

OAKLAND REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND
AGENDA REPORT

2006 JUN 29 PM 9:31

TO: Office of the Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: July 11, 2006

**RE: Report and Resolution Authorizing the Agency Administrator to Take All
Actions Necessary to Establish the West Oakland Community Fund**

SUMMARY

The Oakland Army Base City Port Memorandum of Agreement (“City-Port MOA”) approved by the Oakland Base Reuse Authority (OBRA), the Agency, the City Council and the Port of Oakland in July 2003, provides for the creation of a West Oakland Community Fund (“WOCF” or “Fund”), which would assist with economic development in West Oakland, the neighborhood most directly impacted by closure of the Oakland Army Base. The City-Port MOA provides that if the Fund is created by August 2006, the Port will match the amounts contributed by the Agency, OBRA and the City of Oakland up to \$2 million. The OBRA Governing Body, the Agency Board, and the City Council have agreed in concept that their collective portion of the Fund would be contributed by the developers who are selected for the redevelopment of the Army Base.

City staff has commissioned a study of how funds such as the West Oakland Community Fund are established, administered and how the funds are commonly used. In July, 2004 a report titled “Conceptual Framework for the West Oakland Community Fund” was presented to the Agency’s Community and Economic Development Committee (CED) for consideration. Although CED Committee members expressed support for the Fund, they did not forward a recommendation to the Agency to establish it because there were no financial resources available at the time. The CED Committee reiterated that the City’s portion of the funds would be negotiated with developers during the redevelopment projects at the Army Base.

The City-Port MOA requires that the fund be “established” by August 2006. In order to meet this deadline, staff recommends that the Fund be established without an initial commitment of money, so that the Agency would have an additional year (until August 2007) to identify a funding source to contribute monies to the Fund. Under the provisions of the City-Port MOA, if the Fund is not established by August 2006, the Port would not be required to contribute to the Fund. Port, City and Agency representatives have agreed that the Agency may establish the WOCF with no initial endowment, as it provides more flexibility to all of the parties in the timing and sources of their contributions. The establishment of the Fund does not commit the Agency or the City to the recommendations in the 2004 Framework Report, nor does it set up any rules or administrative procedures about how the Fund would operate. This action merely fulfills the MOA provision and extends the time to complete the obligation. To secure the

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opportunity for a Port contribution to the Fund, staff is requesting that the Agency adopt a Resolution to establish the Fund with no initial endowment.

FISCAL IMPACT

The recommended action would lead to no fiscal impact, since it calls for no funding commitment at this time.

The City-Port MOA anticipates that the total amount of funding to be dedicated to the Fund would be \$4 million, shared equally between City of Oakland¹ and the Port of Oakland. The City's \$2 million contribution to the Community Trust Fund was intended to be made by the Redevelopment Agency's Army Base Master Developer when that entity is selected. In addition to the \$2 million project funding, the Agency must determine whether it would contribute any additional amounts for WOCF operating costs, including personnel, operating and monitoring services, or whether they would be covered by the Fund itself. In 2004, the National Economic Development and Law Center (NEDLC), the consulting team that prepared the Conceptual Framework, estimated that the annual operating costs would be \$125,000 to \$150,000 for the first year, and then approximately \$7,500 to \$10,000 in additional administrative costs the following year as WOCF projects are initiated. This operating budget, however, would be reevaluated once the Fund's specific operating characteristics are defined by the Agency.

KEY ISSUES AND IMPACTS

Purpose of the Proposed West Oakland Community Fund

The intent of the Fund is to provide an additional vehicle for West Oakland to benefit from development of the former Army Base since that neighborhood was impacted by closure of the Base. It presents a unique opportunity to leverage local economic development opportunities in a way that builds partnerships among community residents and the public, private and nonprofit sectors. It can serve the City of Oakland as another tool for West Oakland revitalization activities. A specific description of the potential uses of the Fund is presented in the attached July 13 2004 CED report.

Provisions of the City-Port MOA

The City Port MOA specifies the following regarding the Community Fund:

(d) Community Trust Contribution

If a Community Trust Fund is established by the City on or before the end of the Trust Period,² at the time the Community Trust Fund is fully funded (whether such funding

¹ The "City" as used in the MOA refers to the City, Agency and /or OBRA.

² "Trust Period": the period of three (3) years commencing with the Army Base Transfer Date (August 2003),

occurs before or after the end of the Trust Period), the Port shall pay fifty percent (50%) of the funds contributed to the Community Trust Fund, up to a maximum contribution from the Port of Two Million Dollars (\$2,000,000). Subject to the final sentence of this Section 2.2(d), the developer(s) of the Gateway Development Area,³ or the City, will contribute the balance of the funding. If no Community Trust Fund is so established on or before the end of the Trust Period, or subject to the last sentence of this Section 2.2(d), if it is not funded within one (1) year after the end of the Trust Period, the Port shall have no obligation to pay the contribution described herein. If the Community Trust Fund is established on or before the end of the Trust Period, and the City exercises the City Cash-Out Remedy, the Port shall be obligated to pay an aggregate of Four Million Dollars (\$4,000,000) into the Community Trust Fund as the Port and non-Port contributions to such Fund. If and to the extent required by the SLC,⁴ funds contributed by the Port to the Community Trust Fund shall be spent and accounted for in the manner required for funds encumbered by the State public trust.

Initial West Oakland Community Fund Establishment

The City-Port MOA specifies that the Fund must be established by August 2006 if the Port is to be required to match the Agency's contribution to the Fund. In order to retain the opportunity to maximize Fund resources, staff is requesting that the Agency establish the Fund prior to the August recess. The Port has agreed that the establishment of the fund, with no initial endowment, will trigger its obligation to match the City's contribution. A Resolution authorizing the Agency Administrator to create the West Oakland Community Fund as a program of the Agency is attached here.

The program would not be funded at the time of establishment; rather, staff would work toward funding the program over the next year (by August 2007) through its negotiations with prospective Army Base developers. The original intent was that the City's financial contribution to the Fund would be generated by the Master Developer selected for the Army Base; however, because the Agency is in negotiations with a number of individual project sponsors, funding would be secured from each developer.

during which the East Maritime Quitclaim Deed and the Port Sliver Properties Quitclaim Deed are held in trust pursuant to the Trust Agreements, provided, that the three (3) year period may be extended for up to two (2) additional years if elected by the City under certain specified circumstances.

³ "Gateway Development Area": the West Maritime Property, Port Sliver Properties (if the City elects to delete them from the Port Area, as referenced in Section 1.1(19) of the MOA), West Maritime Army Reserve Property, as more specifically described in Schedule 1.1(40) of the MOA and other property and property rights acquired by the City under the CalTrans I-880 Settlement.

