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

TO: Office of the Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: September 18, 2007

RE: Supplemental Report For An Ordinance Authorizing the Purchase of Real Property at 1718 50th Avenue, Oakland (APN 035-2386-019)) from Dierdre Veals, for \$309,000, Plus Customary Real Estate Closing Costs, for Redevelopment as Fire Station 18 and Accepting a Contribution of \$309,000, Plus Customary Real Estate Closing Costs, from the Redevelopment Agency Under the Cooperation Agreement for the Purchase of the Property

An Agency Resolution Authorizing the Contribution of \$309,000 Plus Customary Real Estate Closing Costs to the City Under the Cooperation Agreement for the Acquisition of 1718 50th Avenue

SUMMARY

This supplemental report provides information regarding the use of Central City East Taxable Bond Funds Series 2006A-T for the purchase and construction of Fire Station #18. At the Public Works Committee meeting of September 11, 2007, Councilmember Brunner asked whether redevelopment funds may be used to fund the construction of the fire station. This question was addressed during the budget adoption process in June 2007. As part of the two year budget adopted this summer, the Agency budgeted \$10 million for replacing Fire Station #18, which includes funds for both acquisition and development. In connection with that budget allocation the City Attorney advised the following:

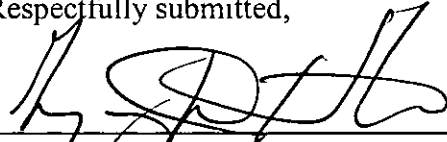
“Capital improvements to a fire station in a redevelopment project area would be eligible, assuming that the Council can make the findings that the improvements will benefit the project area and will eliminate one or more blight conditions in the area, and that there is not other reasonable means of financing the improvements. Since the presence of substandard and functionally-obsolete buildings is considered a blight condition under redevelopment law, the Council should be able to make the required blight finding.”

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substandard and functionally-obsolete buildings is considered a blight condition under redevelopment law, the Council should be able to make the required blight finding.”

Attached is a copy of the adopted budget modifications for FY 2007-09 ORA Budget.

Respectfully submitted,



Gregory D. Hunter, Deputy Director
Community & Economic Development Agency
Economic Development and Redevelopment

Prepared by:
Theresa Navarro-Lopez
Urban Economic Analyst IV

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:


OFFICE OF THE AGENCY ADMINISTRATOR

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Exhibit A

AGENCY BOARD MODIFICATIONS TO FY 2007-09 PROPOSED ORA BUDGET

	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>Total</u>
One Year of Funding Only			
Tour Centers (Library or Rec) ¹	2,000,000	0	2,000,000
More Equitable Park Improvement Funding ²	1,400,000	0	1,400,000
DeLaCruz - \$700,000			
Chavez Park - \$200,000			
Lincoln Rob Center - \$500,000			
Two Years of Funding Only			
Reuse California Hotel for Transitional Housing ³	500,000	500,000	1,000,000
Replace Fire Station #18 in Central City East ⁴	2,000,000	8,000,000	10,000,000
Ongoing Funded Projects			
Ambassador Security Program ⁵	440,000	440,000	880,000
Grade 10-14 Job Training & Recruitment (Internships) ⁶	500,000	500,000	1,000,000
Total Requests from 6/19 Meeting	6,640,000	9,240,000	15,880,000

¹ Capital improvements to City tour centers in redevelopment project areas would be eligible, assuming that the Council can make the findings that the improvements will benefit the project area and will eliminate one or more blight conditions in the area, and that there is no other reasonable means of financing the improvements. Redevelopment funds cannot be used to fund staffing costs of a tour center.

² Capital improvements to park facilities are eligible for redevelopment funding, assuming the park is in a redevelopment project area. If the park is not in a project area, it would have to be shown that the improvements will benefit the project area and will eliminate one or more blight conditions in the project area.

³ Capital and operating costs of the project would be eligible for redevelopment funds (both Low & Moderate Income Housing Funds and general redevelopment funds). Social services would not be eligible.

⁴ Capital improvements to a fire station in a redevelopment project area would be eligible, assuming that the Council can make the findings that the improvements will benefit the project area and will eliminate one or more blight conditions in the area, and that there is no other reasonable means of financing the improvements. Since the presence of substandard and functionally-obsolete buildings is considered a blight condition under redevelopment law, the Council should be able to make the required blight finding.

⁵ Funding the Ambassador Security Program would be an eligible cost, assuming the program serves a redevelopment area and the connection can be made between improved public safety and the promotion of business activity and investment in the project area.

⁶ Like any other staff costs, redevelopment funds could be used to hire interns to work in CEDA Redevelopment or do other ORA work for the City. Redevelopment funds could not be used to fund interns who are not doing redevelopment work for the City. (Please note that "economic development" by itself is not a redevelopment purpose.) It is not clear from the proposal what kinds of work the interns will perform.