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OFFICE OF THE CITY CLERK
OAKLAND
CITY OF OAKLAND
AGENDA REPORT

DEC -1 PM 3:01

TO: Office of the City Administrator/Agency Administrator
ATTN: Deborah Edgerly
FROM: Community and Economic Development Agency
DATE: December 14, 2004

A RESOLUTION AMENDING THE FIVE-YEAR IMPLEMENTATION PLAN FOR THE CENTRAL CITY EAST REDEVELOPMENT PROJECT

A RESOLUTION ADOPTING THE CENTRAL CITY EAST HOMEOWNERSHIP REHABILITATION PROGRAM, ALLOCATING \$547,249 IN FY 2004-2005 FOR THE PROGRAM FROM CENTRAL CITY EAST LOW AND MODERATE INCOME HOUSING FUNDS, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO MAKE LOANS FOR THE PROGRAM WITHOUT RETURNING TO THE AGENCY

A RESOLUTION ADOPTING THE CENTRAL CITY EAST COMMERCIAL FACADE IMPROVEMENT PROGRAM, ALLOCATING \$100,000 FOR THE PROGRAM FROM FY 2004-2005 CENTRAL CITY EAST REDEVELOPMENT FUNDS, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO MAKE GRANTS AND ENTER INTO DESIGN CONTRACTS UNDER THE PROGRAM WITHOUT RETURNING TO THE AGENCY

A RESOLUTION ADOPTING THE CENTRAL CITY EAST COMMERCIAL TENANT IMPROVEMENT PROGRAM, ALLOCATING \$125,000 FOR THE PROGRAM FROM FY 2004-2005 CENTRAL CITY EAST REDEVELOPMENT FUNDS, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO MAKE GRANTS AND ENTER INTO DESIGN CONTRACTS FOR THE PROGRAM WITHOUT RETURNING TO THE AGENCY

SUMMARY

This item is a request for Redevelopment Agency approval of a resolution authorizing an amendment to the Central City East (CCE) Five-Year Implementation Plan and its related actions. The Central City East Redevelopment Area was adopted on July 29, 2003 (Ordinance No. 12528 C.M.S.) by the Redevelopment Agency. During the FY 2004-05, the Central City East Project Area Committee (PAC) convened and reviewed the existing Five-Year Implementation Plan for proposed changes. As a result of these meetings and work, CEDA staff is proposing an amendment to the original Five-Year Implementation Plan (see Attachment A).

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The proposed amendment and its related actions include: a percentage change of funding levels to the programs and projects; a request to approve and adopt a CCE Façade Improvement Program, CCE Tenant Improvement Program, and CCE Homeownership Rehabilitation Program.

FISCAL IMPACT

The table below illustrates the Tax Increment Revenue for the Central City East Redevelopment Area for Fiscal Year 2004-05 with the projected gross tax increment, housing set aside, tax sharing with other agencies, and the net tax increment funds.

Fiscal Year	Gross Tax Increment	Housing Set Aside	Tax Sharing	Net Tax Increment
2004-05	\$2,188,000	\$547,249	\$631,404	\$1,010,342

Staff is requesting the approval of the following allocation of funds from the FY 2004-05 for three specific programs:

Program	Dollar Amount	Source	Fund No. & Org. No.
CCE Homeownership Rehabilitation Program	\$547,249	From the CCE 25% low and moderate income housing funds	Fund Number 9580 and Organizational Number 88929
CCE Façade Improvement Program	\$125,000	From the 75% Projects and Program component	Fund Number 9540 and Organizational Number 88659
CCE Tenant Improvement Program	\$100,000	From the 75% Projects and Program component	Fund Number 9540 and Organizational Number 88659

These expenditures will not have a negative impact on the General Fund. Additionally, funding for the Façade Improvement Program and the Tenant Improvement Program may result in an increase in sales tax and business tax revenue for the City of Oakland. The increase in sales and business tax will augment the General Fund in future years. The CCE Homeownership Rehabilitation Program will, in the long-term, improve the property tax revenue for the City of Oakland.

BACKGROUND

The Report to the City Council ("Final Report") and the Implementation Plan

The California Redevelopment Law (CRL) requires that a Report to the City Council ("Final Report") must accompany a redevelopment plan when it is submitted to the legislative body for consideration. The Final Report contains certain required analyses of the scope of, basis for, and

impacts of the redevelopment plan. The Final Report for the proposed Plan was prepared by Keyser, Marston and Associates, Inc. and CEDA staff.

One of the most important components of the Final Report is the Five-Year Implementation Plan. The Implementation Plan describes the Agency's goals and objectives for the redevelopment plan and identifies the strategies the Agency proposes to reduce or eliminate blight throughout the Project Area. The initial Implementation Plan runs for a period of five years and it must be updated every five years thereafter. The Implementation Plan for the proposed Central City East Redevelopment Plan was prepared in consultation with the PAC and community organizations active in the Project Area. The Implementation Plan includes specific projects and funding for the first five years of the Project. CEDA staff and the CCE PAC are recommending approval of an amendment to the original five-year implementation plan as attached to this report along with the related actions.

POLICY DESCRIPTION

The proposed changes to the Implementation Plan are in the percentage of funds allocated for the projects and programs in the first five years and the allocation of funds for specific streetscape improvement programs in targeted geographic areas (see pages 15 and 16 of the CCE Amendment).

In addition to the proposed amendment, CEDA staff is requesting the approval of the Central City East Commercial Façade Improvement Program and Retail & Commercial Tenant Improvement Program. A resolution adopting the Central City East Redevelopment Commercial Façade Improvement Program and designating \$100,000 for the program from FY 2004-05 CCE redevelopment funds is attached for Agency approval. The CCE Façade Improvement Program (FIP) will provide matching grants of up to \$10,000 and architectural services of up to \$5,000 per property for commercial properties throughout the CCE Redevelopment area. This program will cover commercial areas outside of NCR areas and augment NCR funding for projects within NCR areas.

CEDA staff is also requesting approval of the Retail & Commercial Tenant Improvement Program (TIP) and designating \$125,000 of CCE redevelopment funds for the Program. The Retail & Commercial Tenant Improvement Program will provide up to \$45,000 of matching grants and up to \$5,000 for design services per property for tenant improvements to commercial properties in the CCE Redevelopment area.

As part of the affordable housing component, CEDA staff and the CCE PAC recommend the adoption of a Central City East (CCE) Homeownership Rehabilitation Program to provide funds to undertake exterior work in coordination with the City's existing six Home Maintenance Programs. The CCE Homeownership Rehabilitation Program will be a new program financially separate from the city's existing six Home Maintenance Programs. The CCE Homeownership

Rehabilitation Program is recommended as a loan program (loans not to exceed \$10,000) with either a deferred or low-interest loan to eligible homeowners for cosmetic exterior work such as window replacements, exterior painting, landscaping, new fencing, and sidewalk repair work etc. This program can be paired with the existing home rehabilitation loan program operated from the housing division. The City's Housing Services staff will manage and implement the CCE Homeownership Rehabilitation Program.

SUSTAINABLE OPPORTUNITIES

Approval and adoption of the amendment to the Implementation Plan for the CCE Redevelopment Area will facilitate the development and rehabilitation of blighted, vacant, underutilized and contaminated sites in the Project Area.

Environmental: As part of the Implementation Plan, developers will be encouraged to use green building techniques such as energy conserving designs and appliances, water conserving fixtures and landscaping, recycled content building materials, and low waste construction techniques.

Economic: Economic development projects will be implemented, as appropriate, that incorporate local hiring. CEDA staff has identified opportunity sites for housing, commercial, and other land uses, as well as public improvements that will revitalize the CCE Project Area.

Social Equity: The goal of the Implementation Plan is to improve the physical and economic conditions of the area for all residents and property owners, therefore the proposed programs and projects will provide for improvements that have social benefits for the area as a whole.

DISABILITY AND SENIOR CITIZEN ACCESS

All meetings regarding the Implementation Plan were held in venues that are compliant with the Americans with Disability Act ("ADA"). The proposed CCE Façade Improvement Program, CCE Tenant Improvement Program, and CCE Homeownership Rehabilitation Program will comply with all city, state, and federal ADA requirements.

