO THE REQUEST TO APPROVE CITY AND AGENCY RESOLUTIONS ADOPTING REVISED PROGRAM GUIDELINES FOR ALL FAÇADE IMPROVEMENT PROGRAMS IN NEIGHBORHOOD COMMERCIAL REVITALIZATION (NCR) TARGET AREAS AND REDEVELOPMENT PROJECT AREAS AND AUTHORIZING THE CITY ADMINISTRATOR AND THE AGENCY ADMINISTRATOR TO NEGOTIATE AND EXECUTE ALL DESIGN CONTRACTS FOR THE FAÇADE IMPROVEMENT PROGRAM WITHOUT RETURNING TO THE CITY COUNCIL AND AGENCY**

SUMMARY

This report addresses recommendations made by members of the Community and Economic Development (CED) Committee at their May 8, 2007 meeting regarding approval of a City resolution and an Agency resolution to adopt revised guidelines for the Façade Improvement Program. Recommended Program revisions include:

1. Increase the maximum grant amount for all Façade Improvement Programs in the City of Oakland based on linear footage measurements,
2. Establish policies for phasing and mandatory design review,
3. Establish minimum design standards for all on-call architects hired to provide design services to façade improvement projects.

Revised Program Guidelines are outlined in Attachment A.

The CED Committee recommended authorizing funding for façade improvement grants to neighborhood markets and grocery stores provided certain conditions are met, establishing minimum design standards, and allowing applicants to apply for multiple grants in certain circumstances. The Committee recommended against allowing façade improvement grants to newly-constructed buildings. The Committee discussed removing restrictions prohibiting façade improvement grants to churches on commercial corridors within target areas, but made no recommendations in this area.

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City Council and Oakland Redevelopment Agency
May 15, 2007

FISCAL IMPACT

The recommended revisions do not require changing the fiscal impact statement.

BACKGROUND

The CED Committee voted to support the recommended revisions to the Façade Improvement Program outlined in Attachment A with the following changes:

- Establish minimum design standards for on-call architects hired to provide design services to the program.
- Property owners and tenants in newly constructed buildings are not eligible to participate in the program.
- Do not limit applicants to a two phase process. Allow applicants to apply for multiple façade improvement grants provided that each project (phase) is complete and distinguishable.

The CED Committee supported allocating funds for façade improvement grants to neighborhood markets and grocery stores provided that the store owners execute compliance plans with the City and agree to re-merchandising if liquor is sold. Re-merchandising can include reducing the amount of self space devoted to liquor and increasing or adding fresh foods and becoming a certified Women, Infant and Children (WIC) vendor.

The CED Committee discussed removing the restriction prohibiting grants to churches on commercial corridors within target areas, but took no action on this issue. The City Attorney's Office advised that U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) Program prohibits the use of CDBG funds to rehabilitate properties used for primarily religious purposes. (24 CFR section 570.200(j)(5).) However, redevelopment law does not have the same restriction on the use of redevelopment funds to rehabilitate properties in religious use. *The Establishment Clauses of the U.S. and California Constitutions, which generally prohibit government actions that promote religion, would permit government financial assistance to a religious institution to improve a property in religious use if the funding has a secular governmental purpose, the principal or primary effect of the funding is one that neither advances nor inhibits religion, the funding does not foster an excessive governmental entanglement with religion, and the funding does not have an immediate and substantial effect of promoting religious purposes (other than indirect, remote or incidental benefits).* Therefore, since the façade improvement grant program has the clear secular purpose of eliminating blight in a redevelopment project area, and since a façade treatment grant to improve the façade of a church property does not advance or promote religion except incidentally, the Establishment Clauses would not prohibit the Agency from offering façade grants using redevelopment funds to churches and other religious institutions as it would to other owners and tenants located in redevelopment areas.

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PROGRAM DESCRIPTION

Establish minimum design standards for on-call architects hired to provide design services to the Façade Improvement Program- To ensure that all façade improvements enhance the inherent architectural qualities of the buildings, architects hired to provide on-call design services to the Façade Improvement Program shall comply with the standards set forth in the Oakland Small Project Design Guidelines, adopted by the City Council on April 23, 2002 and the Neighborhood Commercial Façade Improvement Manual, dated September 1998. Both documents provide recommendations for appropriate improvements to commercial storefronts with consideration for building types and styles.