⁴ "SLC": California State Lands Commission.

Staff will report their progress in securing funding from the Army Base developers to the Agency prior to August 2007. At that time, staff will also seek direction on the preferred operation and other important characteristics of the Fund.

PROJECT DESCRIPTION

As presented in July 2004, the proposed West Oakland Community Fund is another vehicle for supporting West Oakland revitalization activities; it does, however, pose a current financial challenge to the Agency. For this reason, both City and Port staff have agreed to an approach that extends the timeframe for securing financial resources to implement the Fund. Staff recommends that the Agency approve the attached resolution authorizing the establishment of the Fund by August 2006 with a \$0 balance, and that the Agency direct staff to take the necessary actions to secure the source of funding by August 2007.

SUSTAINABLE OPPORTUNITIES

This report does not include approval of any specific projects addressing sustainable opportunities; however, as individual proposals are submitted for West Oakland Community Fund financing, specific sustainable opportunities can be identified and incorporated into the proposals as a requirement for funding.

DISABILITY AND SENIOR CITIZEN ACCESS

This report does not include the approval of any specific projects or programs. Disability and senior access issues will be addressed when specific development plans are submitted for West Oakland Community Fund financing, and can be identified and incorporated into the proposals as a requirement for funding.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that the West Oakland Community Fund be established with no commitment of funds at this time. The concept of the Community Fund has a long history, beginning with the Agency's first consideration of an Army Base Master Developer in the late 1990s; provided for by the City, Agency, Port of Oakland and OBRA in the City-Port MOA in 2003; analyzed in a 2004 report commissioned by OBRA, and presented to the Community and Economic Development Committee shortly thereafter. The requested action would facilitate implementation of the Community Fund.


Deborah Edgerly

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ACTION REQUESTED OF THE AGENCY

Staff requests the Agency approve the Resolution establishing the West Oakland Community Fund with no commitment of funds at this time; staff additionally requests that the Agency indicate the amount it would wish to contribute to the Fund, in order to guide staff's negotiations with prospective Army Base developer funding sources over the next year.

Respectfully submitted,



CLAUDIA CAPPIO

Development Director, Community and
Economic Development Agency

Prepared by:

Elois A. Thornton, Planner IV
Oakland Base Reuse Authority Unit

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



OFFICE OF THE AGENCY ADMINISTRATOR

Attachment: 1) July 13, 2004 Report to the Agency Community and Economic Development Committee

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CITY OF OAKLAND
AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2004 JUL -1 PM 8:19

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: July 13, 2004

RE: Oakland Redevelopment Agency Consideration of a Proposal to Establish a West Oakland Community Fund (Community Trust)

SUMMARY

In June 1995, the Oakland Army Base (OARB) was recommended for closure by the Federal Base Realignment and Closure Act, providing an opportunity for the military base to be made available to the local jurisdiction for redevelopment. The Oakland Redevelopment Agency (Agency) decided to solicit proposals for a Master Developer for the Army Base. Because of the Agency's desire that development of the Base provide benefits to the adjacent West Oakland community, the Master Developer Request for Qualifications required all respondents to include a community participation component in their development proposal. The selected Master Developer Team proposed the establishment of a "Community Trust" that would provide funding for activities that benefited the community. Although the Master Developer approach has been postponed, subsequent actions have been taken by both the Oakland Base Reuse Authority (OBRA) and the Community and Economic Development Agency (CEDA) in accordance with directions given by former City administrators and representatives of the OBRA Governing Body, to pursue the development of a community trust. During the course of consideration for the community trust it was renamed the "West Oakland Community Fund" (WOCF) to better reflect a relationship to the West Oakland district. Following OBRA's recent review, the Agency (as the body responsible for implementing community revitalization efforts throughout Oakland's neighborhoods) is now being requested to consider the information and recommendations concerning the WOCF as contained in the attached report entitled "Conceptual Framework for the West Oakland Community Fund," June, 2004, attached.

The Community Fund proposal presents an ambitious vehicle for community revitalization. However, it also presents some significant funding and administrative concerns for the Agency. This staff report summarizes the major findings of the Conceptual Framework document and presents staff's recommendations for the project. The key issue now before the Agency is whether or not the WOCF should be pursued at this time and under what conditions and requirements. Accordingly, staff has identified five options for the Agency to consider:

- (1) Delay action on the proposal at this time and require any forthcoming OARB Master Developer to carry out a community trust model. Financial support for the Community Fund would be transmitted directly to the Fund by the Master Developer, in accordance with the timing and funding provisions specified in the OARB Memorandum of

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Agreement (MOA). The Master Developer would be responsible for instituting a WOCF model that could either be similar to that proposed in the Conceptual Framework Report or an alternate model that would provide a similar level of community benefits;

- (2) Decide to implement the proposal and fund it through OARB Redevelopment Project tax increment over a specified period (i.e., 3-5 years);
- (3) Accept the Conceptual Framework Report but take no further action to establish the WOCF at this time until details regarding development of the Oakland Army Base are finalized;
- (4) Incorporate the WOCF concept as a program within the OARB Redevelopment Plan and establish a special community committee to establish funding priorities and programs. This model would be similar to projects administered through the Community Development Block Grant program, where proposals are solicited in certain categories and under specific criteria as established by the community committee; or
- (5) Elect not to implement the proposal.

Given the previous, current and projected funding commitments for the OARB and the fact that there is not a Master Developer at this time, staff recommends that the Agency accept the report and take no further action at this time.

FISCAL IMPACT

Under the provisions of the OARB MOA (or "City-Port" MOA), four million dollars (\$4,000,000)--shared equally between City of Oakland¹ and the Port of Oakland--has been identified for the Community Fund. Specifically, the City's \$2.0 million contribution to the Community Trust Fund is intended to be made by the Redevelopment Agency's OARB Master Developer when that entity is selected. There were no provisions identifying a particular source of funds for the Port's Community Fund contribution. The \$4.0 million represents the total funds targeted for this project to date. Draft amendments to the MOA have been proposed by City and Port representatives to clarify that after the City and/or OARB developer and the Port have made their 50% payment (up to \$2 million), the parties shall have no further obligation to make contributions to the Community Fund. A key fiscal issue in this effort is whether the targeted \$4 million is intended to cover WOCF projects only, or whether total WOCF operating costs would also be covered by this amount. Additional funding would be required to provide personnel, operating and monitoring services for the WOCF if the \$ 4.0 million does not include administrative costs. Preliminary information from the National Economic Development and

¹ The "City" as used in the MOA refers to the City, Agency and /or OBRA.

