



FILED  
OFFICE OF THE CITY CLERK  
OAKLAND  
2014 MAY 15 AM 9:59

# AGENDA REPORT

**TO:** FRED BLACKWELL  
CITY ADMINISTRATOR

**FROM:** Gregory Hunter  
Neighborhood Investment Manager

**SUBJECT:** Return of \$10,000,000 to ORSA from LMIHF  
**DATE:** April 15, 2014

City Administrator

Date

Approval

5/14/14

**COUNCIL DISTRICT: # 7**

## RECOMMENDATION

Staff recommends that the City Council adopt:

**An Oakland Redevelopment Successor Agency Resolution Rescinding Redevelopment Agency Resolution No. 2011-0028 C.M.S. And Transferring \$10,000,000 From The Low And Moderate Income Housing Fund For The Lion Creek Crossing V Project To The City For The Coliseum Transit Village Phase I Housing Development At The Coliseum Bart Station And Additional Coliseum Redevelopment Projects As Identified In The Bond Spending Plan**

## EXECUTIVE SUMMARY

Oakland Redevelopment Successor Agency (“ORSA”) staff seeks authorization to transfer \$10,000,000 in unobligated redevelopment bond funds to the City under the Bond Expenditure Agreement. The \$10,000,000 was transferred into the Low and Moderate Income Housing Fund (“LMIHF”) in March of 2011 for possible use as a subsidy for the Lion Creek Crossings V housing development, but it was not needed and not expended for the development, which is currently under construction. The funds would be used for the Coliseum Transit Village Phase I project and other former Coliseum Redevelopment projects as identified in the Excess Bond Proceeds Spending Plan (“Bond Spending Plan”) approved by the City Council in Resolution No. 84516 C.M.S.

## OUTCOME

Authorizing the transfer of \$10,000,000 from the LMIHF to City accounts under the Bond Expenditure Agreement will make the funds available to subsidize the construction of the Coliseum Transit Village Phase I project (“CTV Phase I”) on a portion of the Coliseum BART

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Station parking lot. Construction of CTV Phase I is required as a condition of the \$8,485,000 Proposition 1C grant for the transit village at the Coliseum BART station.

### **BACKGROUND/LEGISLATIVE HISTORY**

In March 2011, when the dissolution of California redevelopment agencies was imminent but the specifics of dissolution were not yet determined, the Redevelopment Agency of the City of Oakland ("Redevelopment Agency"), in an effort to keep the funds under City control, obtained authorization pursuant to Council Resolution No. 2011-0028 C.M.S. to transfer \$10,000,000 in Coliseum Area 2006 taxable bond funds to the Low and Moderate Income Housing Fund ("LMIHF"). In June 2011, California Assembly Bill x1 26 was approved, which suspended redevelopment agency activities and dissolved all agencies as of October 2011. One year later, in June 2012, the trailer Assembly Bill 1484 provided cleanup language including California Health and Safety Code Section 34191.4 (c), which states that successor redevelopment agencies can use proceeds from bonds issued before December 31, 2010 for the purposes of which the bonds were originally sold. Since ORSA received a Finding of Completion from the California Department of Finance on May, 23, 2013, the bond funds can therefore be re-allocated for their previous redevelopment purposes under ORSA's Bond Expenditure Agreement.

On July 16, 2013, the City adopted Resolution No. 84516 C.M.S., approving the Bond Spending Plan for Redevelopment Agency tax allocation bond proceeds, which provides \$8,000,000 for the Coliseum Transit Village project and additional line items to cover other Coliseum projects. On November 8, 2013, ORSA adopted Resolution No. 2013-023 and entered into a Bond Expenditure Agreement ("BEA") with the City providing for the transfer of excess bond proceeds to the City, for use in accordance with the bond covenants and the Bond Spending Plan. Because the \$10,000,000 came from a pre-2011 bond issuance, and because it was not previously obligated to any project, it is considered excess bond proceeds and may be transferred to the City under the BEA.

