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OAKLAND

2009 MAR 11 PM 1:54

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

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: March 24, 2009

RE: **City and Redevelopment Agency Resolutions Authorizing and Accepting A Contribution Of Oak Center Redevelopment Funds To The City Under The Cooperation Agreement In An Amount Not to Exceed \$85,000 For Rehabilitation Of The deFremery House and Tennis Courts At 1651 Adeline Street In The Oak Center Redevelopment Project Area**

SUMMARY

Staff has prepared two resolutions that will allocate Redevelopment Agency (“Agency”) funds for the renovation of the deFremery House and tennis courts located at 1621 Adeline Street. This project is located in the Oak Center Redevelopment Project Area. The first resolution authorizes the Agency to contribute Oak Center 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 deFremery House and tennis courts. This item is a public hearing due to the use of Redevelopment Agency tax increment funding for public buildings. (Health and Safety Code Sect. 33679).

FISCAL IMPACT

The total amount of the allocation is \$85,000. Funds will be allocated from Oak Center Project Area tax increments as follows:

- \$35,000 from Oak Center Operations Fund 9552, HCD Support Staff Organization 88919, Oak Center Redevelopment Project SO6470.
- \$50,000 from Oak Center Operations Fund 9552, HCD Support Staff Organization 88919, Oak Center Redevelopment Project T260730

The funds will be transferred to the Office of Parks and Recreation’s deFremery Recreation Center (Fund 7780, Org. 502232, Project deFremery Recreation Center).

BACKGROUND

The Oak Center Redevelopment Project Area (“Project Area”) is a 56-block residential community in West Oakland adjacent to the West Oakland and Acorn Redevelopment Projects.

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The Project Area is bounded by 18th and 20th Streets, 10th and 12th Streets, and Brush and Union Streets, and is composed mostly of Victorian houses that have been preserved through various efforts by the community and City. The Oak Center Redevelopment Plan (“Plan”) was adopted in 1965 and amended in 1970. The Plan’s proposed capital improvements have been mostly completed during the past decades. The Oak Center Neighborhood Association (“OCNA”) is the community group that provides guidance for redevelopment projects as well as more general quality of life issues in the Project Area. A map of the deFremery House and tennis courts and the Oak Center Project Area is included as *Attachment A*.

The OCNA has recommended various capital improvement projects within the Project Area over the life of the Plan using the Project Area’s tax increments. The OCNA voted on October 6, 2008 to recommend \$85,000 of tax increments for these renovations at the deFremery House and tennis courts. These are the last tax increments for the Oak Center Project Area whose plan activity deadline is January 1, 2012.

KEY ISSUES AND IMPACTS

The deFremery House and Tennis Courts

The deFremery House and tennis courts are located at 1621 Adeline Street. According to the Oakland Cultural Heritage Survey, deFremery House is one of the earliest surviving buildings in Oakland and is a fine example of a vernacular Greek Revival house. It was constructed circa 1864 and belonged to James deFremery, a San Francisco banker, who used it as a country estate. The City of Oakland bought the house in 1907 for \$135,000 for use as a park and recreation center. Since its purchase, the City has installed courts for volleyball, basketball and handball, an outdoor pool, a social hall and has made changes to the interior. Today, the deFremery House Recreation Center offers classes, activities and facilities to the West Oakland community and is a landmark of the surrounding neighborhood. The deFremery House is a City of Oakland landmark and is also on the National Register of Historic Places. The tennis courts are located in the adjacent park and are a valued amenity for the West Oakland community.

Eligibility For Redevelopment Funding

The renovation activities for deFremery House and tennis courts are 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 renovation 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

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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.

The renovation activities for the deFremery House and tennis courts will enhance the use of these recreation facilities for residents of the Oak Center Redevelopment Project Area and other surrounding areas by increasing their safety and comfort. These renovations will also benefit the Project Area by eliminating blight conditions at the project site.