Law Center (NEDLC) the consulting team that prepared the Conceptual Framework, estimates the annual operating costs for the project at \$125,000 to \$150,000 for the first year, and then approximately \$7,500 to \$10,000 in additional administrative costs the following year as WOFCF projects are initiated. This estimate is predicated on only one mid-level employee and minimal legal assistance for the first year. Following years would require no full time or part-time staff and only minimal legal and accounting support. Funding the City share of \$ 2.0 million will either result in the City receiving \$2.0 million less from land sale proceeds if the developer is required to fund the contribution, or will result in the City allocating the \$2.0 million to the Community Trust. Such an allocation from land sale proceeds, or reduction in sale price may hinder OARB's ability to provide infrastructure needed to fully develop the OARB. Payment over time would reduce this impact.

BACKGROUND

OBRA and CEDA Actions Leading to the Establishment of the Community Trust

Although there has been no specific direction to establish the Community Fund, the notion of the Fund has been endorsed through three key actions by OBRA and CEDA, as follows:

1. Direction by CEDA in early 2002 to identify the logistics for forming a Trust and initiate a community input process;
2. Action by the OBRA in September 2002 to commission NEDLC to prepare a conceptual framework document that would identify said logistics and facilitate decisions regarding the Trust's eventual establishment. The initial draft of the document was completed the following year in September 2003; and
3. Inclusion of the community trust concept in the OARB MOA among the Agency, OBRA, City of Oakland and the Port of Oakland (Port) that was signed by all parties in July 2003. The MOA contains very specific provisions regarding the targeted funding for the proposed Trust Fund.

The Conceptual Framework document was initially presented to the OBRA on September 22, 2003 and again on December 15, 2003. At that meeting, OBRA members determined that additional information was needed in the document to better inform the OBRA and the Agency of key issues, including limitations on the use of certain funds. This additional information was incorporated into the document by March, 2004. Thereafter, a request was made by the CEDA Directors and the Oakland City Manager for additional review of the document. Thus OBRA scheduled the Conceptual Framework document for its June 30, 2004 meeting. Its recommendations and comments will be presented orally at the CED Committee meeting.

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Purpose of the Proposed WOCF and Conceptual Framework Document

The intent of the fund is to provide a vehicle for West Oakland to benefit from development of the former Army Base since West Oakland was impacted by closure of the Base. It presents a unique opportunity to leverage local economic development opportunities in a way that builds partnerships among community residents and the public, private and nonprofit sectors. It can serve the City of Oakland as another tool for West Oakland revitalization activities, and represents one component of OARB-related community benefits committed specifically to the West Oakland community.

The Conceptual Framework document was commissioned to facilitate the Agency's consideration of establishing a *Community Fund* and to *channel community concerns and interests* in the project. It essentially provides a "blue-print" for establishing the WOCF. It provides information on the recommended purpose, governance, operational characteristics, funding, timing, and other critical features of the proposed WOCF. It reflects over a year of effort involving a number of community and townhall meetings, West Oakland Community Advisory Group (WOCAG) discussion, and interaction with a variety of Agency, Port, and other entities that would have some bearing on the establishment of the WOCF. The Conceptual Framework document represents essential information, to date, relevant to any potential establishment of a West Oakland Community Fund.

It is anticipated that Agency decision-makers will use the information contained in this document as a reference for actions related to the establishment and operation of the WOCF. The Agency must approve the recommendations for subsequent actions in the report prior to implementation.

Key Features of the West Oakland Community Fund

The specific provisions of the WOCF are described in detail in the Conceptual Framework document. A summary of its major provisions is presented below.

a) Recommended Model

Two approaches to asset building of "place"-- the **Community Development Investment Model** -- and of "people"-- the **Family Asset Building Model** -- are recommended. The former provides loans, grants and/or equity investments for West Oakland community economic development projects while the latter provides matching funds to support individual savings and investments. Additional information on these and the other models evaluated for this project is presented in Chapter II of the document.

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b) WOCF Funding Sources & Timing of Funds

On July 8, 2003 the OBRA, Redevelopment Agency, City Council, and Port of Oakland entered into an MOA² (“City-Port” MOA) that referenced the establishment of a Community Trust:

(d) Community Trust Contribution

If a Community Trust Fund is established by the City on or before the end of the Trust Period,³ at the time the Community Trust Fund is fully funded (whether such funding occurs before or after the end of the Trust Period), the Port shall pay fifty percent (50%) of the funds contributed to the Community Trust Fund, up to a maximum contribution from the Port of Two Million Dollars (\$2,000,000). Subject to the final sentence of this Section 2.2(d), the developer(s) of the Gateway Development Area,⁴ or the City, will contribute the balance of the funding. If no Community Trust Fund is so established on or before the end of the Trust Period, or subject to the last sentence of this Section 2.2(d), if it is not funded within one (1) year after the end of the Trust Period, the Port shall have no obligation to pay the contribution described herein. If the Community Trust Fund is established on or before the end of the Trust Period, and the City exercises the City Cash-Out Remedy, the Port shall be obligated to pay an aggregate of Four Million Dollars (\$4,000,000) into the Community Trust Fund as the Port and non-Port contributions to such Fund. If and to the extent required by the SLC,⁵ funds contributed by the Port to the Community Trust Fund shall be spent and accounted for in the manner required for funds encumbered by the State public trust.

Staff representatives of the Port, Agency, City and OBRA are now in negotiations and have agreed to proposed amendments that clarify the provisions relating to the Community Trust. Specifically, the amendments would clearly indicate that (a) the term “fully funded” is removed and replaced with “fifty percent funded;” (b) the City’s funding can occur in increments or in a one-time payment; (c) after the City’s total contribution is made, the City would then advise the Port and the Port would make a one-time payment of the remaining fifty percent of funds (up to a maximum contribution of \$2 million); (d) the Port is

² The MOA identifies the terms, conditions and responsibilities of the OBRA, Redevelopment Agency, City of Oakland and Port of Oakland for the Base upon conveyance of the property from the Department of the Army.

³ “Trust Period” means the period of three (3) years commencing with the OARB Transfer Date (August, 2003), during which the East Maritime Quitclaim Deed and the Port Sliver Properties Quitclaim Deed are held in trust pursuant to the Trust Agreements, provided, that the three (3) year period may be extended for up to two (2) additional years if elected by the City under certain specified circumstances.

⁴ “Gateway Development Area” means the West Maritime Property, Port Sliver Properties (if the City elects to delete them from the Port Area, as referenced in Section 1.1(19) of the MOA), West Maritime Army Reserve Property, as more specifically described in Schedule 1.1(40) of the MOA and other property and property rights acquired by the City under the CalTrans I-880 Settlement.