In 2008 the Redevelopment Agency was awarded an \$8,485,000 grant for infrastructure supporting the development of housing in the vicinity of the Coliseum BART station from the California Department of Housing and Community Development ("HCD") Transit Oriented Development ("TOD") program. With the adoption of Resolution No. 84491 C.M.S. on July 3, 2013, the City assumed authority for the grant. As a condition for the disbursement of grant funds, HCD requires development of housing on a portion of the Coliseum BART station parking lot, and HCD has requested a second amendment to the grant Standard Agreement to specify a minimum number of units for the parcel. On July 3, 2013, the City adopted Resolution No. 84490 C.M.S., authorizing an exclusive negotiating agreement ("ENA") with the Oakland Economic Development Corporation ("OEDC") for the CTV Phase I project at the Coliseum BART parking lot, and on January 10, 2014, the City entered into an ENA with OEDC for the project. Staff estimates that the CTV Phase I project on the BART lot will require a substantial subsidy to complete the project.

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## ANALYSIS

The transfer of \$10,000,000 from the LMIHF to the City to be expended according to the Bond Spending Plan will allow the City to advance the Coliseum Transit Village project. The majority of the funds will be used to subsidize the CTV Phase I project, which is planned to be a primarily workforce rental housing development of approximately 100 units including a small retail component. CTV Phase I will complement the more than 400 units of affordable housing recently constructed at Lion Creek Crossings and will fulfill the City's obligation to HCD for the \$8,485,000 grant of Proposition 1C TOD funds.

## PUBLIC OUTREACH/INTEREST

The CTV Phase I site is located in the Coliseum Redevelopment Project Area in the City of Oakland. The Coliseum Area Redevelopment Plan, which identified the area around the Coliseum BART station including the CTV Phase I site as a future target area for housing development, was adopted in 1995 after extensive community input.

## COORDINATION

Staff from the Project Implementation Division has coordinated with the Oakland Economic Development Corporation and BART for the CTV Phase I housing development. This staff report and resolutions have been reviewed by the Office of the City Attorney and by the City Administrator's Budget Office.

## COST SUMMARY/IMPLICATIONS

1. **AMOUNT OF RECOMMENDATION/COST OF PROJECT**  
Approval of this resolution would not obligate any City or Successor Agency funds, but would return \$10,000,000 from the Successor Agency Low Mod Housing fund back to the City's Coliseum TA Bond Series 2006B-T Taxable Fund under the Bond Expenditure Agreement. At a later date the City may seek approval to use the funds to subsidize housing at the Coliseum BART Station, subject to negotiations with the housing project developers.
2. **SOURCE OF FUNDING:**  
The \$10,000,000 is available in the Successor Redevelopment Agency Low Mod Operations Fund (9780), Housing Development Org (89929), Housing Development Program Project (P209310)

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3. FISCAL IMPACT:

The bond funds to be returned are protected by bond covenants for redevelopment activities within the Coliseum Redevelopment Project Area. There is no anticipated impact to the General Purpose Fund. Completion of the CTV Phase I project will provide construction jobs, sales taxes, property taxes, permit fees, and multiplier effects to the City's economy.

**SUSTAINABLE OPPORTUNITIES**

***Economic:*** The proposed transit oriented development will complement and maximize the housing benefits in the Coliseum East Oakland area. This project will improve neighborhood conditions and make the neighborhood area more attractive to current and prospective residents, tenants and businesses that can provide employment within Oakland.

***Environmental:*** The proposed transit oriented development is expected to contribute to smart growth by stimulating neighborhood housing adjacent to mass transit thereby reducing pollution and carbon emissions.

***Social Equity:*** The neighborhood around the Coliseum BART station has suffered from economic blight and has been historically underserved. The proposed transit oriented development would provide a positive stimulus to the area where the development of vacant land is both welcomed and important to continued neighborhood growth and stability.

**CEQA**

The developer will prepare documents for environmental review of the CTV Phase I project, including an Environmental Impact Report (EIR) if required.

For questions regarding this report, please contact Daniel Seamans at (510) 238-3250.

