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OFFICE OF THE CITY CLERK  
OAKLAND

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

2010 NOV -4 PM 1:08

TO: Office of the Agency Administrator  
ATTN: Dan Lindheim  
FROM: Community and Economic Development Agency  
DATE: November 9, 2010

RE: **A Supplemental Report Regarding:**

- 1) **A Resolution Amending Resolution No. 2006-0036 C.M.S. To Modify The Central City East Homeownership Rehabilitation Program (CCEHRP) To Include Interior And Structural Repairs And Increase The Maximum Loan Amount From \$75,000 To \$150,000**
- 2) **A Resolution Adopting The West Oakland Vacant Housing Acquisition/ Rehabilitation/ New Construction Program, And Allocating \$735,000 For The Program From FY 2010-2011 Low And Moderate Income Housing Funds**
- 3) **A Resolution Adopting The West Oakland Automatic Gas Shut-Off Valve Program, And Allocating \$210,000 For The Program From FY 2010-2011 Low And Moderate Income Housing Funds**
- 4) **A Resolution Adopting The West Oakland Owner Rehabilitation Program, And Allocating \$1,939,000 For The Program From FY 2010-2011 Low And Moderate Income Housing Funds**

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**SUMMARY**

As requested at the October 26, 2010 Community and Economic Development Committee meeting, this supplemental report has been prepared to describe local program requirements including local hire policies and compliance with the living wage ordinance, and to provide information as to how the City's rehabilitation programs are accessed by the public.

**Program Summaries:**

**The Central City East Homeownership Rehabilitation Program** provides loans to owner occupied low to moderate income households in the Central City East Redevelopment Area to enhance the curb appeal of individual homes and complete interior repairs, seismic upgrades and energy efficiency upgrades.

**The West Oakland Rehabilitation Programs** are loans and grants to owner occupied and moderate income households and for the development of low and moderate housing.

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**Local Hire Policies:**

The intended impacts of the City Local/Small Local Business Enterprise Program include:

- Increase the number of Oakland certified businesses participating in City contracting and in development Projects
- Increase the circulation of City Dollars within Oakland community and thus stimulate a stronger economic base; and
- Promote the development of Oakland certified businesses through joint ventures, and mentor/protégé relationships.

Under the West Oakland Acquisition/Rehabilitation/New Construction Program, loans and grants can be made to non-profits or other owners of residential properties, as well as to low and moderate income residential households. Under the other three programs, loans and grants are only made directly to low and moderate income households. In all four programs, the City provides funds for the rehabilitation of the properties and provides assistance in selecting contractors. To limit City liability and to maximize the available funding, the owners of the property are responsible for the final contractor selection. The funds are reserved for the homeowner and the projects are managed by the City, but the construction contracts include the owner and contractor exclusively.

Because these construction contracts are between the owner and the contractor, the City does not mandate compliance with the Local Hire Policies for participants in the Homeownership Rehabilitation Programs. The City does however encourage the hiring of local general contractors and provides incentives to local contractors in the bidding process.

Approximately 90% of the eligible contractors are Sole Proprietors with no permanent employees. The City encourages participating contractors to become certified as Small and Local Small Business Enterprises to increase their exposure to other opportunities within the City, but it is not mandated.

Local businesses and suppliers benefit from the City's rehabilitation programs. Because construction projects are relatively small, it is cost effective for contractors to purchase supplies as needed from suppliers close to the rehabilitation project.

Joint ventures are encouraged as well. Specialty contractors are included on the list of participating contractors to encourage cooperation and collaboration on projects.

**Contractor Selection:**

Because the construction contract involves the homeowner and the contractor, the contractor selection process for City's Residential Lending and Rehabilitation Program projects is

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objective. Contractors are randomly selected from a prescreened list of eligible contractors or included in the bid process at the request of the homeowner. Contractors are included on the prescreened list by completing an application which includes license, insurance and bonding information and a list of references. A current City of Oakland business license is also required to perform work in the program. Contractors based outside of Oakland are not excluded from applying to be included on the list or from bidding, but a minimum of three of the five contractors included in the bid walk must be Oakland-based. While staff provides some guidance in selecting contractors, it is the homeowner's responsibility to select a capable contractor.

Presently twenty-two general contractors have submitted the required documentation and are eligible to submit proposals to complete work in the Central City East Housing Rehabilitation Program and the West Oakland Rehabilitation Programs. Fourteen of the twenty two (64%) are Oakland-based contractors.