RECOMMENDATION(S)


Staff recommends approval of the following resolutions: A resolution amending the Five-Year Implementation Plan for the Central City East Redevelopment Project; A resolution adopting the Central City East Homeownership Rehabilitation Program, allocating \$547,249 in FY 2004-05 for the Program from the Central City East Low and Moderate Income Housing Funds, and Authorizing the Agency Administrator to make loans for the Program without returning to the Agency; A resolution adopting the Central City East Commercial Façade Improvement Program, appropriating \$100,000 for the program from the FY 2004-05 Central City East Redevelopment funds, and authorizing the Agency Administrator to make grants and enter into design contracts

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under the Program without returning to the Agency; and A resolution adopting the Central City East Commercial Tenant Improvement Program, appropriating \$125,000 for the Program from FY 2004-05 Central City East Redevelopment Funds, and authorizing the Agency Administrator to make grants and enter into design contracts for the Program without returning to the Agency.

Respectfully submitted,

for 

Daniel Vanderprie, Director of Redevelopment,
Economic Development, Housing and Community
Development

Prepared by:

Gregory Hunter, Redevelopment Area Manager
Theresa M. Navarro-Lopez,
Urban Economic Analyst IV

**APPROVED FOR FORWARDING TO
THE COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE**



OFFICE OF THE CITY ADMINISTRATOR/
AGENCY ADMINISTRATOR

Item No. _____
CED Committee
December 14, 2004

OFFICE OF THE CITY CLERK
APPROVED AS TO FORM AND LEGALITY:
2004 DEC 1 PM 3:01
AGENCY COUNSEL

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

A RESOLUTION AMENDING THE FIVE-YEAR IMPLEMENTATION PLAN FOR THE CENTRAL CITY EAST REDEVELOPMENT PROJECT

WHEREAS, on July 29, 2003 (Ordinance No. 12528 C.M.S.), the City Council adopted the Central City East Redevelopment Project ("Project") for the Central City East Project Area (the "Project Area"), and approved an Agency Report to the City Council for the Central City East Redevelopment Project (the "Report to Council") pursuant to Health and Safety Code Section 33362, including a five-year implementation plan for the Project for 2003-2008 (the "Implementation Plan"); and

WHEREAS, the Agency Administrator has prepared and presented to the Agency a proposed amendment to the Plan; and

WHEREAS, a Project Area Committee for the Central City East Redevelopment Project (the "PAC") was formed and has been meeting pursuant to Health and Safety Code Section 33385, et seq.; and

WHEREAS, the Project Area Committee met on August 2, 2004, and October 4, 2004, and recommended adoption of the amendment as proposed to the Agency; and

WHEREAS, the Agency has held a noticed public hearing and received comment on the proposed amendment; now, therefore, be it

RESOLVED: That the Agency hereby adopts the amendment to the Central City East Implementation Plan attached to this Resolution as Exhibit A; and be it further

RESOLVED: That the Agency authorizes the Agency Administrator or her designee to administer the programs and projects in the Implementation Plan as amended, and take whatever other action is necessary with respect to the amendment consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

Attest: _____

CEDA FLOYD
Secretary of the Redevelopment Agency
of the City of Oakland

EXHIBIT A

AMENDMENT TO CENTRAL CITY EAST IMPLEMENTATION PLAN

(attached)

ATTACHMENT A

AMENDED AND RESTATED CENTRAL CITY EAST IMPLEMENTATION PLAN

(AMENDED AS OF DECEMBER 2004)

(Note: Additions are noted as underlined text, deletions are noted as strikeout text)

A. Introduction

The following is the initial five-year Implementation Plan for the Project Area. The Implementation Plan was prepared by the Agency in compliance with Article 16.5 of the CRL.

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. The Housing Component shows how the Agency will meet the statutory requirements for the set-aside and expenditure of tax increment for housing purposes.

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 between Agency goals and objectives, program activities and the purpose of redevelopment, which is to eliminate blight and to develop and preserve affordable housing.

B. 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 50Exhibit 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.

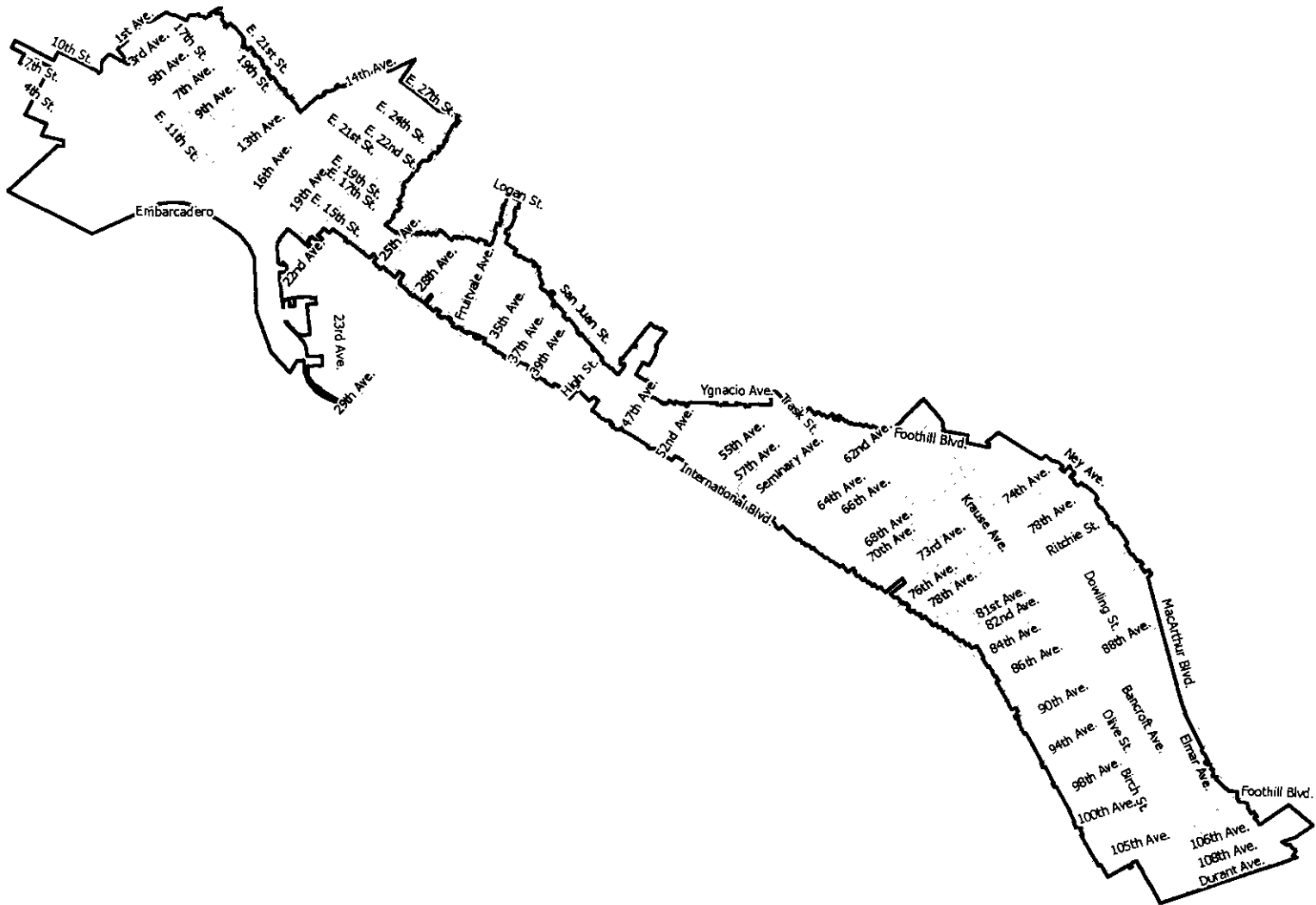


Exhibit 1)
 Project Area Boundaries
 Oakland Central City East Redevelopment Project

