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OFFICE OF THE CITY CLERK
OAKLAND

2016 MAR 30 AM 11:05

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Mark Sawicki
Director, EWD

SUBJECT: Façade Improvement Program
Allocation of Historic Mitigation Funds

DATE: April 1, 2016

City Administrator Approval

Date:

3/29/16

RECOMMENDATION

Staff Recommends that the City Council Adopt A Resolution Authorizing The City Administrator or Designee to (1) Accept and Appropriate \$188,750 in Historic Mitigation Funds from Three Developers to the Façade Improvement Program; And (2) Accept and Appropriate any Historic Mitigation Funds which May Be Received by the City of Oakland in Fiscal Year 2015/2016 through Fiscal Year 2024/2025 to the Façade Improvement Program Relying on an Exemption from California Environmental Quality Act ("CEQA") Review Pursuant to Section 15061(b)(3) of the CEQA Guidelines

EXECUTIVE SUMMARY

In the past, the Planning Commission has required developers that propose to demolish historic buildings for new development to mitigate adverse impacts to historic resources by making financial contributions to a historic preservation program, such as the City of Oakland's ("City") Façade Improvement Program ("FIP"). So far, the City has received \$188,750 from the following sources: (a) \$42,500 from the demolition of a historic building located at 621 Harrison Street, (b) \$77,500 from the demolition of a historic building located at 2935 Telegraph Avenue, and (c) \$68,750 from the demolition of a historic building located at 444 23rd Street. Although these contributions do not mitigate the impacts of the loss of the designated historic resources, the funds can be put to good use for rehabilitating and preserving other properties.

At this time, staff would like to appropriate these funds to the FIP to provide façade improvement grants for historic or potentially designated historic properties. In order to ensure that funding is available in each affected area, staff will set up individual, area-specific FIP Historic Mitigation Projects accounts.

In addition, staff is requesting that the City Council authorize the City Administrator to accept all historic mitigation funds earmarked for the FIP which may be received in the future by the City, beginning in fiscal year 2015/6 and ending in fiscal year 2024/25, and to appropriate said funds to area-specific FIP Historic Mitigation Projects, without returning to City Council.

Item: 4
CED Committee
April 12, 2016

BACKGROUND / LEGISLATIVE HISTORY

Over the last several years, the City Planning Commission has required payment of historic mitigation fees from certain developers to partially off-set impacts caused by the demolition of historic buildings in order to accommodate new development. The City Planning Commission, based on the respective project's Environmental Impact Reports, has assigned these mitigation fees to fund improvements to buildings with historic façades in the neighborhoods surrounding the affected property. A historic façade is defined as the exterior face of historic or potentially designated historic buildings.

The City has received the following mitigation funds in the total amount of \$188,750 from developers, but the City Council has not authorized acceptance and appropriation of said funds.

Mitigation Funds	Mitigation Fund Source
\$77,500	Demolition of the Courthouse Condominiums, the former Courthouse Athletic Club and the adjacent parking lot, located on 2935 Telegraph Avenue
\$42,500	Demolition of 621 Harris Street
\$68,750	Demolition of 2335 Broadway

ANALYSIS AND POLICY ALTERNATIVES

The appropriation of the historic mitigation fees will provide additional funding to the FIP for use to improve the facades of historic and potentially designated historic commercial buildings that are located in the vicinity of the development sites.

The FIP is active in former Redevelopment Project areas and provides 50 percent matching grants to local business owners and property managers for façade improvements to commercial properties.

FISCAL IMPACT

The acceptance and appropriation of the historic mitigation funds will expand the reach of the existing reimbursable matching grant program by allowing these funds to be used exclusively for historic façade improvements. This will allow the City to attract additional private investment to the respective Redevelopment Project areas.

The historic mitigation funds are located in the accounts listed in the following table.

Amount	Sources
\$42,500	621 Harrison Street Demolition Funding Code: Miscellaneous Grants (2999) Central District Redevelopment (02445 now 85245) City Oakland Grant (46111)
\$77,500	2935 Telegraph Courthouse Condominium Demolition Funding Code: Broadway/MacArthur Grant(2999) Broadway/MacArthur/San Pablo (94869) Grant (46419).Courthouse FIP (P494110)
\$68,750	444 23 rd Street Demolition Funding Code: Miscellaneous Grants (2999) Economic Development (94800) Other Grant Private Party (46411)

Upon authorization of the proposed legislation, FIP Historic Mitigation project funds will be established for each specific Program Area.

