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OAKLAND

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APPROVED AS TO FORM AND LEGALITY

ORSA COUNSEL

OAKLAND REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION NO. 2013, 019

A RESOLUTION ADOPTING THE FIVE YEAR IMPLEMENTATION PLAN, 2013-2018, FOR THE CENTRAL CITY EAST REDEVELOPMENT PROJECT

WHEREAS, Section 33490 of the California Community Redevelopment Law (Health & Safety Code Section 33000, et seq.) requires a redevelopment agency to adopt an implementation plan every five years; and

WHEREAS, the Oakland Redevelopment Successor Agency ("ORSA") as successor agency to the Redevelopment Agency has taken over the obligations of the former Redevelopment Agency, including obligations related to adoption, review and amendment of implementation plans; and

WHEREAS, the ORSA Administrator has prepared and presented to ORSA an Implementation Plan for the Central City East Redevelopment Project for 2013-18; and

WHEREAS, ORSA has held a public hearing and received comment on the proposed Implementation Plan; and

WHEREAS, the proposed Implementation Plan as presented to ORSA sets forth the specific goals and objectives for the Central City East Project Area, the specific programs, projects and estimated expenditures over the next five years, and an explanation of how the goals, objectives, programs, projects, and expenditures will eliminate blight within the Project Area and meet low- and moderate-income housing requirements, as required by law; now, therefore, be it

RESOLVED: That ORSA hereby approves and adopts the 2013-2018 Implementation Plan for the Central City East Redevelopment Project attached to this Resolution as Exhibit A; and be it further

RESOLVED: That the ORSA Administrator or her designee is hereby authorized to take whatever action is appropriate with respect to the Implementation Plan consistent with this Resolution and its basic purposes.

JUN 18 2013

BY SUCCESSOR AGENCY, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, KALB, KAPLAN, MCELHANEY, REID, SCHAAF, AND
CHAIRPERSON KERNIGHAN - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST: 

LATONDA SIMMONS
Secretary of the Oakland
Redevelopment Successor Agency

Exhibit A

**Central City East
5-Year Implementation Plan
2013-2018**

Oakland Redevelopment Successor Agency

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Five Year

Implementation Plan

2013-2018

Central City East

Introduction

The Central City East Redevelopment Project was adopted by the City Council on July 29, 2003. An initial five-year implementation plan covering July 29, 2003, through July 29, 2008, was adopted at that time in compliance with Article 16.5 of the California Community Redevelopment Law ("CRL"), which was subsequently amended. The second plan was adopted in 2008, and covered July 29, 2008 through July 29, 2013. This is the third five year Implementation Plan for the period of July 29, 2013 through July 29, 2018. This Implementation Plan is adopted by the Oakland Redevelopment Successor Agency ("Agency" or "ORSA"), the successor agency to the former Redevelopment Agency of the City of Oakland ("Redevelopment Agency").

This Implementation Plan is composed of two separate components: a Redevelopment Component and a Housing Component. The Redevelopment Component revisits the proposed goals and objectives of the Redevelopment Plan; defines the Agency's strategy to achieve these goals and objectives; presents the projects, programs and expenditures (other than those relating to low and moderate income housing) that have been developed as a means to achieve the goals and objectives; and describes how the goals and objectives, projects, programs and expenditures will eliminate blight within the Project Area. Article 16.5 also requires that an Implementation Plan explain how the components of the Implementation Plan will implement various CRL requirements regarding low- and moderate-income housing. Generally, the goals, activities, and expenditures included in the Redevelopment Component do not implement the housing requirements of the CRL. The activities that do implement these requirements are contained in the Housing Component.

This Implementation Plan is a policy statement rather than an unalterable course of action. It has been prepared to set priorities for redevelopment activities within the Project Area for the five-year period covered by this Plan and through to the Project Area's termination. The Implementation Plan incorporates currently known financial constraints of the Agency in developing a program of activities to accomplish revitalization efforts for the Central City East Project Area. However, new issues and opportunities may be encountered during the course of administering the Redevelopment Plan for the Project Area. Therefore, this Implementation Plan may be amended, if necessary, to effectuate its purposes.

The purpose of this Implementation Plan is to provide a clear and reasonable statement of the Agency's near-term intent regarding activities in the Project Area and to establish a nexus with the Agency's current charge to wind down the affairs of the Redevelopment Agency.

Dissolution of Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld state legislation, ABxl 26 (the “dissolution law”), which dissolved all redevelopment agencies in California. On February 1, 2012, the Redevelopment Agency was dissolved. The dissolution process required the designation of a successor agency to the Redevelopment Agency to take over the affairs of the Redevelopment Agency, as well as a housing successor to specifically take over the housing assets and functions of the Redevelopment Agency. The successor agency, under the supervision of an oversight board, is responsible for winding down the former redevelopment agency's obligations and affairs, including fulfilling the legally enforceable obligations of the former redevelopment agency. On July 17, 2012, the Oakland Redevelopment Successor Agency was formed to act as the successor agency to the former Redevelopment Agency. On January 10, 2012, the City elected to become the housing successor.

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

Under the dissolution law, following issuance of a finding of completion by the California Department of Finance (issued when ORSA has made certain required payments), ORSA will have the authority to use excess bond proceeds (i.e., the current balance of tax allocation bond proceeds for bonds issued prior to 2011 that have not been designated to pay for enforceable obligations) consistent with bond covenants. Thus, ORSA will have the limited ability to pursue new projects using such proceeds in compliance with bond covenants that require bond proceeds to be used for redevelopment purposes in the Project Area. Also, the finding of completion will allow ORSA to propose, in the form of a “Long-Range Property Management Plan,” that certain properties held by the former Redevelopment Agency be retained for future development. Such properties will be transferred to the City. Thus, ORSA in conjunction with the City will have the ability to pursue development opportunities on some properties in the Project Area.

Redevelopment Component

Reasons for Adoption of the Project Area

a. Request for Assistance

In early 2001, neighborhood groups in the MacArthur Boulevard area from 73rd to 106th Avenues requested that the City Council include the area in a redevelopment project. Residents were frustrated with deteriorating conditions along the commercial corridors in the central and eastern

