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OAKLAND

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AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
EWD Director

SUBJECT: ORSA FY 2014-15 Annual Report

DATE: November 9, 2015

City Administrator Approval

Date:

11/18/15

RECOMMENDATION

Staff Recommends That The Agency Board ("City Council") Receive The Informational Report Presenting The Oakland Redevelopment Successor Agency (Agency) Fiscal Year (FY) 2014-15 Annual Report On Blight, Loans, Property, And Time Limits In Accordance With The Reporting Requirements Of The California Community Redevelopment Law.

EXECUTIVE SUMMARY

The Oakland Redevelopment Successor Agency (Agency) presents the FY 2014-15 Annual Report on Blight, Loans, Property, and Time Limits as required by California State Law. All active Agency projects in this report have prior approval from the following governing bodies: the California State Department of Finance approves the Recognized Obligation Schedule, the Oversight Board, and the City Council. Although Redevelopment was eliminated effective February 1, 2012, the reporting requirements are governed by the California Community Redevelopment Law, Health and Safety Code Section 33080.

BACKGROUND / LEGISLATIVE HISTORY

On December 29, 2011, the California Supreme Court upheld state legislation, ABx1 26, which dissolved all redevelopment agencies in California as of February 1, 2012.

On January 10, 2012, the City Council designated the City of Oakland to serve as the Oakland Redevelopment Successor Agency (ORSA) and the housing successor to the former Redevelopment Agency. As the governing body of ORSA, the City Council is required to comply with existing Redevelopment laws.

The California Community Redevelopment Law, Health and Safety Code Section 33080, requires every redevelopment agency to present annual reports to the legislative body (i.e., the City Council) on activities to alleviate blight. Additionally, Section 33080.1 requires every redevelopment agency to present annual reports on property, project time limits, and all defaulted loans for the previous year. Redevelopment law is still applicable and must be complied with except for those provisions such as preparation of the Statement of Indebtedness and the Housing and Community Development (HCD) report on activities that were repealed by the dissolution law.

Item: _____
CED Committee
December 1, 2015

ANALYSIS AND POLICY ALTERNATIVES

The Blight Report (**Attachment A** and **Table 1**) summarizes the Implementation Plans and Agency's progress in alleviating blight for six of ten active redevelopment project areas. FY 2014-15 project and program activities included: assisting with the development of vacant and underutilized properties through land assembly, environmental assessments and clean-ups, and marketing to developers. Public improvements to infrastructure included lighting, streetscape, and public facility upgrades. Low cost loans and grants were available to improve blighted structures and decrease vacancies through a variety of commercial and community programs.

The following FY 2014-15 major blight alleviating activities are highlighted by project areas below:

Table 1

Acorn	
Plan terminated Jan 1, 2012	
Broadway/MacArthur/San Pablo	
Category	Activities
Project Development	<ul style="list-style-type: none"> • MacArthur Transit Village – Site construction of BART Garage was completed. FY 2014-15 • 2 Façade Improvement projects and 2 Tenant Improvement projects were completed FY2014-15
Public Improvements	<ul style="list-style-type: none"> • Golden Gate Recreation Center and Mosswood Teen Center – Design work underway
Planning	<ul style="list-style-type: none"> • Broadway/Valdez Specific Plan – Plans and the Environmental Impact Report (EIR) were completed
Central City East	
Category	Activities
Project Development	Opportunity sites held for future development: <ul style="list-style-type: none"> • Foothill/Seminary Ave • 73rd and Foothill Blvd • 27th and Foothill Blvd • 36th and Foothill Blvd • 105th and MacArthur Blvd • 1 Façade Improvement project was completed FY2014-15 • 6 Façade/Tenant Improvement applications were received

Public Improvements	Streetscapes under construction: <ul style="list-style-type: none"> • Foothill/Fruitvale Phase II: Foothill Blvd from 35th Ave to Fruitvale Ave – under construction • Foothill/Seminary – Streetscape project substantially completed • 14th Avenue Streetscape project – Notice to Proceed issued to contractor. Project to commence construction fall 2015 • Foothill/High/Melrose – Two separate nodes along Foothill Blvd with one at High Street and second at Fairfax- under construction
Central District	
Category	Activities
Project Development	<ul style="list-style-type: none"> • Key System Building Owner Participation Agreement – Due to the low rents in the Oakland office market the project continues to be infeasible and the developer is negotiating an amendment to extend the schedule • City Center T-12 Disposition and Development Agreement (“DDA”) – In negotiations to amend the DDA to extend the term. Developer also working on reinstating Planning Entitlements and Building Permits • City Center T-5/6 DDA substantially negotiated and awaiting approval for two phased project. Phase I is 225 residential units with ground floor retail; and Phase II is 200-300 room hotel with ground floor retail • SEARS Lease DDA - Assigned the DDA to the new owner of the Sears Building and are working with the developer to amend the agreement • 29 Façade Improvement projects were completed and/or are under construction. 33 Tenant Improvement projects were completed and/or are under construction
Public Improvements	<ul style="list-style-type: none"> • Basement Backfill and Repair Program - Three projects completed or in construction, and are being redesigned or are in the bid phase • Proposition 1C - Infill and Infrastructure Grant Funded Projects - BART 17th Street Gateway and Public Art 17th Street Entry have been completed; Latham-Telegraph Streetscape, San Pablo Corridor streetscape and San Pablo Corridor LED Lighting Upgrade Project are or are about to be under construction; and Old Oakland project ready for bidding