In addition, staff is requesting that the City Council authorize the City Administrator to accept all historic mitigation funds, which may be received in the future by the City, beginning in fiscal year 2015/6 and ending in fiscal year 2024/25, and to appropriate said funds to area-specific FIP Historic Mitigation projects, without returning to City Council.

PUBLIC OUTREACH / INTEREST

Each of the three aforementioned projects for which mitigation funds have been received went through an approval process that included one or more community meeting(s), Landmark Preservation Advisory Board meeting(s), Design Review Committee meeting(s), and/or Planning Commission meeting(s). This process ensures that the interests of all stake holders are considered and specifically that the public interest is at the forefront of mitigation funds use.

COORDINATION

This report was prepared by the Project Implementation Division in coordination with the Bureaus of Planning and Building, as well as in consultation with the Finance and Management Agency, the Office of the City Attorney and the Controller's Bureau. The mitigation funds which have been received from developers were, for each project, a condition of approval for the entitlements for these projects.

Item: _____
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SUSTAINABLE OPPORTUNITIES

Economic: The FIP provides a vehicle for combined public and private investments in commercial properties around the City. Additional funding for this Program will increase the investment impact in these areas, particularly as program funds are dwindling rapidly with no source for replacement.

Environmental: Improving and revitalizing historic buildings encourages the use of existing resources which helps to preserve the history of Oakland, as well as to encourage the reuse of supplies.

Social Equity: The FIP invests in the eradication of blight within redevelopment areas chosen based on disadvantaged socio-economic indicators.

CEQA

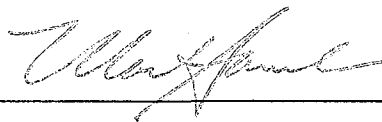
In accordance with the California Environmental Quality Act ("CEQA"), the City reviewed and analyzed the proposed legislation, and the City has determined, after independent review and consideration, that the proposed acceptance and appropriation of historic mitigation funds is exempt from CEQA review pursuant to Section 15061(b)(3) (general rule) of the CEQA Guidelines.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends that the City Council Adopt A Resolution Authorizing The City Administrator or Designee to (1) Accept and Appropriate \$188,750 in Historic Mitigation Funds from Three Developers to the Façade Improvement Program; And (2) Accept and Appropriate any Historic Mitigation Funds which May Be Received by the City of Oakland in Fiscal Year 2015/2016 through Fiscal Year 2024/2025 to the Façade Improvement Program Relying on an Exemption from California Environmental Quality Act ("CEQA") Review Pursuant to Section 15061(b)(3) of the CEQA Guidelines

For questions regarding this report, please contact Ain Bailey, Urban Economic Analyst, Project Implementation Division, at 510.238.7362.