**Access to Programs:**

Owners gain access to the City's Rehabilitation programs by:

- Non-profit Organization Outreach
- Internet Search Engines
- City of Oakland Website
- Private Sector Seminars
- Neighborhood Crime Prevention Council Meetings
- Project Area Committee Meetings
- Neighborhood District Council Meetings
- Local Libraries
- Local Places of Worship
- KTOP Advertisement
- City of Oakland Senior Resources Center
- Local Senior Centers
- Rehabilitation Services Project Signs and Advertisements
- Contractor Referrals
- Owner Referrals

**RECOMMENDATIONS AND RATIONALE**

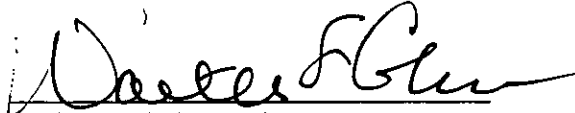
Staff recommends that the Redevelopment Agency adopt the attached Agency resolutions. The changes will assist CEDA in further implementing programs that reduce neighborhood blight and the deterioration of residential properties while improving the safety and condition of homes in the Central City East and West Oakland Project Areas.

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**ACTION REQUESTED OF THE CITY COUNCIL/REDEVELOPMENT AGENCY**

Staff requests approval of the attached resolutions.

Respectfully submitted,




Walter S. Cohen, Director  
Community and Economic Development Agency

Reviewed by:  
Michele Byrd, Deputy Director  
Housing and Community Development

Prepared by:  
Loyd Ware, Manager  
Residential Lending and Rehabilitation

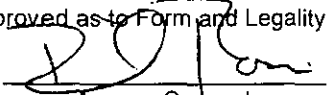
APPROVED AND FORWARDED TO THE  
CITY COUNCIL:



Office of the Agency Administrator

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OAKLAND

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Approved as to Form and Legality  
  
Agency Counsel

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

**REVISED**

Resolution No. \_\_\_\_\_ C.M.S.

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**AN AGENCY RESOLUTION AMENDING RESOLUTION NO. 2006-0036 C.M.S. TO MODIFY THE CENTRAL CITY EAST HOMEOWNERSHIP REHABILITATION PROGRAM (CCEHRP) TO INCLUDE INTERIOR AND STRUCTURAL REPAIRS AND INCREASE THE MAXIMUM LOAN AMOUNT FROM \$75,000 TO \$150,000**

**WHEREAS**, on January 18, 2005, (Resolution No. 2005-0004 C.M.S.) the Agency adopted the Central City East Homeownership Rehabilitation Program ("CCEHRP") to assist low to moderate income homeowners in the Central City East Redevelopment Project Area to rehabilitation their properties by providing deferred or low interest loans for renovation work in conjunction with other Community and Economic Development Agency housing programs; and on March 1, 2006, (Resolution No. 2006-0036 C.M.S.) the Agency modified the CCEHRP to increase the maximum loan amount from \$10,000 to \$75,000 and to authorize the provision of design assistance to homeowners in an amount not to exceed \$5,000; and[

**WHEREAS**, there is now an increased need for financial assistance to property owners in the Central City East Redevelopment Project Area to facilitate the repair of blighted and deteriorated residential properties; and

**WHEREAS**, the current maximum loan amount and eligible use restrictions under the CCEHRP is insufficient to meet the rehabilitation needs of program participants; now, therefore, be it

**RESOLVED:** That the Agency hereby amends Resolution No. 2006-0036 C.M.S. to modify the CCEHRP to increase the maximum loan amount from \$75,000 to \$150,000 and to expand eligible uses of CCEHRP loan funds to include interior and structural repairs; and be it

**FURTHER RESOLVED:** That the Agency Administrator or his designee is hereby authorized to take any action with respect to the programs described above consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_, 2010

**PASSED BY THE FOLLOWING VOTE:**

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

NOES -

ABSENT -

ABSTENTION -

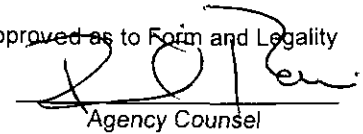
ATTEST:

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

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Agency Counsel

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

**REVISED**

Resolution No. \_\_\_\_\_ C.M.S.

