



Draft **AGENDA REPORT**

TO: City Council and Members of the Public

FROM: Councilmember Janani Ramachandran

SUBJECT: Resolution awarding a grant agreement to (Dimond Improvement Association) DIA

DATE: March 6, 2024

RECOMMENDATION

Councilmember Ramachandran respectfully recommends that the City Council adopt a resolution awarding a grant agreement to (Dimond Improvement Association) DIA for an amount not to exceed twenty-five thousand dollars (\$25,000) in support of BID formation activity pursuant Council Resolution 88783

EXECUTIVE SUMMARY

The City Council adopted Resolution 88783 Amending The Fiscal Year 2021-23 Biennial Budget To Appropriate Additional Funding For Traffic Calming Projects, Infrastructure, And Public Art (Murals) and to pay for business improvement district (BID) feasibility studies to be conducted in the Chinatown, Eastlake and Dimond commercial neighborhoods.

The Budget did not stipulate the manner in which funds were to be expended to achieve the intended purposes. Therefore, staff recommended that the funds be disbursed in the form of grants to neighborhood organizations, which shall, in turn, use such funds to hire qualified private BID consultants to assist with completion of the feasibility studies. Proposed grant amount up \$25,000 payable to the Dimond Improvement Association for the Dimond commercial neighborhood. The above funding commitments are contingent upon continued availability of funds within the City's approved Budget, as amended, and subject to grant terms as outlined below.

REASON FOR URGENCY *(If Applicable)*

the Council designated these funds via Reso. 88783 C.M.S. in 2021 but delays in the efforts around the bid formation work, initially and subsequently a delay caused by a conflict in the Council's ability to consider this grant, delayed the City's ability to direct this grant to DIA, which was the intent. Allowing this matter to move straight to Council will avoid further delay.

REASON FOR SUPPLEMENTAL OR REPLACEMENT *(If Applicable)*

BACKGROUND / LEGISLATIVE HISTORY

Sections 36500 et seq. and 36600 et seq. of the California Streets and Highways Code provide for the formation of special assessment business improvement districts (BIDs) to undertake a range of services within designated assessment areas, independent from government, to further the economic viability of affected commercial neighborhoods. On November 9, 1999, the City Council approved Ordinance No. 12190 C.M.S., establishing the City of Oakland Business Improvement District (BIMD) Ordinance (codified as Section 4.48 of the Oakland Municipal Code and amended by Ordinance No. 13322 C.M.S. in July 2019), to further support the formation of property-based assessment districts within the City of Oakland. That same year, the City Council also authorized initiation of the Neighborhood Business Improvement District Program via Resolution No. 75323 C.M.S., to assist neighborhood representatives in their attempts to form BIDs within their respective commercial districts. Subsequently, approximately twenty BIDs were formed within the City of Oakland, although some have since expired. The collective number of BIDs generate approximately \$8.4 million per year of private assessment dollars to pay for special benefit services such as enhanced cleaning, district beautification, private security, and marketing and promotional activities to support ongoing economic development in related commercial neighborhoods and/or designated business sectors throughout the City. Historically, a significant challenge to forming BIDs has been the upfront cost of hiring qualified private BID consultants to assist with technical aspects of related feasibility studies and subsequent BID formation efforts, if justified.

To mitigate the above, on July 26, 2021, the City Council made a cumulative one-time appropriation of \$25,000 in the Budget for fiscal years 2021-2023 to pay for BID feasibility studies in Dimond commercial districts (Resolution No. 88783 C.M.S., 2021).

ANALYSIS AND POLICY ALTERNATIVES

The attached proposed resolution authorizes disbursement of the one-time allocation of funds in the form of grants as follows: 1) up to \$25,000 payable to the Dimond Improvement Association to conduct a BID feasibility study in and around the Dimond commercial neighborhood. With the goal of supporting BID formation Business Improvement District Formation Fund

BIDs have proven to be successful tools for leveraging downtown and neighborhood commercial corridor revitalization.

- Improved safety and cleanliness, including private security patrols, sidewalk cleaning, litter pick up, graffiti abatement and hospitality ambassadors;
- Enhanced landscaping and beautification including tree trimming/planting/maintenance, public seating, pedestrian oriented lighting, way finding signage, and banners;
- Special events for marketing and district promotion, including annual and seasonal festivals, street fairs, farmers' markets and restaurant walks;
- Increased communication services and outreach to district businesses, residents, shoppers and media via newsletters, websites and news releases;
- Stronger working relationships and leveraged partnerships with City of Oakland divisions and departments.

Adoption of the proposed resolution will enable representatives of the Dimond commercial districts to pay for BID feasibility activities to explore the possibility of forming BIDs within the commercial neighborhood. Completion of such studies may aid in the eventual formation of additional BIDs within the City of Oakland which, if formed, would provide new long-term revenue sources to further support ongoing economic development efforts within the Dimond commercial neighborhoods.

FISCAL IMPACT

The fund balance that is proposed to be appropriated is one-time money that was added to the baseline budget in the FY2022-2023 midcycle budget amendment. No fiscal impact identified,

PUBLIC OUTREACH / INTEREST

Public outreach was consistent with the Biennial Budget Process involving extensive community engagement and outreach conducted by Councilmembers, City staff and other community partners

SUSTAINABLE OPPORTUNITIES

Economic: If new BID formations result from completion of BID feasibility studies, related BID assessments would fund special benefit activities intended to support the increase of property, sales, and/or business tax revenues, as well as, increased local job opportunities.

Environmental: If new BID formations result from completion of above BID feasibility studies, special assessment revenues will enable related districts to continue efforts to strengthen and beautify the physical image of the affected commercial neighborhoods by providing special benefit services such as litter pickup, sidewalk steam cleaning, landscaping, public art, directional signage, and public safety capital improvements.

Race & Equity: If formation of any new BIDs results from completion of the above BID feasibility studies, community stakeholders themselves will administer and decide upon the use of special assessment revenues generated by the district. This model supports community selfempowerment which, in turn, supports certain aspects of social equity. If approved, these grants will also be awarded to organizations representing key diverse cultural groups within the City of Oakland.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) *(If Applicable)*

ACTION REQUESTED OF THE CITY COUNCIL

respectfully recommends that the City Council adopt a resolution awarding a grant agreement to (Dimond Improvement Association) DIA for an amount not to exceed twenty-five thousand dollars (\$25,000) in support of BID formation activity pursuant Council Resolution 88783

For questions regarding this report, please contact Iris Merriouns, Chief of Staff to District 4 Councilmember Janani Ramachandran at ilmerriouns@oaklandca.gov. Respectfully submitted,

Oakland City Council

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Prepared by Iris Merriouns Chief of Staff

Councilmember, District 4