⁵ “SLC” means the California State Lands Commission.

responsible for the full \$4 million payment to the Community Trust if the Community Trust is established prior to the termination of the trust period and the City exercises the cash-out remedy; and (e) after the City and/or OARB developer, and the Port have made their 50% payment (up to \$2 million), the parties shall have no further obligation to make contributions to the Community Trust.

c) Intended Activities

Examples of potential uses of funds under the Community Development Investment component of the WOCF include:

- Investing in mixed-use/ commercial real estate development projects.
- Investing in projects that offer opportunities for resident/community ownership.
- Investing in affordable housing development projects.

Examples of potential uses of funds under the Family Asset Building component of the WOCF include:

- Enabling more West Oakland residents to save and invest in homes and businesses in the community through matched savings opportunities and targeted technical assistance and specific asset building strategies.
- Providing matched savings to help people to save for education or training.
- Enhancing prospects for local residents to access home ownership opportunities emerging from affordable housing developments in the community.

These activities are proposed to be funded through the Agency/OARB Master Developer's contribution. However, these funds may be restricted to reflect provisions typically applying to use of Agency funds as well as requirements of the Economic Development Conveyance (EDC), the method by which ownership of the Base was transmitted from the Army to the OBRA for reuse purposes.

It is also important to note that projects funded by any of the Port's contribution would also be subject to certain restrictions. The Port has informed OBRA staff that all Port revenues are generated from lands subject to the public trust for navigation, fisheries and commerce ("tidelands trust"). The use of Port funds, therefore, must be for activities that are consistent with the tidelands trust. While Tidelands Trust uses are intended to benefit the public on a regional and state-wide level, there are a number of projects and other uses that would serve these interests and at the same time provide local economic development opportunities and public amenities that benefit the local community and further the goals and objectives of the WOCF. As examples, subject to the review and approval of the State Lands Commission, the Port's WOCF contribution could be used to:

- Invest in locally-owned businesses and development projects supporting port-related activities (such as maritime warehousing, trucking).

- Invest in locally-owned businesses and development projects serving visitors to the waterfront (such as restaurants, visitor retail, water-oriented recreational services).
- Develop waterfront recreational amenities of interest to the local community, including park and trail improvements, boat and canoe launches.

The above is not an exclusive list of proposed WOCF activities that can be funded by the port contribution. Greater detail on the prospective WOCF activities and the requirements governing use of funds is presented in Chapter III of the document.

d) Governance Structure

The Conceptual Framework report recommends a hybrid structure and governance model that combines (1) **Categorical Representation** (in which the governing body consists of persons--from the community, business, foundation and public sector--who fulfill selected criteria designed to achieve broad support for the WOCF) and (2) **Community/Member Elected** in which the governing body consists of persons elected by the members of the WOCF. Membership of the WOCF should include persons living and working in West Oakland as well as businesses, organizations and associations located in or serving West Oakland. This concept is described in greater detail in Chapter IV of the document.

e) Seven Key Findings

The consultant study resulted in identification of the following findings:

- Capitalize the WOCF in a prompt and expeditious manner.
- Continue active community outreach and engagement activities with residents.
- Move steadily forward with the establishment of a new non-profit entity with a Board structure based on a hybrid of categorical representation and member election.
- Provide resources for community development investment and family asset building projects.
- Provide for an effective capacity building program.⁶
- Provide for an effective monitoring and evaluation program.⁷
- Identify and garner additional sources of funding with the goal of creating an endowment fund.

⁶ The document proposes one mechanism—a multifaceted capacity building program titled the West Oakland Empowerment Center. It is discussed in detail in Chapter VII.

⁷ The above referenced West Oakland Empowerment Center would also include a WOCF program monitoring and evaluation mechanism also discussed in Chapter VII.

These findings with recommendations are described in Chapter VIII of the document.

KEY ISSUES AND IMPACTS

Staff believes that the proposed WOCF could be an important, additional supplement to the Agency's current West Oakland revitalization efforts. There is, however, a major issue that must be addressed initially: the Agency's inability to provide funding to this project. This issue and five options for addressing it, is presented below. The Agency must review, consider and provide direction to staff on this issue before any action to establish the fund is taken. Thereafter, once the Agency has rendered a determination on the funding issue that allows the Community Fund proposal to go forward, then it must address the several ancillary Community Fund operational issues delineated in this report.

Major Issue: Agency's Financial Challenge in Meeting the Stipulations of the OARB MOA

The primary issue affecting this proposal relates to funding it. Specifically, the OARB MOA stipulations concerning funding cited earlier in this report were approved (through the Agency's, City Council's, OBRA's and the Port's signing of the MOA) in July 2003. Since that time, the financial condition of the City has been severely impacted by, among other factors, a weak economy and State actions to garner fiscal resources that would have ordinarily been available to cities and redevelopment agencies. In a period where financing basic City services continues to be a challenge, the City must carefully consider whether and when to direct \$2 million in proceeds from the sale of the OARB site to the Community Fund effort. Specific findings to consider are summarized as follows:

- (a) There are significant infrastructure improvements required to prepare the OARB site for future redevelopment. The cost for these improvements is estimated to be \$80 million. The improvements must be funded in order to implement the Agency's Gateway Development Area Program. Although some of these costs could be borne by the forthcoming OARB Master Developer, it is conceivable that the City (and/or Agency) will need to supplement these costs through revenues from the eventual sale the OARB site and OARB Redevelopment Project Area tax increment financing.
- (b) In absence of the forthcoming OARB master developer, the City's General Fund and the Agency's resources are not a practical substitute for financing the Community Fund because those funding mechanisms are already stretched in providing basic City services and in meeting previously-identified obligations.

- (c) Similarly, OBRA is not in a position to finance the City's WOCF share because its funds are already committed to various required post-OARB conveyance activities over the next two years. These activities include: implementing the OARB Environmental Remediation Program required by the Department of the Army and the State Department of Toxic Substances Control; addressing outstanding Homeless Assistance accommodation issues which will require financial outlays to the Homeless Collaborative as part of resolution of the issue; purchasing the OARB's Subaru parcel from the Army Reserve Enclaves for future use in the Agency's overall OARB Gateway Area Development program; and funding various technical, legal and other required specialized support for completing the State Lands Commission Public Trust Exchange process in 2005, and the various real estate deed transfers that are set to occur in August 2006.