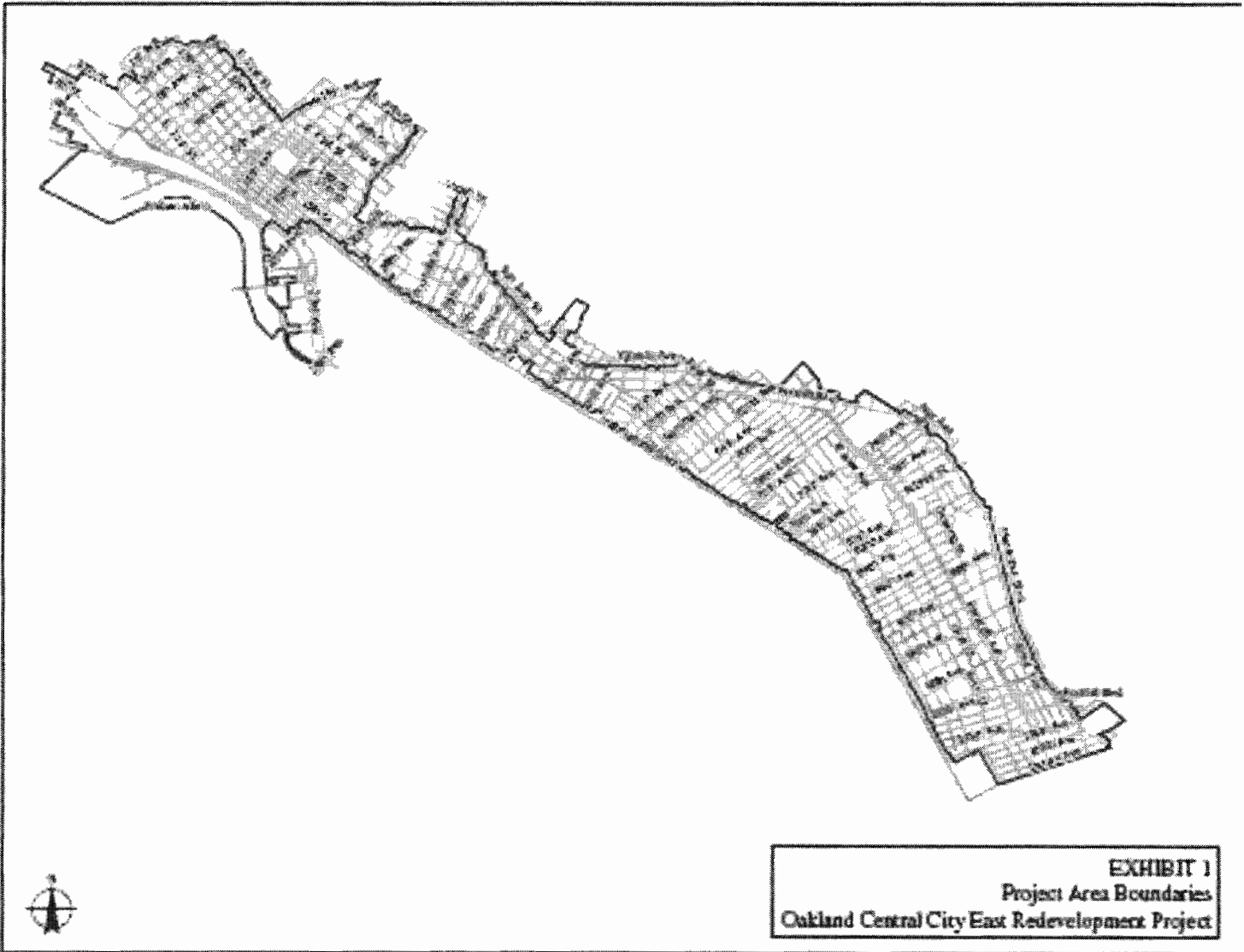
portions of the City and the impact on the adjacent residential areas. Residents cited deteriorated and vacant buildings, prostitution and drug trafficking as specific problems impacting the area. The merchants joined the request, which included Foothill and Bancroft Boulevards from High Street to 73rd Avenue. Later Fruitvale and Eastlake neighborhoods asked to be included.

b. Project Area Setting

The Central City East Redevelopment Project (“Project” or “Project Area”) encompasses approximately 3,339 acres beginning at the southern border of the downtown and extending east to Durant Street. The linear Project Area borders the existing Coliseum Redevelopment Project on the south along International Boulevard and to the north along MacArthur Boulevard between Durant Street and 73rd Avenues. At 73rd Avenue, the northern boundary of the Project Area follows Foothill Boulevard in a southwesterly direction to 23rd Avenue where the boundary jogs up to 27th Street then follows 14th Avenue to 20th Street and continues along 20th Street to the western boundary along 1st Avenue. The boundary includes the deletion of one parcel owned by Silveira et. el. along the 5th Avenue area, that was included in the original Project Area (Exhibit 1).

Excluding streets and public rights-of-way, the Project Area encompasses 16,675 parcels that comprise approximately 2,410 acres. The Project Area is primarily developed with single-family residences, with retail uses located in the northwest portion of the Project Area adjacent to the downtown, and along International, MacArthur and Foothill Boulevards. In addition, there is small peninsula of industrial uses along Embarcadero just south of the Nimitz (880) Freeway.

Exhibit 1: Project Area Boundaries



c. Project Area Demographics

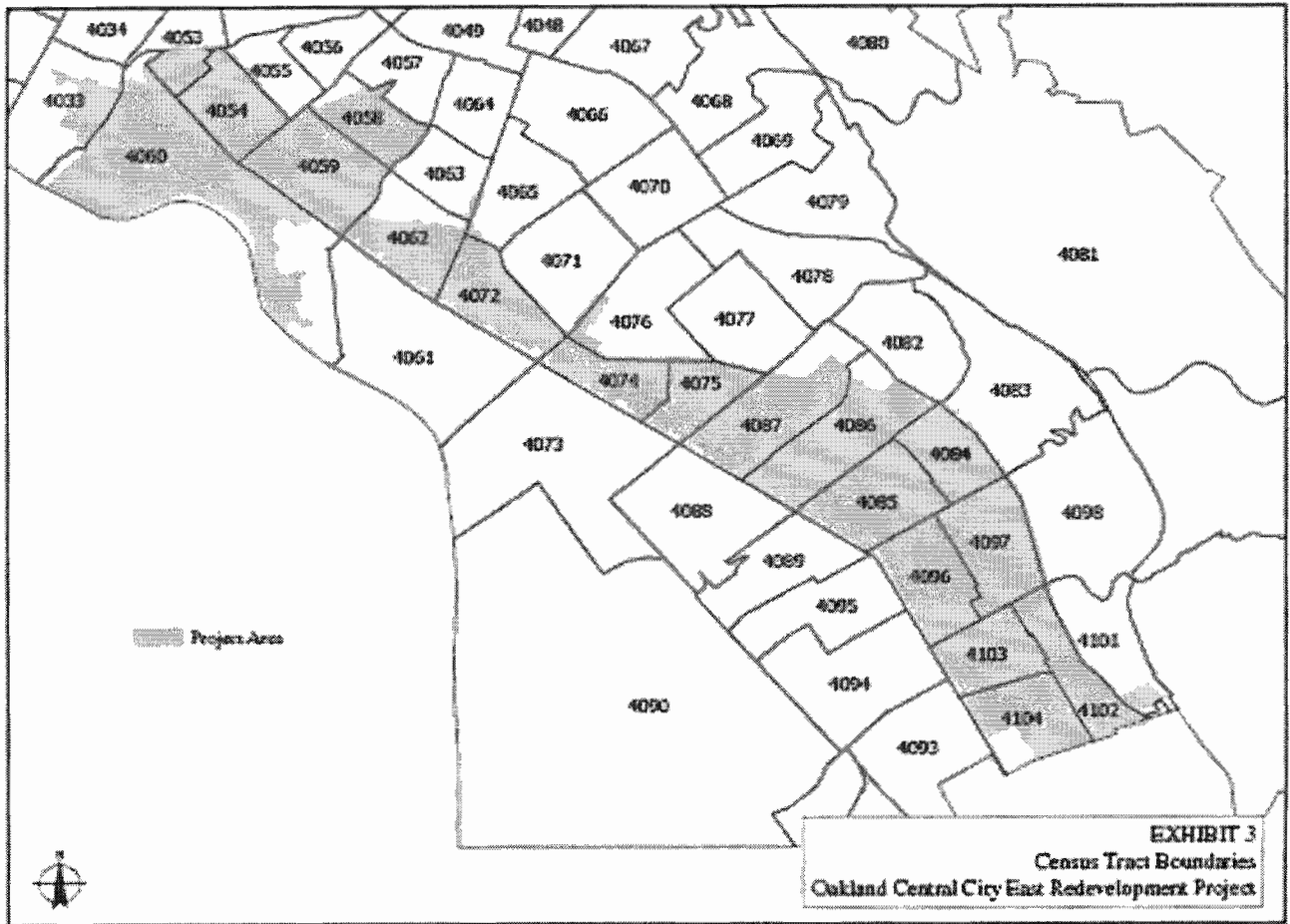
In general, the Project Area has larger but poorer households than the City and Alameda County. These factors have a direct bearing on the ability of residents to address many of the blighting conditions that exist in the Project Area. The 2000 population of the Project Area was estimated to be 92,094. The number of households was estimated to be 27,259, resulting in 3.38 persons per household on average.¹ When compared to the 2.47 persons per household for the balance of City and 2.79 persons per household for Alameda County, it was evident that households in the Project Area are large on average.