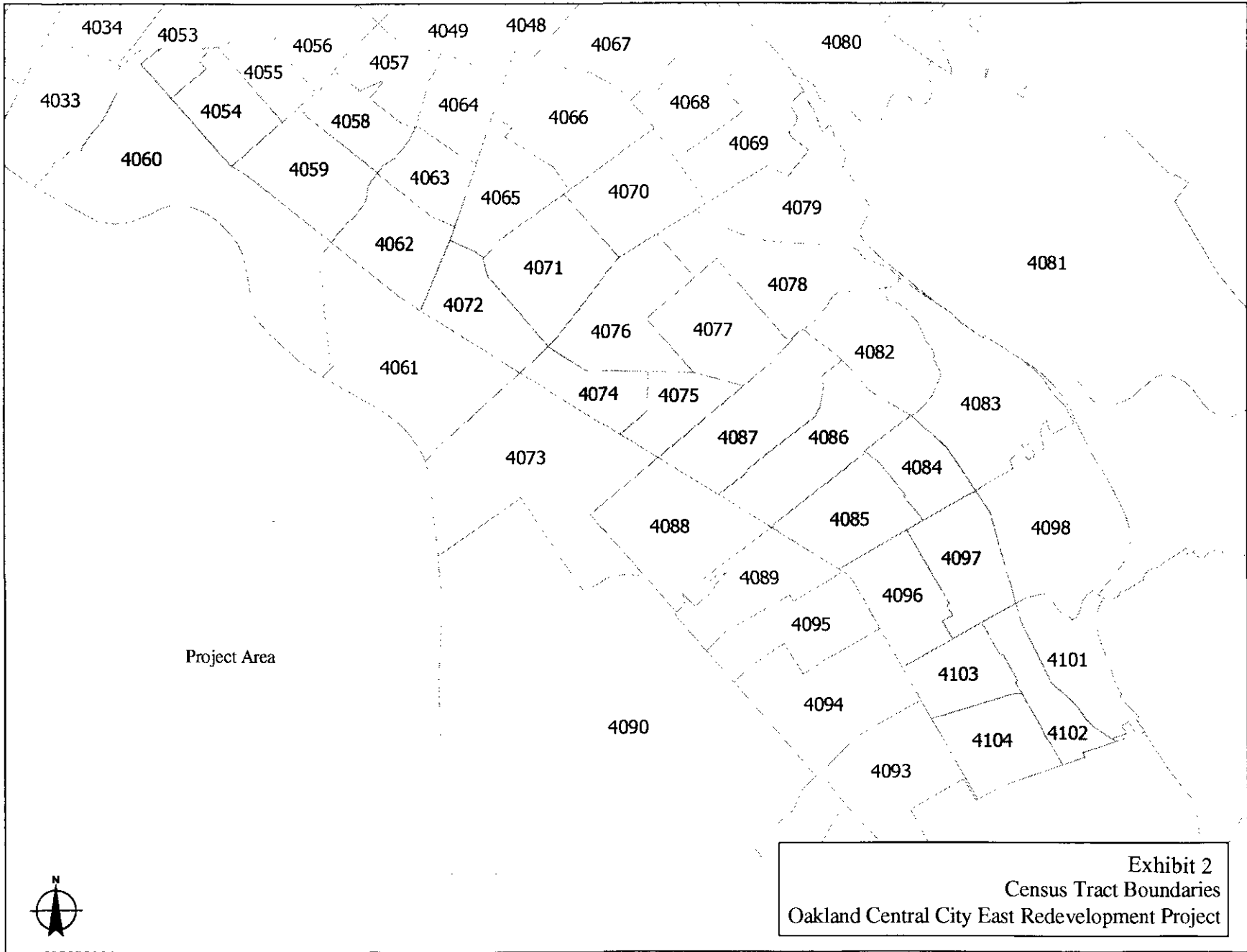
c. Project Area Demographics

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 is estimated to be 92,094. The number of households is 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 is 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 Exhibit 54). 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.



Another important differentiating factor is the higher level of dependency on public transportation that exists in the Project Area. As shown in Exhibit 3~~Exhibit 52~~, 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 Central City East Project Area Committee (PAC), has identified a number of goals and objectives to address these blighting conditions.

Goals and Objectives

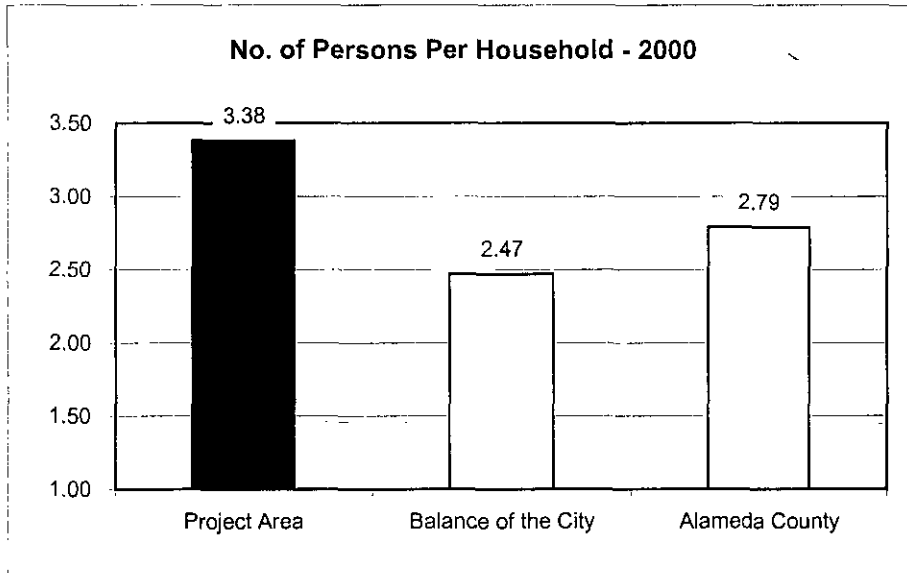
Goals and objectives as described in the *Central City East Redevelopment Plan* include:

- 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.

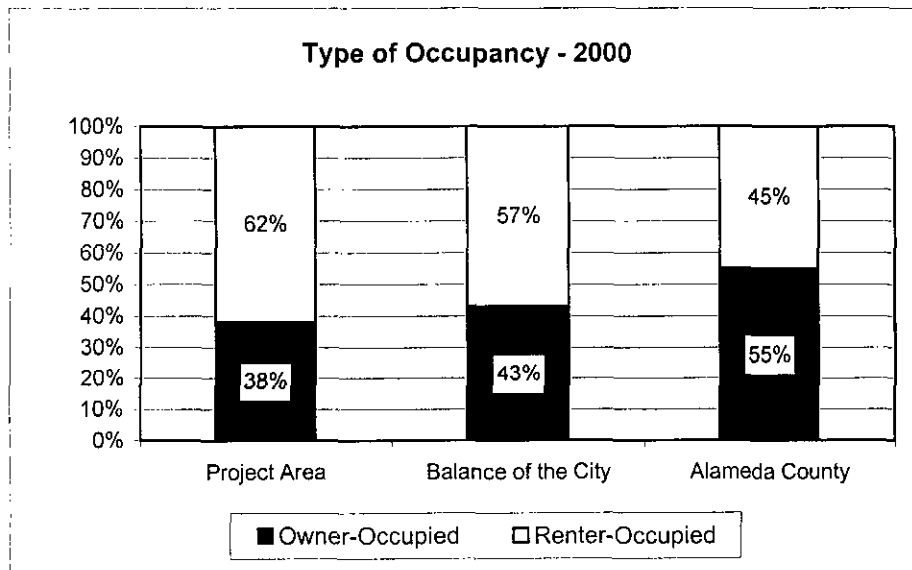
The PAC may develop Equitable Development Criteria that may be considered as part of the potential development plans for the Project Area.