Phasing Policy- To facilitate implementation of façade improvement design concepts over time, applicants are permitted to apply for multiple grants if the following criteria are met:

- If an applicant wants to pursue Phased improvements they must inform staff prior to signing the Reimbursement Agreement for Phase 1.
- Design services will provided one time only and include all Phases of the project.
- Each Phase is a complete, distinguishable and stand-alone project

KEY ISSUES AND IMPACTS

The proposed phasing policy is designed to accommodate applicants with limited funds to implement projects in more than one phase. A mandatory design review policy is proposed to improve the quality of design concepts developed by Program architects. The proposed policy for new buildings will enable businesses that lease space in newly constructed buildings to apply to the Program for signage and possibly awnings. These revisions are proposed to increase participation in the program, improve the quality of projects funded through the Program and create a consistent concept and criteria across different Programs.

The allocation of funds for grants to liquor stores and corner markets referred by NLC and SDS is proposed to support City neighborhood revitalization efforts. To be considered for funding under the Program, the referred projects must be located in CDBG eligible areas.

Provide Façade Improvement Grants to Neighborhood Corner Markets/Grocery Stores

Neighborhood conditions and City Council priorities have changed since 1978. To meet current needs, NCR staff began to offer the Façade Improvement Program outside established target areas. The Program expanded into small commercial nodes along Martin Luther King Jr. Way, Market Street and into primarily residential areas at the request of other City departments including Community and Economic Development Agency's Building Services Division, the City Administrators' Office, the City Attorney's Neighborhood Law Corp (NLC) and Service Delivery System (SDS) Teams. With the establishment of new redevelopment areas including Broadway/MacArthur/San Pablo,

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West Oakland and Central City East Redevelopment Areas, and adoption of Façade Improvement Programs in these areas, projects located outside of NCR target areas now have a source of funding. However, properties and businesses located outside redevelopment areas and within CDBG eligible areas are solely dependent on CDBG funds for façade improvements. Therefore, staff recommends allocating an amount not to exceed \$70,000 a year, from CDBG funds allocated to NCR, for façade improvement grants to corner markets/grocery stores located in a CDBG eligible area and referred by other City departments with the condition that the business have an executed compliance plan with the City and agree to re-merchandising if liquor is sold. Re-merchandising can include reducing the amount of self space devoted to liquor and increasing or adding fresh foods and becoming a certified Women, Infant and Children (WIC) vendor.

RECOMMENDATION(S) AND RATIONALE

Approval of the attached revised resolutions will create a consistent concept and criteria for all Façade Improvement Programs in the City of Oakland. The proposed revisions are designed to increase Program participation, improve the quality of projects funded and maximize impacts in targeted commercial districts.

ACTION REQUESTED OF THE CITY/AGENCY

Staff recommends that the City Council and Redevelopment Agency approve Resolutions, revised per CEDC recommendations, to adopt revised program guidelines for all façade improvement programs in the City of Oakland, as outlined in Attachment A, and authorize the City/Agency Administrator to negotiate and execute all design contracts for the Façade Improvement Program within the approved City and Redevelopment Agency FY 2007/09 budgets without returning to the City Council and Redevelopment Agency.

Respectfully submitted,

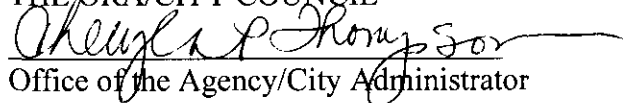


GREGORY HUNTER

Interim Director of Redevelopment,
Economic Development and Housing

Prepared by: Stephanie Floyd- Johnson,
Manager NCR Program

APPROVED AND FORWARDED TO
THE ORA/CITY COUNCIL



Office of the Agency/City Administrator

Attachment: Attachment A- Proposed Revised Façade Improvement Guidelines

Item: _____

City Council and Oakland Redevelopment Agency
May 15, 2007

**PROPOSED REVISED PROGRAM GUIDELINES FOR FAÇADE
IMPROVEMENT PROGRAMS IN NCR TARGET AREAS AND
REDEVELOPMENT PROJECT AREAS**