The deFremery House and tennis courts both presently suffer from several blighting conditions. The tennis courts are very cracked and deteriorated and constitute a hazard to players. Their condition hinders their use as viable recreational facilities. The deFremery House roof is failing and needs major repairs. The building suffers from dry rot and the exterior paint of deFremery House is badly worn and needs re-painting. All these conditions hinder the use of deFremery House and the tennis courts as viable recreational facilities.

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.

These renovations are consistent with the Oak Center Redevelopment Plan and the Five Year Implementation Plan. They have been approved by the Oak Center Neighborhood Association.

PROJECT DESCRIPTION

The deFremery House suffers from several major renovation needs that exceed normal maintenance. The tennis courts also are deteriorated and need major repairs. Victorian houses such as the deFremery House were not built to withstand the heavy usage that this building endures as a recreation center or the many years of weather since its construction. The tax increments will be used for roof replacement, dry-rot repair, lead abatement, exterior paint, deck repair, and an exterior paint job.

SUSTAINABLE OPPORTUNITIES

Economic: The renovations to deFremery House and tennis courts will generate business and sales tax from the contractors who work on it.

Environmental: The contractor will be required to use recyclable construction materials to the extent feasible and will be required to recycle construction debris.

Social Equity: The deFremery House and tennis courts provide a wide range of recreation services to the West Oakland community. The renovations will alleviate blighting conditions and enhance these recreation facilities' services.

DISABILITY AND SENIOR CITIZEN ACCESS

The Center is located across the street from the West Oakland Senior Center ("Senior Center"). These renovations will increase the deFremery House's attractiveness and usefulness to users of the Senior Center. The deFremery House is ADA accessible and the renovations, where applicable, will comply with the Americans with Disabilities Act.

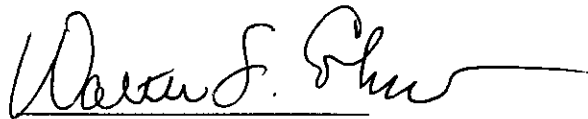
RECOMMENDATION AND RATIONALE

Staff recommends that the Agency and City Council adopt the Agency and City resolutions authorizing the contribution of \$85,000 of Agency funds to the City under the Cooperation Agreement and the acceptance of \$85,000 of Agency funds by the City for renovations to deFremery House and tennis courts. The renovations will increase the attractiveness of these recreational facilities to the surrounding community and will reduce blighted conditions at these sites.

ACTION REQUESTED OF THE 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 \$85,000 for renovations to deFremery House and tennis courts.

Respectfully submitted,

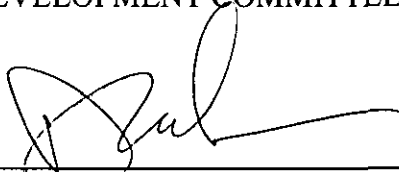


Walter S. Cohen, Director
Community and Economic Development Agency

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

Prepared by: Wendy Simon
Urban Economic Analyst IV

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:

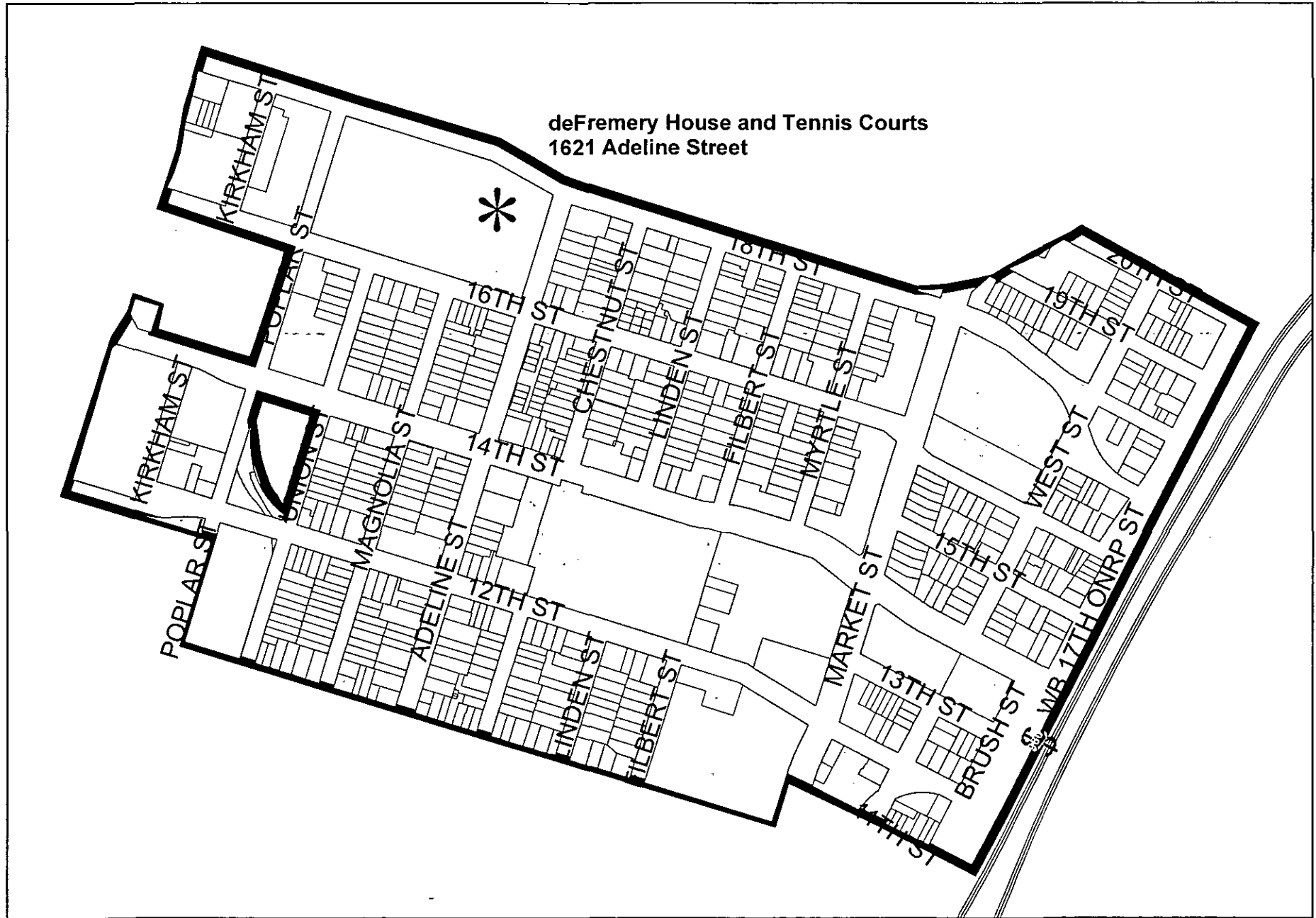


Office of the City/Agency Administrator

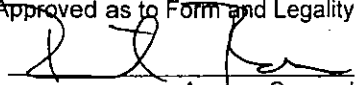
Attachment A: Map of the Oak Center Redevelopment Project Area and deFremery House and Tennis Courts

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Attachment A: Oak Center Redevelopment Project Area and Location of deFremery House and Tennis Courts, 1621 Adeline St



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Approved as to Form and Legality

Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

AN AGENCY RESOLUTION AUTHORIZING A CONTRIBUTION OF OAK CENTER REDEVELOPMENT AGENCY FUNDS TO THE CITY OF OAKLAND UNDER THE COOPERATION AGREEMENT IN AN AMOUNT NOT TO EXCEED \$85,000 FOR REHABILITATION OF THE DEFREMERY HOUSE AND TENNIS COURTS AT 1651 ADELIN STREET IN THE OAK CENTER REDEVELOPMENT PROJECT AREA

WHEREAS, the Agency wishes to fund costs for the rehabilitation of the deFremery House and tennis courts at 1651 Adeline Street in the Oak Center Redevelopment Project Area; 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 March 31, 2009; 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) Office of Parks and Recreation's deFremery Recreation Center (Org. 502232), City Project to be established; and

