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OAKLAND

2008 NOV 20 PM 4:35

CITY OF OAKLAND

Agenda Report

To: Office of the City Administrator
Attn: Dan Lindheim
From: Community and Economic Development Agency
Date: December 2, 2008

RE: Resolution Authorizing The City To Apply For, Accept, And Appropriate Grant Funds In An Amount Not To Exceed \$196,000 From The U.S. Department Of Housing And Urban Development's Economic Development Initiative – Special Projects Grant Program To Be Used In The Renovation Of The Fruitvale Masonic Temple Located At Plaza De La Fuente And East 12th Street By The Unity Council

SUMMARY

Staff requests that the Council approve the attached resolution authorizing the City Administrator to apply for, accept, and appropriate up to \$196,000 in Economic Development Initiative – Special Projects grant funds offered by the U.S. Department of Housing and Urban Development (HUD). The Unity Council has coordinated the HUD EDI Special Project grant request through the congressional offices of Congresswoman Barbara Lee as was done in 2006-07. To complete the process the City of Oakland applies to the U. S. Department of Housing and Urban Development to obtain approval for the second HUD EDI grant application for the renovation of the Fruitvale Masonic Temple, an eligible project to receive grant funds.

On December 26, 2007, the Consolidated Appropriations Act, 2008 (PL 110-161) (“The Act”) was signed into law, and provided HUD with Economic Development Initiative (EDI) funds for certain special projects specified in the Congressional Record of December 17, 2007. One special project specified in the Congressional Record to receive grant funding was the Renovation of the Fruitvale Masonic Temple (“Project”), for the amount of \$196,000. The same Congressional Record named the City of Oakland, California as the potential recipient of the grant funds. The HUD Grant Number assigned to the Project is B-08-SP-CA-0368.

While the Unity Council will be the lead sponsor and managing organization of the Fruitvale Masonic Temple Renovation Project, HUD specifies that only the City of Oakland (i.e., the governing jurisdiction) is eligible to apply for grant funds, and a copy of the official resolution (approved by City Council) must be included as an attachment to the grant application. The grant application is due to HUD by December 31, 2008.

The Fruitvale Masonic Temple Renovation Project will involve the physical renovation of the Masonic Temple Cultural and Performing Arts Center located at Plaza De La Fuente and East 12th

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Street in the Coliseum Redevelopment Project Area. The Project will include the hazardous material demolition, testing and reports, as well as installation of public street access to the second floor by way of new stairways and elevators, upgrade of life safety systems such as new plumbing and restrooms that comply with current City building and safety standards, public areas with new lighting, restored performing stages and assembly rooms, and exterior façade renovations.

FISCAL IMPACTS

Upon approval of the HUD application, the City of Oakland will receive grant revenue from the HUD EDI Program in the amount of \$196,000 to be deposited and appropriated in the federal United States Department of Housing and Urban Development (U. S. HUD) grant fund (2999), Coliseum Organization (88659), in a project account to be established. The grant funds will then be incrementally transferred to the Unity Council, depending on completion of different phases of the Project.

BACKGROUND

The Unity Council would like to address the need for cultural performing arts space in the Fruitvale Community while preserving the goal of multi-dimensional community development. The Fruitvale Masonic Temple Project will reinvigorate a sense of culture and history for the neighborhood, and also accommodate cultural programming that the community supports.

The Masonic Temple Property was purchased in June 1998 for the sole purpose of creating a center for community activities and events and to become the gateway link from the International Boulevard corridor to the new Fruitvale Village. The Fruitvale Masonic Temple is currently owned by the Fruitvale Development Corporation, which has several contracts with The Unity Council, including leasing relationships. The Unity Council will be investing leasehold improvements in the building, and the HUD grant will be capitalized as a permanent leasehold improvements.

The Masonic Temple Cultural and Performing Arts Center, located at Plaza De La Fuente and East 12th Street, is an integral part of the Fruitvale Transit Village. The Fruitvale Transit Village is a successful national model for "livable communities" that was created by a partnership lead by the Unity Council in the early 1990s. Initially conceived as a multi-phase revitalization development project, the Fruitvale Village has successfully expanded beyond the initial goals of coordination of public transportation and land use planning between a low-income inner city community, a transit agency and the local government. Connecting the older Fruitvale Community with the new Village has produced a distinct urban space for visitors to experience daily the opportunity to shop, dine, and relax in a safe and pleasant environment.

