

CITY OF OAKLAND

AGENDA REPORT

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2010 APR 29 PM 7:48

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: May 11, 2010

RE: **Resolution Authorizing The City To Apply For, Accept, And Appropriate Grant Funds In An Amount Not To Exceed \$328,300 From The U.S. Department Of Housing And Urban Development Economic Development Initiative – Special Projects Grant Program For The Unity Council’s Fruitvale Transit Village Phase 2 Residential Project At The Blocks Bounded By 35th And 37th Avenues, East 12th Street and the BART Tracks**

SUMMARY

Staff requests that the City Council approve the attached resolution authorizing the City Administrator to apply, accept, and appropriate up to \$328,300 in Economic Development Initiative – Special Projects grant funds offered by the U.S. Department of Housing and Urban Development (HUD). Staff, working with its community partner, The Unity Council, has identified the Fruitvale Transit Village Phase 2, a transit oriented development located at the Fruitvale BART Station, as an eligible project to receive grant funds.

In the Consolidated Appropriations Act of 2008 (P.L. 110-161), the U.S. Congress set aside a \$328,300 Economic Development Initiative-Special Project (EDI-SP) grant for the City of Oakland, for the Fruitvale Transit Village Phase 2. The HUD grant number assigned to the Project is B-08-SP-CA-0547.

While the Unity Council will be the lead sponsor and managing organization of the Fruitvale Transit Village Phase 2 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 Unity Council has submitted a development application for Fruitvale Transit Village Phase 2, a 3.4 acre residential project. The proposed project is a four-story residential complex of 275 units surrounding a five-story parking garage with 277 spaces to be constructed on the site of the existing Fruitvale BART parking lot. The new parking structure would be approximately 111,100 square feet, and the three residential buildings would range from approximately 101,000 to 115,000 square feet.

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FISCAL IMPACT

Approval of the proposed resolution will authorize the application, acceptance and appropriation of a HUD EDI-SP grant for program year 2010-2011, beginning September 2010, in the amount of \$328,300. Upon approval of the HUD application, the City of Oakland will receive grant revenue from the HUD EDI Program in the amount of \$328,300 to be deposited and appropriated in the federal United States Department of Housing and Urban Development (U.S. HUD) Economic Development Initiative (EDI) grant fund (2105), 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

Fruitvale Transit Village Phase 2 is a continuation of the overall Fruitvale Transit Village project. Phase 2 is designed to complement the first phase by adding a four-story residential complex with 275 units and a five-story parking garage with 277 parking spaces. Phase 1, completed in 2004, consists of 255,000 sq. ft. of retail, housing, and nonprofit office space centered around a pedestrian plaza which links the Fruitvale BART Station to the International Boulevard shopping district.

The Fruitvale Transit Village is a successful national model for "livable communities" that was created by a partnership led 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.

KEY ISSUES AND IMPACTS

Fruitvale Transit Village Phase 2 has been identified and recommended by the U.S. Congress to HUD as a priority project to be awarded \$328,300 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-0547.

In the Consolidated Appropriations Act of 2008 (P.L. 110-161), the U.S. Congress set aside a \$328,300 Economic Development Initiative-Special Project (EDI-SP) grant for the City of Oakland for Fruitvale Transit Village Phase 2. 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 and sign a grant agreement by the deadline of September 30, 2010.

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The General Plan land use designation for this site is Neighborhood Center Mixed Use, and the zoning is S-15 (Transit Oriented Development Zone). A Draft EIR has been prepared for this project, and public comment on the Draft EIR is forthcoming.

PROJECT DESCRIPTION

The proposed Fruitvale Transit Village Phase 2 project would require the demolition of the existing BART parking lot and the construction of a four-story residential complex with 275 units surrounding a five-story parking garage. The height of the residential complex will be approximately 45 feet and the height of the parking garage in the center of the complex will be approximately 59 feet. Detailed designs for Phase 2 have not been finalized, but it is intended that the design will complement Phase 1.

Funding from this \$328,300 HUD EDI grant will be directed to the initial expenditures of the Project. This grant will fund the closing costs for the BART site acquisition, the City of Oakland transfer tax, the acquisition of 61 parking slots, the construction of parking facility improvements such as fencing, gates and lights and various professional services including legal, architectural and engineering. The \$328,300 in funding from this grant is a catalyst for the Fruitvale Transit Village Phase 2 project.

The proposed project site is located within the Fruitvale District of Oakland and is within the Coliseum Area Redevelopment Project. The area immediately surrounding the project site is developed with a mix of residential and commercial uses. The project borders the fenced back yards of businesses and residential buildings, a senior residential facility, the Ascend Academy Oakland public school and Fruitvale Transit Village Phase 1. The project site is within Oakland's San Antonio-Fruitvale-Lower Hills Planning Area for implementation of its General Plan Land Use and Transportation Element.

