

CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OF OAKLAND
2004 MAR 11 PM 3:02

TO: Office of the Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: March 23, 2004

RE: A RESOLUTION AUTHORIZING CAPITAL IMPROVEMENT SPENDING FOR THE OAK CENTER REDEVELOPMENT PROJECT AREA, IN AN AMOUNT NOT TO EXCEED \$600,000, INCLUDING A CONTRACT TO IMPROVE THE OAK CENTER CULTURAL CENTER, INC. FOR **\$50,000**, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO ENTER INTO CONTRACTS FOR THE WORK WITHOUT RETURNING TO THE AGENCY, AND

A RESOLUTION CONSENTING TO THE USE OF REDEVELOPMENT AGENCY FUNDS FOR PUBLIC IMPROVEMENTS TO CITY FACILITIES IN THE OAK CENTER REDEVELOPMENT PROJECT AREA

SUMMARY

This report has been prepared to authorize staff to spend \$600,000 for capital improvements in the Oak Center Redevelopment 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 and for repairs and upgrades to the Oak Center Cultural Center. Staff also requests authorization to appropriate \$282,510 from the *Oak Center Redevelopment Project* fund balance.

FISCAL IMPACT

Funds for this redevelopment project area are realized **through** property tax increments (Oakland Redevelopment Agency budget, Fund 9552, Organization 88919, ORA, *Oak Center*).

The funds for this activity were budgeted in the 2001-03 budget (\$512,000) and in the 2004 budget (\$100,000). Of the \$512,000 from 2001-03, \$229,490 was carried forward and is available for these projects. In order to make these funds available for this purpose, legislation included with this report appropriates \$282,510 from the fund balance for the *Oak Center Redevelopment Project*.

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By taking the action requested here \$612,000 will be available for the capital improvements in the *Oak Center* Redevelopment Area. (This report allocates \$600,000 of those funds.)

BACKGROUND

The Oak Center Redevelopment Project area is a 56-block residential community in West Oakland adjacent to downtown and the Acorn Project, bounded by 18th and 20th Streets, 10th and 12th Streets and Brush and Union Streets. The neighborhood is mainly composed of turn-of the century Victorian structures that have been well preserved through multiple efforts and a variety of financing techniques. The Redevelopment Plan was adopted in 1965 and amended in 1970. Many structures were not feasible for rehabilitation and were demolished. The Project is mainly complete, except for a few parcels that remain to be developed. Since the Plan for the redevelopment area is basically complete, the principal remaining activity is monitoring compliance with the Plan and providing support services to the Oak Center Neighborhood Association (OCNA).

In order to enhance development within the area and to further the goals of the 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 July 2003. Historic district designation places the district's Designated Historic Properties (DHPs) on the Local Register of Historical Resources.

The Oakland City Council voted unanimously to make Oak Center a historic district in June 2003. The area includes nine houses that were already individually designated as City landmarks. Out of 600 buildings in the district, 427 (**71%**) date from the 19th-early 20th century period.

KEY ISSUES AND IMPACTS

The Oak Center Cultural Center (1121 14th Street, AKA 1324 Adeline Street) was transferred from the City to the Oak Center Cultural Center, Inc. (OCCCI) by quitclaim deed May 31,2002, in accordance with the 20-year Lease Agreement adopted July 6, 1982 by Ordinance No. 10235 C.M.S.

According to the terms of the transfer agreement, the Cultural Center must continue to be operated as a multi-purpose facility providing health, welfare, recreational, cultural, social, and/or other similar community services, including meeting space for community organizations.

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No commercial uses are allowed. No improvements have been made in quite some time. Funds are being requested for repairs and upgrades to improve the appearance and make it a more desirable facility. The Agency will issue a contract to Oak Center Cultural Center, Inc. to repair the Center.

The major portions of the improvements are related to the historic district identification. Agency staff will work with the community and the Public Works Project Delivery Division to develop the scope of work; the items that will be included are listed under the Project Description section of this report. Public Works will either utilize as-needed existing consultants or issue a Request for Proposal (RFP) for a contractor to design and build the project. This gateway to the historic district may include reuse of materials to mark the entry into Oak Center.

The Oak Center Neighborhood Association has recommended capital improvements at DeFremery Park, a City-owned property. Section **33445** of the Health and Safety Code requires the consent of the City Council before the Agency can make improvements to City facilities, and the City Council must make certain findings. Section **33679** requires a public hearing.