The Fruitvale Masonic Temple Cultural and Performing Arts Center is the continuation of The Unity Council's revitalization plan for the Fruitvale Village and includes the following goals:

- Strengthen existing community institutions and catalyze neighborhood revitalization – physically, economically, and socially
- Encourage and leverage public and private investment
- Enhance choices for neighborhood residents, including services, retail choices, and cultural and performing arts activities and events
- Address substandard life safety systems and conditions in an Oakland Historic Building within a blighted area.

KEY ISSUES AND IMPACTS

The Fruitvale Masonic Temple Renovation Project was already identified and recommended by the U.S. Congress to HUD as a priority project to be awarded \$196,000 under the EDI-Special Projects Program. The City of Oakland was identified as the local jurisdiction eligible to apply for the grant funds. The HUD Grant Number is B-08-SP-CA-0368. Therefore, the likelihood of the City receiving the grant proceeds is high, so long as The Unity Council and the City work together to complete and submit the grant application by the deadline of December 31, 2008.

The City of Oakland determined, over several months of research, that the Fruitvale Masonic Temple Restoration Project is the only current project that qualifies for the HUD EDI Program, in terms of project stage, timing of HUD EDI grant application, and similarity to the project that was proposed by U.S. Congress to HUD (B-08-SP-CA-0368). There are no other projects, therefore, that are competing for this round of the funding.

The HUD EDI Program requires that at least 80 percent of the grant proceeds be used for construction, not planning. A compatible characteristic of the Fruitvale Masonic Temple Restoration Project is that most of the planning is already complete, and construction will be ready to commence as soon as the environmental review component is complete.

PROJECT DESCRIPTION

Built in 1908, just after the Great San Francisco earthquake, the Masonic Temple Cultural and Performing Arts Center was designed as a grand Classical Revival building with two Egyptian inspired meeting rooms above ground floor storefronts. The building has been designated a Historical Landmark Property by the City of Oakland.

The building is a single, detached structure that contains three floors. The ground floor has two tenants including Farmacia, a private retail tenant, and the Public Market, a non-profit entrepreneur commercial venture. The building was originally built as a commercial/retail store front on the ground level and a community use space upstairs divided into two auditoriums.

The Unity Council proposes to refurbish the former Masonic Temple to provide a space for public performances, private family celebrations, and creative arts displays celebrating the heritage and traditions of the immigrants who came to and built the Fruitvale community.

Physical renovation of the Masonic Temple Cultural and Performing Arts Center would include, (i) public street access to the second floor by way of new stairways and elevators; (ii) restroom areas requiring new and complete systems to accommodate children, families, elderly and disabled individuals; (iii) public common areas requiring new lighting and electrical modernization; (iv) historically significant performing stages and assembly rooms, requiring careful restoration, modern lighting and heating and ventilation systems; and, (v) exterior façade work including cleaning, restoration and building rehabilitation to ensure compliance with applicable seismic and safety codes in order to make full use of the property. The Project will take advantage of the common public space – Plaza De La Fuente, and a public and private parking garage. Renovation will take about 30 months after financing has been secured.

SUSTAINABLE OPPORTUNITIES

Economic: Authorization of staff to apply for the HUD EDI-Special Projects grant will not have a direct economic impact on the City. Should funds not be secured through this or other grant opportunities, The Unity Council is solely responsible for providing funding to complete the renovations to the Fruitvale Masonic Temple.

Environmental: HUD requires that all projects funded through its grant programs undergo full environmental analysis including review under the National Environmental Protection Act. In addition, the historic nature of the building has also triggered a full California Environmental Quality Act (CEQA) review, to be lead by the City's Planning Department. The Unity Council will fund all environmental studies that are required for the project.

Social Equity: The Project will provide a basic service level and deliver an amenity to a community with emerging mixed-income levels and increased density.

DISABILITY AND SENIOR CITIZEN ACCESS

The Fruitvale Masonic Temple Renovation Project is legally required to incorporate entrance and exits that will accommodate elderly and disabled individuals. Elevators to assist disabled individuals have also been incorporated into the Project designs. In addition, new restroom facilities that comply with the Americans with Disabilities Act (ADA) are planned for the Project.