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**AN AGENCY RESOLUTION ADOPTING THE WEST OAKLAND VACANT HOUSING ACQUISITION/ REHABILITATION/ NEW CONSTRUCTION PROGRAM, ALLOCATING \$735,000 FOR THE PROGRAM FROM FY 2010-2011 LOW AND MODERATE INCOME HOUSING FUNDS AND AUTHORIZING THE AGENCY ADMINISTRATOR TO MAKE LOANS FOR THE PROGRAM WITHOUT RETURNING TO THE AGENCY**

**WHEREAS**, there is a need for financial assistance to owners of vacant and blighted residential properties in the West Oakland Redevelopment Project Area to facilitate extensive rehabilitation to correct code violations and to eliminate safety and health hazards; and

**WHEREAS**, there is a need for financial assistance to owners of underutilized and vacant parcels to construct new one-to-four unit homes in the West Oakland Redevelopment Project to reduce blight and increase affordable housing stock; and

**WHEREAS**, the Agency does not currently offer any housing repair and rehabilitation programs specifically serving the West Oakland Redevelopment Project Area; and

**WHEREAS**, the staff of the Community Economic Development Agency has developed a West Oakland Vacant Housing Acquisition/Rehabilitation/New Construction Program (the "Program") to assist property owners in the West Oakland Project Area with the rehabilitation of vacant and blighted residential properties and the development of underutilized vacant parcels to construct new residential units; and

**WHEREAS**, the Program is consistent with and will further the purposes of the West Oakland Redevelopment Plan; and

**WHEREAS**, the Agency desires to authorize the Agency Administrator to make loans not to exceed \$200,000 under the Program within the budget available for this purpose; and

**WHEREAS**, the Agency wishes to support these activities by allocating \$735,000 from FY 2010-2011 Low and Moderate Income Housing Funds for the Program; now, therefore, be it

**RESOLVED:** That the Agency hereby adopts the West Oakland Vacant Housing Acquisition/Rehabilitation/New Construction Program to provide deferred loans to owners of vacant and blighted residential units and/or underutilized, vacant parcels of land in the West Oakland Redevelopment Project Area to correct code violations, eliminate health and safety hazards, and construct new residential housing; and be it

**FURTHER RESOLVED:** That the Agency hereby allocates \$735,000 from FY 2010-2011 Low and Moderate Income Housing Funds (Fund Number 9580 and Project Number p209310) to the Program; and be it

**FURTHER RESOLVED:** That the Agency Administrator or his designee is hereby authorized to adopt guidelines for the Program, to make loans and to negotiate and enter into loan agreements for amounts not to exceed \$200,000 within the available budget for this purpose without returning to the Agency, and to take other action with respect to the Program and the loans consistent with this Resolution and its basic purpose; and be it

**FURTHER RESOLVED:** That repayments of loans made under the Program shall be credited back to the Program fund to be used for future Program activities until such time as the Program is discontinued, at which time any amount remaining in the Program fund, and all subsequent repayments of loans originally made using Program funds, shall be repaid to the Low and Moderate Income Housing Fund; and be it

**FURTHER RESOLVED:** That the Agency Administrator or his designee as agent of the Agency is hereby authorized to conduct negotiations, execute documents, and take any other actions consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

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

NOES -

ABSENT -

ABSTENTION -

ATTEST:

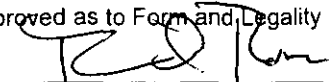
\_\_\_\_\_  
LATONDA SIMMONS  
Secretary of the Redevelopment Agency  
of the City of Oakland, California



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Agency Counsel

## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

**REVISED**

Resolution No. \_\_\_\_\_ C.M.S.

---

**AN AGENCY RESOLUTION ADOPTING THE WEST OAKLAND AUTOMATIC GAS SHUT-OFF VALVE PROGRAM, ALLOCATING \$210,000 FOR THE PROGRAM FROM FY 2010-2011 LOW AND MODERATE INCOME HOUSING FUNDS, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO MAKE GRANTS FOR THE PROGRAM WITHOUT RETURNING TO THE AGENCY**

**WHEREAS**, there is a need for financial assistance to low- and moderate-income homeowners in the West Oakland Redevelopment Project Area to install state-certified gas safety automatic shut-off valves at existing gas meters; and

**WHEREAS**, the staff of the Community Economic Development Agency has developed a West Oakland Vacant Automatic Gas Shut-Off Valve Program (the "Program") to provide grants to low- and moderate-income homeowners to finance the cost of the acquisition and installation of gas safety shut-off valves at owner-occupied residential properties; and

**WHEREAS**, the Program is consistent with and will further the purposes of the West Oakland Redevelopment Plan; and

**WHEREAS**, the Agency desires to authorize the Agency Administrator to make grants not to exceed the cost of the acquisition and installation of the gas safety shut-off valves, as determined by competitive bids and City staff verification, and within the budget available for this purpose; and