Respectfully submitted,



Gregory Hunter  
Neighborhood Investment Manager

Reviewed by:  
Larry Gallegos, Project Area Manager


Prepared by:  
Daniel Seamans, Urban Economic Analyst II  
Office of Neighborhood Investment

FILED  
OFFICE OF THE CITY CLERK  
OAKLAND

2014 MAY 15 AM 10:00

APPROVED AS TO FORM AND LEGALITY:

BY:

  
ORSA COUNSEL

## OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION No. 2014-\_\_\_\_\_

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**A RESOLUTION RESCINDING REDEVELOPMENT AGENCY RESOLUTION NO. 2011-0028 C.M.S. AND TRANSFERRING \$10,000,000 FROM THE LOW AND MODERATE INCOME HOUSING FUND FOR THE LION CREEK CROSSING V PROJECT TO THE CITY FOR THE COLISEUM TRANSIT VILLAGE PHASE I HOUSING DEVELOPMENT AT THE COLISEUM BART STATION AND FOR ADDITIONAL COLISEUM REDEVELOPMENT PROJECTS AS IDENTIFIED IN THE BOND SPENDING PLAN**

**WHEREAS**, on March 3, 2011, the Redevelopment Agency of the City of Oakland ("Redevelopment Agency") adopted Resolution No. 2011-0028 C.M.S. to increase the Redevelopment Agency's additional contribution of funds to the Low and Moderate Income Housing Fund ("LMIHF") for FY 2010-11 by \$10,000,000 to provide funding for the development of housing at the Lion Creek Crossings V development; and

**WHEREAS**, \$10,000,000 was subsequently transferred from the Coliseum TA Bond Series 2006B-T(Taxable) Fund (9456) to the LMIHF; and

**WHEREAS**, the \$10,000,000 is not needed and was not expended for the Lion Creek Crossings V development, which is currently under construction; and

**WHEREAS**, as a condition of the \$8,485,000 Transit Oriented Development ("TOD") grant of Proposition 1C funds from the California Department of Housing and Community Development, the City must ensure the development of housing on a portion of the Coliseum BART parking lot; and

**WHEREAS**, on July 3, 2013, the City adopted Resolution No. 84490 C. M. S., authorizing an exclusive negotiating agreement ("ENA") with the Oakland Economic Development Corporation ("OEDC") for the Coliseum Transit Village project at the Coliseum BART parking lot; and

**WHEREAS**, on January 10, 2014, the City entered into an ENA with OEDC for the development of housing as part of the Coliseum Transit Village project at the Coliseum BART Station; and

**WHEREAS**, completion of the housing project on the BART lot could require subsidies of at least \$10,000,000; and

**WHEREAS**, the Oakland Redevelopment Successor Agency ("ORSA") and the City entered into a Bond Expenditure Agreement on November 8, 2013, providing for the transfer of "excess bond proceeds", i.e. pre-2011 bond proceeds held by ORSA that are not obligated to pay for an ORSA enforceable obligation, to the City to be used consistent with the bond covenants and the Bond Spending Plan adopted by the City; and

**WHEREAS**, the Bond Spending Plan adopted on July 16, 2013, provides for \$8,000,000 in excess bond proceeds spending for the Coliseum Transit Village Phase I project and spending for additional Coliseum Area projects, and the City has indicated that these funds will come from the \$10,000,000 in excess bond proceeds formerly allocated to the Lion Creek Crossings V project; and

**WHEREAS**, ORSA, as successor agency to the Redevelopment Agency and the holder of LMIHF funds, desires to rescind the allocation of the \$10,000,000 to the LMIHF for the Lion Creek Crossings V development, which will result in the transfer of such funds as excess bond proceeds to the City under the Bond Expenditure Agreement and their expected use on the Coliseum Transit Village Phase I project; now, therefore, be it

**RESOLVED:** That the Oakland Redevelopment Successor Agency hereby rescinds Redevelopment Agency Resolution No. 2011-0028 C.M.S., and authorizes the transfer of \$10,000,000 from the Successor Redevelopment Agency Low Mod Operations Fund (9780), Housing Development Org (89929), Housing Development Program Project (P209310) to the City pursuant to the Bond Expenditure Agreement for uses consistent with the City's Bond Spending Plan.

BY SUCCESSOR AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2014

**PASSED BY THE FOLLOWING VOTE:**

AYES- BROOKS, GALLO, GIBSON McELHANEY, KALB, KAPLAN, REID, SCHAAF, and  
CHAIRPERSON KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
Secretary of the Oakland  
Redevelopment Successor Agency