Coliseum	
Category	Activities
Project Development	Catalyst Development Projects: <ul style="list-style-type: none"> • Coliseum City – Continued negotiations for new stadium and mixed use retail, hotel and residential development on Coliseum site • Coliseum Transit Village Phase I – Planned mixed income project envisions 110 rental units on 1.3 acre portion of Coliseum BART parking lot • Fruitvale Transit Village Phase IIA & IIB – Planned mixed income project envisions 275 rental units on 3.4 acre Fruitvale BART parking lot • Long Range Property Management Plan (LRPMP) Coliseum parcels retained for future development • 1 Façade and 1 Tenant Improvement Projects were completed FY 2014-15 • 11 Façade and Tenant Improvement applications were received
Oak Center	
Plan terminated Jan 1, 2012. No activities.	
Oak Knoll	
Property management activities continued.	
Oakland Army Base	
Category	Activities
Planning	<ul style="list-style-type: none"> • Completed the construction management plan component of the Mitigation Monitoring and Reporting Program Project Manual • With the approval of the State Lands Commission, transferred ownership to the City of Parcel E, a trust encumbered piece of land • Negotiated a Lease Disposition and Development Agreement for the development of a maritime-related truck depot on approximately 17 acres of land • Negotiations started for Disposition and Development Agreements with 2 West Oakland recycling firms to relocate and redevelop two new facilities
Public Improvements	<ul style="list-style-type: none"> • Utilizing a California Transportation Commission \$176.3 million grant award from the State of California Trade Corridor Improvement Fund, the construction of public backbone infrastructure improvements and site preparation to support

	<p>vertical development commenced in October 2013</p> <ul style="list-style-type: none"> • Under the Property Management Agreement and Design-Build Construction Contract, approximately 60% of the new public improvements were completed in FY 2014-15 • Also in FY 2014-15, the process for permitting three of five planned billboards was initiated. These billboards will generate revenue to help fund the West Oakland Job Resource Center. • The Port began construction of a new rail yard that will help serve City development at the former Oakland Army Base
Stanford Adeline	
Tax collection limit was reached. No activities.	
West Oakland	
Category	Activities
Planning	<ul style="list-style-type: none"> • West Oakland Specific Plan – effective July 15, 2014 and final hearing at the City Council on July 29, 2014
Public Improvements/Infrastructure	<ul style="list-style-type: none"> • 7th St Streetscape – “Blues Walk of Fame” bronze plaques installation for Phase I completed January 2015; Phase II design documents advancing toward 95%

The **Loan Report (Attachment B and Table 2)** for FY 2014-15 is summarized below. For fiscal year ending June 30, 2015, there were no changes to the \$46M allowance for uncollectible loans and no new defaulted loans.

Table 2

Oakland Successor Redevelopment Agency			
Notes and Loans Receivable			
Fiscal Year ending June 30, 2015			
Category	Ending Balance	Allowance for Doubtful Accts	Net
Coliseum	851,306		851,306
Broadway/MacArthur/San Pablo	820,000		820,000
Central District	56,892,757	(45,511,532)	11,381,224
Non-Major Governmental Funds	1,831,643	(1,163,488)	668,155
Grand Total	60,395,705	(46,675,020)	13,720,685
Gross Notes and Loans Receivable			60,395,705
Allowance for Uncollectibles			(46,675,020)
Total Notes and Loans Receivable			13,720,685

The **Property Report** (*Attachment C* and *Table 3*) for FY 2014-15 is summarized below.

As of June 30, 2015, ORSA has a total \$2.8 million for one property held for resale. On July 2, 2013, the City approved Resolution No. 2013-0022 C.M.S. for a Long-Range Property Management Plan ("LRPMP") addressing the disposition and use of former redevelopment properties and authorizing the disposition of properties pursuant to the plan, subsequently, the oversight Board followed suit on July 15, 2013 with approving Resolution No. 2013-014 for the same. Consequently, one Agency property is listed below:

Table 3

Oakland Redevelopment Successor Agency Property Report Fiscal Year 2015		
	Description	Amount
<u>Central District</u>		
	SNK 9th and Franklin	2,818,000
	Total Central District	2,818,000
	GRAND TOTAL	2,818,000

The **Time Limits Report (Attachment D and Table 4 below)** summarizes all the pertinent dates, since inception, by each redevelopment project area. Included in the table below are the original and amended adoption dates, the debt incurrence limits, the implementation and plan termination dates, the limits for eminent domain, bonds and tax increment, and the affordable housing production (inclusionary) requirement, if applicable.

**Plan Limit Termination Dates
Table 4**

PROJECT AREA	ADOPTION DATE	DEBT INCURRENCE LIMIT	PLAN TERMINATION	TI RECEIPT LIMIT	EMINENT DOMAIN LIMIT ¹	IMPLEMENTATION PLAN PERIOD	BOND LIMIT	TI LIMIT	INCLUS. HSG?
Acorn	11/3/1961	1/1/2004 ²	1/1/2012	1/1/2022	12/16/1998	12/8/2009-12/8/2014	N/A	\$30M	NO
Broadway/MacArthur/San Pablo	7/25/2000	7/25/2020	7/25/2030 ³	7/25/2045 ³	7/25/2012	12/8/2009-12/8/2014	\$100M	N/A	YES
Central City East	7/29/2003	7/29/2023	7/29/2033 ³	7/29/2048 ³	7/29/2015	7/29/2013-7/29/2018	\$2.3B	N/A	YES
Central District – original project area	6/12/1969	Eliminated on 1/6/2004	6/12/2023	6/12/2033	6/12/2023	12/8/2009-12/8/2014	N/A ⁴	\$3B	YES
Central District – Brush & MLK amendment area	7/24/2001	7/24/2021	7/24/2033	7/24/2048	7/24/2023	12/8/2009-12/8/2014	N/A	N/A	YES
Coliseum – original project area	7/25/1995	7/25/2015	7/25/2027	7/25/2042	7/25/2019	12/8/2009-12/8/2014	\$300M	N/A	YES
Coliseum – Kennedy/Fruitvale amendment area	7/29/1997	7/28/2017	7/29/2028	7/29/2043	7/25/2019	12/8/2009-12/8/2014	Same as above	N/A	YES
Oak Center	11/30/1965	1/1/2004 ²	1/1/2012	1/1/2022	12/16/1998	12/8/2009-12/8/2014	N/A	\$12,572,000	NO
Oak Knoll	7/14/1998	1/21/2029 ⁵	1/21/2040	1/21/2055	1/21/2021	12/19/2011-12/19/2016	\$400M	\$1.5B	YES
Oakland Army Base	7/11/2000	6/30/2022	6/30/2033	6/30/2048	6/30/2014	7/11/2010-7/11/2015	N/A	\$506,400,000	YES
Stanford/Adeline	4/10/1973	1/1/2004 ²	4/10/2016	4/10/2026	12/16/1998	12/8/2009-12/8/2014	N/A	\$1,625,000	NO
West Oakland	11/18/2003	11/18/2023	11/18/2033 ³	11/18/2048 ³	11/18/2011	11/18/2008-11/18/2013	\$640M	N/A	YES

¹ This time limit may be extended by plan amendment.