Respectfully submitted,

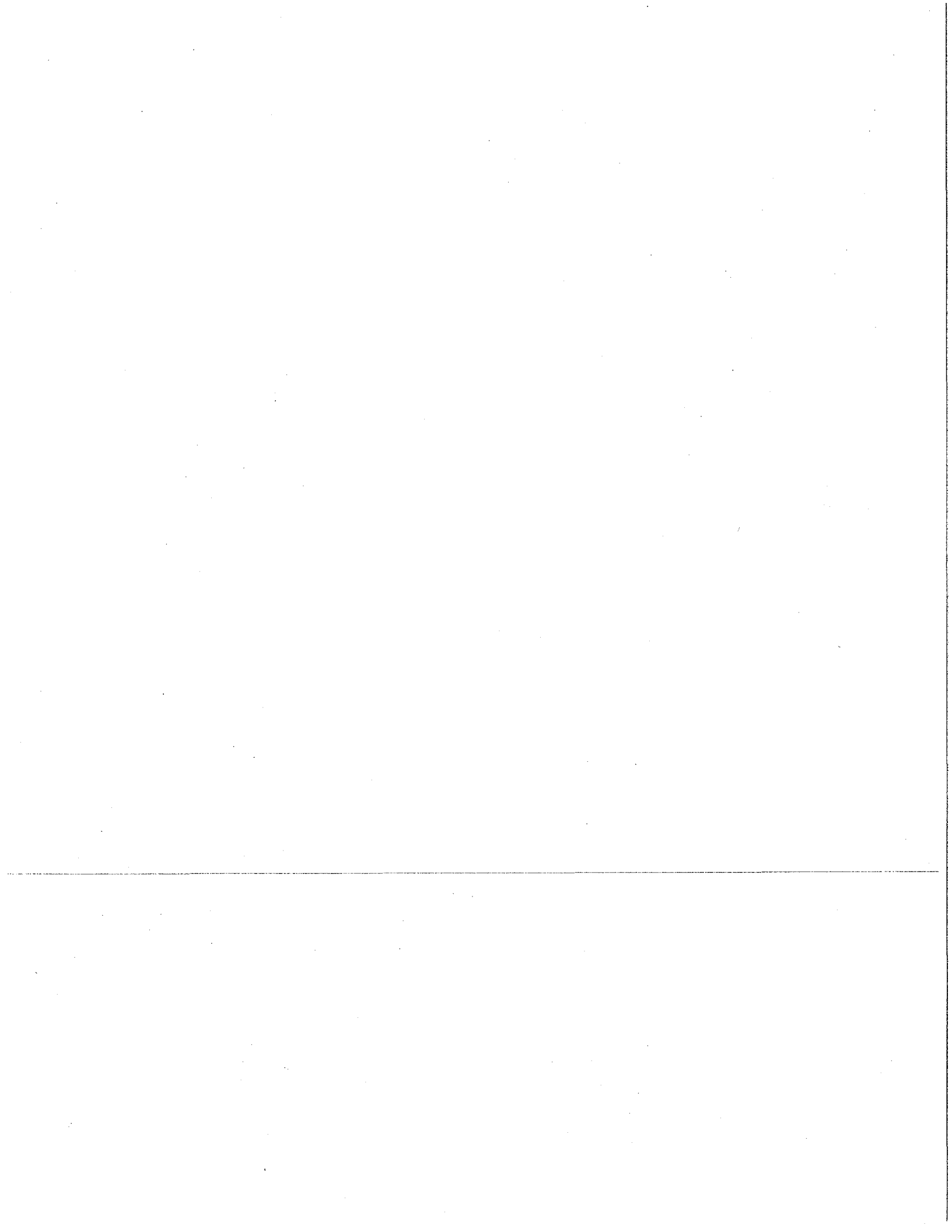


Mark Sawicki
Director, Economic and Workforce
Development Department

Reviewed by: Patrick Lane
Project Implementation Manager

Prepared by:
Ain Bailey, UEA II
Project Implementation Division

Attachments (1):
A - Historic Mitigation Sources: Environmental Impact Report Excerpts



Attachment A: Historic Mitigation Sources: Environmental Impact Report Excerpts

Excerpts from each projects respective Final Environmental Impact Report
outlining the allocation to the Façade Improvement Program

(attached)

Historic Mitigation Sources: Environmental Impact Report Excerpts

(a) \$42,500

325 7th Street Project (aka 621 Harrison) Final Environmental Impact Report

Page 3-34

Any remaining funds after implementing the Historic Interpretive and Improvement Program shall be applied towards a historic resource related program, which can be used to fund other historic preservation projects in the 7th Street/ Harrison Square Historic District or in the immediate vicinity. Such programs include, without limitation, a Façade Improvement Program or the Property Relocation Assistance Program. The project applicant shall make the monetary contribution prior to Certificate of Occupancy.

(b) \$77,500

2935 Telegraph Avenue (Courthouse Condominiums) Final Environmental Impact Report

Page 7 II-I

Based on comments by the public and by members of LPAB during the Board hearing on April 18, 2007, an additional mitigation measure has been added to page III.A-1 of the Draft EIR to further reduce the impacts of the proposed demolition of the former Courthouse Athletic Club; a historic resource as defined by CEQA Section 15064. However, the impact would nevertheless remain significant and unavoidable. These revisions are described below:

Mitigation Measure A.1d: The project sponsor shall contribute financially to a Telegraph Avenue Façade Improvement Program. The amount shall be determined by the City of Oakland and be commensurate with the level of impact of the proposed project.

(c) \$68,750

Broadway – West Grand Mixed-Use Project Final Environmental Impact Report

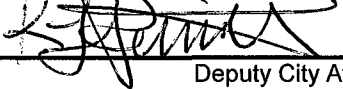
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On page II-5, in the Summary Table, the following mitigation measure is added as partial mitigation for Impact E.5 (cumulative impacts to historic resources): Mitigation Measure E.5: The project sponsor would contribute to the City's Facade Improvement Fund an amount determined by the Planning Director to be roughly proportional to the project's contribution to cumulative impacts on historic resources in downtown Oakland and the vicinity. Although the Facade Improvement Fund is not limited to historic buildings, the project's contribution would be earmarked especially for improving facades of buildings identified as historic resources in the downtown area according to the General Plan Historic Preservation Element or the Oakland Cultural Heritage Survey.

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OAKLAND

2016 MAR 30 AM 11:06

Approved as to Form and Legality:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A Resolution Authorizing The City Administrator or Designee to (1) Accept and Appropriate \$188,750 in Historic Mitigation Fees from Three Developers to the Façade Improvement Program; And (2) Accept and Appropriate any Historic Mitigation Funds which May Be Received by the City of Oakland in Fiscal Year 2015/2016 through Fiscal Year 2024/2025 to the Façade Improvement Program Relying on an Exemption from California Environmental Quality Act ("CEQA") Review Pursuant to Section 15061(b)(3) of the CEQA Guidelines

WHEREAS, the Oakland Planning Commission has, in the past, required developers that propose to demolish historic buildings for new development to mitigate the adverse impacts to historic resources by making financial contributions to a historic preservation program, such as the City of Oakland's ("City") Façade Improvement Program ("FIP"); and

WHEREAS, the Planning Commission has received \$188,750 in historic mitigation fees from developers; and

WHEREAS, the Planning Commission assigned the historic mitigation fees to the Façade Improvement Program, and earmarked said fees for the façade restoration of Historic or Potentially Designated Historic Properties ("PDHP") in the downtown or other areas affected by the demolition of historic buildings and

WHEREAS, the Planning Commission may require developers to pay historic mitigation fees in the future; and

RESOLVED: That the City Council hereby authorizes the City Administrator or designee to accept and appropriate historic mitigation fees in the amount of \$188,750 from developers to partially fund the Façade Improvement Program; and be it

FURTHER RESOLVED: That the City Administrator or designee is hereby authorized to appropriate the following funds in the following accounts:

- \$42,500 from the Miscellaneous Grant Fund (2999), Central District Redevelopment (Organization 02445, now 85245), City Oakland Grant: Project related (Account 46111), Undetermined Project (Project 0000000), Downtown Redevelopment (Program SC13); and

- \$77,500 from Miscellaneous Grant Fund (2999), CIP Broadway/MacArthur San Pablo (Organization 94869), City Oakland Grant: Project Related (Account 46419), (Project P494111), Broadway/San Pablo/MacArthur (Program SC05); and be it

FURTHER RESOLVED: That the City Administrator or her designee is hereby authorized to appropriate future historic mitigation fees in Fiscal Year 2015/2016 through Fiscal Year 2024/2025 required by the Planning Commission to the Miscellaneous Grant Fund (2999), CIP Central District (Organization 94889) or CIP Broadway/MacArthur San Pablo (Organization 94869) or CIP West Oakland (Organization 94859) or CIP Coliseum (CIP (94859) or CIP Central City East (Organization 94899) in new projects to be established, depending on the area adversely impacted by the demolition of any historic buildings; and be it further

FURTHER RESOLVED: That should additional historic mitigation fees be required by the Planning Commission, the City Administrator or designee is hereby authorized to accept and appropriate the same for the purposes described above; and be it

FURTHER RESOLVED: That the City Council finds and determines, after independent review and consideration, that the acceptance and appropriation of historic mitigation funds in the amount of \$188,750 to the Façade Improvement Program is exempt from CEQA pursuant to Section 15061(b)(3) (general rule) of the CEQA Guidelines; and be it

FURTHER RESOLVED: That the City Administrator or her designee shall cause a Notice of Exemption from CEQA requirements to be filed with the County of Alameda; and be it

FURTHER RESOLVED: That the City Administrator or designee is authorized to take

any other action consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2016

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, and
PRESIDENT GIBSON McELHANEY

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California