The Health and Safety Code requires that a summary shall be available for public inspection and copying, that includes:

- a) Estimates of the amount of the taxes proposed to be used to pay for land and construction of any publicly owned building, including interest payments. The amount being allocated for DeFremery Park is **\$600,000**.
- b) The facts supporting the determinations required to be made by the legislative body pursuant to Section **3345**.

The findings to be determined are that:

- i) The funding of capital improvements to City buildings and facilities in the Oak Center Project Area will benefit the Project Area by providing signage and landscape improvements to identify the area as a historic preservation district, and provide needed public and neighborhood improvements at DeFremery Park; and

- ii) No other reasonable means of financing these capital improvements are available to the City other than Redevelopment Agency funding, because funding has not been identified or set aside from any other source; and

- iii) The use of tax increment funds from the Oak Center Project Area will assist in the elimination of blight by helping to preserve the historic beauty of the community, and is consistent with the implementation of the Plan adopted for the Oak Center Project.

- c) The redevelopment purpose that taxes are being used to pay for the land and construction of the publicly owned building.

A copy of this Agenda Report has been placed on file in the Office of the City Clerk; a public hearing will be held April 6, 2004.

PROJECT DESCRIPTION

Capital improvements in the Project Area include Historic District Demarcation, the Oak Center Cultural Center, Inc., and improvements at DeFremery Park.

Historic District Demarcation - signage, markers, archways and lights, etc. including:

1. Design plan to tie signage components together in theme and character.
2. Gateway signage in the median at 14th Street & Brush to include sculpture, arch or similar feature, preferably by local artists.
3. Mid-scale signage at major entry points to the district (14th Street, Adeline and Market, 12th and Brush.
4. Interpretive signage at DeFremery Park to include the history of Oak Center and a map of the district, etc.
5. Sign caps on street signs at intersections.
6. Plaques for the nine Landmark homes in the district.
7. Smaller plaques for contributing buildings in the district.
8. Freeway signs.

Estimated costs	
\$50,000 each at four entry areas	\$200,000
Additional items (caps on street signs, plaques, signs, etc.)	40,000
Professional services contract to design and build project	40,000
Historic lights	30,000
Contingencies and fees	90,000
Public Works Project Management	<u>50,000</u>
	\$450,000

The Oak Center Cultural Center cost estimates

1. Replace Fire Door	\$ 5,000
2. Paint Exterior	20,000
3. Landscape	12,000
4. Repair/Remodel front entrance	3,000
5. Contingency for necessary repairs & upgrades	<u>10,000</u>
	\$ 50,000

DeFremery Park Improvements

The items listed below have been identified for improvement by the neighborhood association Staff will address as many items as possible based on cost and priorities.

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New bathhouse for swimming pool	
Resurface and repair tennis court and provide new nets	
Mural on DeFremery pool's interior wall	
Rehab DeFremery House	
Lighting in DeFremery House	
Heated showers at DeFremery pool	\$100,000
TOTAL FUNDS REQUIRED	<u>\$600,000</u>

SUSTAINABLE OPPORTUNITIES

Economic: The historic preservation items will generate a professional services contract for designing and building the work. Historic designation encourages careful rehabilitation of buildings that will create opportunities for skilled employment.

Environmental: Construction contractors are encouraged to use recycled-content building materials and products manufactured in ways that are not harmful to the environment.

Social Equity: Improves the landscape and climate of the neighborhood, increased sense of pride that may also result in fewer blighted buildings and lots.

DISABILITY AND SENIOR CITIZEN ACCESS

There are no direct accessibility impacts to seniors or people with disabilities related to this report. Many of Oak Center's senior residents have lived in the area since the redevelopment era of the 1960s and 70s. This designation honors their longtime commitment to the neighborhood.

RECOMMENDATION

These expenditures will help preserve the historic beauty of the community. Staff recommends that the Agency adopt the resolution authorizing staff to work with City agencies and enter contract agreements to facilitate improvements in the Oak Center Redevelopment Project Area to identify it as a historic preservation district and provide upgrades, repairs and improvements to the community and the Oak Center Cultural Center, Inc.