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

Housing Characteristics:



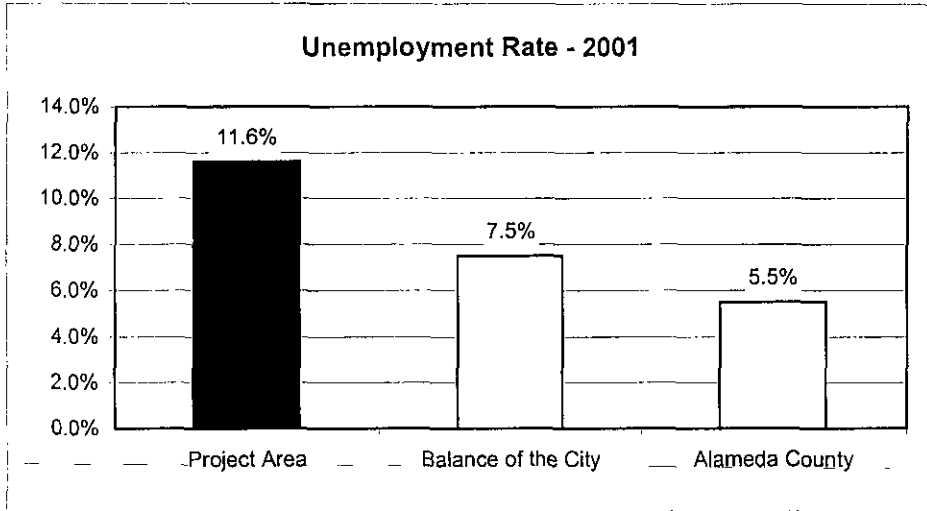
Source: Hausrath Economics Group



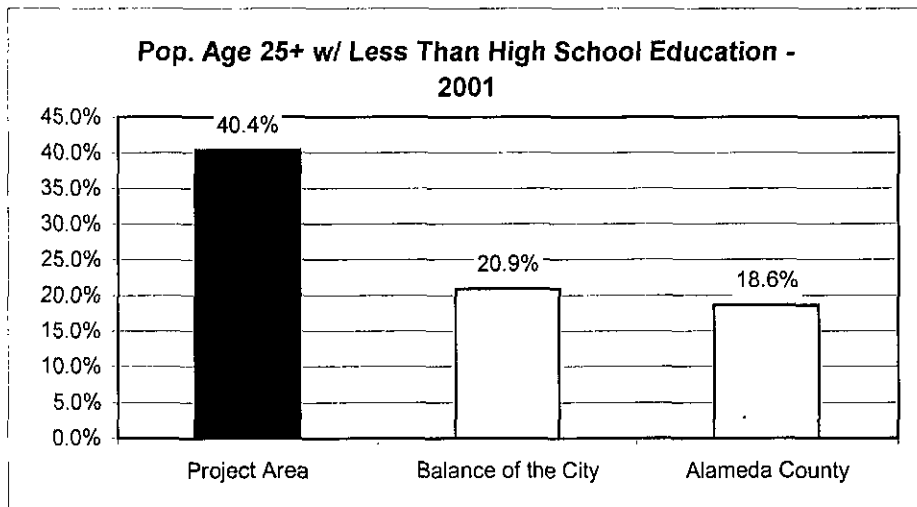
Source: Claritas

Exhibit 3
PROJECT AREA DEMOGRAPHICS
OAKLAND - CENTRAL CITY EAST REDEVELOPMENT PROJECT

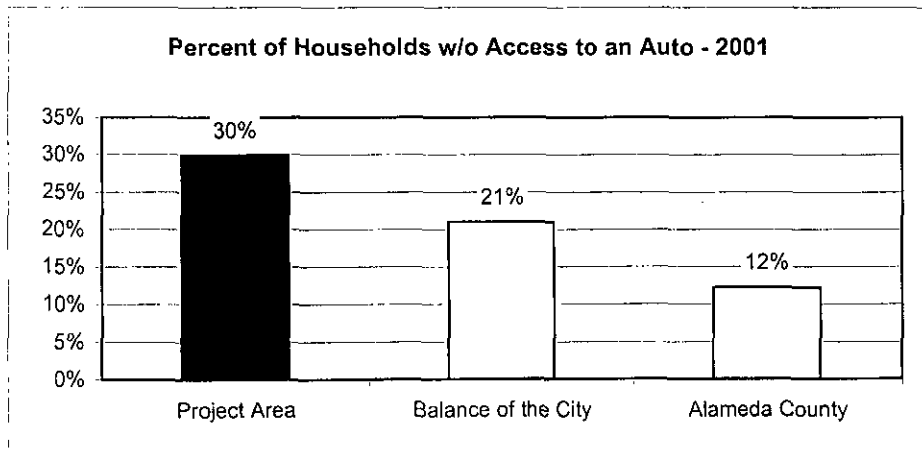
Employment, Education & Transportation:



Source: Claritas



Source: Claritas



Source: Claritas

Note: This chart is a duplicate of Exhibit 4 and was originally included in the draft Implementation Plan circulated to the PAC as Exhibit 3.

The Agency proposes to focus its activities in the near-term on eliminating physical and economic blight conditions through the construction of public improvements and utilities, and assisting the private sector in developing vacant and/or underutilized properties. It is the Agency's hope and intent that the Redevelopment Implementation Plan as proposed will encourage further private sector investment in both commercial and residential designated areas.

During the first five-year term of the Project, the Agency anticipates assisting in projects and programs that will begin to address all of the goals and objectives identified in the Redevelopment Plan.

Specific Programs and Program Actions During the First Five Years of the Redevelopment Plan and Relationship to Blight Elimination

The Agency anticipates funding the following projects and program during the first five years of the Redevelopment Plan. These are the same projects and programs as identified in earlier in the Report to Council. The degree to which the Agency will actually participate in the projects and programs will depend in part on 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 4Exhibit-53.

d. Retail and Commercial Recruitment 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, the Agency will 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 will also have the effect of attracting businesses, thereby providing a wider range of retail and commercial uses.

e. Façade 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.

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.

f. Historic Preservation Program

Portions of the Project Area that include significant historic buildings can be made into viable retail, commercial, or residential properties through Agency-sponsored efforts such as a Historic Façade Improvement Program, Unreinforced Masonry Grant program, and through other forms of 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.

g. Major Employer Incentive Program

The Project Area does not contain concentrations of significant employment areas. However, certain infill and reuse areas can be identified for use by businesses that provide employment to area residents. The Agency can use various tools to recruit employers to the area through the use of financial assistance in the form of low-interest or zero-interest participatory loans or grants within the Redevelopment Project Area, or through the use of property tax rebates. This program can be designed to assist property owners with rehabilitation of existing properties, through seismic and sprinkler upgrades, to attract employers that would benefit the community. By providing these financial incentives, the Agency will make rehabilitation or reuse feasible for many properties which improvement would not be considered possible because of the unlikelihood of an adequate return on the investment.

h. 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.

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 Redevelopment Agency 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.

The use of eminent domain will be restricted as provided for in the adopted redevelopment plan.

i. Community Facilities Program

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.

j. Public/Private Development Program

Public/private coordination occurs when the Redevelopment Agency participates in significant private development projects. Through an Owner Participation Agreement or Disposition and Development Agreement, the Redevelopment 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.

k. Infrastructure Improvements 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~~under grounding 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.

Exhibit 4

RELATIONSHIP BETWEEN GOALS & OBJECTIVES, PROJECTS & PROGRAMS, AND BLIGHT ELIMINATION

PROPOSED REDEVELOPMENT PROGRAMS	GOALS & OBJECTIVES							PHYSICAL BLIGHT					ECONOMIC BLIGHT					
	Stimulate Infill Development	Stimulate Adaptive Reuse & Preservation	Attract & Retain Businesses	Improve Public Facilities & Infrastructure	Stimulate Ownership	Preserve & Construct Affordable Housing	Revitalize Commercial Corridor	Building Code Violations	Unreinforced Masonry Buildings	Properties at Risk of Liquefaction and Landslides	Unsafe and Unhealthy Site Conditions	Substandard Design	Low Retail Sales	Low Levels of Building Permit Activity	Low Property Sales Prices	Abandoned Buildings & Excessive Vacant Lots	Residential Overcrowding	High Crime Rates
Affordable Housing Program	X	X			X	X		X	X	X	X	X		X	X	X	X	
Retail & Commercial Recruitment Program		X	X		X		X	X		X	X	X	X	X	X			
Façade Improvement Program		X	X		X		X	X			X		X	X	X			
Historic Preservation Program		X	X				X	X	X		X		X	X	X	X		
Major Employer Incentive Program	X		X					X	X		X		X	X	X	X		
Land Assembly & Relocation Program	X	X	X	X	X		X			X	X	X	X	X	X			
Community Facilities Programs				X				X	X					X	X	X		X
Public-Private Development Program	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	
Infrastructure Improvements Program			X	X			X							X	X			X

Expenditures During the First 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) tax increment funds in accordance with provisions of the existing CRL; (5) Agency bonds; (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. For purposes of this Implementation Plan, the identified redevelopment programs are assumed to be funded solely from future tax increment revenues anticipated from the Project Area.