² Under SB 211, these debt incurrence limits may be eliminated by ordinance; limited pass-through applies. Debt incurrence limits for low/mod housing were eliminated for Acorn, Oak Center, and Stanford/Adeline in 2006.

³ The plan termination and TI receipt dates for the Broadway/MacArthur/San Pablo, Central City East, and West Oakland can be extended by one additional year for 03-04 ERAF payments made.

⁴ There is a bonded indebtedness limit of \$100M for the Central District 1982 amendment area.

⁵ Debt incurrence limit is 20 years after \$100k TI threshold is reached, plan termination limit is 31 years from threshold, TI receipt limit is 46 years from threshold, and eminent domain limit is 12 years from threshold. \$100k TI threshold for Oak Knoll was reached on 1/21/2009.

FISCAL IMPACT

This is an informational report and there are no fiscal impacts.

PUBLIC OUTREACH / INTEREST

Agency activities presented in this report have prior City Council approval and public input is sought throughout all phases of redevelopment activities and projects.

COORDINATION

All reported activities have prior City Council approval. This report has been reviewed by the Office of the City Attorney and by the Budget Office. Additionally, Agency projects are approved by the State of California through the Recognized Obligation Schedule (ROPS) and the Oversight Board. In addition, Agency staff coordinates with a variety of City Departments including Planning and Building, the Office of Public Works, and the Oakland Police Department. Agency projects require collaborating with a variety of internal and external bodies including neighborhood groups and individuals, businesses, and local, regional and state bodies, commissions and groups.

SUSTAINABLE OPPORTUNITIES

Economic: There are no economic opportunities associated with this report.

Environmental: There are no environmental opportunities associated with this report

Social Equity: There are no social equity opportunities associated with this report.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Agency Board ("City Council") receive the Informational Report Presenting the Oakland Redevelopment Successor Agency FY 2014-15 Annual Report on Blight, Loans, Property, and Time Limits in Accordance with the Reporting Requirements of the California Community Redevelopment Law.

For questions regarding this report please contact Donna Howell, Administrative Services Manager, at (510) 238-3852.

Respectfully submitted,



Mark Sawicki, Director, Economic and Workforce Development Department

Prepared by:

Donna Howell, Administrative Services Manager, Economic and Workforce Development Department

Attachments Attachment A: Blight Reports by Redevelopment Project Area
Attachment B: Loans Receivable Report
Attachment C: Property Report
Attachment D Times Limits Table

ATTACHMENT A

BROADWAY/MACARTHUR/SAN PABLO FY 2014-2015 BLIGHT REPORT

HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT (IMPLEMENTATION PLAN 2009-2014)

The leading indicators of blight in the Broadway/MacArthur/San Pablo Redevelopment Project Area include underutilized and vacant land, deteriorated and dilapidated buildings, high rates of vandalism and crime, high commercial vacancies, inadequate public improvements, and lack of private investment.

The Agency will focus on the following strategies to eliminate blight in the Broadway/MacArthur/San Pablo Redevelopment Project Area:

- A. Assist with the development of vacant and underutilized properties through land assembly, environmental assessments and clean-ups, and marketing to developers.
- B. Make public improvements to project area infrastructure including lighting, streetscape, and public facility upgrades.
- C. Supply low cost loans and grants to improve blighted structures and decrease commercial vacancies through programs such as the Façade Improvement Program and the Tenant Improvement Program.

BLIGHT ALLEVIATING ACTIVITIES IN FY 2014-15

Activities to reduce blight within the Broadway/MacArthur/San Pablo Project Area in FY 2014-15 include:

1. MacArthur Transit Village: The Redevelopment Agency is working with MacArthur Transit Community Partners to develop a transit village at the MacArthur BART Station on the BART surface parking lot. The project will offer a mix of high-density residential units (both market-rate and below-market rate), neighborhood serving retail, and community space. Construction on the replacement BART garage commenced in August 2012 and was completed in late August 2014. The affordable housing project started construction in September 2013 and is anticipated for completion in winter 2015.
2. Commercial Façade and Tenant Improvement Programs: The Redevelopment Agency established a Commercial Façade Improvement Program and a Tenant Improvement Program in the project area. The Façade Improvement Program and Tenant Improvement Program offer matching grants depending on the square footage of the commercial space. In addition, both programs offer free architectural assistance up to \$5,000 to participating property owners and businesses. Since the inception of the programs, 53 Façade Improvement projects and 20 Tenant Improvement projects have been completed. In FY 2014-15, four (4) Façade and Tenant Improvement projects were completed.

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3. Broadway/Valdez Specific Plan: In 2008, the Redevelopment Agency contributed funds for the preparation of a specific plan to analyze retail and housing opportunities for the reuse of key properties in the Broadway Auto Row portion of the redevelopment area. Work on the specific plan began in FY 2008-09 and will end in FY 2014-15. The Broadway/Valdez Specific Plan was adopted by City Council on July 1, 2014.
4. Public Facility Improvements: In January 2012, contracts were executed for extensive renovations to the Golden Gate Recreation Center and a new teen center at Mosswood Park. Design work is underway on both projects. The Golden Gate Recreation Center improvements will be completed in December 2015.
5. Commercial Loan Program: The program did not provide any loans during the FY 2014-15 reporting period.

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CENTRAL CITY EAST REDEVELOPMENT FY 2014-2015 BLIGHT REPORT

HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT (IMPLEMENTATION PLAN 2013-2018)

The Central City East (CCE) Project Area proposes to concentrate its blight elimination activities by focusing on the following remaining projects and programs:

- A. Stimulate in-fill development on underutilized and vacant City properties in the Project Area.
- B. Improve transportation, public facilities and infrastructure throughout the Project Area.
- C. Revitalize neighborhood commercial areas and strengthen retail in the Project Area.