Income, education, and housing characteristics were compiled for 2001 by census tract (including territory outside of the Project Area). The Project Area generally conforms to the Census tract boundaries and is believed to be reflective of condition in the Project Area (see Exhibit 2). Median household income is 15 percent below the median for the City, and 41 percent below the median for Alameda County. Per capita income in the Project Area is 35 percent below the Citywide median and 50 percent below the median for Alameda County. The relatively low per capita income in the Project Area is due to the fact that households in the Project Area are larger (3.07 persons per household vs. 2.65 for the City). Residential Overcrowding, the high cost of housing in the Bay Area and the relatively low incomes of households in the Project Area has made it difficult for households to pay for housing and maintain their properties. In addition, the lack of affordable housing has contributed to the overcrowded housing conditions in the Project Area. The Project Area also has a lower level of home ownership, with only 38 percent of the housing occupied by owners versus 43 percent in the balance of the City and 55 percent Countywide. The tendency of some absentee owners to not maintain their properties is a problem in the Project Area. Code enforcement officials indicate that some of the worst absentee landlords in the City own property in the Project Area. In addition, there are a large number of vacant and abandoned buildings in the Project Area.

The relatively low education levels and high unemployment rate also affects blighting conditions in the Project Area in that many of it's young people have become involved in gangs and crime as a means of earning money and as a source of self-esteem. Overall crime rates and violent crime rates are among the highest in the City.

¹ Source: Hausrath Economic Group for 2000 statistics.

Exhibit 2: Census Tract Boundaries



Another important differentiating factor is the higher level of dependency on public transportation that exists in the Project Area. The percentage of persons without access to at least one automobile is higher in the Project Area than in the City and County. Convenient shopping and adequate local services are critical for the vitality of the neighborhoods in the Project Area.

As discussed in the following section, the Agency, with input from the former Central City East Project Area Committee (PAC), had previously identified a number of goals and objectives to address these blighting conditions.

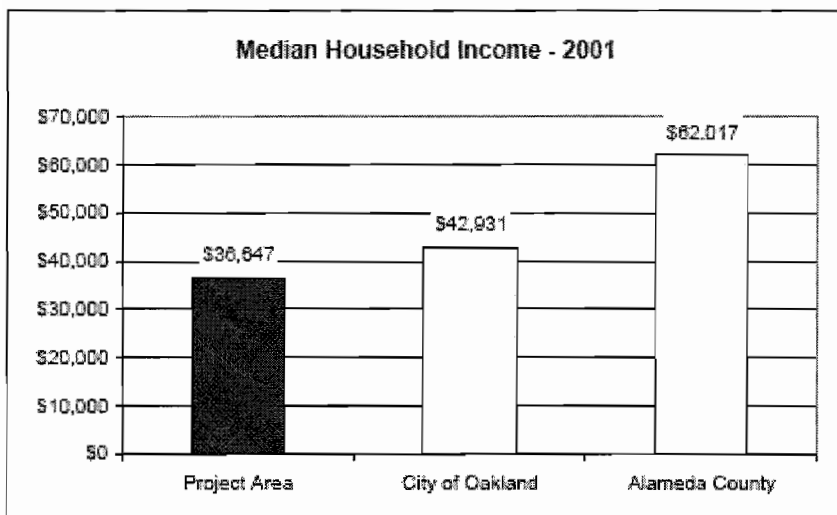
Goals and Objectives

Goals and objectives as described in the Central City East Redevelopment Plan include:

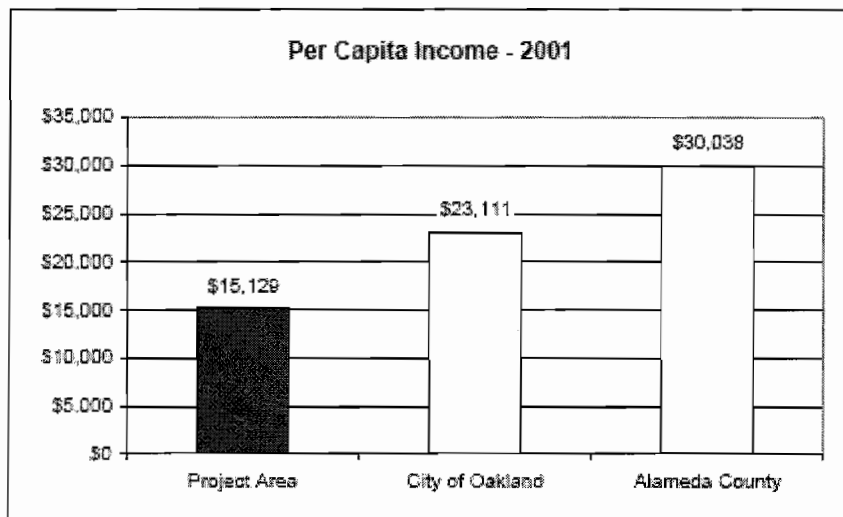
- a. Stimulate in-fill development and land assembly opportunities on obsolete, underutilized and vacant properties in the Project Area.
- b. Stimulate opportunities for adaptive re-use and preservation of existing building stock in the Project Area.
- c. Attract new businesses and retain existing businesses in the Project Area, providing job training and employment opportunities for Project Area residents.
- d. Improve transportation, open space, parking, and other public facilities and infrastructure throughout the Project Area.
- e. Stimulate home ownership opportunities in the Project Area.
- f. Improve the quality of the residential environment by assisting in new construction, rehabilitation and conservation of living units in the Project Area, including units affordable to low- and moderate-income households.
- g. Revitalize neighborhood commercial areas and strengthen retail in the Project Area.

**EXHIBIT 3
PROJECT AREA DEMOGRAPHICS
OAKLAND - CENTRAL CITY EAST REDEVELOPMENT PROJECT**

Income Characteristics:



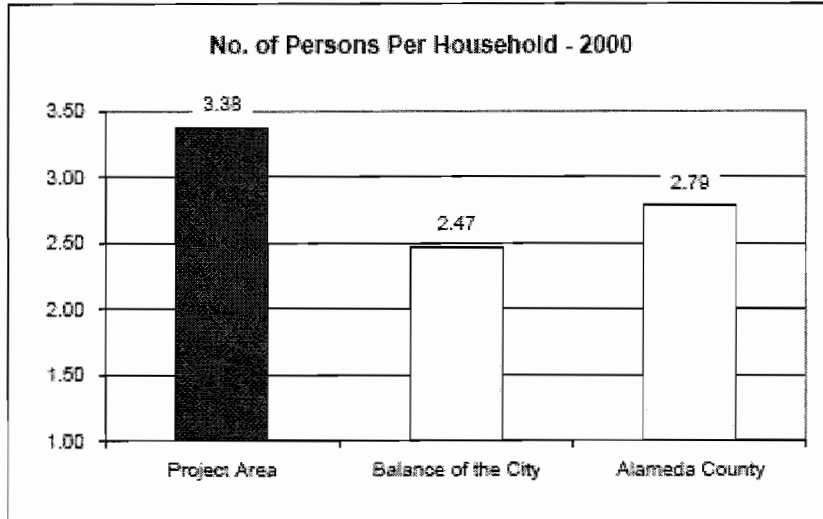
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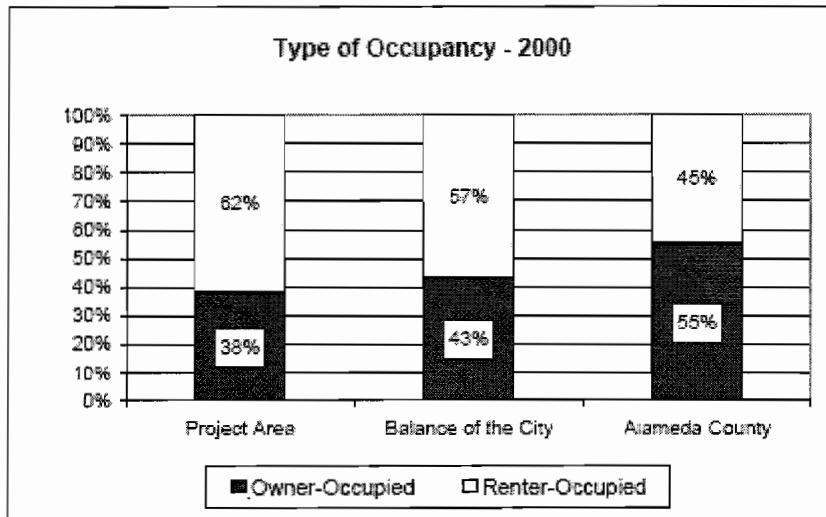
Source: Claritas