Current provisions of the CRL provide authority to the Agency to create indebtedness, issue bonds, borrow funds or obtain advances in implementing and carrying out the specific intents of a redevelopment plan. The Agency is authorized to fund the principal and interest on the indebtedness, bond issues, borrowed funds or advances from tax increment revenue and any other funds available to the Agency. To the extent that it is able to do so, the City may also supply additional assistance through City loans or grants for various public facilities or other project costs.

Tax increment revenues are the projected funding source assumed to be available to fund the proposed redevelopment programs, administrative costs and loan repayments discussed herein. Summarized below are the tax increment dollars that are expected to be generated within the first five years of the Redevelopment Plan.

Anticipated Tax Increment

Plan Year	Fiscal Year	Gross Tax Increment	Housing Set Aside	Tax Sharing	Net Tax Increment
1	2003-04	0	0	0	0
2	2004-05	2,166,000	542,000	434,000	1,190,000
3	2005-06	3,339,000	835,000	668,000	1,836,000
4	2006-07	6,066,000	1,520,000	1,216,000	3,341,000
5	2007-08	8,965,000	2,242,000	1,793,000	4,930,000
Total		\$20,536,000	\$5,139,000	\$4,111,000	\$11,297,000*

*Includes administrative costs.

Anticipated Tax Increment

Plan Year	Fiscal Year	Gross Tax Increment	Housing Set Aside	Tax Sharing	Net Tax Increment
1	2003-04	0	0	0	0
2	2004-05	2,188,000	547,249	631,404	1,010,342
3	2005-06	3,339,000	835,000	668,000	1,836,000
4	2006-07	6,077,000	1,520,000	1,216,000	3,341,000
5	2007-08	8,965,000	2,242,000	1,793,000	4,930,000
Total		20,569,000	5,144,249	4,308,404	11,116,347
6	2008-09	11,513,000	2,879,000	2,303,000	6,331,000
Total		32,082,000	8,023,249	6,611,404	17,447,347

*Includes administrative costs.

The Agency worked with the PAC to prioritize the allocation of funds during the first five-years of the Redevelopment Plan. The following are the new percentage allocations of funds for each of the categories listed. is the PAC's recommendation for allocation of funds. The recommendation includes a combination of the Community Facilities category with the Infrastructure category to increase the amount of funds for the first five-years. Below are illustrated the allocation of funds per fiscal year along with specific allocations of funds for the Infrastructure category:

Allocation of Tax Increment

Program**	% Allocation of Net Tax Increment	Estimated Revenues
Retail and Commercial Recruitment Program	10	\$1,129,700
Facade Improvement Program	10	\$1,129,700
Historic Preservation Program	5	\$564,850
Major Employer Incentive Program	5	\$564,850
Land Assembly and Relocation Program	15	\$1,694,550
Community Facilities Program	20	\$2,259,400
Public/Private Development Program	10	\$1,129,700
Infrastructure Improvements Program	25	\$2,824,280
Totals	100%	\$11,297,000*

*Includes administrative costs.

** See Appendices for the PAC recommendations.

**Five and Six Year Allocation of Tax Increment Funds
For Capital Expenditures 2003-2009**

Program	% Allocation of Net Tax Increment	Estimated Revenues for Five Years 2003-2008	Estimated Revenues from 2003-2009
Retail and Commercial Recruitment Program	8 ***	\$645,000	\$1,030,111
Façade Improvement Program	10	\$825,000	\$1,287,623
Historic Preservation Program	4	\$300,000	\$ 515,055
Major Employer Incentive Program	0	\$0	\$0
Land Assembly and Relocation Program	10	\$825,000	\$1,287,623
Public/Private Development Program	8	\$753,687	\$1,030,111
Community Facilities Program *	0	0	\$0
Infrastructure Improvements Program/Community Facilities Program (See table below for specific locations)	60	\$4,925,000	\$7,725,830
Total Capital Expenditure Cost	100%	\$8,273,687**	\$12,876,384 **

*The Community Facilities Program is now combined with the Infrastructure Improvements Program. See Appendices.

Excludes administrative costs. * Percentages are rounded from 7.79550%, 9.97099%, 3.62582%, 9.97099%, 9.10910% & 59.52381%

**Five and Six Year Allocation of Tax Increment
For Capital Expenditures for Fiscal Years 2003-2008 & 6TH YR Notation**

	Programs	First Year 2003-2004	2nd Year 2004-2005	3rd Year 2005-2006	4th Year 2006-2007	5th Year 2007-2008	CCE TOTALS FOR FIRST 5 YEARS	6 th year 2008-2009
1	Retail & Commercial Recruitment Program	\$0	\$125,000	\$120,000	\$250,000	\$150,000	\$645,000	\$459,567
2	Façade Improvement Program	\$0	\$100,000	\$150,000	\$175,000	\$400,000	\$825,000	\$459,567
3	Historic Preservation Program	\$0	\$0	\$0	\$50,000	\$250,000	\$300,000	\$229,784
4	Major Employer Incentive Program	\$0	\$0	\$0	\$0	\$0	\$0	\$229,784
5	Land Assembly & Relocation Program	\$0	\$75,000	\$0	\$450,000	\$300,000	\$825,000	\$689,351
6	Public/Private Development	\$0	\$75,000	\$50,000	\$250,000	\$378,687	\$753,687	\$919,135
	Subtotal for 1 - 6		\$375,000	\$320,000	\$1,175,000	\$1,478,687	\$3,348,687	\$2,987,188
7	Infrastructure/Community Facilities-Streetscape Improvements	\$0	Area Detail	Area Detail	Area Detail	Area Detail	\$4,925,000	\$1,148,918
	Total By District Infrastructure/Community Facilities-Streetscape Improvements	\$0	\$425,000	\$1,150,000	\$1,250,000	\$2,100,000	\$4,925,000	

For the Infrastructure/Community Facilities category, the geographic location and allocation of funds for the next five-years are as follows:

For Capital Expenditure-Infrastructure/Community Facilities Category

<u>LOCATION</u>	<u>1st Year 2003-2004</u>	<u>2nd Year 2004-2005</u>	<u>3rd Year 2005-2006</u>	<u>4th Year 2006-2007</u>	<u>5th Year 2007-2008</u>	<u>Total for targeted First Five Years CCE areas</u>	<u>6th Year 2008-2009</u>
<u>MacArthur Boulevard (72nd to 82nd)</u>	<u>0</u>	<u>\$0</u>	<u>\$250,000</u>	<u>\$500,000</u>	<u>\$0</u>	<u>\$750,000</u>	<u>TBD</u>
<u>MacArthur Boulevard (106th to Durant St, San Leandro border)</u>	<u>0</u>	<u>\$0</u>	<u>\$500,000</u>	<u>\$500,000</u>	<u>\$0</u>	<u>\$1,000,000</u>	<u>TBD</u>
<u>23rd Ave between Foothill Blvd. & East 12th Street</u>	<u>0</u>	<u>\$100,000</u>	<u>\$50,000</u>	<u>\$0</u>	<u>\$500,000</u>	<u>\$650,000</u>	<u>TBD</u>
<u>Foothill/Fruitvale (29th to High St w/conc bet 29th & 38th Aves)</u>	<u>0</u>	<u>\$125,000</u>	<u>\$0</u>	<u>\$200,000</u>	<u>\$500,000</u>	<u>\$825,000</u>	<u>TBD</u>
<u>Foothill/Seminary</u>	<u>0</u>	<u>\$50,000</u>	<u>\$200,000</u>	<u>\$0</u>	<u>\$500,000</u>	<u>\$750,000</u>	<u>TBD</u>
<u>Eastlake (E. 12th St, E. 14th St, 5th Ave, & 14th Ave)</u>	<u>0</u>	<u>\$50,000</u>	<u>\$0</u>	<u>\$50,000</u>	<u>\$500,000</u>	<u>\$600,000</u>	<u>TBD</u>
<u>E. 18th</u>	<u>0</u>	<u>\$25,000</u>	<u>\$50,000</u>	<u>\$0</u>	<u>\$100,000</u>	<u>\$175,000</u>	<u>TBD</u>
<u>Melrose/Bancroft Avenue/ 42nd to 55th Avenue on Foothill Blvd</u>	<u>0</u>	<u>\$75,000</u>	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$175,000</u>	<u>TBD</u>
<u>Subtotal for All Districts</u>	<u>0</u>	<u>\$425,000</u>	<u>\$1,150,000</u>	<u>\$1,250,000</u>	<u>\$2,100,00</u>	<u>\$4,925,000</u>	<u>\$2,800,740</u>