BLIGHT ALLEVIATING ACTIVITIES IN FY 2014-15

Due to the elimination of Redevelopment, the CCE Project Area in FY 2014-15 participated in the following limited activities: adhere to the adopted Long Range Property Management Plan (LRPMP) for its former Agency parcels and development projects; follow the Bond Spending Plan; prepare the State's Recognized Obligation Payment Schedule (ROPS) reporting schedules; continued wind-down of various streetscapes and infrastructure projects; continue existing Façade and Tenant Improvement Projects; and continue on-going maintenance activities of the City's former Agency parcels.

1. Disposition Strategy of CCE Parcels: The former Agency acquired a number of key opportunity sites in the CCE Project Area for the purpose of future development. A Long Range Property Management Plan (LRPMP) was prepared to identify key sites that were to be retained in an effort to pursue future development opportunities. The entire LRPMP was submitted and adopted by the State Department of Finance.
 - Seminary Point: City signed a Lease and Disposition Development Agreement with Sunfield Development for a 27,000 square foot neighborhood commercial project located at Foothill and Seminary Avenue. In addition, Oakland Renaissance New Market Tax Credit (ORNMTTC) allocated approximately \$14M in tax credits to the project.
2. Streetscapes and Infrastructure Improvement Projects: Streetscape and infrastructure improvement projects were continued as part of the completion and wind-down of projects that were previously under contract include:

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- Foothill/Fruitvale Phase II: Phase II is currently under construction along Foothill Boulevard from 35th Avenue towards Fruitvale Avenue and is currently scheduled to be substantially completed by winter 2015.
 - Foothill/Seminary: The Foothill Seminary streetscape project was substantially completed in the summer of 2015. The estimated total construction cost for the project was approximately \$5.5M.
 - 14th Avenue: A design/build contract was awarded to Ray's Electric for the 14th Avenue Streetscape Project which extends from International Boulevard to E. 19th Street. Final authorization was approved by the State of California, and the City plans to issue a Notice to Proceed to Commence Construction in fall 2015.
 - Foothill/High/Melrose: A design/build contract was awarded to McGuire and Hester for the Foothill/ High/Melrose Streetscape Project and the design phase was 100% completed. Final authorization was approved by the State of California, and the project commenced construction in 2015.
3. Façade and Tenant Improvement Programs: One (1) Façade Improvement Project was completed and a total of six (6) new Façade and Tenant Improvement Project applications were received in the CCE Project Area during FY 2014-2015.
4. Blight Abatement Programs: The CCE Project Area continues to address maintenance, graffiti, and blight related issues through a small contract with Men of Valor, which is a local community-based organization. The City also offsets the maintenance costs of its former Redevelopment Agency parcels through this contract and has allocated a small portion of remaining bond funds in order to continue maintaining the properties.

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CENTRAL DISTRICT REDEVELOPMENT PROJECT FY 2014-2015 BLIGHT REPORT

HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT (IMPLEMENTATION PLAN 2009-2014)

On December 29, 2011 the California Supreme Court upheld state legislation, ABx1 26, which dissolved all redevelopment agencies in California as of February 1, 2012.

On January 10, 2012, the City Council designated the City of Oakland to serve as the Oakland Redevelopment Successor Agency (ORSA) and the housing successor to the former Redevelopment Agency. The City Council as governing body of ORSA has adopted a bi-annual Recognized Obligation Payment Schedule (ROPS) listing the remaining enforceable obligations of ORSA, including many obligations related to activities in the Central District Project Area.

As a result, ORSA initiated the process under the dissolution legislation to unwind the affairs of the dissolved Redevelopment Agency. Existing obligations still include many activities to eliminate physical and economic blight conditions in the Central District Project Area by completing the construction of public improvements and facilities, and meeting the former Agency's contractual obligations with private partners to develop vacant and/or underutilized properties.

BLIGHT ALLEVIATING ACTIVITIES IN FY 2014-15

Activities to reduce blight within the Central District Project Area in FY 2013-14 include:

1. Proposition 1C - Infill and Infrastructure Grant Funded Projects: The Latham-Telegraph Streetscape Project (Latham Square to 20th Street and Telegraph Avenue) has been reactivated due to the successful completion of the Basement Backfill and Repair Program (BBRP) project. The streetscape project is underway with completion anticipated in spring 2016. The Old Oakland Project has been repackaged and is ready for advertising and bid in fall of 2015. The San Pablo Corridor Streetscape Project is underway. The San Pablo Corridor LED Lighting Upgrade Project has been awarded by Council with a construction contract in process. The Uptown Pilot Wayfinding Signage Project Design Guidelines have been completed and construction of the physical signage is anticipated to be completed in spring 2016.
2. BART 17th Street Gateway and Public Art 17th Street Entry: Both projects have been completed.
3. Basement Backfill and Repair Program (BBRP): The BBRP provides grants and loans to property owners for structural repair and/or backfill of basements under the sidewalks in the program's target areas where streetscape projects are planned. Three projects have been completed or are underway. For the 11 remaining projects, a new City program has been adopted, mirroring the old Oakland Redevelopment Successor Agency's (ORSA)

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program with the exception that all funding assistance will be grants instead of loans. These projects are being redesigned or are in the bid phase.