**WHEREAS**, the Agency wishes to support these activities by allocating \$250,000 from FY 2010-2011 Low and Moderate Income Housing Funds for the Program; now, therefore, be it

**RESOLVED:** That the Agency hereby adopts the West Oakland Automatic Gas Shut-Off Valve Program to provide grants to finance the acquisition and installation of gas safety shut-off valves to low- and moderate-income households for owner-occupied homes in the West Oakland Redevelopment Project Area; and be it

**FURTHER RESOLVED:** That the Agency hereby allocates \$210,000 from FY 2010-2011 Low and Moderate Income Housing Funds Fund Number 9580 and Project Number P209310 to the Program; and be it

**FURTHER RESOLVED:** That the Agency Administrator or his designee is hereby authorized to adopt guidelines for the Program, to make grants and negotiate and execute all grant contracts under the Program within the available budget for this purpose and without returning to the Agency, and to take other action with respect to the Program and the grants consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

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

NOES -

ABSENT -

ABSTENTION -

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## REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

**REVISED**

Resolution No. \_\_\_\_\_ C.M.S.

---

**AN AGENCY RESOLUTION ADOPTING THE WEST OAKLAND OWNER REHABILITATION PROGRAM, ALLOCATING \$1,939,000 FOR THE PROGRAM FROM FY 2010-2011 LOW AND MODERATE INCOME HOUSING FUNDS, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO MAKE LOANS FOR THE PROGRAM WITHOUT RETURNING TO THE AGENCY**

**WHEREAS**, there is a need for financial assistance to owner-occupied low- and moderate-income households in the West Oakland Redevelopment Project Area to correct health and safety violations, code deficiencies and repair major systems in danger of failure; and

**WHEREAS**, the Agency does not currently offer any housing repair and rehabilitation programs specifically serving the West Oakland Redevelopment Project Area; and

**WHEREAS**, the staff of the Community Economic Development Agency has developed a West Oakland Owner Rehabilitation Program (the "Program") to provide no-interest, deferred loans and low-interest, amortized loans to owner-occupied low- and moderate-income households in the West Oakland Redevelopment Project Area for the purpose of residential rehabilitation of blighted or deteriorated homes to correct health and safety violations and code deficiencies and repair major systems in danger of failure; and

**WHEREAS**, the Program is consistent with and will further the purposes of the West Oakland Redevelopment Plan; and

**WHEREAS**, the Agency desires to authorize the Agency Administrator to make loans under the Program not to exceed the lesser of the cost of rehabilitation or (a) \$125,000 for single-family homes and (b) \$140,000 for multi-family homes of up to four units, within the budget available for this purpose; and

**WHEREAS**, the Agency wishes to support these activities by allocating \$1,939,000 from FY 2010-2011 Low and Moderate Income Housing Funds for the Program; now, therefore, be it

**RESOLVED:** That the Agency hereby adopts the West Oakland Owner Rehabilitation Program to provide no-interest, deferred loans and low-interest, amortized loans to owner-occupied low- and moderate-income households in the West Oakland Redevelopment Project Area for the purpose of residential rehabilitation of blighted or deteriorated homes to correct health and safety violations and code deficiencies and repair major systems in danger of failure; and be it

**FURTHER RESOLVED:** That the Agency hereby allocates \$1,939,000 from FY 2010-2011 Low and Moderate Income Housing Funds Fund Number 9580 and Project Number P209310 to the Program; and be it

**FURTHER RESOLVED:** That the Agency Administrator or his designee is hereby authorized to adopt guidelines for the Program, to make loans and to negotiate and enter into loan agreements for amounts not to exceed the applicable maximum loan limit within the available budget for this purpose without returning to the Agency, and to take other action with respect to the Program and the loans consistent with this Resolution and its basic purpose; and be it

**FURTHER RESOLVED:** That repayments of loans made under the Program shall be credited back to the Program fund to be used for future Program activities until such time as the Program is discontinued, at which time any amount remaining in the Program fund, and all subsequent repayments of loans originally made using Program funds, shall be repaid to the Low and Moderate Income Housing Fund; and be it

**FURTHER RESOLVED:** That the Agency Administrator or his designee as agent of the Agency is hereby authorized to conduct negotiations, execute documents, and take any other actions consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, \_\_\_\_\_

**PASSED BY THE FOLLOWING VOTE:**

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

NOES -

ABSENT -

ABSTENTION -

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