**EXHIBIT 3
PROJECT AREA DEMOGRAPHICS
OAKLAND - CENTRAL CITY EAST REDEVELOPMENT PROJECT**

Housing Characteristics:



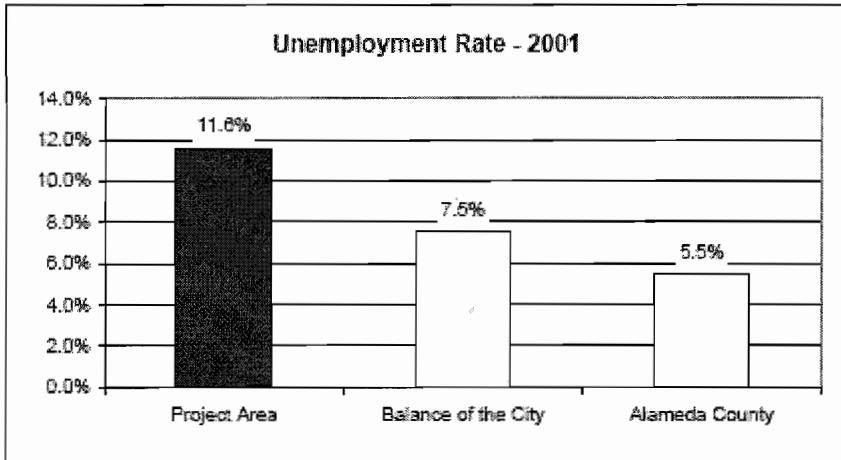
Source: Hausrath Economics Group



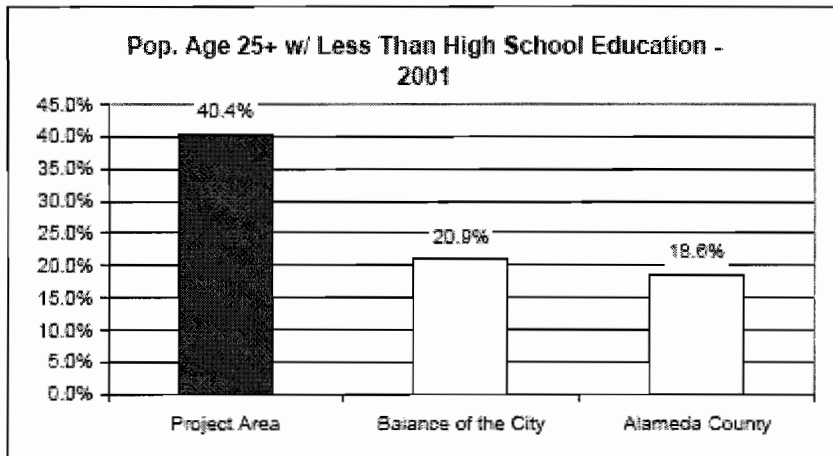
Source: Claritas

**EXHIBIT 3
PROJECT AREA DEMOGRAPHICS
OAKLAND - CENTRAL CITY EAST REDEVELOPMENT PROJECT**

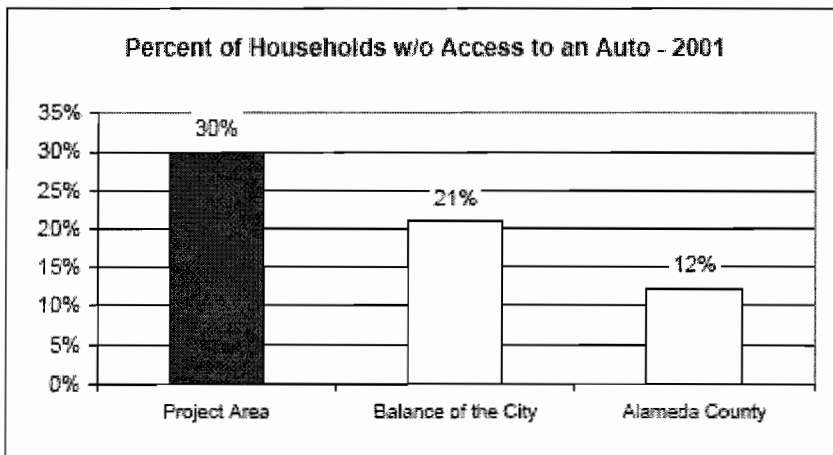
Employment, Education & Transportation:



Source: Claritas



Source: Claritas



Source: Claritas

Source: Claritas
Prepared by Keyser Marston Associates, Inc.
Filename: PA Demographic Charts, Charts; 8/7/02; d/b

The Agency will be winding-down its redevelopment activities over the term of this Implementation Plan. It is the Agency's hope and intent that the Implementation Plan as proposed will encourage further private sector investment in both commercial and residential designated areas.

During the first and second five-year terms of the Project, the former Redevelopment Agency assisted in projects and programs that addressed the goals and objectives identified in the Redevelopment Plan. Due to the dissolution, the Agency anticipates these goals will be addressed to a dramatically lesser extent during this next five-year term.

Programs and Program Actions During the Third Five-Years of the Redevelopment Plan and Relationship to Blight Elimination

The degree to which the Agency will actually participate in the projects and programs will depend in part on remaining funds available, the remaining legal authority of the Agency to pursue redevelopment, developer interest, and the Agency's ability to attract development that will eliminate blight and meet the goals and objectives of the Redevelopment Plan. The relationship between the goals and objectives, project and program and blight elimination is provided in Exhibit 4.

a. Retail and Commercial Recruitment Loan Program

The Retail Tenant and Commercial Recruitment Program enables the Agency to offer financial assistance in the form of low interest or zero-interest participatory loans and grants within the Redevelopment Project Area. One aspect of this program can be used to assist property owners with rehabilitation of retail and commercial properties to create and improve ground floor retail and commercial spaces and attract new tenants to underutilized and vacant buildings.

Another aspect of this program may include loans to tenants for interior improvements. Some existing community businesses may need capital to expand, replace equipment, or modernize.

By providing these loans and grants, the Agency may make rehabilitation feasible for many properties and businesses for which improvement would not be considered possible because of the unlikelihood of an adequate return on the investment. This program would have the effect of attracting businesses, thereby providing a wider range of retail and commercial uses.

b. Façade and Tenant Improvement Program

The Façade Improvement Program provides matching grants to existing businesses for the purposes of storefront improvements and façade treatments. The matching grant can be structured in different ways, e.g., the Agency may provide \$1 of grant for each \$2 of improvement value, or some other ratio. The business would be required to fund the remaining amount. This program provides assistance to businesses to encourage restoring, modernizing and improving

the facades of commercial structures to enhance the attractiveness and visual appearance of the area. Typical improvements would include paint, signage, lighting, awnings, window and door replacement, limited parapet additions, finishes and decorative features designed to highlight building characteristics. Edge treatment grants could also be made available for improvements (such as landscaping and fencing) to the frontage of properties. The Tenant Improvement Program provides a similar service for the interior improvements of commercial buildings that have been vacant for at least six months.

By eliminating physical deterioration and improving the substandard (obsolete) appearance of the retail and commercial buildings and surrounding sites, more patrons will be attracted to the area, which will improve declining retail sales. The increased business activity should slow the rate of business closures and attract new businesses to the Project Area. Also, by improving the buildings, property values should increase.

c. Historic Preservation Program

Portions of the Project Area that include significant historic buildings can be made into viable retail, commercial, or residential properties through various Agency-sponsored efforts and Agency assistance.

This program can both preserve important resources and eliminate the hazardous conditions in which people live and work by addressing issues such as seismic safety. Furthermore, rehabilitation of historic buildings provides reuse of valuable properties that may be underutilized or vacant, and preserves the character of an area.

d. Project Planning

The purpose of this program is to provide funding for outside consultants to develop plans, both physical and strategic, for the project area. This program will allow for in depth research resulting in plans that address the large and diverse project area but will also allow the development of plans which are specific to subarea that will fit into the large goals and objectives of the CCE redevelopment plan.

e. Land Assembly and Relocation Program

The purpose of this program is to assist private, public, and non-profit developers in assembling small, underutilized and/or poorly configured parcels of property into sites suitable for new development. The Agency's efforts in assembling land for private use would be applied in selective cases and only upon selection of a qualified developer. The Agency should avoid land assembly in cases where there is no current agreement with a development entity for development of the site. The Agency may assist in the selective assembly of land through

voluntary purchase, negotiated purchase, or eminent domain, to the extent that funding and legal authority is available.