REVISED PROGRAM GUIDELINES

1. Increase the maximum grant amount for all Façade Improvement Programs in the City of Oakland based linear foot measurements. Buildings with facades exceeding 25 linear feet are eligible for additional grant funding in increments of \$5,000 per additional 10 linear feet of storefront.
2. Implement the following policies:
Phasing Projects – A project may be eligible for phasing if the following conditions are met:
 - If an applicant wants to pursue phased improvements they must inform staff prior to signing the Reimbursement Agreement for Phase 1.
 - Design services will be provided one time only and include all Phases of the project.
 - Each Phase must a complete, distinguishable and stand-alone project.

Mandatory Design Review

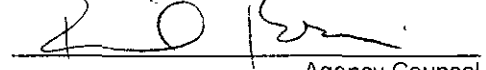
To ensure that façade improvement projects comply with the City's Small Project Design Review Guidelines, projects will be submitted to the Zoning Division for design review. Design review fees are a reimbursable expense under the Program.

3. Require that architects hired to provide on-call designs services to the Façade Improvement Program comply with the standards set forth in the Oakland Small Project Design Guidelines (adopted by the City Council on April 23, 2002) and the *Neighborhood Commercial Façade Improvement Manual* (dated September 1998) in developing design concepts for façade improvement projects.

2007 MAY 10 PM 6:56

REVISED MAY 8, 2007

APPROVED AS TO FORM AND LEGALITY:



Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

RESOLUTION ADOPTING REVISED PROGRAM GUIDELINES FOR FAÇADE IMPROVEMENT PROGRAMS IN REDEVELOPMENT PROJECT AREAS, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO NEGOTIATE AND EXECUTE ALL DESIGN CONTRACTS FOR THE FAÇADE IMPROVEMENT PROGRAM WITHOUT RETURNING TO THE AGENCY

WHEREAS, the Broadway/MacArthur/San Pablo Redevelopment Project Area, Central District Redevelopment Project Area, Central City East Redevelopment Project Area, and West Oakland Redevelopment Project Area contain many commercial buildings in need of revitalization and physical improvement; and

WHEREAS, the Agency has previously approved Resolutions establishing Façade Improvement Programs and authorizing the Agency Administrator to approve and execute all third party design contracts within the available budget for the Agency's Façade Improvement Program in the Broadway/MacArthur/San Pablo Redevelopment Project Area (Resolution No. 02-91 C.M.S.), Central City East Redevelopment Project Area (Resolution No. 2005-0005 C.M.S.), Central District Redevelopment Project Area (Resolution No. 1999-37 C.M.S.), and West Oakland Redevelopment Project Area (Resolution No. 2006-0001 C.M.S.); and

WHEREAS, the Façade Improvement Program provides incentives for property owners and business owners to rehabilitate and revitalize commercial buildings and storefronts in targeted commercial districts of the City located in eligible redevelopment project areas; and

WHEREAS, such rehabilitation and revitalization assists in the elimination of blight in the target areas and assists with retaining and attracting businesses, increasing job opportunities and sales tax revenues for the City of Oakland; and

WHEREAS, each Program is based on similar guidelines, but has developed its own specific funding and participation criteria; and

WHEREAS, the Agency wishes to adopt revised guidelines for the Programs in all project areas; now therefore be it

RESOLVED: That the Agency hereby adopts those revised program guidelines for Façade Improvement Programs in redevelopment project areas as outlined in Exhibit 1 to this Resolution; and be it further

RESOLVED: That the Agency Administrator is authorized to negotiate and execute all third party contracts utilizing respective Redevelopment Project Areas' appropriations for the Façade Improvement Programs in FY 2007-09 Proposed Agency Budget without returning to the Agency; and be it further

RESOLVED: That the Agency Administrator or his or her designee is hereby authorized to take whatever action is necessary with respect to the Programs consistent with this Resolution and its basic purposes; and be it further