In short, neither the Agency and/or City Council, nor its affiliate bodies such as the OBRA, has a viable, readily accessible and non-committed source of funds in either the short- or long-term horizon for contributing to the Community Fund. In light of these circumstances, the Agency may wish to consider the following options:

Option One: *Delay action on the proposal at this time and make a requirement of any forthcoming OARB Master Developer the responsibility to carry out a community trust model. Financial support for the Community Fund would be transmitted directly to the Fund by the Master Developer in accordance with the timing and funding provisions specified in the OARB MOA.*

In this scenario, the Master Developer assumes all responsibility for establishing a Community Fund. He/she would be responsible for instituting a Community Fund model that could be similar to that proposed in the Conceptual Framework report, or an alternate approach. This option would relieve the Agency of any immediate as well as long-term financial responsibility for the Community Fund, and performance standards incorporated in the Agency's development agreement with the selected Master Developer could provide the Agency with a level of assurance that community benefits would result from the project.

Option Two: *Decide to implement the proposal, yet fund it through OARB Redevelopment Project tax increments over a specified period (i.e., 3-5 years)*

This option allows the Agency to establish the Community Fund as a project now, but provide funding for the project over an extended time period. This option would distribute financial responsibility over a longer time period, while allowing organizational tasks to proceed. For example, interested community representatives could use the Agency's commitment to fund the project at a time certain to solicit and leverage contributions from non-Agency sources, in an effort to augment the Fund.

Option Three: *Accept the Conceptual Framework report but take no action on establishing the Community Fund at this time until details regarding development of the OARB project are finalized.*

This scenario allows the Agency to have an extended timeframe to evaluate the proposal, during which time more information on available financial resources and the Agency's actual financial commitments and requirements for the OARB project would be known. This option would allow the Agency to be in a more informed position regarding the extent to which its funds will be needed for the OARB project and whether additional resources can be garnered to supplement the Community Fund.

Option Four: *Forgo establishing a Community Fund altogether and instead incorporate the WOCF concept as a program within the OARB Redevelopment Plan and establish a special community committee to establish funding priorities and programs. This model would be similar to projects administered through the Community Development Block Grant program, where proposals are solicited in certain categories and under specific criteria as established by the community committee.*

This option replaces the need for the organizational structure and other administrative elements defined in the WOCF proposal with a "projects-driven" effort organized through the City's existing community revitalization programs. In this scenario, the City department responsible for the project could direct resources to the types of projects indicated in the Conceptual Framework report to produce the community benefits previously identified in the document. A special community group could be established to review programs and establish priorities, much like a Project Area Committee does in a redevelopment planning effort.

Option Five: *Elect to not implement the West Oakland Community Fund proposal.*

Under this scenario, no new Community Fund would be established. Instead, the existing and previously programmed West Oakland-based projects and programs would operate to deliver benefits and services to the community.

Related Key Issues Pertaining to the WOCF

Should the Agency select any option that would result in establishing the Community Fund, the following related issues arise and warrant resolution prior to initiation of the project.

The Preferred Model for WOCF Grants making Activities

A hybrid of the "Community Development Investment" and "Family Asset Building" models has resulted from the community input process. The former would support the physical (i.e., "brick

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and mortar”) activities that are consistent with other Agency-sponsored developments, and would result in critical, physical improvements to the West Oakland district. The latter would directly support wealth-building among West Oakland residents through matched savings accounts, known as Individual Development Accounts or “IDAs.” IDAs are specialized savings accounts, similar in structure to Individual Retirement Accounts (IRAs). Every dollar saved by an individual or family in the community--deposited in a local financial institution--could be matched by \$1–\$3 (or more) from the WOCF. Typically, IDA savings can be withdrawn to buy a house, to cover education or job training expenses, or to start a small business. These benefits, while important to community members, are less visible on a district-wide basis. In addition, the measures of whether such an approach is successful are much harder to delineate. Staff’s communications with legal counsel experienced in Tidelands Trust issues has already revealed that the Port’s \$2 million dollar contribution could not be used for these purposes; hence--subject to the legal restrictions on use of Agency funds and OARB EDC provisions described below--these activities would have to be funded through the portion of the remaining \$2 million that was not committed to the Fund’s Community Development Investment activities. If the finite amount of funding now anticipated is dispersed per capita to the eligible West Oakland community, staff questions the efficacy of the long-term results and whether the limited amount of funding would create significant community improvements. Hence, staff would recommend operation of the Community Development Investment model only, for this proposal. If the Agency still believes that the Family Asset Building approach is the best option, staff strongly urges that specific performance and eligibility criteria be defined as part of this effort.

OARB MOA Provisions Regarding Community Trust Funding Sources & Timing of Funds

As previously noted, the MOA identifies the Agency’s Master Developer as the source of the City’s Community Trust contribution. The Master Developer has not yet been selected and the timeframe for beginning the selection process is estimated to be mid-2005. This schedule results in WOCF monies not being available, in practical terms, until after the developer is selected and a development scheme, approval and agreement are completed. This process may take up to two years, thereby delaying funding the WOCF until at least 2007.

Another timing issue results from the Agency’s/Master Developer’s WOCF contribution being a trigger for the Port’s contribution. As currently indicated in the MOA, the City must make the initial fifty percent WOCF contribution before the Port’s contribution can be transmitted to the WOCF. A third timing issue is that there is a deadline for receipt of WOCF funds from the Port of Oakland and the MOA currently states that if no Community Fund is established on or before the end of the trust period, or subject to Section 2.2d(d)(4) if it is not funded within one year after the Trust period, the Port shall have no obligation to contribute to the WOCF. Hence the Agency must fund the proposal within a specified time period in order for the Port’s contribution to be transmitted.

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It is critical that these timing implications be factored into the consideration of and decisions about the implementation of the WOCF.

As an aside, although the MOA was signed by the OBRA, Agency, City of Oakland and Port of Oakland in July, 2003, representatives of these agencies have met in the interim to further clarify the responsibilities of each party in relation to the Community Trust concept, as well as other activities discussed in the MOA. A “Restated and Amended” MOA is in progress, but has not been signed. The Agency may want to expedite approval of the amendment language as a means of providing staff clearer direction in proceeding with the Community Fund proposal, among other activities. As a part of that effort, the Agency may wish to reconsider the role of the Port vis-à-vis the Community Fund and incorporate language as appropriate into the amended MOA. Currently, the MOA does not identify any responsibilities for the Port in relation to the actual operation of the Trust. Particularly given the restrictions on use of Port funds, it may be beneficial and efficient for the Port to share responsibility in the orchestration of the project, and for this new role to be codified in the amended MOA.

Restrictions on Funds Stemming from the Potential OARB Gateway Development .