The following information pertains to the streetscape component:

1. Streetscape projects are key to the redevelopment of the Central City Redevelopment Project Area and any proposed amendment to the CCE implementation plan must be presented to and considered by the PAC for its recommendation prior to being considered by Council.
2. In particular, the Elmhurst neighborhood area has deferred its redevelopment efforts so all the Central City East neighborhoods could join in the redevelopment effort, and as such should be given priority for funding the MacArthur Boulevard Streetscape Project.
3. An account shall be immediately established for funds for the MacArthur Boulevard Streetscape Project and this fund shall receive any unused and uncommitted streetscape funds from the FY 2004-05 fiscal year. Once the budget amount has reached the funds allocated to the MacArthur Streetscape Project, additional funds will be used to replenish funding from areas that previously forfeited funds.
4. If any streetscape project is known to be delayed 1 year or more, the CCE PAC and the Agency may re-evaluate the streetscape allocations.

5. At the statutorily required implementation plan review period, the CCE PAC and the Agency will review the funding allocations.

As described earlier, the exact distribution will depend on private sector interest and the specific type of assistance requested. Also, as opportunities are presented the Agency may solicit development proposals that will further the goals and objectives of the Redevelopment Plan.

C. Housing Component

Implementation Plan Requirements

This Housing Component of the Implementation Plan for the Project Area is the complement of the Redevelopment Component. Together, the two components constitute the implementation plan required by Article 16.5 of the "CRL" consist of Sections 33000 *et seq.* of the California Health and Safety Code.

This Housing Component of the Implementation Plan 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 affordable to persons and families of low and moderate ("low-mod") income. 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;

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).

All citations are to the Health and Safety Code unless otherwise specified. 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 contains numerous provisions to guide redevelopment agency activities with regard to low-mod housing. These provisions divide a redevelopment agency's housing responsibilities into three major categories:

1. The production and/or replacement of low-mod housing depending upon activities undertaken by an agency within its project areas;
2. The Set-Aside and expenditure of specified amounts of tax increment revenue for the express and exclusive purpose of increasing and improving a community's supply of low-mod housing; and
3. Preparing reports on how the Agency has met, or preparing plans on how the Agency will meet its responsibilities with regard to the first two items.

This Housing Component is part of the Agency's responsibilities under the third major category. Its contents address how the Agency's plans for the Project Area will achieve many of the housing responsibilities contained in the first and second major categories of Agency housing activities. Article 16.5 requires that the housing portion of an Implementation Plan address the applicable items presented in the list below.

Production of Housing Based on Activities in the Project Area:

- (1) At least 30 percent (30%) of all new and substantially rehabilitated dwelling units developed by a redevelopment agency shall 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));
- (2) 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 shall 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));
- (3) At least 15 percent (15%) of all substantially rehabilitated units that have received agency assistance shall 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));

- (4) 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)).

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

- (1) The Set-Aside of 20 percent of tax increment in projects adopted on or after January 1, 1977 (Section 33334.2)
- (2) The proportional expenditure of housing funds on moderate, low, and very-low income housing (Section 33334.4)
- (3) The Set-Aside of 20 percent of tax increment in projects adopted prior to January 1, 1977 (Section 33334.6)
- (4) The transfer of housing funds to other public entities producing housing in the community (a possible outcome of the provisions of Sections 33334.12 et seq.).

Article 16.5 additionally, requires:

- (1) Estimates of the balances and deposits into the Housing Fund created to hold the Set-Aside of tax increment;
- (2) A housing program identifying expenditures from the Housing Fund;
- (3) An indication of housing activity that has occurred in the Project Area; and
- (4) Estimates of housing units that will be produced in the Project Area for each of the various income categories.

Applicable Low and Moderate Income Housing Requirements

a. 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. Given the facts of the new project adoption, only the low-mod housing provisions discussed below are applicable.

b. 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.

This Implementation Plan does not include projects or programs, which would result in the removal of housing units from the low and moderate income housing stock; therefore, there is no identification of suitable locations for replacement housing.

c. Inclusionary Housing Obligation

The Agency is required to comply with the housing unit production requirement of the CRL Section 33413(b). 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.

As stated above, the Agency will assist the private sector in developing affordable housing and it is possible that there will be some residential infill within the Project Area that is not Agency assisted. As a result, the Agency will need to create low-mod housing in order to comply with the provisions of subparagraph (2) of Section 33413(b). Subparagraph two 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.

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.

d. Future Housing Construction Activity in the Project Area

Based on discussions with the City Planning Department, the following residential projects are being processed or are proposed within the Project Area. Assuming that construction occurs after Project adoption, these units will trigger an inclusionary housing requirement that must be met within ten years of construction.

Project	Status	Type	Total Units
5825 Foothill*	Site Acq.	Family	30
10211 Byron*	Site Acq.	Family	50
Eastmont Court	Predev.	Disabled	19
Horizon Townhms	Predev.	Family	18

Leola Terrace Ph II	Predev.	Family	4
Tolar Heights	DDA	Family	6
Wang (Citizens)	DDA	Family	23
TOTALS			150

e. Inclusionary Housing Obligation

The seven identified projects that are expected to be built in the Project Area will generate 150 total units. As a result, there will be a 15 percent inclusionary housing obligation, which translates to 23 units of inclusionary housing. The units must be restricted as follows.

1. At least 40% of the units, which equates to 10 units, must be restricted to very-low income households.; and
2. At most 60% of the units, or 13 units can be restricted to low or moderate-income households.

f. Inclusionary Housing Fulfillment

The following illustrates how the inclusionary housing obligations will be fulfilled:

Project	Total Units	Very Low	Low	Moderate	Unrestricted
5825 Foothill*	30	2	0	3	25
10211 Byron*	50	3	0	5	42
Eastmont Court	19	18	0	0	1
Horizon Townhms	18	0	9	5	4
Leola Terrace Ph II	4	0	4	0	0
Tolar Heights	6	0	0	6	0
Wang (Citizens)	23	0	8	10	5
TOTALS	150	23	21	29	77

*Allocation of units has not been determined. For purposes of analysis, the least number of affordable units has been used to estimate the total production and inclusionary requirements.

As such, the Agency's surplus or deficit will be as shown below, with the Agency having an expected surplus of 13 very-low units and 37 low and moderate-income units:

Total Incl. Housing Fulfillment	Very Low	Low/Moderate
Total Units	23	50
(less) Housing Obligation Units	10	13
Total Surplus (Deficit) Units	13	37

It should be noted that all of the proposed fulfillment units will be located in the Project Area and therefore can be counted on a one-for-one basis toward the inclusionary obligation.²

g. Applicable Deposit and Expenditure Provisions

(1) Set-Aside of Tax Increment

The Agency must comply with the Section 33334.2 requirement to allocate 20 percent of the gross tax increment (Set-Aside) to affordable housing activities. The Set-Aside is required to be deposited into a Housing Fund created to hold the monies until expended. Section 33334.2 enables the Agency to eliminate or reduce the annual housing deposit if the Agency makes findings regarding the lack of need for low-mod housing in the City of Oakland, or the sufficiency of less than 20 percent of the Project Area's tax increment to meet the need that does exist. However, the City of Oakland passed a resolution that 25 percent of all tax increment be allocated to the construction of affordable housing. Furthermore, based on the City's commitment to affordable housing production it is unlikely the Oakland would exercise the option to reduce the Set-Aside deposits in any year subject to this Implementation Plan. The projections of deposits into the Housing Fund that are included in the following section assume that the 25 percent Set-Aside will be deposited into the Housing Fund in each of the years covered by the Plan.

(2) Proportional Expenditures of Housing Fund Monies

The Project Area is subject to the Section 33334.4 requirement that the Agency expend Housing Fund monies in accordance with an income proportionality test and an age restriction proportionality test. These proportionality tests must be met every ten years through the termination of the Project Area life. These tests do not have to be met on an annual basis.