Land assembly would likely take place in response to property owner, developer or Agency initiated efforts to assemble property needed for the expansion of existing uses or for the creation of sites capable of development for new uses. Through an Owner Participation Agreement (OPA) or Disposition and Development Agreement (DDA), the Agency or the City may provide land write downs or may grant or loan money to assist new retail, commercial, or housing development or expansion of existing facilities. By expanding existing buildings the Agency will help to reduce the number of inadequate sized buildings, which will in turn accommodate a wider variety of contemporary retail and commercial uses. By assembling small parcels, the Agency will reduce the number of inadequate sized parcels in multiple ownership and provide adequate space to develop contemporary facilities or expand existing buildings to accommodate a wider variety of uses.

The Agency may also choose to participate in the acquisition of property for infrastructure or public facilities purposes that would primarily benefit the Project Area. The program may also include site preparation activities such as demolition and clearance, and assistance for environmental remediation.

The Agency will provide relocation assistance as required by California State Housing and Community Development Regulations and Agency Guidelines. This will ensure that uniform, fair, and equitable treatment is afforded to displaced businesses and residents as a result of the Agency's land assembly and relocation program. Specific details will be provided in the actual Relocation Plan adopted by the City Council.

f. Infrastructure Improvements & Community Facilities Program

Infrastructure improvements cover a variety of public works projects ranging from installation of utilities, traffic capacity projects, mass-transit improvements, parking facilities, new streets, undergrounding overhead distribution and communication lines, storm drainage and sanitary sewers, bridges and under- or over-crossings, flood control improvements, pedestrian and bicycle friendly areas, traffic calming, freeway noise walls, and many other assorted capital projects. This may also include streetscape projects including constructing new curbs, gutters and sidewalks where they do not exist or where broken curbs, gutters and sidewalks require replacement; installing street trees and shrubs; constructing both decorative and handicapped accessible crosswalks; constructing new medians with landscaping; adding visual and safety improvements to existing medians; installing street furniture, such as trash receptacles and newspaper racks; and improving area lighting by increasing the number of luminaries, increasing the wattage of individual streetlights or adding pedestrian streetlights.

Improving the infrastructure will help to attract development to the area by eliminating costs that might otherwise be born by the private sector. This should help to increase building activity and improve property values. Furthermore, public improvements such as parking structures/lots will

improve the viability of commercial property, helping to compensate for individual property site deficiencies, and lighting improvements will create a safer environment in which to shop and reduce graffiti.

Community-based projects focus on the need for new or improved community facilities such as parks, community centers, libraries, open space and cultural facilities. Such facilities can be provided in conjunction with public schools to enrich the educational experience. Projects are anticipated for development using Redevelopment Agency and/or other funds from the City, State and Federal governments. These projects are intended to encourage further investment in the neighborhoods and make them more desirable places to visit and live.

By increasing investment in neighborhoods there will be an added benefit of assisting in the rehabilitation of deteriorated buildings and alleviate the existence of substandard structures. Also, by providing additional recreation facilities, certain crimes related to gang activity should be reduced.

g. Public/Private Development Program

Public/private coordination occurs when the Agency participates in significant private development projects. Through an Owner Participation Agreement or Disposition and Development Agreement, the Agency may grant or loan money to assist new commercial development or expansion of existing commercial facilities. This program may fund construction, landscaping, façade upgrades, parking improvements and City's Public Work's development requirements (e.g. fire hydrants or traffic mitigation projects, etc.)

By expanding existing buildings, the Agency will help to reduce the number of inadequate sized buildings, which will in turn accommodate a wider variety of contemporary commercial and industrial uses. By assembling small parcels, the Agency will reduce the number of inadequate sized parcels in multiple ownership and provide adequate space to develop contemporary facilities or expand existing buildings to accommodate a wider variety of uses.

Before the dissolution of redevelopment, the Redevelopment Agency acquired 20 parcels in six locations that had been prepared for development, see *Attachment 1: CCE Properties to be Developed*, for the full list of parcels. The Redevelopment Agency issued requests for proposals to select developers and then entered into development agreements for these six sites. The planned uses for these sites include:

Seminary Point – A 1.69 acre site made up of 11 parcels located at the intersection of Foothill Boulevard and Seminary Avenue. Sunfield Development, LLC has an ENA for the site and is prepared to enter into a DDA to build a new 27,000 sf neighborhood-serving retail center featuring a 14,250 sf Walgreens store as an anchor tenant with additional smaller retail tenants.

Eastmont - A 1.22 acre site located at the intersection of 73rd Avenue and Foothill Boulevard. The site will accommodate approximately 19,500 sf of retail and has been identified as a good

location for neighborhood serving retail. Given the shortage of financial institutions and drug stores, the Agency has identified a bank and drug store that would be interested in the area. The next step is to select a developer to implement the project.

36th Avenue and Foothill Boulevard – Two adjacent corner sites made up of 4 parcels totaling 0.78 acre. The sites are identified as good locations for retail in this underserved area. Each corner could accommodate an approximately 6,000 retail building and parking. The next step is to select a developer to implement the project.

Foothill Square - A 0.53 acre site located at 10451 MacArthur Blvd near the intersection of 106th Avenue and MacArthur Boulevard and across from Foothill Square. The site has been identified as good location for a mixed-use residential development. The site could accommodate approximately 75 residential units and 3,000 sf of retail. The next step is to select a developer to implement the project.

27th Avenue and Foothill Boulevard - A 0.52 acre site made up of 2 parcels located at 2777 and 2759 Foothill Blvd at the intersection of Foothill and 28th Avenue. The site could accommodate a retail neighborhood serving commercial development supported by the scheduled streetscape improvements along Foothill Blvd. The next step is to select a developer to implement the project.

Melrose Ford - A 0.73 acre site made up of 2 parcels only one of which is in the Central City East Redevelopment Area. The Site is located at the intersection of International Boulevard and Derby Street and a Reuse Feasibility Assessment for the property conducted in March 2011 identified several possible uses, including the option of retail uses fronting International Boulevard and a second building housing community/medical offices. The next step is to select a developer to implement the project.

h. Commercial Security/Crime Prevention Program

Due to the high crime rates in the Redevelopment Area, new programs can be developed to address the need for safer streets and neighborhoods. These programs may include, but are not limited to, lighting improvements, cameras on commercial corridors, security alarms.

By implementing such commercial security and crime prevention programs, the Agency will reduce crime as well as retain and recruit more businesses to the area. In addition the Agency will create safer and more livable neighborhoods for its constituents.

i. Contingency Fund

Due to various factors that can impact a project or programs financial requirements, a Contingency Fund category was created. All Contingency Funds must be used to support existing projects or programs. The Contingency Funds cannot be used to fund a new project or program.

The Contingency category will supply funds for projects or programs which are suffering from under funding due to an increase in expenses, expansion of scope or other demonstrated occurrences that will delay the project or program.