WHEREAS, the City Council has consented to the use of Agency funding for the deFremery House tennis courts 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 \$85,000, under the Cooperation Agreement to the City of Oakland for renovations to deFremery House and tennis courts at 1651 Adeline Street; and be it

FURTHER RESOLVED: That \$35,000 in Agency funding will be allocated from the Oak Center Operations Fund (Fund 9552, HCD support Staff Organization 88919, Oak Center Redevelopment Project SO6470) and that \$50,000 in Agency funding will be allocated from the Oak Center Operations Fund (Fund 9552, HCD support Staff Organization 88919, Oak Center Redevelopment Project T260730) for this purpose; and be it

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

1. That the funding of the renovation activities for the deFremery House and tennis courts will benefit the Project Area by enhancing the use of these recreation facilities for residents of the Oak Center Redevelopment Project Area and other surrounding areas by increasing the their safety and comfort, and by eliminating blight conditions at the project site; and

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 renovations to deFremery House and tennis courts, and therefore no other reasonable means of financing the project is available to the City other than Redevelopment Agency funding; and

3. That the use of tax increment funds from the Oak Center Project Area for the deFremery House and tennis courts will assist in the elimination of blight in the Oak Center Redevelopment Project Area for the reasons set forth in the staff report accompanying this Resolution; and

4. These renovations to deFremery House and tennis courts are consistent with the Five Year Implementation Plan adopted for the Oak Center Redevelopment Project Area; 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 Agency funding of the deFremery House and tennis courts project consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

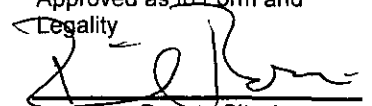
ABSTENTION -

ATTEST:

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

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Approved as to Form and
Legality

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

RESOLUTION ACCEPTING AND APPROPRIATING A CONTRIBUTION OF REDEVELOPMENT AGENCY FUNDS UNDER THE COOPERATION AGREEMENT IN AN AMOUNT NOT TO EXCEED \$85,000 FOR REHABILITATION OF THE DEFREMERY HOUSE AND TENNIS COURTS AT 1651 ADELIN STREET IN THE OAK CENTER REDEVELOPMENT PROJECT AREA

WHEREAS, the Redevelopment Agency wishes to fund costs for rehabilitation of the deFremery House and tennis courts at 1651 Adeline Street in the Oak Center Redevelopment Project Area; and

WHEREAS, the Redevelopment Agency has authorized a contribution of \$85,000 to the deFremery House and tennis courts 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 recreation 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 March 31, 2009; 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 \$85,000 in Agency funds for rehabilitation of the deFremery House and tennis courts at 1651 Adeline Street; and be it

FURTHER RESOLVED: That the City Council hereby accepts a total of \$85,000 from the Agency under the Cooperation Agreement and appropriates such funds to the City's Oakland Redevelopment Agency Projects Fund (7780); Office of Parks and Recreation's deFremery Recreation Center (Org. 502232), City Project to be established; and be it

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

1. That the funding of the renovation activities for the deFremery House and tennis courts will benefit the Project Area by enhancing the use of these recreation facilities for residents of the Oak Center Redevelopment Project Area and other surrounding areas by increasing their safety and comfort, and by eliminating blight conditions at the project site; and
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 renovations to deFremery House and tennis courts, and therefore no other reasonable means of financing the project is available to the City other than Redevelopment Agency funding; and
3. That the use of tax increment funds from the Oak Center Project Area for the deFremery House and tennis courts will assist in the elimination of blight in the Oak Center Redevelopment Project Area for the reasons set forth in the staff report accompanying this Resolution; and
4. These renovations to deFremery House and tennis courts are consistent with the Five Year Implementation Plan adopted for the Oak Center Redevelopment Project Area; 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 deFremery House and tennis courts project consistent with this Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2009

PASSED BY THE FOLLOWING VOTE:

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

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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