There are legal implications for the WOCF stemming from both the Agency’s/Master Developer’s and the Port’s contribution. These are outlined below:

(a) The City’s contribution to the Community Trust Fund is intended to be made by the Redevelopment Agency’s selected Master Developer as a requirement of the Disposition and Development Agreement (DDA) or other type of agreement (such as a Development Agreement) for portions of the Gateway Development Area (GDA) of the OARB. If the developer’s contribution to the trust fund is not considered a deduction from the value of the GDA land area to be transferred to the Master Developer, then the contribution would be characterized as a private payment free of the restrictions attached to Redevelopment Agency funds and to proceeds generated by the sale of the former Army Base property. If, however, the trust fund contribution results in the Master Developer paying the Agency less than the fair market value for the Army Base property, then the contribution could be subject to restrictions imposed on Redevelopment Agency funds and Army Base property sale proceeds.

(b) Redevelopment Agency funds received from the sale of property must be expended for redevelopment purposes. Redevelopment purposes are activities aimed at eliminating physical and economic blight. The conditions causing physical and economic blight are set forth in California Health & Safety Code section 33031 and include, among other things, unsafe and unhealthy buildings, abnormally high business vacancies, depreciated or stagnant property values, high crime rates, and a lack of necessary commercial facilities.

Redevelopment funds have been used for low-income housing assistance, small business loans and similar uses that address blight.

(c) The restrictions on the use of Army Base property sale proceeds are contained in the Economic Development Conveyance Memorandum of Agreement between the Department of the Army and the OBRA and Agency (EDC MOA) which is the vehicle by which the Army conveyed title of the OARB to the OBRA and Agency. The EDC MOA provides that the proceeds from the sale of Army Base property must, for the period of August 2003 to August 2010, be used on specific activities related to the redevelopment of the former Army Base property.

(d) The Port's WOCF contribution will be subject to tidelands trust restrictions. Tidelands trust lands and funds are administered by the State (through the State Lands Commission or SLC) or by local governmental entities to which the State has delegated its trustee authority. These trustee agencies are responsible for ensuring that trust lands and funds are used in a manner that is consistent with the public trust.

(e) The SLC is responsible for overseeing local trustee agencies. Because trust-encumbered funds may only be used for trust-consistent purposes, they are required by law to be accounted for separately from other, non-trust funds. Accordingly, any Port contribution to the WOCF would need to be placed in a separate account. Expenditures from this account on WOCF projects would be supervised by the appropriate trustee (e.g., OBRA or Agency). The proposed 2004 legislation (SB 1435) would require the supervising trustee to submit a list of potential projects funded by Port monies to the SLC for review and approval, to separately account for, and provide the SLC an annual statement of, all monies received from the Port and expenditures of those monies. No Port monies shall be spent on community trust fund projects unless (1) the Executive Officer of the SLC has concurred in the list of potential projects and (2) the expenditures are for projects that are on the list. Within ninety (90) days of the submittal of the list to Commission staff, the Executive Officer shall either concur with the list or notify the supervisory trustee which projects on the list are not consistent with the public trust. The supervisory trustee may appeal to the SLC any decision by the Executive Officer to disapprove some or all of the projects on the list. The establishment and operation of the WOCF must account for these procedural issues and funding limitations.

Proposed WOCF Activities

The issue of note is that prior to commencing operations of the WOCF, the list of acceptable activities must necessarily be refined to reflect provisions typically applying to use of Agency funds, EDC requirements, and/or Tidelands Trust restrictions as appropriate.

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Proposed WOCF Governance Structure

The recommended hybrid of Categorical Representation (where the governing body consists of persons from the community, business, foundation and public sector) and Community/Member Elected (where the governing body consists of persons elected by the members of the WOCF) will assure community broad support and accountability for the WOCF project. The issue is that because of the financial reporting, auditing and other administrative requirements resulting from the source of funds, the designated SLC trustee and a representative of the Agency might also be on the WOCF governing body. Additionally, to ensure the governing body collectively has expertise in an array of skills appropriate for managing this effort, the Agency may want to appoint some individuals that have specific technical skills and/or backgrounds, such as accounting and legal experience. As previously noted in the Fiscal Impact section of this report, there are important considerations about the long-term Agency support of administrative functions that must be reviewed as part of the implementation of the WOCF.

Use of the Proposed West Oakland Empowerment Center Approach for WOCF Monitoring and Evaluation

In order to maximize the potential benefits of the WOCF, it is imperative that there be a systematic and efficient program for monitoring and evaluating its operations. The Conceptual Framework document proposes that a monitoring and evaluation component of the WOCF be housed in a newly-formed technical assistance entity--the West Oakland Empowerment Center. Details of the Empowerment Center Model are provided Chapter VII of the document.

Before rendering a decision on approval of the Empowerment Center proposal as a component of the Community Fund, the Agency must first clarify whether the funds initially targeted for the effort are to be used for projects only, or for projects and administration/operation activities. If the targeted funding is intended to be applied to both WOCF projects and administration purposes, the costs of operating the Empowerment Center to the degree described in the Conceptual Framework report will reduce the extent of grants-making activities as a whole. A related issue is the level of involvement of additional personnel that will be required to implement Empowerment Center activities. In addition to a Program Coordinator, Administrative Assistant, and Board of Directors that would be required to operate the Community Fund program, the proposed monitoring component would require (1) independent, qualified professionals to conduct both program and financial audits on an annual basis; (2) an Evaluation Advisory Group comprised of multiple constituents (including residents, community leaders, and investors) to guide the evaluation; and (3) a third party evaluation team that would staff the Evaluation Advisory Group. Some of the sub-tasks associated with this effort include facilitating active participation and training of Board, staff and community residents in the monitoring and fine-tuning of WOCF organizational and programmatic activities; and initial capacity-building support for Board, staff and community residents in areas such as project-related policies, grant-making systems, investments and fund development, community

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benefits, financial literacy, etc. Preliminary costs for operation of the Community Fund project and the evaluation/monitoring system is estimated to be between \$125,000 to \$150,000 the first year, with the additional increase of \$7,500 to \$10,000 annually. It is likely that the estimated costs do not include all of annual consultant fee costs, such as financial professionals, which might easily result in a higher administrative budget.

Staff agrees that an evaluating and monitoring component is required for effective operation of the Community Fund. The issue is that the proposed vehicle appears too elaborate for the finite amount of funding potentially available to the project. Staff would therefore recommend against the use of the proposed Empowerment Center approach and instead assign evaluation responsibilities to an existing, established program either already operating in the City, or use of a non-City entity with a proven track record that can be contracted to perform the necessary functions.

Proposed Role of the West Oakland Community Advisory Group (WOCAG) as an Interim Body Pending Formation of the Community Fund Governing Body

The Conceptual Framework document recommends that the WOCAG serve the interim transition entity for outreach and other Community Fund tasks until such time as a Board of Directors assumes the ongoing management of the Fund. The WOCAG has been a major stakeholder in the formation of the Community Fund proposal to date. WOCAG's purpose as a community advisory body is to advise the OBRA on issues relating to the Oakland Army Base project. As the proposed Community Fund would have a geographic interest much broader than the Base, the Agency may wish to establish a more broadly based group that includes not only WOCAG members but other members of the West Oakland community.