(a) Very-Low and Low Income Housing Expenditures

The income proportionality test requires the Agency to expend Set-Aside funds in proportion to the housing needs that have been determined for the community pursuant to Section 65584 of the Government Code. The proportionality test used in this Implementation Plan is based on the 2000 RHNA prepared by ABAG. Based on the 2000 RHNA, the City's minimum required allocation for very-low and low-income expenditures, and maximum moderate income housing expenditures are:

Category	RHNA	Threshold
Very-Low Income	2,238	At least 43%
Low Income	969	At least 19%
Moderate Income	1,959	No more than 38%
Total	5,166	

² If inclusionary housing fulfillment units are located outside of the Project Area, they can only be counted on a one-for-two basis towards fulfillment of the inclusionary housing obligation.

Section 33334.4 requires that at least 43 percent of the Housing Fund monies dedicated to projects and programs be spent on housing for very-low income households. In addition, at least 19 percent of these funds must be spent on housing for low-income households, and no more than 38 percent of the funds can be spent on moderate-income households. However, the Agency is entitled to expend a disproportionate amount of the funds for very-low income households, and to subtract a commensurate amount from the low and/or moderate-income thresholds. Similarly, the Agency can provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate-income households. In no event can the expenditures targeted to moderate-income households exceed the established threshold amount.

The minimum allocations based upon household income levels are shown in the following table.

Allocation of Housing Funds by Income Levels

Unit Income Level	%	Allocation
Very Low	43% Min.	\$2,209,770
Low	19% Min.	\$976,410
Moderate	38% Max.	\$1,952,820
Total		\$5,139,000

(b) Age Restricted Housing Expenditures

Section 33334.4 also requires that the Agency assist housing that is available to all persons, regardless of age, in at least the same proportion as the population under age 65 bears to the City's total population as reported in the most recent census of the United States Census Bureau. The 2000 Census indicates that 89.5 percent of the City's population is under 65 years of age. As such, at least 89.5 percent of the Agency expenditures on affordable housing projects must be spent to assist projects that do not impose age restrictions on the residents. The following summarizes the allocation of housing fund monies.

Age Category	%	Allocation
Senior	10.5% Max.	\$539,595
Unrestricted	89.5%	\$4,559,405
Total		\$5,139,000

(5) Transfer of Housing Funds to Other Providers

The Project Area is subject to the CRL provisions requiring the transfer of housing funds to other housing producers in the Oakland area in certain circumstances. Such transfers could possibly occur if the Housing Fund contained "excess surplus." Excess surplus means any unexpended and unencumbered amount in a Project Area's Housing Fund that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the Housing Fund during the project's preceding four fiscal years.

The Agency does not anticipate having an excess surplus during the current Implementation Plan cycle or throughout the subsequent remaining Project Area life.

h. 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 that certain housing expenditures, and preservation and production requirements, be attained during five and ten year increments. Of the requirements applicable to the Project Area, the inclusionary housing production requirement must be met every 10 years, while the proportionality tests must be achieved over the next 10 years, and then again through the end of the Project Area life. 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.

i. Housing Fund Revenues

The following table presents the projected future deposits into the Housing Fund. The projected deposits are based on a tax increment projection prepared by KMA. As shown below, \$5,139,000 in revenues are projected to be available over the five-year term of this Implementation Plan. A notation for the 6th Year is made here which notes an additional \$2,879,000 for fiscal year 2008-2009. An estimated \$861 million will be expended throughout the Project Area life.

Housing Set-Aside Revenue

Plan Year	Fiscal Year	Housing Set Aside
1	2003-04	0
2	2004-05	542,000
3	2005-06	835,000
4	2006-07	1,520,000
5	2007-08	2,242,000
Total		\$5,139,000

Housing Set-Aside Revenue

Plan Year	Fiscal Year	Housing Set Aside
<u>1</u>	<u>2003-04</u>	<u>0</u>
<u>2</u>	<u>2004-05</u>	<u>547,249</u>
<u>3</u>	<u>2005-06</u>	<u>835,000</u>
<u>4</u>	<u>2006-07</u>	<u>1,520,000</u>
<u>5</u>	<u>2007-08</u>	<u>2,242,000</u>
Total	For 2003-2008	\$5,144,249
	<u>2008-09</u>	<u>2,879,000</u>
Total	For 2003-2009	\$8,023,249

j. The Housing Program and Housing Fund Expenditures

The Agency may assist in a variety of programs to develop affordable housing such as the following:

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.*

Preservation:

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 improving 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.

Affordability Assistance:

These programs can involve 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. Seniors households in the low- to moderate-income category may also be targeted in such programs.

The above programs will make home ownership housing available to more low- and moderate-income residents in the Project Area. By making more ownership housing available the tax base for the redevelopment area will increase and in turn provide funding for additional housing and non-housing programs, and market support for community retail and commercial uses will increase. Providing incentives for landlords and homeowners to rehabilitate their properties will increase the value of the surrounding properties and provide an incentive for those not qualified for rehabilitation assistance to also improve their properties.

k. Allocation of Housing

Working with the PAC, the Agency has developed the following allocation of housing funds for the first five years of the Redevelopment Plan. Up to 20 percent of each list item may be reallocated.

	Dollars	% Allocation
New Ownership Housing — Use redevelopment funds to expand the supply of new housing for low and moderate income households.	\$925,020	18.0%
New Rental Housing — Use redevelopment funds to expand the supply of new rental housing for low and moderate income households.	\$565,290	11.0%
Rehabilitation Home Ownership — Use redevelopment funds to improve the existing supply of ownership units for low and moderate income households.	\$1,798,650	35.0%
Rehabilitation Rental Housing — Use redevelopment funds to improve the existing supply of rehabilitated rental units for low and moderate income households.	\$1,027,800	20.0%
First-Time Homebuyers Program — Use redevelopment funds to assist low and moderate income households, first-time home buyers to purchase homes in the City of Oakland.	\$822,240	16.0%
Total	\$5,139,000	100%

Allocation of Housing Funds

	<u>Dollars for First Five Years FY 2003-2008</u>	<u>Dollars for FY 2003-2009</u>	<u>% Allocati on</u>
<u>New Ownership Housing</u> – Use redevelopment funds to expand the supply of new housing for low and moderate income households.	\$925,965	\$1,444,185	18%
<u>New Rental Housing</u> – Use redevelopment funds to expand the supply of new rental housing for low and moderate income households.	\$565,867	\$882,557	11%
<u>Rehabilitation Home Ownership</u> - Use redevelopment funds to improve the existing supply of ownership units for low and moderate income households.	\$1,800,487	\$2,808,137	35%
<u>Rehabilitation Rental Housing</u> – Use redevelopment funds to improve the existing supply of rehabilitated rental units for low and moderate income households.	\$1,028,850	\$1,604,650	20%
<u>First-Time Homebuyers Program</u> - Use redevelopment funds to assist low and moderate income households, first-time home buyers to purchase homes in the City of Oakland.	\$823,080	\$1,283,720	16%
<u>Total</u>	\$5,144,249	\$8,023,249	100%

The following are the allocations for the next Five Years of Funding for the Low and Moderate Income Housing Funds:

Fiscal Year 2004-2005: CCE Homeownership Rehabilitation Program

The CCE Homeownership Rehabilitation Program will provide funds to undertake exterior work in coordination with the City's existing six Home Maintenance Programs. The CCE program will be a new program separate from the City's existing six Home Maintenance Programs. The CCE Homeownership Rehabilitation Program is recommended as a loan program with either a deferred or low-interest loan to eligible homeowners for cosmetic exterior work such as window replacements, exterior painting, landscaping, new fencing, and sidewalk repair work etc. The CCE Homeownership Rehabilitation Program will be managed by the City's Housing Services staff.