EXAMPLE PROGRAMS AND BLIGHT ELIMINATION CHART

Blighting Conditions	Typical Indicator of Blighting Condition	Proposed Redevelopment Programs								
		Affordable Housing Program	Retail & Commercial Recruitment Program	Facade & Tenant Improvement Program	Historic Preservation Program	Project Planning	Land Assembly & Relocation Program	Commercial Security/Crime Prevention Program	Public/Private Development Program	Infrastructure Improvement/Community Facilities Prog
Physical Blight										
Buildings in which it is unsafe or unhealthy for persons to live or work.	Building Code Violations	X	X	X	X	X			X	X
	Unreinforced Masonry Buildings	X	X	X	X	X			X	X
	Unsafe and Unhealthy Site Conditions	X	X				X		X	X
Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots.	Substandard Design and/or Construction	X	X	X	X	X	X		X	X
	Obsolete Design	X	X	X	X	X	X		X	X
Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.	Residential Uses Adjacent to Industrial or Heavy Commercial Uses	X					X		X	
The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.	Lots of Inadequate Size and Shape in Multiple Ownership	X	X			X	X		X	X
Economic Blight										
Depreciated or stagnant property values.	Depreciated or stagnant assess property values	X	X	X	X	X	X	X	X	X
	Low Property Sales Prices	X	X	X	X	X	X	X	X	X
Abnormally high business vacancies, abnormally low lease rates, or an abnormally high number of abandoned buildings	Abandoned Buildings and Excessive Vacant Lots	X	X	X	X	X	X	X	X	X
A serious lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores, drug stores, and bank and other lending institutions	Lack of supermarkets, drug stores, or banks/financial institutions		X	X		X	X		X	
Serious residential overcrowding that has resulted in significant public health or safety problems.	Residential Overcrowding	X			X		X		X	
An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety or welfare problems.	Excess of bars and liquor outlets		X			X	X		X	
	Excess of adult bookstores, theaters and other adult uses		X			X	X		X	
A high crime rate that constitutes a serious threat to the public safety and welfare.	High Crime Rates	X		X		X		X		X

NOTE: The impacts of any specific project or program on blighting conditions is dependent upon the actual design and intent of the project or program. These programs are examples only.

Exhibit 4: Relationship between Goals & Objectives, Projects & Programs, and Blight Elimination

Prepared by: Keyser Marston Associates, Inc. Revised by Redevelopment staff

Expenditures During the Third Five Years of the Redevelopment Plan

The Redevelopment Plan is prepared with the intent of providing the Agency with the necessary legal authority and flexibility to implement the revitalization of the Project. The Plan authorizes the Agency to finance the Project with financial assistance from any or all of the following sources: (1) City of Oakland; (2) State of California; (3) federal government; (4) Real Property Tax Trust Funds ("RPTTF"), to the extent available; (5) Agency bonds, including excess bond proceeds; (6) interest income; (7) loans from private financial institutions; (8) lease or sale of Agency-owned property; (9) donations; and (10) any other legally available public or private sources. The previous Implementation plans had funded redevelopment programs solely from future tax increment revenues. However, due to the dissolution, this is no longer a funding source.

The Redevelopment Agency was dissolved by the Legislature in 2012, although the obligations of redevelopment law (including adoption of Five-Year Implementation Plans) still exist. The dissolution of the Redevelopment Agency results in tax increment no longer being a viable source of funds for redevelopment. No new tax increment can be collected, barring a reinstatement of redevelopment or a similar economic development tool. No other additional new funding sources were identified at the time of drafting the Implementation Plan.

Housing Component – Central City East

Implementation Plan Requirements

This Housing Component of the Implementation Plan is required by Article 16.5 of the California Redevelopment Law (“CRL”) as contained in Sections 33000 *et seq.* of the California Health and Safety Code. (All citations in this portion of the Implementation Plan are to the Health and Safety Code unless otherwise specified.)

The Housing Component presents those components of the Agency’s intended program for the Project Area that deal with the expenditure of funds and activities relating to the production of housing at affordable housing cost to persons and families of low and moderate (“low-mod”) income, to the extent those housing obligations still exist given the dissolution of redevelopment agencies. Low-mod income is defined in the CRL by reference to Section 50093 of the Health and Safety Code, which specifies the following income levels:

- Moderate income, which is defined as household income of 80 percent to 120 percent of median income for the applicable household size (Section 50093);
- Low income, which is defined as income of 50 percent to 80 percent of median income for the applicable household size (Section 50079.5); and
- Very-low income, which is defined as income less than 50 percent of median income for the applicable household size (Section 50105).

Affordable housing cost is defined in Section 50052.5 as shown in the following table. Housing cost for rental housing includes rent plus an allowance for tenant-paid utilities. Housing cost for owner-occupied housing includes principal, interest, insurance, taxes, utilities, homeowner association dues, and maintenance.

Exhibit 5: Definition of Affordable Housing Cost

Income Level	Rental Housing	Owner-Occupied Housing
Very Low Income	30% of 50% of AMI	30% of 50% of AMI
Low Income	30% of 60% of AMI	30% of 70% of AMI
Moderate Income	30% of 110% of AMI	35% of 110% of AMI, but no less than 28% of actual income

AMI = “Area Median Income,” which is the Median Family Income, adjusted for family size, for the metropolitan area (Alameda and Contra Costa Counties combined), as determined by the U.S. Department of Housing and Urban Development

The CRL provides that, in addition to the removal of blight, a fundamental purpose of redevelopment is to expand the supply of low-mod housing (Section 33071). To accomplish this purpose, the CRL contained numerous provisions to guide redevelopment agency activities with regard to low-mod housing. Most of these provisions were not repealed by the dissolution law, and so the Agency as successor agency to the former Redevelopment Agency stepped into these obligations. However, the continued applicability of these obligations may be the subject of litigation.

These provisions divide housing responsibilities into two major categories:

- The production and/or replacement of low-mod housing depending upon activities undertaken by an agency within project areas; and
- Preparing reports on how the Agency has met, or preparing plans on how the Agency will meet its responsibilities with regard to the above.

This Housing Component is part of the Agency's responsibilities to prepare reports on housing activities. Its contents address how the Agency's plans for the Project Area will achieve many of the housing responsibilities noted above. Article 16.5 requires that the housing portion of an Implementation Plan address the applicable items presented in the list below.

1. Production of Housing Based on Activities in the Project Area:

- **AREA HOUSING PRODUCTION REQUIREMENTS.** In project areas adopted after January 1, 1976, at least 30 percent (30%) of all new and substantially rehabilitated dwelling units developed by a redevelopment agency must be available at affordable housing cost to persons and families of low and moderate income and shall be occupied by these persons and families (Section 33413(b)(1)). At least 15 percent (15%) of all new residential units dwelling units developed within a project area under the jurisdiction of an agency by public or private entities or persons other than the Agency must be available at affordable housing cost to persons and families of low or moderate income and shall be occupied by these persons or families (Section 33413(b)(2)). At least 15 percent (15%) of all substantially rehabilitated units that have received agency assistance must be available at affordable housing cost to persons and families of low or moderate income and shall be occupied by these persons or families (Section 33413(b)(2)(iii)). The dissolution law did not repeal or modify the area production requirements in the CRL, so it appears that the Agency as successor agency has stepped into the obligation to ensure compliance with these requirements. The area production requirements have been included on the Agency's approved Recognized Obligation Payment Schedules ("ROPS") as enforceable obligations of the Agency, since obligations imposed by state law are considered enforceable obligations of the Agency under the dissolution law; see Health and Safety Code Section 34171(d)(1)(C).
- **REPLACEMENT HOUSING REQUIREMENTS.** Suitable locations must be identified for replacement housing units rehabilitated, developed or constructed pursuant to Section 33413(a), if the destruction of removal of low-mod units will result from a project contained in the Implementation Plan (Section 33490(a)(3)). The dissolution law did not repeal or modify the replacement housing requirements in the CRL, so it appears that the Agency as successor agency has stepped into the obligation to ensure compliance with these requirements. Replacement housing requirements have been included on the Agency's approved ROPS as enforceable obligations of the Agency, since obligations imposed by state law are considered

enforceable obligations of the Agency under the dissolution law; see Health and Safety Code Section 34171(d)(1)(C).

2. Set-Aside and Expenditure of Tax Increment for Housing Purposes:

Prior to the dissolution of redevelopment agencies, the CRL required that at least 20 percent of tax increment revenues be set aside into a low and moderate income housing fund to increase, improve or preserve the community's supply of low and moderate income housing (Section 33334.2). Since the dissolution law abolished tax increment financing, there is no longer a requirement to deposit funds into the Low and Moderate Income Housing Fund. The remaining unencumbered balance of the Low and Moderate Income Housing Fund has been swept to the taxing entities per Health and Safety Code Section 34179.6.

3. Additional Requirements:

The implementation plan must include estimates of the balances and deposits into the low and moderate income housing fund; a housing program identifying expenditures from the Housing Fund; an indication of housing activity that has occurred in the project area; and estimates of housing units that will be produced in the project area for each of the various income categories.

For project areas that are within six years of the time limit on the effectiveness of their redevelopment plan, the implementation plan must show the ability of the agency to comply with its replacement housing and area production requirements and the disposition of the remaining monies in the low and moderate income housing fund prior to the time limit (Section 334900(a)(4)).

Applicable Low and Moderate Income Housing Requirements

1. Applicable Housing Production Requirements

The date of adoption, the existence of low-mod housing units, and the potential for residential development are the primary determinants of the practical applicability of the various housing provisions of the CRL. The low-mod housing provisions as applied to the project area are discussed below:

a. Replacement Housing Obligation

The Agency is required to meet replacement-housing obligations pursuant to CRL Section 33413(a). This Section requires the Agency to replace, on a one-for-one basis, all units removed from the low and moderate income housing stock caused by Agency activities in the Project Area. Article 16.5 requires that if an implementation plan contains projects that could result in the removal of low-mod housing units, the plan must identify locations suitable for the replacement of such housing.

As noted above, the Agency believes that the replacement housing obligations survive the dissolution law and are still legal obligations of the Agency as successor to the former Redevelopment Agency. However, the Agency does not anticipate undertaking or assisting

any actions that would result in the demolition or removal from the market of low and moderate income housing. Therefore there is no replacement housing obligation at present.

b. Housing Production Obligation

The Agency is required to comply with the housing unit production requirement of the CRL Section 33413(b). As noted above, the Agency believes that the area production requirements survive the dissolution law and are still legal obligations of the Agency as successor to the former Redevelopment Agency. Subparagraph (1) of the Section requires that 30 percent (30%) of all housing units developed by the Agency be affordable to low-mod persons.

The Agency does not plan to develop housing in the next five years, rather the Agency will assist in private sector affordable housing development. Thus, the Agency is not anticipated to incur any obligations under this provision of the CRL.

If there is any development of housing, the Agency will need to create low and moderate housing in order to comply with the provisions of subparagraph (2) of Section 33413(b). Subparagraph (2) requires that 15 percent (15%) of all housing developed in the Project Area (inclusive of restricted units) be low-mod housing. Of these low-mod units, at least 40 percent (40%) must be affordable to persons and families of very-low income.

However, Section 33413(b)(2)(A)(ii) allows an agency as an alternative to satisfy this requirement by ensuring that two affordable units are made available outside of the project area for every one unit that would otherwise be required within the project area.

To determine the number of units that must be developed in order to comply with this requirement, and to identify how much of this requirement will be satisfied by the activities included in this Implementation Plan, a brief review of past and anticipated housing development activity in the Project Area is presented below.

c. Housing Construction Activity in the Project Area Prior to July, 2013

As shown in the following table, from the inception of the Redevelopment Plan for this Area (July 2003) through the end of the previous Implementation Plan period (July, 2013), a total of 899 units had been newly constructed, substantially rehabilitated, or were under development:

Exhibit 6: Housing Production in Central City East, July 2003 – July, 2013

Project Name	Units	Type	Year Completed	Affordability Level			
				Very Low	Low	Mod	Above Mod
2524-2528 108th Avenue	3	Family	2004				3
2951-2957 68th Avenue	4	Family	2004				4
8850-8870 MacArthur Boulevard	3	Family	2003				3
9884 MacArthur Boulevard	6	Family	2005				6
Casa Velasco (3430 Foothill Blvd.) ^a	20	Senior	2003	19			1
District Homes Condos (1515 14th Ave)	18	Homeownership	2004				18
East 12th @ 4th Avenue	5	Family	2005				5
Eastmont Court (6850 Foothill Blvd.)	19	Disabled	2005	18			1
Foothill Family Apartments (6900 Foothill Blvd.) ^o	65	Family	2003	45	19		1
Nathan A. Miley Senior Housing	69	Senior	2007	50	19		
Oak Park Apartments (2618 E. 16th St.) ^c	35	Family	2004	34			1
Palm Villa (90th-94th St/MacArthur Blvd.) ^d	33	Homeownership	2005			33	
Scattered Site Infill Development ^e	92	Various	Various				92
Orchards on Foothill (2719 Foothill Blvd)	65	Senior	2008	64			1
Covington Manor	19	Family	2012				19
Clinton Commons (720 E. 11th St)	55	Family	2012	37	17		1
MacArthur Apartments (9800 MacArthur)	32	Family	2013	30	1		1
9839-49 MacArthur Blvd.	10	Homeownership	2013				10
Lakeside Senior Apartments	92	Senior	2014	91		1	
Effie's House ^f	21	Family	2013	4	17		
Hugh Taylor House ^f	42	Special Needs	2012	42			
Eldridge Gonaway Commons ^f	40	Family	2013	39			1
Posada de Colores ^f	100	Senior	2011	99			1
Kenneth Henry Court ^f	51	Family	2012	22	29		
Total	899			594	102	34	169
Percentage	100%			66%	11%	4%	19%

a. Casa Velasco, a "substantial rehabilitation" development (as per State Redevelopment law) with new 55 year affordability restrictions, was completed Dec. 2003.

b. According to OCHM and OHA, Foothill Family Apartments was completed in 2001, but the affordability restrictions began in 2003. As a result, these units may not count towards the affordable housing production requirements.

c. Oak Park Apartments, a "substantial rehabilitation" development (as per State Redevelopment law) with new 55 year affordability restrictions, was completed in Sept. 2004.

d. Palm Villa in its entirety consists of 78 moderate income homeownership units. Only 33 of these units were sold after the CCE Redevelopment Plan Adoption date of July 2003 and thus, included in the housing production figures.

e. Source: Win2Data "Year Built" 2004-08

f. Effie's, Hugh Taylor, Eldridge Gonaway, Posada de Colores, and Kenneth Henry were all "substantial rehabilitations" (as per State Redevelopment law) of existing affordable housing with renewed 55 year affordability restrictions

d. Estimate of Future Housing Construction Activity in the Project Area

The Agency estimates that between 2013 and 2022 (i.e. the next ten-year Production Requirement Compliance Period), there could be as many as 3,100 units of housing newly constructed, substantially rehabilitated, or acquired with affordability covenants.

Exhibit 7: Projected Housing Development in Central City East, July, 2013 – June, 2022

Project Name	Units	Type	Year Completed	Affordability Level			
				Very Low	Low	Mod	Above Mod
Brooklyn Basin (Oak to Ninth) ^a	3,100	Family	TBD				3,100
Total	3,100			0	0	0	3,100

a. Brooklyn Basin is estimated to consist of 3,100 units in its entirety in the Central City East Project Area. It is unlikely that all these units will be built during the compliance period, but all are included to be conservative. The project is expected to have an affordability component, which is estimated at 465 units. The completion timeline and affordability levels of these units are also unknown at this time and are therefore not included in the above table.

e. Estimated Number of Units Required for Housing Production Obligation

During the previous compliance period, the housing production obligation was fulfilled, with a surplus of affordable units affordable to very-low, low, and moderate income households, as summarized in the following table:

Exhibit 8: Affordable Unit Production Requirements Based on Completed/Underway Projects

	Total	Total Affordable ^a	VLI Only
Total Units Completed/Underway	899	730	594
Less Required Affordable Units (15% total, 6% VLI)		135	54
Surplus/(Deficit)		595	540

a. Includes units for very low, low and moderate income households.

If the projected 3,100 units are built during the next Implementation Plan period or during the 10-year compliance period, this would generate a new housing production obligation of an additional 465 units affordable to very-low, low or moderate income households. Of these, at least 186 units would be required to be affordable to and restricted for occupancy by very-low income households.