CONCLUSION

In accordance with the direction provided over the past two years, staff has brought forward a document that provides recommendations for establishment of a Community Trust for the West Oakland community. The proposed program--the Conceptual Framework--is ambitious; and, as stated in its Executive Summary, provides an opportunity to leverage local economic development opportunities in a way that builds partnerships among community residents and the public, private and nonprofit sectors. It can serve as another of the City's tools for West Oakland revitalization activities. As proposed, the WOCF also poses some serious challenges. Past, current and projected financial constraints have resulted in the Agency not being able to dedicate significant funding to many projects, thus this proposal comes on the heels of the Agency's need to exercise greater discretion in deciding on programs and incurring additional future financial responsibilities. Staff believes that the Agency should carefully consider the the proposal in light of other, approved funding obligations. Accordingly, this staff report has presented options that provide the Agency with a range of approaches for this proposal in an effort to meet the

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objective of providing benefits to the West Oakland community within a practical framework. Consistent with current limitations. Staff recommends that the Agency accept the report and take no further action at this time.

SUSTAINABLE OPPORTUNITIES

This report does not include approval of any specific projects addressing sustainable opportunities; however, as individual proposals are submitted for WOCF financing, specific sustainable opportunities can be identified and incorporated into the proposals as a requirement for funding.

DISABILITY AND SENIOR CITIZEN ACCESS

This report does not include the approval of any specific projects or programs. Disability and senior access issues will be addressed when specific development plans are submitted for WOCF financing, and can be identified and incorporated into the proposals as a requirement for funding.

RECOMMENDATION(S) AND RATIONALE

This issue is important to the West Oakland community. Staff recommends that the Agency review and consider the West Oakland Community Fund Report and then review the five options outlined in this staff report. Staff recommends that the Agency accept the report and take no further action.

Chapter VIII of the Conceptual Framework document identifies a number of specific recommendations regarding the proposed Community Fund. They are presented as an attachment to this report along with a staff recommendation should the Agency elect to establish the Fund. There no action requested of the Agency about these recommendations; they are for informational purposes only.

ACTION REQUESTED OF THE CITY COUNCIL

- a) To review and consider the information and analysis contained in the report entitled "Conceptual Framework for the West Oakland Community Fund."
- b) To review and consider the following five options:
 - 1) Delay action on the proposal at this time and make a requirement of any forthcoming OARB Master Developer, the responsibility to carry out a community trust model. Financial support for the Community Fund would be transmitted directly to the Fund by the Master Developer, in accordance with the timing and funding provisions specified in the OARB MOA. He/she would be responsible for instituting WOCF model that could

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either be similar to that proposed in the Conceptual Framework Report, or an alternate model that would provide a similar level of community benefits;

- 2) Decide to implement the proposal and fund it through OARB Redevelopment Project tax increment over a specified period (i.e., 3-5 years);
 - 3) Accept the Conceptual Framework Report but take no further action to establish the WOCF at this time until details regarding development of the Oakland Army Base are finalized;
 - 4) Incorporate the WOCF concept as a program within the OARB Redevelopment Plan and establish a special community committee to establish funding priorities and programs. This model would be similar to projects administered through the Community Development Block Grant program, where proposals are solicited in certain categories and under specific criteria as established by the community committee; or
 - 5) Elect not to implement the proposal.
- c) To accept the Conceptual Framework Report and take no further action at this time.

Respectfully submitted,



CLAUDIA CAPPIO

Development Director, Community and
Economic Development Agency

Reviewed by:

Aliza Gallo, Executive Director
Oakland Base Reuse Authority

Prepared by:

Elois A. Thornton, Planner IV
Oakland Base Reuse Authority Unit

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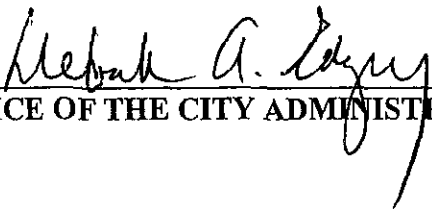
Community and Economic Development Committee

July 13, 2004

Deborah Edgerly

Re: Community and Economic Development Agency—West Oakland Community FundPage 18

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



OFFICE OF THE CITY ADMINISTRATOR

Attachments: 1) Report entitled "Conceptual Framework for the West Oakland Community Fund
2) Staff responses to recommendations in the report

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Community and Economic Development Committee
July 13, 2004

Deborah Edgerly

Re: Community and Economic Development Agency—West Oakland Community FundPage 18

ATTACHMENT 1:

Conceptual Framework for the West Oakland Community Fund Report

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ATTACHMENT 2:

STAFF'S RESPONSES TO RECOMMENDATIONS OF THE CONCEPTUAL FRAMEWORK DOCUMENT

[NOTE: These recommendations are predicated on selection of Option 1. If a different option is selected, revisions to these recommendations will be required.]

Conceptual Framework Recommendation	Staff's Response
<p>Stage One: Building the Infrastructure of the WOCF</p> <ul style="list-style-type: none"> ▪ Finding: There is a need to capitalize the WOCF in a prompt and expeditious manner. <p><u>Recommendations:</u></p> <p>(1) That a minimum of \$2 million—one-half of the initial \$4 million commitment from the Port of Oakland and the Oakland Redevelopment Agency/Master Developer—be placed immediately into a designated WOCF account in order to a) accrue interest; b) build on the present momentum and level of interest; and c) affirm the goodwill that has been generated by the framework development process.</p> <p>(2) That other revenue sources be identified and vigorously pursued.</p> <ul style="list-style-type: none"> ▪ Finding: There is a need to continue active community outreach and engagement Activities—especially with renters, seniors and youth—to garner input on the design and implementation of the WOCF and build interest among prospective candidates for the WOCF Board of Directors any other community parties that would be associated with this project. <p><u>Recommendation:</u></p> <p>(1) That the WOCAG serve as the interim transition entity to carry forward with outreach and engagement until such time as the WOCF Board has been dully selected and assumes the on-going management of WOCF activities.</p> <ul style="list-style-type: none"> ▪ Finding: There is a need to move steadily forward with the establishment of a new non-profit entity along the lines of the community-preferred model for the structure and governance of the 	<p>Do Not Support; Transmit \$2 million funding in accordance with the OARB MOA provisions</p> <p>Support the Recommendation</p> <p>Establish a transition entity that includes WOCAG Members, and other Members of the Community</p>