RECOMMENDATION AND RATIONALE

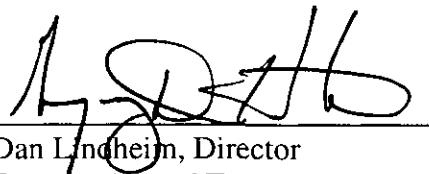
The authorization for the City Administrator to apply for, accept, and appropriate up to \$196,000 in Economic Development Initiative – Special Projects grant funds offered by the U.S. Department of Housing and Urban Development (HUD) encourages the development of cultural

performing arts space in the Fruitvale neighborhood, which currently lacks such a venue, and at the same time preserves multi-dimensional community development. As this Project is one phase of the overall redevelopment of Fruitvale Village, the City's support remains a crucial element in the Project's success.

ACTION REQUESTED OF THE CITY COUNCIL/REDEVELOPMENT AGENCY

Staff requests that the City Council approve the attached resolution to authorize the City Administrator to apply for, accept, and appropriate up to \$196,000 in Economic Development Initiative – Special Projects funds offered by HUD to be used for the renovation of the Fruitvale Masonic Temple.

Respectfully submitted,



Dan Lindheim, Director
Community and Economic Development Agency

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

Larry Gallegos, East Oakland Redevelopment Area Manager

Prepared by:
Jay Musante, Project Manager
CEDA Redevelopment Division

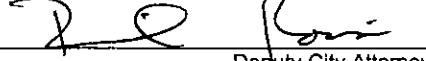
APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:



Office of the City Administrator

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APPROVED AS TO FORM AND LEGALITY:


Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY TO APPLY FOR, ACCEPT, AND APPROPRIATE GRANT FUNDS IN AN AMOUNT NOT TO EXCEED \$196,000 FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S ECONOMIC DEVELOPMENT INITIATIVE – SPECIAL PROJECTS GRANT PROGRAM TO BE USED IN THE RENOVATION OF THE FRUITVALE MASONIC TEMPLE LOCATED AT PLAZA DE LA FUENTE AND EAST 12TH STREET BY THE UNITY COUNCIL

WHEREAS, the City wishes to receive U.S. Department of Housing and Urban Development (HUD) Economic Development Initiative (EDI) grant funds for the renovation of the Fruitvale Masonic Temple located at Plaza De La Fuente and East 12th Street; and

WHEREAS, the project proposed for the grant will involve the physical renovation of the Masonic Temple Cultural and Performing Arts Center including public street access to the second floor by way of new stairways and elevators, new restrooms that comply with current City building and safety standards, public areas with new lighting, restored performing stages and assembly rooms, and exterior façade renovations; and

WHEREAS, on December 26, 2007, the U.S. Congress specified the renovation of the Fruitvale Masonic Temple as a special project to receive \$196,000 in HUD EDI grants funds (HUD Grant Number is B-08-SP-CA-0368); and

WHEREAS, the City of Oakland was deemed by Congress the potential recipient of the grant funds, and the only entity that can apply for these HUD funds; and

WHEREAS, the City in partnership with the Unity Council wishes to apply for \$196,000 in EDI-Special Projects grant funds from HUD for the Fruitvale Masonic Temple Renovation Project; and

WHEREAS, the HUD EDI-Special Projects grant application requires a resolution from the public agency's governing board authorizing the application submittal, acceptance, appropriation, and identification of the individual authorized to submit and carry out the project; and

WHEREAS, the application for and securing of HUD EDI-Special Projects grant funds would significantly assist the Unity Council in providing proper funding for planned improvements to the Fruitvale Masonic Temple Renovation Project; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or his designee to apply for, accept, and appropriate a grant from the HUD EDI-Special Projects Program in an amount not to exceed \$196,000 for the Fruitvale Masonic Temple Renovation Project; and be it further

RESOLVED: That the grant funds in the amount of \$196,000 will be deposited and appropriated in the federal United States Department of Housing and Urban Development (U.S. HUD) grant fund (2999), Coliseum Organization (88659), in a project to be established; and be it further

RESOLVED: That the City Council hereby designates the City Administrator or his designee as the individual authorized to submit the grant application and carry out the Project; and be it further

RESOLVED: That the grant funds if received shall be appropriated to a fund to be determined by the City Administrator; and be it further

RESOLVED: That the City Administrator or his designee is hereby authorize to apply for and if received negotiate and execute documents, administer the grant, modify, amend, or extend agreement terms from the HUD EDI-Special Projects Program, negotiate and enter into a grant contract with the Unity Council, and take whatever other action is necessary and appropriate with respect to the Project and the HUD EDI grant consistent with this Resolution and its basic purpose; and be it further

RESOLVED: That copy of this resolution will be transmitted to the U.S. Department of Housing and Urban Development and placed on file with the City Clerk.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2008

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

Attest: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California