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ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Redevelopment Agency approve the resolution authorizing capital improvement spending up to \$600,000 for the Oak Center Redevelopment Project Area and related actions.

Respectfully submitted,



DANIEL VANDERPRIEM
Director of Redevelopment, Economic
Development and Housing and Community
Development

Prepared by:
Roy L. Schweyer, Director
Housing and Community Development

Jackie Campbell
HCD Program Manager

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE


OFFICE OF THE CITY ADMINISTRATOR

Attachment

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Oak Center funding Sources and Uses Fiscal Year 2003-05

	FY 2003-04 Adopted Budget		FY 2004-05 Adopted Budget	
	Operating	Capital	Operating	Capital
SOURCES				
Tax Increment	\$567,832	\$0	\$573,593	\$0
Capital Funds				
Interfund Transfer				
Planning Fund				
Misc. Sources [A]	75,000		75,000	
Subtotal Sources	642,832		648,593	
USES				
Personnel Services & Overhead	180,799		188,640	
Operations & Maintenance	102,000		102,000	
Capital Projects				
Tax Increment Debt	800,000		800,000	
Other Debt				
Subtotal Uses	1,082,799		1,090,640	
Transfer to/(from) Fund Balance	(439,967)		(442,047)	
Estimated Year-End Fund Balance	1,022,057		580,010	

[A] Miscellaneous Sources includes interest and rental income.

OFFICE OF THE CITY CLERK
APPROVED AS TO FORM AND LEGALITY:
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Agency Counsel

REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING CAPITAL IMPROVEMENT SPENDING FOR THE OAK CENTER REDEVELOPMENT PROJECT AREA, IN AN AMOUNT NOT TO EXCEED \$600,000, INCLUDING A CONTRACT TO IMPROVE THE OAK CENTER CULTURAL CENTER FOR \$50,000, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO ENTER INTO CONTRACTS FOR THE WORK WITHOUT RETURNING TO THE AGENCY

WHEREAS, the Oak Center Urban Renewal Plan was adopted by the Oakland City Council on November 30, 1965 and amended September 15, 1970; and

WHEREAS, ownership of the Oak Center Cultural Center was transferred to the Oak Center Cultural Center, Inc. on May 31, 2002 in accordance with the Lease Agreement adopted July 6, 1982 by Ordinance No. 10235 C.M.S.; and

WHEREAS, the Oak Center Redevelopment Area was designated as the Oak Center Historic District by Ordinance No. 12513 C.M.S. July 15, 2003; and

WHEREAS, the Oak Center Neighborhood Association and staff wish to obtain signage, lighting and markers to identify the area as a historic district, and implement other capital improvements, repairs and upgrades in the Project Area, including improvements to the Oak Center Cultural Center: and

WHEREAS, funds for these activities are available in Fund 9552, Organization 88919, for operation and maintenance; and

WHEREAS, the Agency wishes to authorize the use of up to \$600,000 from current Oak Center funds to fund these activities; and

WHEREAS, Section 33445 of the California Health and Safety Code authorizes a redevelopment agency to pay for the cost of installation or construction of publicly-owned

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facilities, if the legislative body has consented to such funding and has made certain findings; and

WHEREAS, Section 33679 of the California Health and Safety Code authorizes a redevelopment agency to pay for the cost of installation or construction of publicly-owned buildings, if the legislative body has held a hearing on the funding; and

WHEREAS, the City Council has held the required public hearing, has consented to the use of Agency funding for these project activities, and has made the requisite findings; and

WHEREAS, the Oak Center Cultural Center is within the boundaries of the Oak Center Redevelopment Project Area, and these capital improvements will contribute to the Agency's goals and objectives for the Project Area; and

WHEREAS, the City and the Redevelopment Agency have entered into a Repayment Agreement for the Oak Center Redevelopment Project providing for the provision of funding and services by the City and the Agency to support redevelopment activities in the Oak Center Project Area; and

WHEREAS, an agreement will be negotiated with a contractor to design plans to coordinate the construction to identify the area as a historic district, and the Agency will enter into a contract for \$50,000 with the Oak Center Cultural Center, Inc. to repair the facility; now, therefore, be it

RESOLVED: That Agency hereby approves and commits the use of funds from the Redevelopment Agency Oak Center fund (Entity 5, Fund 9552) in an amount not to exceed \$600,000, including appropriating \$282,510 from fund balance, to undertake the capital improvements to the Oak Center Project Area as set forth in the staff report accompanying this Resolution; and be it

FURTHER RESOLVED: That the Agency Administrator or his or her designee as agent of the Agency is hereby authorized to bid the work and negotiate and enter into appropriate agreements to accomplish the needed improvements without returning to the Agency; and be it

FURTHER RESOLVED: That the Agency Administrator or his or her designee as agent of the Agency is hereby authorized to negotiate and enter into an agreement with Oak Center Cultural Center, Inc., in an amount not to exceed \$50,000 to make improvements to the Oak Center Cultural Center; and be it

FURTHER RESOLVED: That the Agency Administrator or his or her designee as agent of the Agency is hereby authorized to negotiate and enter into an appropriate amendment to the Repayment Agreement with the City to provide for the Agency funding of City improvements; and be it

FURTHER RESOLVED: That all agreements shall be reviewed and approved as to form and legality by Agency Counsel and shall be filed with the Agency Secretary; and be it

FURTHER RESOLVED: That the Agency Administrator or his or her designee is hereby authorized to take whatever other action is necessary with respect to the funding and the project consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION.

ATTEST: _____
CEDA FLOYD
Secretary of the Redevelopment Agency
of the City of Oakland, California

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OFFICE OF THE CLERK APPROVED AS TO FORM AND LEGALITY:

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[Signature]
Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION CONSENTING TO THE USE OF REDEVELOPMENT AGENCY FUNDS FOR PUBLIC IMPROVEMENTS TO CITY FACILITIES IN THE OAK CENTER REDEVELOPMENT PROJECT AREA

WHEREAS, the Oak Center Urban Renewal Plan was adopted by the Oakland City Council on November 30, 1965 and amended September 15, 1970; and

WHEREAS, the Oak Center Redevelopment Area was designated as the Oak Center Historic District by Ordinance No. 12513 C.M.S. July 15, 2003; and

WHEREAS, the Oak Center Neighborhood Association and staff wish to obtain signage, lighting and markers to identify the area as a historic district, and implement other capital improvements, repairs and upgrades to City buildings and facilities in the Project Area.; and

WHEREAS, the Redevelopment Agency has funds available to fund capital improvements in the Oak Center Redevelopment Project Area, including improvements to City buildings and other facilities; and

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

WHEREAS, Section 33679 of the California Health and Safety Code authorizes a redevelopment agency to pay for the cost of installation or construction of publicly-owned buildings, if the legislative body has held a hearing on the funding; and

WHEREAS, the City and the Redevelopment Agency have entered into a Repayment Agreement for the Oak Center Redevelopment Project providing for the provision of funding and services by the City and the Agency to support redevelopment activities in the Oak Center Project Area; now therefore be it

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RESOLVED: That the City Council hereby consents to the use of Redevelopment Agency funds for improvements to City buildings and facilities in the Oak Center Redevelopment Project Area; and be it

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

1. That the funding of capital improvements to City buildings and facilities in the Oak Center Project Area will benefit the Project Area by providing signage and landscape improvements to identify the area as a historic preservation district, and provide needed public and neighborhood improvements at DeFremery Park and other areas; and
2. That no other reasonable means of financing these capital improvements are available to the City other than Redevelopment Agency funding, because funding has not been identified or set aside from any other source; and
3. That the use of tax increment funds from the Oak Center Project Area will assist in the elimination of blight by helping to preserve the historic beauty of the community, and is consistent with the implementation plan adopted for the Oak Center Project;

and be it

FURTHER RESOLVED: That the City Manager or his or her designee as agent of the City is hereby authorized to negotiate and enter into an appropriate amendment to the Repayment Agreement with the Redevelopment Agency for the Oak Center Redevelopment Project to provide for the Agency funding of City improvements in the Oak Center Project Area; and be it

FURTHER RESOLVED: That all agreements shall be reviewed and approved as to form and legality by the City Attorney and shall be filed with the City Clerk; and be it

FURTHER RESOLVED: That the City Manager or his or her designee is hereby authorized to take whatever other action is necessary with respect to the funding and the project consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE **FOLLOWING** VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

CEDA FLOYD
City Clerk and Clerk of the Council
of the City of Oakland, California

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