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<p align="center">Conceptual Framework Recommendation</p>	<p align="center">Staff's Response</p>
<p>WOCF.</p> <p><u>Recommendations:</u></p> <p>(1) That the WOCF process moves forward to implement the preferred structure and governance model which is a hybrid of the:</p> <p style="padding-left: 40px;">(a) Categorical Representation Model in which the governing body consists of persons from the community, business, foundation and public sector who fulfill selected criteria designed to achieve broad support for the WOCF. Additionally, because of the financial reporting, auditing and other administrative requirements resulting from the source of funds, the designated State Lands Commission trustee and a representative(s) of the Oakland Redevelopment Agency might also be on the governing body; and, the</p> <p style="padding-left: 40px;">(b) <i>Community/ Member Elected Model in which the governing body consists of persons elected by the members of the WOCF. Membership could consist of persons living and working in West Oakland as well as businesses, organizations and associations located in or serving West Oakland.</i></p> <p>(2) That the administrative support for this project be carefully evaluated and a corresponding two-year budget be constructed with funds earmarked to support both the pre- and post-incorporation operational costs for staff (and/or consultants where necessary) to support project.</p> <p>(3) That WOCAG take the lead in the preparation of a mission/vision statement, articles of incorporation, by-laws and tax-exempt application for the WOCF, and in the coordination of the process for the formal identification, screening and selection of the WOCF Board of Directors.</p> <p>(4) That the WOCAG (where necessary) have access to technical assistance (either through dedicated staff and/or consultants) during the process of putting a board together, forming the corporation, and raising funds.</p> <p>(5) That the WOCAG design and implement some sample (pilot) projects in order to facilitate fundraising efforts. This may include projects that can offer additional community benefits to West Oakland residents such as the Jack London Gateway Plaza, the Mandela Farmers Market, or other examples.</p> <p>Stage Two: Commencing Operations and Programs of the WOCF</p>	<p>That the Process be Held in Abeyance Until the Master Developer is Selected and Can Institute the Community Fund</p> <p>Do Not Support; The Master Developer Would Assume Responsibility for Organizing the Community Fund, Including Preparation of a Budget</p> <p>That the Process be Held in Abeyance Until the Master Developer is Selected and Can Institute the Community Fund</p> <p>Same as Above</p> <p>Same As Above</p>

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<p align="center">Conceptual Framework Recommendation</p>	<p align="center">Staff's Response</p>
<p>to the point of fully accessing, managing and utilizing WOCF funds. Based in West Oakland, the Empowerment Center, among other activities, would offer—either directly and/or in partnership with existing providers--the following services:</p> <ul style="list-style-type: none"> ❖ Training and technical assistance (TA) for individuals, families, organizations and youth in West Oakland in: project/proposal development; financial and computer literacy; entrepreneurship training; and, investing through matched savings ❖ Training/TA for organizations in community benefits plans and resident ownership strategies ❖ Training/ TA for WOCF Board Members and staff in grant-making management and oversight; board/ member roles and responsibilities; and, systems for on- going fund development, monitoring and evaluation of the WOCF 	<p>Developer is Selected and Can Institute the Community Fund. At that Time, the Appropriate Monitoring/Evaluation Method Can be Identified</p>
<p>Stage Three: Sustaining and Growing the WOCF</p> <ul style="list-style-type: none"> ▪ Finding: An effective approach for monitoring, evaluating and fine-tuning the WOCF over time is required. <p><u>Recommendations:</u></p> <p>(1) That the information presented in Chapter VII regarding WOCF monitoring and evaluation be used as a guide for the design and implementation of an empowerment evaluation program.</p> <p>(2) That both program and financial audits be conducted each year by independent, qualified professionals; the results of which would be shared with key stakeholders and the public vis-à-vis a WOCF annual report.</p> <p>(3) That West Oakland youth and young adults be continuously immersed in the activities of the WOCF to ensure that there will be capable stewards for the WOCF in the years ahead.</p> <ul style="list-style-type: none"> ▪ Finding: There is a need to identify additional sources of funding in order to maximize the impact of the WOCF and to ensure that it is sustainable over the long term. These sources could include direct grants to the fund. They could also include resources to leverage the WOCF's investments. In the long term, there is a need to create an 	<p>Same as Above</p> <p>Support the Recommendation. Require That Program and Financial Audits be a Requirement of the Master Developer's Community Fund Activities</p> <p>Support the Recommendation When the Community Fund Becomes Operational Under the Master Developer</p>

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Conceptual Framework Recommendation	Staff's Response
<p>endowment fund so that the fund can operate in perpetuity.</p> <p><u>Recommendation:</u></p> <p>That the information presented in Chapter VI regarding WOCF revenue generation be used as the starting point in crafting a comprehensive WOCF development and investment strategy.</p>	<p>Support the Recommendation When the Community Fund Becomes Operational Under the Master Developer</p>

OFFICE OF THE CITY CLERK
OAKLAND



Agency Counsel

2006 JUN 29 PM 9:31

OAKLAND REDEVELOPMENT AGENCY

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO TAKE ALL ACTIONS NECESSARY TO ESTABLISH THE WEST OAKLAND COMMUNITY FUND

WHEREAS, the Oakland Redevelopment Agency wishes to establish the West Oakland Community Fund ("WOCF"), in order to assist with economic development in West Oakland, the neighborhood impacted most directly by the closure of the Oakland Army Base; and

WHEREAS, pursuant to City Council and Oakland Redevelopment Agency ("Agency") authorization, the Oakland Base Reuse Authority ("OBRA"), the City of Oakland, the Agency and the Port of Oakland ("Port") entered into the Memorandum of Agreement for Oakland Army Base on July 8, 2003 ("City-Port MOA"), providing for the Agency, OBRA and the Port to convey certain parcels of Army Base property and adjacent property owned by the Port to each other, three years after the Economic Development Conveyance; and

WHEREAS, the City-Port MOA provides for the creation of the WOCF, and provides that a total of \$4 million could be contributed to the WOCF, with one-half of the WOCF funding to come from the Port, and one-half to come from the Agency, the City and OBRA; and

WHEREAS, the one-half share of the funding attributable to the Agency, the City and OBRA will be paid by future developers of the Oakland Army Base property; and

WHEREAS, the Agency wishes to establish the WOCF with no initial endowment, because WOCF funding will come from future developers of the Oakland Army Base and from the Port of Oakland at a later date; **NOW THEREFORE BE IT**

RESOLVED: That the Agency Administrator is hereby authorized to take all actions necessary to establish the West Oakland Community Fund (Fund _____) as soon as possible, but no later than August 7, 2006; and be it

FURTHER RESOLVED: That the West Oakland Community Fund will be implemented at a later date, but no later than August 7, 2007, with moneys received from the Port of Oakland and third party developers yet to be identified.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2006

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland