

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 JAN 28 PM 6:49

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

RE: **An Agency Resolution Adopting The Central City East Sustainability Incentive Program, Allocating \$100,000 From Central City East Redevelopment Project Funds To The Program, And Authorizing Grant Contracts Under The Program Without Returning To The Agency**

An Agency Resolution Adopting The Central City East Infill Development Incentives Program, Allocating \$100,000 From Central City East Redevelopment Area Funds To The Program, And Authorizing Grant Contract Under the Program Without Returning To The Agency

An Agency Resolution Adopting The Central City East Tough on Blight Program, Allocating \$75,000 From Central City East Redevelopment Project Funds To The Program, And Authorizing Contracts Under the Program Up To \$50,000 Without Returning To The Agency

SUMMARY

This item requests Redevelopment Agency adoption of the Sustainability Incentive Program ("SIP"), the Infill Development Initiatives Program, and the Tough on Blight Program (hereafter together called the "Programs") in the Central City East ("CCE") Redevelopment Project Area. The total funding allocation for the Programs is \$275,000 from Central City East Redevelopment Project Area funds.

All of the Programs have received budget approval in the 2009-2011 budget. The SIP and the Infill Development Incentives Program are new to the CCE project area, while components of the Tough on Blight program have been previously implemented in the CCE project area.

Redevelopment staff is seeking adoption of the Programs all at once, because when they are coordinated and used to compliment one another, the Agency is best able to support CCE's Five Year Implementation Plan and Strategic Vision. Key goals of the Implementation Plan include:

- Stimulating in-fill development and land assembly opportunities on obsolete, underutilized and vacant properties in the project area,
- Stimulating opportunities for adaptive re-use and preservation of existing building stock in the project area,
- Attracting new businesses and retaining existing businesses in the project area,
- Revitalizing neighborhood commercial areas and strengthening retail in the project area.

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FISCAL IMPACT

The following charts identify the funding source for each Program as specified in the adopted 2009-2011 budget. By seeking contracting authority, the Redevelopment Agency can move forward with implementing each Program.

Sustainability Incentives Program

Fund	Organization	Project	Budget Allocation	Program
Central City East Operations	Central City East	Public/Private Development	\$100,000	Undetermined
9540	88699	T367210		0000

Infill Development Incentives Program

Fund	Organization	Project	Budget Allocation	Program
Central City East Operations	Central City East	Public/Private Development	\$100,000	Undetermined
9540	88699	T367110		0000

Tough on Blight Program

Fund	Organization	Project	Budget Allocation	Program
Central City East Operations	Central City East	Public/Private Development	\$75,000	Undetermined
9540	88699	T367310		0000

The implementation of the Programs will not have any impact on the City's General Fund. A total of \$275,000 has been allocated for the Programs in the 2009-2010 Central City East Project Area budget. The maximum grant award for each program is as follows:

Program	Maximum Grant/Contract Amount
Sustainability Incentives Program	\$25,000
Infill Development Incentives Program	\$15,000
Tough on Blight Program	\$50,000

BACKGROUND

The Central City East Redevelopment Project Area was adopted by the City Council on July 29, 2003. An initial five-year implementation plan covering 2003 through 2008, was adopted at that time in compliance with Article 16.5 of the California Community Redevelopment Law ("CRL"), which was subsequently amended. The second five year Implementation Plan for the period of 2008 through 2013 was adopted in July 2008. In designing the Implementation Plan, the Agency received input from the CCE Project Area Committee ("PAC") and identified a number of goals and objectives to address blighting conditions in the Project Area.

In addition, the CCE Project Area Committee adopted a vision and strategy document in May of 2009. This document was created to articulate the vision of CCE PAC members and the Agency for their area's redevelopment process. In the Vision and Strategy document, there is a clear desire for all of the programs in the Project Area to work together to "...create a vibrant, safe and unified redevelopment project area with clean, attractive streetscapes, active commercial corridors and enhanced parks and open spaces..." In addition, the PAC discussed and endorsed the descriptions and guidelines for each Program in question during the January 11th meeting.

The motivation behind the Sustainability Incentive Program ("SIP") was to create a green, small business infrastructure Program in the City of Oakland that is compatible with the Mayor's FY 2009-2011 priorities. One of the Mayor's business goals for FY 2009-2011 is to "Promote sustainable development that embraces the principles of environment, economy and equity through green building practices, economic development strategies, education, community participation, smart growth, and recycling efforts." The SIP addresses this goal by providing additional funding incentives to the existing Façade and Tenant Improvement Program for the green redevelopment of commercial properties in the CCE Project Area.

The Infill Development Incentives Program ("Incentives Program") was designed to attract a healthy mix of multifamily housing and neighborhood-serving commercial land uses to commercial corridors by offering grant contributions to property owners and developers. This

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program will help to target development in commercial corridors located primarily in, but not limited to, the CCE focus areas identified by the Strategy and Vision document.

The Tough on Blight Program is an enhanced blight enforcement operation that aggressively pursues blighted properties and blighting conditions within the CCE Project Area. The program will consist of a minimum of one sweep of the Project Area's commercial corridors per year, done in cooperation with the Building Services Division, and a graffiti abatement and trash clean up component. This program will help in the reduction of blight within the CCE Project Area.

KEY ISSUES AND IMPACTS

All of the programs were proposed and approved in the 2009-2011 Redevelopment Agency budget.

Sustainability Incentive Program

The SIP will promote sustainable business practices among small businesses in the CCE Project Area. The program will also have a positive impact on small business retention rates in the Project Area, through long term energy efficiency cost savings.

Infill Development Incentives Program

The Incentives Program will attract mixed use, residential and commercial development projects to CCE's commercial corridors. This increased development will help to strengthen these corridors, increase the property values and decrease blight.

Tough on Blight

The Tough on Blight Program will help with the beautification efforts in the CCE Project Area. In addition to a sweep, where code enforcement will aggressively pursue blighted properties that are not in compliance with city codes and ordinances, the program will seek to further improve the physical appearance of the Project Area through awarding contracts to community organizations aimed at graffiti abatement and clean up, both of which are key concerns of the PAC. Staff would be authorized to enter into contracts up to \$50,000 without Agency approval under the Program.

PROGRAM DESCRIPTION

Eligible projects in the Programs must be located in the Central City East Redevelopment Project Area and be consistent with the Five Year Implementation Plan and California redevelopment law.

Sustainability Incentive Program

This program will provide grants up to \$25,000, for projects that address sustainability in the CCE area that ensure both the long term economic health and the environmental quality of residents and the community in the CCE Project Area. These grants will augment the existing Façade and Tenant Improvement Programs and provide grants to property owners and tenants that want to upgrade their property to green building standards and grants to property owners to address blighted properties by upgrading with hardscape/landscape, fencing and other sustainable improvements.

Eligible projects must augment existing façade and tenant improvement projects. Eligible projects under the SIP must also be sited on a non-residential and mixed use facilities, have a documented energy audit, take advantage of existing energy rebate opportunities, and be a one time physical improvement and fall within at least one of the following categories:

- renewable and recyclable materials acquisition
- natural and long lasting materials acquisition
- efficient building envelopes (including high-performance insulation)
- gray water systems
- non-off gassing paints and materials

The Sustainability Incentive Program will also administer funding to sustainable beautification projects as a separate component of the program. These projects could consist of funding, for example, for green wall trellis systems.

The Redevelopment Agency is best suited to administer greening and beautification programs. Projects administered by the Redevelopment Agency could be stand alone projects, unaffiliated with a tenant or façade improvement.

The Sustainability Incentive Program will be administered by the Redevelopment Agency staff. Eligible projects can be submitted by tenants and owners of commercial properties, community organizations, schools, religious institutions, the Oakland Redevelopment Agency and other non-residential applicants on a case by case basis. Applications will be submitted to Agency staff and reviewed by the City Attorney's Office for legal issues before being presented to the Central City East Project Area Committee for funding recommendations. Applications will be reviewed and funding will be granted on a rolling basis.

For FY 2009-11, \$100,000 will be allocated each year to SIP, with a maximum grant award of \$25,000 per project.

Infill Development Incentives Program

The program is intended to encourage the exploration of mixed use development options for infill areas in the Central City East Redevelopment Project Area, particularly in corridors that are part of CCE focus areas. The program offers grant contributions to property owners and developers that can be applied toward the predevelopment costs of proposed mixed-use, residential, or commercial development projects.

Predevelopment analyses that may be considered for the Program include:

- Property appraisals
- Market analysis
- Marketing of retail space
- Phase I environmental analysis
- Preliminary financial feasibility analysis

Other predevelopment analysis not listed above may also be considered.

Eligible projects for the Incentives Program include development projects that contain neighborhood-serving retail, housing, or community facilities.

In FY 2009-11, \$100,000 will be allocated each year to this program. The Redevelopment Agency will pay for half of the total cost of predevelopment services, up to a maximum amount of \$15,000. Project applicants must pay for the remaining half. Matching grants under this program will be awarded through a reimbursement process.

Tough on Blight Program

The Tough on Blight Program is an enhanced blight enforcement operation that aggressively pursues blighted properties and blighting conditions within the CCE Project Area. The program will consist of a minimum of one or more sweeps of the Project Area's commercial corridors per year, done in cooperation with the Building Services Division. The remaining funds will be used towards contracts between community organizations who can perform graffiti abatement and trash clean up through the Project Area as well as improve fencing and landscaping for the commercial corridors within the CCE Area. Contractors who provide job training services in addition to blight reduction services will be given higher priority.

SUSTAINABLE OPPORTUNITIES

Environmental: SIP provides funding solely for projects that have positive environmental impacts. All projects will contain at least one of the following sustainable components:

- renewable and recyclable materials
- natural and long lasting materials acquisition
- efficient building envelopes (including high-performance insulation)
- gray water systems
- non-off gassing paints and materials
- vertical plant support trellises

Economic: The increased enforcement of code violations through the Tough on Blight program will help to reduce blight by encouraging property owners to maintain their properties and keep them clean.

The Infill Incentives Program will improve the Project Area's physical and economic health through increased and concentrated development and the elimination of blight in targeted areas.

Social Equity: The SIP will provide access to green technology and improvements to low income residents in the CCE Project Area. Certain green improvements (non-off gassing paints and materials and the use of natural and long lasting materials) can have positive impacts on the health of the property owner and larger community. In addition, vertical plant support trellises can aide blighted areas by covering eyesores and providing private institutions, such as schools, needed screening from the street.

The Tough on Blight Program will reduce blight in the Project Area through strict code enforcement and penalties for property owners who do not make improvements on blighted properties.

DISABILITY AND SENIOR CITIZEN ACCESS

Any new construction or improvements that are implemented as a result of a grant award from The Programs will be required to comply with city, state, and federal ADA requirements.

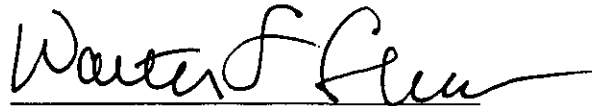
RECOMMENDATIONS AND RATIONALE

Staff recommends that the Agency adopt the resolutions to implement and administer the Programs. The Programs will work together to achieve the Center City East Redevelopment Project Area's Five Year Implementation Plan goals.

ACTION REQUESTED OF THE REDEVELOPMENT AGENCY/CITY COUNCIL

Staff requests that the Agency approve the attached resolutions, giving contracting authority to the Agency Administrator for the Programs and their subsequent projects up to the maximum grant amount of \$50,000 per contract.

Respectfully submitted,



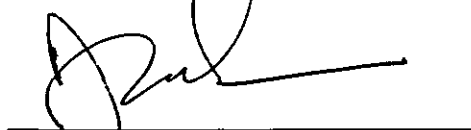
Walter S. Cohen, Director
Community & Economic Development Agency

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

Reviewed by: Larry Gallegos, Area Manager
Central City East Redevelopment Area

Prepared by:
Hagerenesh Solomon
Central City East Redevelopment Area

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the Agency Administrator

Item: _____
CED Committee
February 9, 2010

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 JAN 28 PM 6:49

Approved as to form and legality


Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

AN AGENCY RESOLUTION ADOPTING THE CENTRAL CITY EAST SUSTAINABILITY INCENTIVE PROGRAM, ALLOCATING \$100,000 FROM CENTRAL CITY EAST REDEVELOPMENT PROJECT FUNDS TO THE PROGRAM, AND AUTHORIZING GRANT CONTRACTS UNDER THE PROGRAM WITHOUT RETURNING TO THE AGENCY

WHEREAS, there is a need for a sustainability incentive program that impacts general blighting conditions throughout the Central City East Redevelopment Project Area; and

WHEREAS, the staff of the Community and Economic Development Agency have prepared the Central City East Sustainability Incentive Program ("SIP") to assist in addressing "green" redevelopment of the Project Area; and

WHEREAS, the SIP will assist businesses, residents, and community organizations in the Central City East Project Area by providing them with funding that will augment existing façade and tenant improvement projects and help them to include eco-friendly principles in their renovations/redevelopment; and

WHEREAS, the SIP is consistent with and will further the purposes of the Central City East Redevelopment Plan and its Five-Year Implementation Plan adopted on July 15, 2008, by Resolution No. 2008-0070 C.M.S.; and

WHEREAS, the Agency wishes to support these activities by allocating \$100,000 of Central City East project funds for the SIP; now, therefore, be it

RESOLVED: That the Agency hereby adopts the Central City East Sustainability Incentive Program to provide financial incentives to encourage green/environmentally friendly redevelopment in the Central City East Redevelopment Project Area; and be it

FURTHER RESOLVED: That the SIP shall fund eco-friendly renovation principals that fall within at least one of the following categories:

1. Renewable and recyclable materials;
2. Natural and long lasting materials;
3. Vertical plant support trellises (stand alone projects);
4. Efficient building envelopes (including high-performance insulation);
5. Non-off gassing paints and materials; and
6. Approved grey water systems; and be it

FURTHER RESOLVED: That eligible applicants under the SIP shall include property owners and tenants within the Project Area and the Redevelopment Agency; and be it

FURTHER RESOLVED: That eligible applicants under the SIP must be actively enrolled in the existing Façade or Tenant Improvement Program, with the exception of the Redevelopment Agency; and be it

FURTHER RESOLVED: That eligible funding requests under the SIP shall not exceed \$25,000; and be it

FURTHER RESOLVED: That the Agency hereby allocates \$100,000 from the Central City East Redevelopment Operations Fund (9540), Central City East Org. (88699), and Central City East Sustainability Program (T367210) to the SIP; and be it

FURTHER RESOLVED: That the Agency authorizes the Agency Administrator or his designee to develop and adopt program rules and guidelines for the SIP, to make grants and negotiate and execute all grant contracts under the SIP within the budget available for the SIP without returning to the Agency, and to take other actions with respect to the SIP and the grants consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 JAN 28 PM 6:49

Approved as to form and legality


Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

AN AGENCY RESOLUTION ADOPTING THE CENTRAL CITY EAST INFILL DEVELOPMENT INCENTIVES PROGRAM, ALLOCATING \$100,000 FROM CENTRAL CITY EAST REDEVELOPMENT AREA FUNDS TO THE PROGRAM, AND AUTHORIZING GRANT CONTRACTS UNDER THE PROGRAM WITHOUT RETURNING TO THE AGENCY

WHEREAS, there is a need for a blight reduction program that impacts general blight conditions throughout the Central City East Redevelopment Project Area; and

WHEREAS, the staff of the Redevelopment Agency have identified a significant need for infill development in the Central City East Redevelopment Project Area to reduce blight, intensify the use of underutilized properties and vacant parcels, and alleviate the lack of housing and neighborhood-serving retail in the Project Area; and

WHEREAS, the staff of the Redevelopment Agency have witnessed insufficient development interest for infill development on major transit corridors; and

WHEREAS the Agency wishes to create the Central City East Infill Development Incentives Program (the "Program"); and

WHEREAS, the Program will assist interested developers by providing them with monetary incentive to explore small-scale commercial, housing, and mixed-use development projects in the Central City East Redevelopment Project Area; and

WHEREAS, the Program is consistent with and will further the purposes of the Central City East Redevelopment Plan and its Five-Year Implementation Plan adopted on July 15, 2008 by Resolution No. 2008-0070 C.M.S.; and

WHEREAS, the Agency wishes to support these activities by allocating \$100,000 of Central City East project funds for the Program; now, therefore, be it

RESOLVED: That the Agency hereby adopts the Central City East Infill Development Incentives Program to provide a monetary incentive to interested developers, in the form of grants in amounts not to exceed \$15,000 for certain predevelopment expenses for mixed use, residential, or commercial projects, in revitalizing underutilized properties and therefore reducing blight in the Central City East Redevelopment Project Area; and be it

FURTHER RESOLVED: That the Agency hereby allocates \$100,000 from the Central City East Redevelopment Operations Fund (9540), Central City East Org. (88699), and Central City East Infill Development Incentive Program (T367110) to the Infill Development Incentives Program; and be it

FURTHER RESOLVED: That the Agency Administrator or his designee is authorized to identify and negotiate the project scope for proposed projects under the Program; and be it

FURTHER RESOLVED: That the Agency Administrator or his designee is authorized to develop and adopt program rules and guidelines for the Program, to make grants and negotiate and execute all grant contracts under the Program within the budget available for the Program without returning to the Agency, and to take other actions 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 - , DE LA FUENTE KERNIGHAN, NADEL, QUAN, BROOKS, REID, KAPLAN, AND
CHAIRPERSON BRUNNER

NOES -

ABSENT -

ABSTENTION -

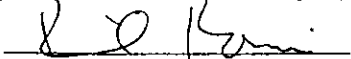
ATTEST:

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

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2010 JAN 28 PM 6:50

Approved as to Form and Legality


Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

Resolution No. _____ C.M.S.

AN AGENCY RESOLUTION ADOPTING THE CENTRAL CITY EAST TOUGH ON BLIGHT PROGRAM, ALLOCATING \$75,000 FROM CENTRAL CITY EAST REDEVELOPMENT PROJECT FUNDS TO THE PROGRAM, AND AUTHORIZING CONTRACTS UNDER THE PROGRAM UP TO \$50,000 WITHOUT RETURNING TO THE AGENCY

WHEREAS, the Central City East Redevelopment Project area strives to reduce blight within the Project Area; and

WHEREAS, the staff of the Community and Economic Development Agency have prepared the Tough on Blight Program to assist in addressing blight enforcement in the Project Area; and

WHEREAS, the Tough on Blight Program will assist with blight reduction in the Central City East Project Area through aggressively pursuing blighted properties that are not in compliance with City codes, or those properties in need of graffiti abatement; and

WHEREAS, the Tough on Blight Program is consistent with and will further the purposes of the Central City East Redevelopment Plan and its Five-Year Implementation Plan adopted on July 15, 2008 by Resolution No. 2008-0070 C.M.S.; and

WHEREAS, the Agency wishes to support these activities by allocating \$75,000 of Central City East project funds for blight reduction through the uses eligible under the Tough on Blight Program; and

WHEREAS, the Agency and the City of Oakland entered into a Cooperation Agreement on July 1, 2004, which governs the provision of assistance and the payment of funds between the two agencies, including Agency funding assistance to City programs in furtherance of the Agency's redevelopment activities; now, therefore, be it

RESOLVED: That the Agency hereby adopts the Central City East Tough on Blight Program to provide blight reduction through graffiti abatement, trash clean up, and code enforcement sweeps of the Project Area done in cooperation with the City of Oakland's Building Services Division; and be it

FURTHER RESOLVED: That the Agency hereby allocates \$75,000 from the Central City East Redevelopment Operations Fund (9540), Central City East Org. (88699), and CCE Tough on Blight Program (T367310) to the Program; and be it

FURTHER RESOLVED: That eligible applicants under the Tough on Blight Program shall include the City through its Building Services Division; and be it

FURTHER RESOLVED: That eligible contracts or work orders under the Tough on Blight Program shall not exceed \$50,000; and be it

FURTHER RESOLVED: That all funding provided to the City of Oakland by the Agency under the Program shall be provided under the Cooperation Agreement between the City and the Agency; and be it

FURTHER RESOLVED: That the Agency Administrator, or his designee, is authorized to develop and adopt program rules and guidelines for the Program, to negotiate and execute all contracts up to \$50,000, notwithstanding City and Agency contracting rules, under the Tough on Blight Program within the budget available for the Program without returning to the Agency, and to take other actions with respect to the Program and the contracts consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____

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