RESOLVED: That all agreements executed pursuant to the Resolution be approved as to form and legality by Agency Counsel and be filed with the Agency Secretary.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2007

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

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

RESOLUTION ADOPTING REVISED PROGRAM GUIDELINES FOR FAÇADE IMPROVEMENT PROGRAMS IN REDEVELOPMENT PROJECT AREAS

EXHIBIT 1 REVISED PROGRAM GUIDELINES

The Program Guidelines for Façade Improvement Programs in redevelopment project areas are hereby revised as follows:

1. Increase the maximum grant amount for all Façade Improvement Programs in the City of Oakland based on linear foot measurements. Buildings with facades exceeding 25 linear feet are eligible for additional grant funding in increments of \$5,000 per additional 10 linear feet of storefront.
2. Implement the following policies:
 - Phasing Projects – A project may be eligible for phasing if the following conditions are met:
 - If an applicant wants to pursue phased improvements they must inform staff prior to signing the Reimbursement Agreement for Phase 1.
 - Design services will be provided one time only and include all Phases of the project.
 - Each Phase must a complete, distinguishable and stand-alone project.

Mandatory Design Review


To ensure that façade improvement projects comply with the City's Small Project Design Review Guidelines, projects will be submitted to the Zoning Division for design review. Design review fees are a reimbursable expense under the Program.

3. Require that architects hired to provide on-call designs services to the Façade Improvement Program comply with the standards set forth in the Oakland Small Project Design Guidelines (adopted by the City Council on April 23, 2002) and the Neighborhood Commercial Facade Improvement Manual (dated September 1998) in developing design concepts for façade improvement projects.

REVISED MAY 8, 2007

2007 MAY 10 PM 6:52

APPROVED AS TO FORM AND LEGALITY:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION ADOPTING REVISED PROGRAM GUIDELINES FOR THE FAÇADE IMPROVEMENT PROGRAM IN NEIGHBORHOOD COMMERCIAL REVITALIZATION (NCR) PROGRAM TARGET AREAS AND AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE ALL DESIGN CONTRACTS FOR THE FAÇADE IMPROVEMENT PROGRAM WITHOUT RETURNING TO THE CITY COUNCIL

WHEREAS, the City of Oakland contains many neighborhood commercial areas in need of revitalization and physical improvements; and

WHEREAS, the Community and Economic Development Agency's Neighborhood Commercial Revitalization (NCR) Program has designated targeted commercial areas for revitalization, including façade improvements; and

WHEREAS, the Façade Improvement Program provides incentives for property owners and business owners to rehabilitate and revitalize commercial buildings and storefronts in targeted commercial districts of the City located in eligible Community Development Districts; and

WHEREAS, such rehabilitation and revitalization assists in the elimination of blight in the target districts and assists with retaining and attracting businesses, increasing job opportunities and sales tax revenues for the City of Oakland; and

WHEREAS, on September 30, 1997, pursuant to City Resolution 73818 C.M.S., the City Council approved initiation of the first Neighborhood Commercial Façade Improvement Program; and

WHEREAS, since the inception of the Program in 1997, the Program has expanded into other target areas and into certain Redevelopment Project Areas; and;

WHEREAS, each Program is based on similar guidelines, but has developed its own specific funding and participation criteria; and

WHEREAS, the City wishes to adopt revised guidelines for the Programs in all target areas; now therefore be it

RESOLVED: That the City hereby adopts those revised program guidelines for Façade Improvement Programs in NCR target areas attached to this Resolution as Exhibit1; and be it further

RESOLVED: That a map of NCR target area boundaries for the Façade Improvement Program is attached to this Resolution as Exhibit 2 and a list of NCR target area boundaries is attached to this Resolution as Exhibit 2A; and be it further

RESOLVED: That the City Administrator is authorized to negotiate and execute all third party design contracts utilizing HUD-CDBG funds for the Façade Improvement Programs as budgeted in FY 2007-09 Proposed Policy Budget, without returning to the City Council; and be it further

RESOLVED: That the City Administrator or his or her designee is hereby authorized to take whatever action is necessary with respect to the Programs consistent with this Resolution and its basic purposes; and be it further