Because the Agency has exceeded the production obligation for the previous 10-year period, the surplus units may be counted toward the future obligation for the next 10-year period. The below table summarizes the total production obligation for the upcoming 10-year compliance period, inclusive of those surplus units:

Exhibit 9: Affordable Unit Production Requirements Based on Completed/Underway and Pending Projects

	Total	Total Affordable ^a	VLI Only
Total units Completed/Underway plus Pending Units	3,999		
Required Affordable Units (15% total, 6% VLI)		600	240
Affordable units Completed/Underway plus Pending Units		730	594
Net Surplus/(Deficit) including Pending		130	354

a. Includes units for very low, low and moderate income households.

2. Applicable Provisions Regarding Low and Moderate Income Housing Set-Aside

a. Set-Aside of Tax Increment

As noted above, since the dissolution law abolished tax increment financing, there is no longer a requirement to deposit funds into the Low and Moderate Income Housing Fund. The remaining unencumbered balance of the Low and Moderate Income Housing Fund has been swept to the taxing entities per Health and Safety Code Section 34179.6.

3. Housing Goals and Objectives of the Implementation Plan

The primary goal of the Agency is to comply with the affordable housing requirements imposed by the CRL in a responsible manner. The affordable housing activities identified in this proposed Implementation Plan will explicitly assist in accomplishing the intent of the CRL in regards to the provision of low-mod housing.

The CRL establishes preservation and production requirements, to be attained during five and ten year increments. The housing production requirement, if applicable, must be met every ten years. It is the Agency's goal and objective for this Implementation Plan to accomplish sufficient activity and expenditures over the Implementation Plan term, and through the term of the Project Area, to comply with the applicable requirements.

4. Estimated Housing Fund Revenues and Expenditures

As noted above, since the dissolution law abolished tax increment financing, there is no longer a requirement to deposit funds into the Low and Moderate Income Housing Fund. The remaining unencumbered balance of the Low and Moderate Income Housing Fund has been swept to the taxing entities per Health and Safety Code Section 34179.6. Therefore, there will be no housing fund revenues and no housing fund expenditures related to the Project Area.

5. Anticipated Housing Program Activities

As noted above, since the dissolution law abolished tax increment financing, there is no longer a requirement to deposit funds into the Low and Moderate Income Housing Fund. The remaining unencumbered balance of the Low and Moderate Income Housing Fund has been swept to the taxing entities per Health and Safety Code Section 34179.6. Therefore, there will be no housing fund revenues and no housing fund expenditures related to the Project Area available to fund housing programs. To the extent that funds do become available, the Agency may assist in a variety of programs to provide, improve, and preserve affordable housing such as the following:

a. Production

The Agency can make loans and grants from the Low and Moderate Income Housing Fund to non-profit and for-profit developers for the new construction or rehabilitation of affordable housing. Loans can be made on a deferred payment and/or below market interest rate basis.

The Agency can also participate in land acquisition, land cost write-down, developer recruitment, credit enhancement, and other participation to cause affordable housing to be developed. This is normally accomplished after identification of a housing site, development of a housing concept, and issuance of a Request for Proposals for development of housing. Such affordable housing could be rental or ownership housing. The Agency may also acquire land and directly build housing.

b. Rehabilitation

The Agency may offer low-interest or no-interest loans or grants to assist low- and moderate income homeowners in making repairs to existing residences. Such repairs could consist of correcting health and safety violations, re-landscaping, and re-painting. This preserves the affordability of the housing and extends its lifespan, as well as improves the neighborhood. Additionally, such programs can be extended to owners of rentals properties to make repairs to affordable rental housing. In either case, covenants must be recorded to keep these properties affordable for the time period required by CRL.

c. Affordability Assistance

The Agency may provide direct subsidies to lower the cost of producing housing or first-time homebuyer programs to assist very-low to moderate income families with mortgage assistance for the purchase of a home. The latter can take the form of a deferred loan with a low interest rate and equity sharing provisions. When the home is sold, the loan and equity share would be used to help another first-time homebuyer.

d. Preservation of Existing Affordable Housing

The Agency may offer loans, grants or other forms of investment to assist in the preservation of existing assisted housing that is otherwise threatened with conversion to market rate. Such assistance would be coupled with affordability restrictions of 55 years for rental housing and 45 years for owner-occupied housing.

6. Allocation of Housing Funds over Previous Implementation Period

While the Redevelopment Agency had tax-increment funds deposited in the Low and Moderate Income Housing Fund, they were tracked individually for each project area. Those funds were combined into a single fund, except for West Oakland and Central City East, both of which restrict the use of housing funds to their Project Areas. The Agency had made findings that affordable housing activities in any part of the City are of benefit to all of the redevelopment project areas. As a result, Low and Moderate Income Housing Funds for most redevelopment project areas were used

throughout the different project areas (including Central City East), while funds generated by Central City East could only be utilized inside the project area.

The table below provides information for the previous implementation plan period regarding Low and Moderate Income Housing Fund monies utilized in the project area to assist units affordable to, and occupied by, extremely low income households, very low income households, and low-income households, including units available to families with children.

Exhibit 10: Low and Moderate Income Housing Fund Allocations, July, 2008 – July, 2013

Project Name	Housing Type	Project Type	Year Complete	Agency Funding ^a
Posada de Colores	Senior	Rental Rehabilitation	2011	\$450,000
Effie's House	Family	Rental Rehabilitation	2013	\$2,517,000
Clinton Commons	Family	Rental New Construction	2012	\$5,827,497
MacArthur Apartments	Family	Rental New Construction	2013	\$4,485,000
Hugh Taylor House	Special Needs	Rental Rehabilitation	2012	\$1,222,000
Eldridge Gonaway Commons	Family	Rental Rehabilitation	2013	\$1,655,000
Kenneth Henry Court	Family	Rental Rehabilitation	2012	\$1,375,000
Owner-Occupied Rehabilitation Program ^b	Family	Ownership Rehabilitation	Various	\$1,255,243
First-Time Homebuyer Program ^c	Family	Mortgage Assistance	Various	\$630,941

(a) Agency Funding includes all allocations to projects in Central City East from 2008-2013, not only funds generated within the Central City East Redevelopment Area.

(b) Amount shown is amount expended. The amount originally allocated for Owner-Occupied Rehabilitation was \$3,090,399. However, some of these funds were lost due to the dissolution of Redevelopment.

(c) Amount shown is amount expended. The amount originally allocated for First-Time Homebuyer programs was \$2,870,813. However, some of these funds were lost due to the dissolution of Redevelopment.

Attachment 1

Project Name	Address	APN	Square Feet
SEMINARY POINT	5859 Foothill Blvd	038-3182-001	2,827
SEMINARY POINT	2521 Seminary Avenue	038-3182-002	6,276
SEMINARY POINT	2529 Seminary Avenue	038-3182-003	9,580
SEMINARY POINT	5844 Bancroft	038-3182-005	3,238
SEMINARY POINT	5803 Foothill Blvd	038-3182-020	18,127
SEMINARY POINT	5805 Foothill Blvd	038-3182-021	2,324
SEMINARY POINT	Foothill Blvd	038-3182-022	6,638
SEMINARY POINT	5833 Foothill Blvd	038-3182-023	15,755
SEMINARY POINT	5835 Foothill Blvd	038-3182-024	2,555
SEMINARY POINT	5847 Foothill Blvd	038-3182-025	3,773
SEMINARY POINT	5851 Foothill Blvd	038-3182-026	2,253
EASTMONT	73rd AVE & FOOTHILL BLVD	039-3291-020	53,160
36TH AND FOOTHILL	3614 Foothill Blvd. (36th & Foothill)	032-2084-050	5,000
36TH AND FOOTHILL	3600 Foothill Blvd	032-2084-051	10,625
36TH AND FOOTHILL	3566 Foothill Blvd	032-2115-037-01	6,541
36TH AND FOOTHILL	3550 Foothill Blvd (36th & Foothill)	032-2115-038-01	11,893
FOOTHILL SQUARE	10451 Macarthur Blvd	047-5576-007-3	23,000
27TH AND FOOTHILL	2777 Foothill Blvd	025-0733-008-02	17,818
27TH AND FOOTHILL	2759 Foothill Blvd	025-0733-088-03	4,626
MELROSE FORD	Derby Street	025-0720-002-01	9,000