4. Downtown Façade and Tenant Improvement Programs: The Façade and Tenant Improvement Programs provide \$5,000 in design services and matching grants for façade or tenant improvements to attract retail, restaurants, arts, and entertainment uses to vacant storefronts in designated areas of downtown. In FY 2014-15, 29 façade projects and 33 Tenant Improvement projects were completed or started construction. ORSA used \$703,000 of its funds toward façade projects, leveraging \$2,080,000. ORSA also used \$1,039,000 of its funds toward tenant improvement projects, leveraging \$5,972,000.
5. Key System Building Owner Participation Agreement: This project includes renovation of the historic Key System building and its integration into a new high-rise mixed-use office tower to be developed on an adjacent vacant site. The project is subject to the terms of an expanded Owner Participation Agreement (OPA) with SKS Investments. As the office market in Oakland continues to lag, SKS Investments has requested another extension for performance deadlines. Staff will submit a request for an assignment of ORSA's rights and responsibilities under the OPA to the City for approval to ORSA, the Oversight Board and DOF during FY 2015-16, followed by a City amendment to the OPA to extend development deadlines.
6. City Center Disposition and Development Agreement: This project includes four (4) City blocks, two of which were transferred to private developers (Shorenstein and the Olson Company) that completed the development of an office tower (555 12th Street), and a for-sale residential project on cite T-10 (14th Street and Jefferson Street). In preparation for the construction of a 600,000 square foot office building excavation and hazardous materials remediation were completed in November 2008. The developer subsequently stopped project construction because of a deteriorating office market and the recession. In April 2015 Shorenstein provided notice that it began re-entitling the project and preparing to submit for building permits. Shorenstein requested that the Disposition and Development Agreement (DDA) be amended to extend the schedule. In FY 2015-16 the Agency will submit legislation to the Oakland Oversight Board to adopt a resolution approving the assignment to the City of Oakland of ORSA's rights and obligations under the City Center DDA. Shorenstein gave up development rights on the fourth block, commonly referred to as City Center T-5/6, and the City entered into an exclusive negotiating agreement (ENA) with Strada T5 LLC, a limited liability company set up by Strada Investment Group (Strada) to develop the site. Strada is proposing a two phase project with at least 225 residential units and ground floor retail in Phase I and a 200-300 key hotel in Phase II. The revised entitlements and DDA are expected to both be approved in FY 2015-16.
7. SEARS - Lease Disposition and Development Agreement: On October 18, 2005 the Redevelopment Agency entered into a Lease Disposition and Development Agreement (LDDA) with Sears Development Company for the development of an automotive service facility at 2000-2016 Telegraph Avenue and 490 Thomas L. Berkley Way (the LDDA Property). In July 2014, Sears sold its department store in downtown Oakland to W/L Broadway Telegraph Owner VII, LLC (BTO). Sears requested that the LDDA be

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assigned to BTO or an affiliate to assume responsibility for development of the LDDA Property. BTO asked that the LDDA be amended to extend missed development deadlines. On September 29, 2014 the Oakland Oversight Board approved legislation and ORSA had amended the agreement to:

- Assign the LDDA to BTO, an affiliated entity, an affiliate of Lane Partners, LLC, or an affiliate of Walton Street Capital, LLC.
- Extend development deadline by up to 96 months changing it from the currently stipulated date of October 2010 to October 2018.
- Reduce a contingent payment obligation to BTO from \$1,600,000 to \$1,575,000.
- Require payment of \$100,000 to ORSA as consideration for the assignment and extension.

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COLISEUM REDEVELOPMENT FY 2014-2015 BLIGHT REPORT

HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT (IMPLEMENTATION PLAN 2009-2014)

Leading indicators of blight in the Coliseum Redevelopment Project Area include obsolete and underutilized land, poor transportation circulation and connections, and lack of private investment.

Due to the elimination of Redevelopment, Coliseum Project Area activities have been limited to the wind-down and close out of existing capital projects and programs that in the past have helped mitigate physical and economic blight in the Coliseum Project Area.

Strategies used to help correct these factors include:

- A. Expenditures to improve intermodal transportation opportunities, public facilities, and infrastructure in residential, commercial, and industrial areas.
- B. Maintain and promote former Redevelopment properties to create new catalyst projects.
- C. Address on-going blight conditions through various neighborhood programs.

BLIGHT ALLEVIATING ACTIVITIES IN FY 2014-15

CATALYST DEVELOPMENT PROJECTS

1. Coliseum City: The sports venue and mixed use entertainment development effort continued through various exclusive negotiating agreements and separate specific planning under California Environmental Quality Act (CEQA) and Environmental Impact Review (EIR) processes in an effort to retain Oakland's professional sports teams. The process has involved examining alternative proposals for a number of master planned sports and entertainment venues. Coliseum City proposes a new football only stadium as well as a new ballpark along with commercial, science and technology, hotel, and housing on the Coliseum site.
2. Coliseum Transit Village Phase I: Coliseum Transit Village Phase I consists of a planned mixed-use transit oriented development centered on a 1.3 acre portion of the existing Coliseum BART Station parking lot. The project is a collaborative effort with BART, City of Oakland, Oakland Economic Development Corporation and Urban Core Partners. Phase I will replace a portion of the existing Coliseum BART parking lot with approximately 110 units of affordable and market rate housing. The project was awarded an \$8.5M Prop 1C Transit Oriented Development grant from the State of California.

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3. Fruitvale Transit Village Phase II: The City owns the 3.41 acre former BART surface parking lot at the Fruitvale BART Station. The fully entitled project calls for a total of 275 units of rental housing along E. 12th Street to be developed in two phases with Phase IIA consisting of 94 units and Phase IIB consisting of 181 units. The City partnered with the Unity Council and was awarded a \$4M Prop IC grant and the Unity Council was awarded a \$4M Prop IC loan.
4. Coliseum Long Range Property Management Plan Properties: The City owns a number of former Redevelopment properties throughout the Coliseum Project Area. Staff will continue working with developers and interested parties to further pursue development on the former Redevelopment Agency properties throughout the project area.

BLIGHT ABATEMENT PROGRAMS

5. Graffiti Abatement Programs: The City continues its partnership with Men of Valor which is an employment training program that assists formerly incarcerated individuals and provides valuable job skills while assisting the City with on-going maintenance of the former Redevelopment Agency owned parcels in the Coliseum Project Area.

NEIGHBORHOOD AND COMMERCIAL DISTRICT IMPROVEMENT PROGRAMS

6. Façade and Tenant Improvement Programs: Programs offer limited architectural assistance and matching grants for improvements to commercial property on major commercial corridors in the project area. The Façade Improvement Program (FIP) provides grants for the storefront and building exteriors and the Tenant Improvement Program (TIP) provides grants for interior spaces. One (1) FIP and one (1) TIP project were completed, and approximately eleven (11) new FIP/TIP applications were received in FY 2014-15.

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OAK KNOLL FY 2014-2015 BLIGHT REPORT

HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT

The current Oak Knoll Development Plan is designed to enable implementation of the Final Reuse Plan. The integrated development program will:

- A. Help to eliminate physical blighting conditions.
- B. Upgrade buildings and infrastructure to enhance the health, safety, and welfare of the community.
- C. Create a better living and working environment for the community.
- D. Enhance the City's recreational facilities and opportunities, open space, cultural and arts facilities, and protection of wildlife habitat.
- E. Increase employment opportunities.

BLIGHT ALLEVIATING ACTIVITIES IN FY 2014-15

Activities to reduce blight within the Oak Knoll Project Area in FY 2014-15 include:

- 1. Continued work with the developer, Sun Cal and collaboration with the City's Bureau of Planning and Zoning on resuming the entitlement process for the newly redesigned concept plan for the planned residential community.
- 2. Continued negotiations with Sun Cal and the City's Office of Housing and Community Development regarding the developer's interest in the former Redevelopment Agency owned 5 acre parcel.

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OAKLAND ARMY BASE FY 2014-2015 BLIGHT REPORT

HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT (IMPLEMENTATION PLAN 2015-2020)

The Oakland Army Base Redevelopment Project Area was established in 2000 and includes 1,800 acres in the western portion of Oakland, located along a traditionally industrial waterfront area. The Project Area is divided into three sub-districts: (1) Oakland Army Base Sub-District: the former Oakland Army Base, closed by the Army in 1999 and transferred to the Oakland Redevelopment Agency (Agency) and the Port of Oakland (Port) in August 2006; (2) Maritime Sub-District: land containing the Port of Oakland's existing marine terminal facilities and related infrastructure along the Outer Harbor and Inner Harbor channels, as well as a former Naval Supply Center previously conveyed to the Port of Oakland; and (3) 16th and Wood Sub-District: the underutilized commercial and industrial area where new mixed-use housing is being built along with the renovation of the historic 16th Street Train Station.

On March 3, 2011 the Agency and the City of Oakland (City) entered into a Purchase and Sale Agreement (PSA) whereby the Agency agreed to sell and convey the Agency-owned portion of the Army Base, excepting a Tidelands Trust encumbered parcel identified as Parcel E, to the City, and the City agreed to accept assignment of all agreements related to the property. On December 29, 2011, the California Supreme Court upheld state legislation, ABx1 26, which dissolved all Redevelopment Agencies in California as of February 1, 2012. On January 31, 2012, the City closed escrow under the Agency-City PSA and took title to the Agency-owned portion of the Army Base to maintain control of the property's development and ensure that enforceable obligations continue to be met.

Parcel E, which is limited to Trust consistent uses, was transferred to the Oakland Redevelopment Successor Agency (ORSA) upon the dissolution of the Agency. ORSA approved the transfer of Parcel E to the City contingent upon approval by the State Lands Commission, which was given on June 21, 2013. On August 29, 2013, ORSA transferred Parcel E along with any interests in the property to the City.

The City will continue to focus on eliminating physical and economic blight conditions through: (1) the construction of new public improvements and utilities, and (2) negotiating agreements with private developers for the redevelopment of improved development parcels. The Redevelopment Plan and Five-Year Implementation Plan identify the following activities for each of the sub-districts:

- A. Oakland Army Base Sub-District - Site preparation, including demolition/deconstruction, environmental remediation, and reconfiguration and replacement of utility systems; installation and/or upgrade of new roads, traffic signals, and other traffic infrastructure; rail system modifications; and advancement of various economic development projects.
- B. Maritime Sub-District - Construction of an Outer Harbor Intermodal Terminal; new roadways and intersections; roadway and rail improvements; and expansion of maritime facilities.

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- C. 16th and Wood Sub-District - Renovation of the historic 16th Street Train Station; meeting historic preservation goals; meeting affordable housing requirements; transportation and transit-related improvements; open space and site improvements.

BLIGHT ALLEVIATING ACTIVITIES IN FY 2014-15

Activities taken to reduce blight within the Oakland Army Base Redevelopment Project Area in FY 2014-15 include:

OAKLAND ARMY BASE SUB-DISTRICT

1. Public Improvements: On behalf of the City, the City's Agent for the Army Base Project executed a design/build contract with a joint-venture general contractor for the construction of the public improvements at the Army Base in 2013. The first phase of public improvements consisting of grading and drainage, replacement of utilities, and roadway improvements, was initiated in 2014. The second phase of improvements consists of wharf and rail access improvements, and site preparation, including earthwork and soil stabilization was initiated in 2015. Following these improvements will be "vertical" or private investments in site development and new buildings for specific users, which is expected to begin in 2016. Approximately 60% of the public improvements were completed in FY 2014-15.
2. Mitigation Monitoring and Reporting Program Project Manual: The City completed the construction management plan (CMP) component of the Mitigation Monitoring and Reporting Project Manual. Following public review, the City Administrator approved the CMP in November 2013. The CMP provides a consistent framework and set of guidelines under which construction is being implemented and is intended to address mitigation measures identified in the Standard Conditions of Approval/Mitigation Monitoring and Reporting Program for the Army Base development.
3. Maritime/Industrial Development: The City completed negotiating a Lease Disposition and Development Agreement for the development of a maritime-related truck depot on approximately 17 acres of land in the North and Central Gateway Areas. Services will include truck parking, trailer storage, weighing, administrative offices, maintenance, and fuel and food sales.
4. North Gateway Area Development: The City is negotiating Disposition and Development Agreements with two West Oakland recycling firms for the development of new facilities in the North Gateway Area of the Oakland Army Base Sub-District. After they have relocated their operations to the Army Base, the recyclers plan to redevelop their West Oakland properties with uses that are more compatible with the residential neighborhoods.

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B. MARTIME SUB-DISTRICT

5. Rail Yard Improvements: The Port is nearing completion on its first 35-acre rail yard that will connect the Port's Outer Harbor Intermodal Terminal (OHIT) to Union Pacific Railroad's existing mainline track system, the Port's Joint Intermodal Terminal, and the City's Gateway rail development. The rail yard will increase rail capacity on the Army Base from approximately 17 rail cars to 200 cars. Additionally, the yard will have 29,000 feet of new track capacity to handle two new unit trains, each up to 7,000 feet in length, per day.
6. New Roadways and Intersections: Improvements to roadways, intersections and signaling connecting the maritime terminals, and the planned Outer Harbor Intermodal Terminal on the Port's Development Area of the former Oakland Army Base are part of the Port's comprehensive plan. In addition, a grade separation at 7th Street to provide more efficient, higher capacity access to the harbor area may receive grant funding in the next couple of years.

16TH AND WOOD SUB-DISTRICT

7. Wood Street Zoning District: The Agency worked with four (4) developers to facilitate the development of approximately 1,300 units of housing (including affordable housing) on a 29-acre site. Three (3) projects were completed —Pacific Cannery Lofts, a 163-unit condominium project, in 2008; Ironhorse at Central Station, a 99-unit affordable housing project, in 2009; and Zephyr Gate, a 130-unit condominium project, in early 2011. The recession halted further activity until recently. Construction is underway for 171 townhouses at 1401 Wood Street. Planning entitlements are in process for two (2) other projects, approximately 100 units each at 1801 and 2001 Wood Street.

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WEST OAKLAND FY 2014-2015 BLIGHT REPORT

HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT (IMPLEMENTATION PLAN 2008-2013)

The West Oakland Redevelopment Plan proposed to eliminate the blighting conditions found in the project area by addressing issues of housing, land use, infrastructure, public safety, environmental health, equitable development, and historic preservation. Although West Oakland's Implementation Plan expired in November 2013 and was not renewed, the Agency continues to focus on the following strategies to eliminate blight in the West Oakland Redevelopment Project Area:

- A. Assist in the development of vacant and underutilized properties through marketing of the adopted West Oakland Specific Plan and certified Environmental Impact Report to developers.
- B. Make public improvements to project area infrastructure, including implementation of streetscape improvement plans.
- C. Supply grants to improve blighted private property and decrease commercial vacancies through programs such as the Façade Improvement and Tenant Improvement Programs.
- D. Supply grants to improve blighted property for community/public benefit through the Neighborhood Project Initiative Program.

BLIGHT ALLEVIATING ACTIVITIES IN FY 2014-15

Activities to reduce blight within the West Oakland Redevelopment Project Area in FY 2014-15 include:

1. West Oakland Specific Plan: In 2010 West Oakland Project Area Committee (WOPAC) recommended \$400,000 of Redevelopment funds to be used for the preparation of a specific plan and associated Environmental Impact Review (EIR) to provide a blueprint for public and private investment in the West Oakland Redevelopment Area. Particular attention was given to identify opportunity sites. In 2010 City staff applied and were awarded Transportation Investment Generating Economic Recovery (TIGER) II grant funding from the Department of Transportation to supplement this planning work. After City Council approval, City staff and the selected consultant team, JRDV International, began work on the Specific Plan in FY 2010-11 and this continued into FY 2013-14. A draft EIR and Specific Plan were released for public review in spring 2014. Following public hearings, including the Landmarks Preservation Board and Planning Commission in June 2014, the Specific Plan and EIR had its final hearing at the City Council on July 29, 2014 and became effective July 15, 2014. The zoning amendments became effective August 29, 2014.

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2. West Oakland Transit Village: In April 2013 the City entered into an Exclusive Negotiating Agreement (ENA) with West Oakland Development Group (WODG) to determine the feasibility of their proposal to develop housing on two Caltrans sites near the West Oakland BART Station. In April 2014 the ENA was extended for six months and expired in October 2014. Predevelopment activities for the site advanced during the 2014-15 period, including execution of an 18-month Option to Purchase Agreement (Option) between the City and Caltrans to purchase the site and WODG beginning a California Environmental Quality Act (CEQA) study of the project and submitting a planning application to the Bureau of Planning and Building. WODG's proposal is consistent with the West Oakland Specific Plan's vision for transit oriented development around the BART Station. In 2015-16, staff expects to exercise the Option if the project has received planning entitlements and CEQA approval and the City Council has approved a Disposition and Development Agreement.
3. 7th Street Streetscape Project: WOPAC prioritized the preparation of a Master Streetscape Plan for 7th Street intended to restore the traditional role of 7th Street as a local commercial and cultural center for the West Oakland community and strengthen its historical identity as a transportation hub through pedestrian, bicycle, and transit improvements around the West Oakland BART Station. In 2002-03, City staff began working with landscape architect Hood Designs and the West Oakland community to prepare a conceptual Master Streetscape Plan, funded by a \$185,000 Environmental Justice grant from Caltrans. Advance design and construction work were divided into two phases.

Phase I is the section of 7th Street between Union Street and Peralta Street. In April 2008 WOPAC recommended Redevelopment Agency funding to complete construction documents and to close the construction funding gap. In FY 2012-13 construction of Phase I was completed with the exception of one public art component; the final design and installation of the "Blues Walk Hall of Fame" which includes 85 bronze plaques on the 7th Street sidewalk outside of West Oakland BART Station. In 2013-14, staff worked with contractor to finalize the design and fabricate the 85 plaques. Installation began November 2014 and was completed by January 2015. On March 6, 2015 the City partnered with West Coast Blues Society to host a celebratory unveiling event of the plaques. The event was well attended by community members as well as City of Oakland elected officials, staff, and the media.

Phase II is the section of 7th Street between Peralta Street and West Street. In 2011-12, using Redevelopment funds, City staff initiated on-call consultant, UrbanDesign, to begin work on the established conceptual design, including preparation of the initial transportation study and traffic analysis. In 2012-13 UrbanDesign prepared 35% of design documents and staff applied for and were awarded One Bay Area Grant funding for the construction of *Phase II* in the amount of \$3.29M. In FY 2013-14, staff and UrbanDesign hosted a community meeting to provide updates on the latest design changes and solicit feedback. Design documents continued to advance to 65%. In FY 2014-15, construction design documents were advanced to 95% and staff started the

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application process for National Environmental Policy Act (NEPA) clearance. Construction is expected to begin February 2017.

4. Façade and Tenant Improvement Programs: The Redevelopment Agency established a Façade Improvement Program (FIP) and a Tenant Improvement Program (TIP) in the project area for property owners and businesses in 2005. These two programs offer matching grants depending on the size of the commercial space. Both programs also offer free architectural assistance up to \$5,000. Since the inception of the programs, 25 Façade Improvement projects and 16 Tenant Improvement projects funded by Redevelopment have been completed to date, which include the Mandela Foods Cooperative, PS Print, and People Community Partnership Federal Credit Union.

In May 2014 the first phase of improvements to Brown Sugar Kitchen was completed with a \$50,000 Redevelopment Agency grant. The second phase was completed in June 2015.

Since the dissolution of Redevelopment in January 2012, no new funding has been added to this program, however there continues to be some funding for façade improvement projects from the Community Development Block Grant Program (CDBG).

5. Neighborhood Project Initiative Program: The Redevelopment Agency adopted a Neighborhood Project Initiative (NPI) Program in West Oakland in 2008. The program offers capital grants up to \$75,000 for small-scale neighborhood improvement projects within the project area. Staff worked closely with the WOPAC to develop program guidelines, outreach for a "Call for Projects", and selection of projects. By January 2012 the program had funded 24 projects within the project area through three (3) rounds of grant awards. A total of 20 projects have been completed to date with one (1) project completed and three (3) terminated (due to infeasibility) in FY 2013-14.

The 20 completed projects include: landscaping/greening projects at locations throughout the Project Area, including: 27th Street median, Collin's Plaza, 40th Street median, West MacArthur median and spots throughout Longfellow neighborhood; security improvements including: security cameras at three (3) locations and speed bumps and exterior lights at Mead and Athens Streets; facility and façade improvements to cites including: Boys and Girls Club, City Slicker Farms, The Crucible, and the 3421 Hollis Street building; and a mural at the 580 freeway overpass on San Pablo Ave.

St. Andrew's Plaza improvement is the only NPI project that remains to be completed. It is stalled due to a need for greater coordination with community stakeholders and Oakland Public Works regarding the vision of how to best address the problems of this plaza within \$75,000 grant limit. In February 2015 staff applied for a grant from State Housing and Community Development and was awarded \$456,275 to fund the planning, design, and construction of a new plaza for St. Andrew's. \$30,000 of the original NPI grant was paid out in June 2015 to reimburse previous planning and design efforts led by the NPI grantee. The remaining \$45,000 is considered a local match to the State grant and is anticipated to fund demolition of the plaza.

ATTACHMENT B

**Oakland Successor Redevelopment Agency
Notes and Loans Receivable
Fiscal Year ending June 30, 2015**

Category	Ending Balance	Allowance for Doubtful Accts	Net
Coliseum	851,306		851,306
Broadway/MacArthur/San Pablo	820,000		820,000
Central District	56,892,757	(45,511,532)	11,381,224
Non-Major Governmental Funds	1,831,643	(1,163,488)	668,155
Grand Total	60,395,705	(46,675,020)	13,720,685
Gross Notes and Loans Receivable			60,395,705
Allowance for Uncollectibles			(46,675,020)
Total Notes and Loans Receivable			13,720,685

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**Table 2
Oakland Redevelopment Successor Agency
Property Report
Fiscal Year 2015**

Description	Amount
<u>Central District</u>	
SNK 9th and Franklin	<u>2,818,000</u>
Total	<u>2,818,000</u>

Attachment D

OAKLAND REDEVELOPMENT PROJECT AREAS SUMMARY -- 11/6/2015

PROJECT AREA	ADOPTION DATE	DEBT INCURRENCE LIMIT	PLAN TERMINATION	TI RECEIPT LIMIT	EMINENT DOMAIN LIMIT ¹	IMPLEMENTATION PLAN PERIOD	BOND LIMIT	TI LIMIT	INCLUS. HSG?
Acorn	11/3/1961	1/1/2004 ²	1/1/2012	1/1/2022	12/16/1998	12/8/2009-12/8/2014	N/A	\$30M	NO
Broadway/MacArthur/San Pablo	7/25/2000	7/25/2020	7/25/2030 ³	7/25/2045 ³	7/25/2012	12/8/2009-12/8/2014	\$100M	N/A	YES
Central City East	7/29/2003	7/29/2023	7/29/2033 ³	7/29/2048 ³	7/29/2015	7/29/2013-7/29/2018	\$2.3B	N/A	YES
Central District – original project area	6/12/1969	Eliminated on 1/6/2004	6/12/2023	6/12/2033	6/12/2023	12/8/2009-12/8/2014	N/A ⁴	\$3B	YES
Central District – Brush & MLK amendment area	7/24/2001	7/24/2021	7/24/2033	7/24/2048	7/24/2023	12/8/2009-12/8/2014	N/A	N/A	YES
Coliseum – original project area	7/25/1995	7/25/2015	7/25/2027	7/25/2042	7/25/2019	12/8/2009-12/8/2014	\$300M	N/A	YES
Coliseum – Kennedy/Fruitvale amendment area	7/29/1997	7/28/2017	7/29/2028	7/29/2043	7/25/2019	12/8/2009-12/8/2014	Same as above	N/A	YES
Oak Center	11/30/1965	1/1/2004 ²	1/1/2012	1/1/2022	12/16/1998	12/8/2009-12/8/2014	N/A	\$12,572,000	NO
Oak Knoll	7/14/1998	1/21/2029 ⁵	1/21/2040	1/21/2055	1/21/2021	12/19/2011-12/19/2016	\$400M	\$1.5B	YES
Oakland Army Base	7/11/2000	6/30/2022	6/30/2033	6/30/2048	6/30/2014	7/11/2010-7/11/2015	N/A	\$506,400,000	YES
Stanford/Adeline	4/10/1973	1/1/2004 ²	4/10/2016	4/10/2026	12/16/1998	12/8/2009-12/8/2014	N/A	\$1,625,000	NO
West Oakland	11/18/2003	11/18/2023	11/18/2033 ³	11/18/2048 ³	11/18/2011	11/18/2008-11/18/2013	\$640M	N/A	YES

¹ This time limit may be extended by plan amendment.

² Under SB 211, these debt incurrence limits may be eliminated by ordinance; limited pass-through applies. Debt incurrence limits for low/mod housing were eliminated for Acorn, Oak Center, and Stanford/Adeline in 2006.

³ The plan termination and TI receipt dates for the Broadway/MacArthur/San Pablo, Central City East, and West Oakland can be extended by **one additional year** for 03-04 ERAF payments made.

⁴ There is a bonded indebtedness limit of \$100M for the Central District 1982 amendment area.

⁵ Debt incurrence limit is 20 years after \$100k TI threshold is reached, plan termination limit is 31 years from threshold, TI receipt limit is 46 years from threshold, and eminent domain limit is 12 years from threshold. \$100k TI threshold for Oak Knoll was reached on 1/21/2009.