RESOLVED: That all agreements executed pursuant to the Resolution be approved at to form and legality by the Office of the City Attorney and be filed in the Office of the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2007

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

**RESOLUTION ADOPTING REVISED PROGRAM GUIDELINES FOR FAÇADE
IMPROVEMENT PROGRAMS IN NEIGHBORHOOD COMMERCIAL
REVITALIZATION TARGET AREAS**

**EXHIBIT 1
REVISED PROGRAM GUIDELINES**

The Program Guidelines for Façade Improvement Programs in NCR areas are hereby revised as follows:

1. Increase the maximum grant amount for all Façade Improvement Programs in the City of Oakland based on linear foot measurements. Buildings with facades exceeding 25 linear feet are eligible for additional grant funding in increments of \$5,000 per additional 10 linear feet of storefront.
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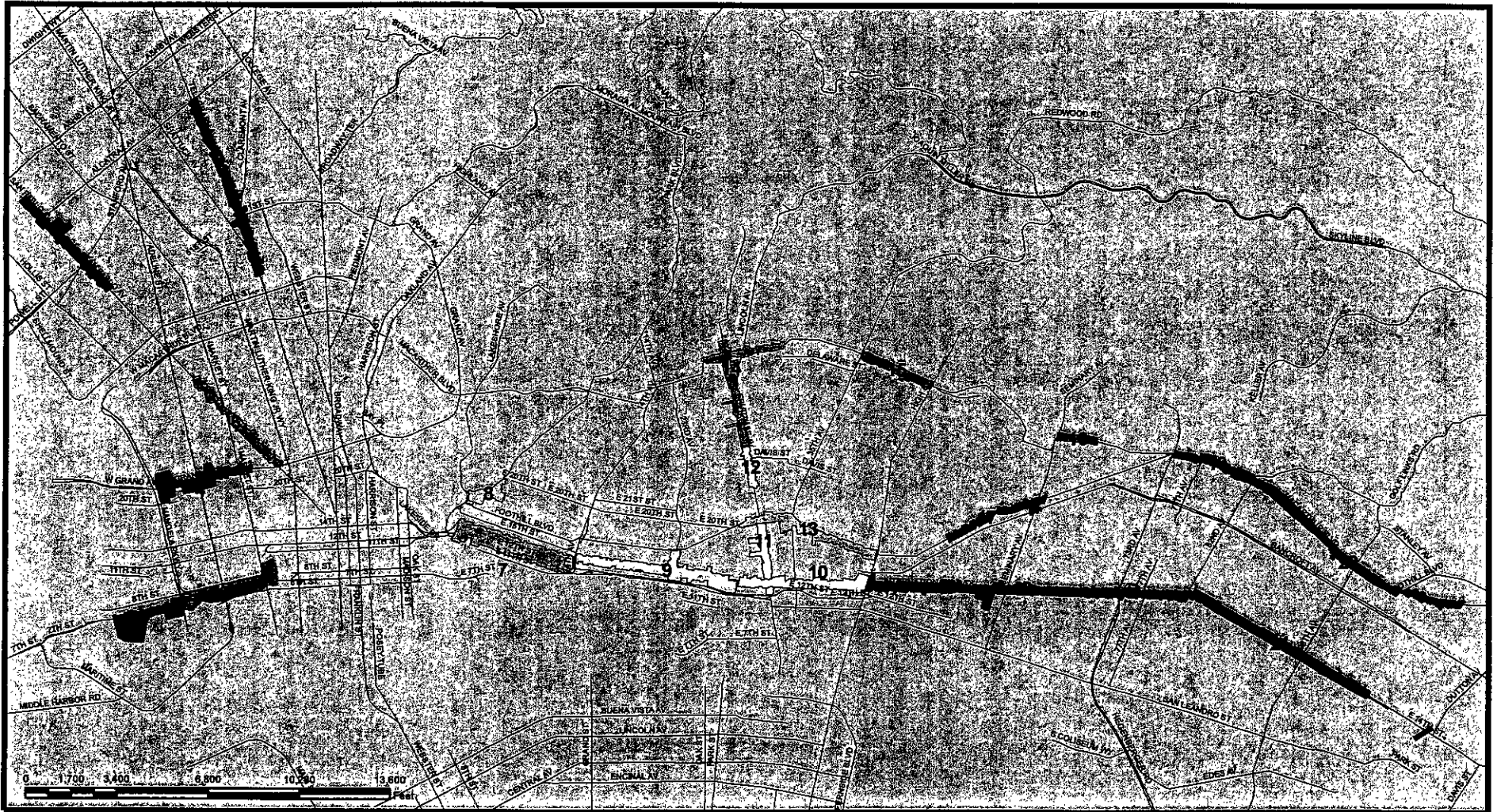
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City of Oakland

Neighborhood Commercial Revitalization Facade Improvement Program Target Areas



Facade Improvement Program Areas

- | | | | | | | |
|---------------------------------|----------------------|----------------------|-----------------------------|-------------------|------------------------------|--|
| 1, Temescal District | 4, West Grand Avenue | 7, Eastlake District | 10, Fruitvale/International | 13, Foothill Blvd | 16, Millsmont/MacArthur Blvd | 19, Eastmont Town Center/ MacArthur Blvd |
| 2, Upper Telegraph Avenue | 5, 7th Street | 8, Lake Merritt | 11, Fruitvale Avenue | 14, Dimond | 17, Foothill/Seminary Ave | 20, MacArthur Blvd |
| 3, San Pablo Avenue/Golden Gate | 6, San Pablo Avenue | 9, 23rd Avenue | 12, Fruitvale Gateway | 15, Laurel | 18, International Blvd | 21, International Blvd |

Community Economic Development Agency
Neighborhood Commercial Revitalization
FAÇADE IMPROVEMENT PROGRAM TARGET AREAS

Target Area Boundaries

North Oakland (District I)-

1. **Temescal District-** Telegraph Avenue, 42nd to 51st Streets
2. **Upper Telegraph Avenue-** 51st Street to Alcatraz Avenue
3. **San Pablo Avenue/Golden Gate District-** 53rd to 67th Streets

West Oakland (District III) and sections of North Oakland

4. **West Grand Avenue-** San Pablo Avenue to Mandela Parkway
5. **7th Street-** Brush Street to Wood Street
6. **San Pablo Avenue-** West Grand – 34th Street

San Antonio/Fruitvale (Districts II and V)

7. **Eastlake District-** International Blvd., 1st to 14th Avenues and East 12th Street, 1st to 14th Avenues
8. **Lake Merritt District-** East 18th Street between Lake Merritt and Fifth Avenue ; Park Blvd. between East 18th –East 20th Streets and 3rd Avenue between East 18th Street
9. **23rd Avenue** - International Blvd., 14th to 28th Avenues and 23rd Avenue, East 12th to Foothill Blvd.

Fruitvale (Districts IV and V)

10. **Fruitvale/International-** International Blvd., 29th Avenue to High Street
11. **Fruitvale Ave.-** E. 12th Street to Foothill Blvd
12. **Fruitvale Gateway-** Fruitvale Avenue, Lynde to Galindo Streets
13. **Foothill: Boulevard-** 29th Avenue to High Street
14. **Dimond District-** Mac Arthur Blvd., Excelsior to Lincoln Avenues and Fruitvale Avenue, I-580 to Coloma Street
15. **Laurel District-** MacArthur Blvd., 34th Avenue to High Street

Central East Oakland (District VI)

16. **Millsmont/MacArthur Blvd.** - Mac Arthur Blvd, Seminary to 64th Avenue
17. **Foothill/Seminary Ave.** - Foothill Blvd., Vicksburg to 73rd Avenue and Seminary Avenue, Walnut Street to Bancroft Avenue
18. **International Blvd-** High Street to 82nd Avenue
19. **Eastmont Town Center/MacArthur Blvd.** - MacArthur Blvd, 73rd to 82nd Avenues

Elmhurst (District VII)

20. **Mac Arthur Blvd.-** 82nd Ave. to the City of San Leandro border
21. **International Blvd.-** 82nd Ave. to the City of San Leandro border