SUSTAINABLE OPPORTUNITIES

Economic: The authorization to apply for the HUD EDI-SP grant will have a substantial economic impact on the City by providing \$328,300 in development support for the project. Should funds not be secured through this or other grant opportunities, the Unity Council and its development partners are solely responsible for providing funding to complete Fruitvale Transit Village Phase 2.

Environmental: HUD requires that all projects funded through its grant programs undergo full environmental analysis including review under the National Environmental Protection Act (NEPA) and the California Environmental Quality Act (CEQA). As a "smart growth" project

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located near transit service, Fruitvale Transit Village Phase 2 will encourage residents living in the project to use public transit as their primary mode of transportation.

Social Equity: The project as proposed provides 92 units of affordable housing. Additionally, the increased density and diversity resulting from this project will contribute to the vibrancy and vitality of the surrounding neighborhood.

DISABILITY AND SENIOR CITIZEN ACCESS

Fruitvale Transit Village Phase 2 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.

RECOMMENDATIONS AND RATIONALE

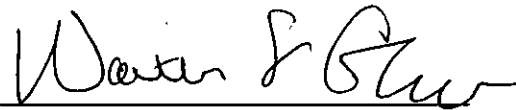
The authorization for the City Administrator to apply for, accept, and appropriate up to \$328,300 in Economic Development Initiative – Special Projects grant funds offered by the U.S. Department of Housing and Urban Development (HUD) for the Fruitvale Transit Village Phase 2 project provides the Unity Council with much needed assistance as they begin Phase 2 of the Project. As HUD specifies that only the City of Oakland (i.e., the governing jurisdiction) is eligible to apply for grant funds, the City's support is a crucial element in the success of Fruitvale Transit Village Phase 2.

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ACTION REQUESTED OF THE CITY COUNCIL

Staff requests that the City Council approve the attached resolution to authorize the City Administrator to apply for, accept, and appropriate up to \$328,300 in U.S. Department of Housing and Urban Development Economic Development Initiative – Special Projects funds to support the Fruitvale Transit Village Phase 2 Project.

Respectfully submitted,



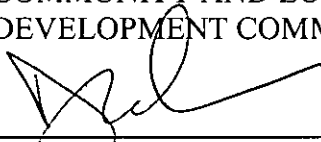
Walter Cohen, Director
Community and Economic Development Agency

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

Reviewed by:
Larry Gallegos
Redevelopment Area Manager

Prepared by:
Jay Musante, UEA IV
Redevelopment Division

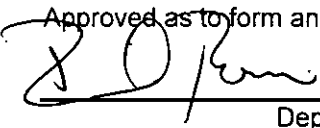
APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:



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 \$328,300 FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ECONOMIC DEVELOPMENT INITIATIVE – SPECIAL PROJECTS GRANT PROGRAM FOR THE UNITY COUNCIL’S FRUITVALE TRANSIT VILLAGE PHASE 2 RESIDENTIAL PROJECT AT THE BLOCKS BOUNDED BY 35TH AND 37TH AVENUES, EAST 12TH STREET AND THE BART TRACKS

WHEREAS, the City of Oakland wishes to receive \$328,300 in U.S. Department of Housing and Urban Development (HUD) Economic Development Initiative (EDI) grant funds as a catalyst for the Fruitvale Transit Village Phase 2 Project located in the Fruitvale Village, a transit oriented development centered around the Fruitvale BART Station in Oakland, California; and

WHEREAS, funding from this \$328,300 HUD EDI grant will be focused on the initial expenditures of the Project: the closing costs for the BART site acquisition, the City of Oakland transfer tax, the acquisition of 61 parking spaces, the construction of parking facility improvements such as fencing, gates and lights and various professional legal, architectural and engineering professional services; and

WHEREAS, the Fruitvale Transit Village Phase 2 Project supports a 275-unit four story residential complex consisting of three buildings ranging from approximately 101,000 to 115,000 square feet, and a five-story parking garage with 277 spaces that is approximately 111,100 square feet; and

WHEREAS, in the Consolidated Appropriations Act, 2008 (P.L. 110-161), the U.S. Congress set aside a \$328,300 Economic Development Initiative-Special Project (EDI-SP) grant for the City of Oakland for the Fruitvale Transit Village Phase 2 Project; and

WHEREAS, the City in partnership with the Unity Council wishes to apply for \$328,300 in EDI-Special Projects grant funds from HUD for the Fruitvale Transit Village Phase 2 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 the planned Fruitvale Transit Village Phase 2 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 \$328,300 for the Fruitvale Transit Village Phase 2 Project; and be it;

FURTHER RESOLVED: That the grant funds in the amount of \$328,300 will be deposited and appropriated in the federal United States Department of Housing and Urban Development (U.S. HUD) Economic Development Initiative (EDI) grant fund (2105), 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 City Administrator or his designee is hereby authorized 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 a 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, _____, 2010

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, and PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

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