CCE Homeownership Rehabilitation Program

	<u>EXISTING</u>	<u>PROPOSED</u>
<u>PROGRAM</u>	<u>Home Maintenance & Improvement Program (HMIP)</u>	<u>CCE Homeownership Rehabilitation Program</u>
<u>TARGETED AREA</u>	<u>Properties located in one of the seven Community Development Districts</u>	<u>Central City East Redevelopment Area</u>
<u>OCCUPANCY</u>	<ul style="list-style-type: none"> • <u>Single family residences must be occupied by low-income households.</u> • <u>Two-unit structure must have at least one unit occupied by a low-income household.</u> • <u>Three-to-four unit structure must have at least 51% of the units occupied by low-moderate income households.</u> • <u>All vested recorded owners of the property must complete the application even if they do not occupy the property.</u> 	
<u>INTEREST RATE:</u>	<u>No Interest</u>	<u>No Interest</u>
<u>PAYMENTS/ TERMS:</u>	<ul style="list-style-type: none"> • <u>No Periodic Payment</u> • <u>Loan will be paid upon the sale or transfer of title of property or refinance (under certain conditions)*</u> 	<ul style="list-style-type: none"> • <u>No Periodic Payment</u> • <u>Loan will be paid upon the sale or transfer of title of property or refinance (under certain conditions)*</u>
<u>SECURITY</u>	<u>Deed of Trust</u>	<u>Deed of Trust</u>
<u>PREPAYMENT PENALTY</u>	<u>None</u>	<u>None</u>
<u>CLOSING COSTS</u>	<u>\$350-\$500</u>	<u>\$350-\$500</u>
<u>MAXIMUM LOAN AMOUNTS:</u>	<u>\$40,000 or the cost of rehabilitation, whichever is less</u>	<u>\$10,000 for exterior work</u>
<u>INCOME</u>	<u>50% of the established HUD median income limits for Alameda County</u>	<u>Up to 100% of the established HUD median income limits for Alameda County</u>

- May have to be paid back if refinanced depending on circumstances on a case by case basis.
- Note that these program guidelines are tentative, and are subject to change at any point during the term of this Implementation Plan at the discretion of the Agency Administrator.

Fiscal Year 2005-2006: CCE Rental Rehabilitation Program

While the CCE Homeownership Rehabilitation Program is implemented during the first year, staff will work to analyze how a Rental Rehabilitation program might work in the CCE Redevelopment Area. As part of this process, the CCE PAC Housing Committee members may want to identify properties in their sub areas that should be targeted for this program. CEDA staff will gather information from Code Enforcement about properties that have been consistently listed with code violations and identify whether they are good candidates for a Rental Housing Rehabilitation Program.

Fiscal Year 2006-2007: First Time Homebuyers Program

In the fourth year of funding, the First Time Homebuyers program may be initiated. This would use redevelopment funds to improve the supply of ownership units for low and moderate income households. Again, this program would be coordinated with the existing City of Oakland Housing Services staff.

Fiscal Year 2007-2008: New Rental Housing and New Ownership Housing

The CCE PAC Housing Committee is proposing to implement a New Rental Housing and New Ownership Housing Program in the fifth year because these are new construction projects and will require a larger pool of funds to undertake. By waiting for tax increment revenues to increase in the last year, funds can be better used to subsidize new construction.

The following is the allocation for the five years of the Implementation Plan, as well as for FY 2008-2009:

	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Total First Five Years</u>	<u>Fiscal Year</u>	<u>% Per Category of total only*</u>
	<u>2003-2004</u>	<u>2004-2005</u>	<u>2005-2006</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2003-08</u>	<u>2008-2009</u>	
<u>New Ownership Housing-</u> To use redevelopment funds to expand the supply of new housing for low and moderate income households.	0	\$0	\$0	\$0	\$925,965	\$925,965	\$1,444,185	18%
<u>New Rental Housing-</u> To use redevelopment funds to expand the supply of new rental housing for low and moderate income households.	0	\$0	\$0	\$0	\$565,867	\$565,867	\$882,557	11%
<u>Rehabilitation Home Ownership-</u> Use redevelopment funds to improve the existing supply of ownership units for low and moderate income households.	0	\$547,249	\$542,000	\$542,000	\$172,650	\$1,800,487	\$2,808,137	35%
<u>Rehabilitation Rental Housing-</u> Use redevelopment funds to improve the existing supply of rehabilitated rental units for low and moderate income households.	0	\$0	\$293,000	\$293,000	\$441,800	\$1,028,850	\$1,604,650	20%
<u>First-Time Homebuyers Program-</u> Use redevelopment funds to assist low and moderate income households, first-time home buyers to purchase homes in the City of Oakland.	0	\$0	\$0	\$685,000	\$137,240	\$823,080	\$1,283,720	16%
	0	\$547,249	\$835,000	\$1,520,000	\$2,242,000	\$5,144,249	\$8,023,249	100%

*The percentage is taken only from the total of the first five years and the first six years.

APPROVED AS TO FORM AND LEGALITY:
OFFICE OF THE CITY CLERK
CITY OF OAKLAND
AGENCY COUNSEL

2004 DEC -1 PM 3:01

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

A RESOLUTION ADOPTING THE CENTRAL CITY EAST HOMEOWNERSHIP REHABILITATION PROGRAM, ALLOCATING \$547,249 IN FY 2004-2005 FOR THE PROGRAM FROM CENTRAL CITY EAST LOW AND MODERATE INCOME HOUSING FUNDS, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO MAKE LOANS FOR THE PROGRAM WITHOUT RETURNING TO THE AGENCY

WHEREAS, there is a need for a homeownership rehabilitation program for low to moderate income homeowners in the Central City East Redevelopment Project Area; and

WHEREAS, the staff of the Community and Economic Development Agency have prepared a Central City East Homeownership Rehabilitation Program (the "Program") to assist low to moderate income homeowners in the Project Area to rehabilitate the exteriors of their properties; and

WHEREAS, the Program will assist low and moderate income homeowners with the rehabilitation of their homes in the Central City East Project Area by providing them with a deferred or low interest loans for exterior renovation work in conjunction with other Community and Economic Development Agency housing programs; and

WHEREAS, the Program is consistent with and will further the purposes of the Central City East Redevelopment Plan and its Five-Year Implementation Plan; and

WHEREAS, the Agency desires to authorize the Agency Administrator to make loans not to exceed \$10,000 under the Program within the budget available for this purpose; and

WHEREAS, the Agency wishes to support these activities by allocating \$547,249 from FY 2004-2005 Central City East Redevelopment Agency Low and Moderate Income Housing Funds for the Program; now, therefore, be it

RESOLVED: That the Agency hereby adopts the Central City East Homeownership Rehabilitation Program to provide deferred or low interest loans to homeowners in the Central City East Project Area for exterior renovation work; and be it further

RESOLVED: That the Agency hereby allocates \$547,249 from FY 2004-2005 Central City East Low and Moderate Income Housing Funds (Fund Number 9580 and Organizational Number 88929) to the Central City East Homeownership Rehabilitation Program; and be it further

RESOLVED: That the Agency Administrator or his or her designee is authorized to adopt guidelines for the Program, to make loans and to negotiate and enter into loan agreements for amounts not to exceed \$10,000 within the available budget for this purpose without returning to the Agency, and to take other action with respect to the Program and the loans consistent with this Resolution and its basic purposes; and be it further

RESOLVED: That repayments of loans made under the Program shall be credited back to the Program fund to be used for future Program activities until such time as the Program is discontinued, at which time any amount remaining in the Program fund, and all subsequent repayments of loans originally made using Program funds, shall be repaid to the Low and Moderate Income Housing Fund for the Central City East Redevelopment Project; and be it further

RESOLVED: That the Agency Administrator or her designee as agent of the City is hereby authorized to conduct negotiations, execute documents, and take any other actions consistent with this Resolution and its basic purpose.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

Attest: _____

CEDA FLOYD
Secretary of the Redevelopment Agency
of the City of Oakland

2004 REG. FILE NO. 02
**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**

RESOLUTION No. _____ C.M.S.

A RESOLUTION ADOPTING THE CENTRAL CITY EAST COMMERCIAL FACADE IMPROVEMENT PROGRAM, ALLOCATING \$100,000 FOR THE PROGRAM FROM FY 2004-2005 CENTRAL CITY EAST REDEVELOPMENT FUNDS, AND AUTHORIZING THE AGENCY ADMINISTRATOR TO MAKE GRANTS AND ENTER INTO DESIGN CONTRACTS UNDER THE PROGRAM WITHOUT RETURNING TO THE AGENCY

WHEREAS, the Central City East Redevelopment Project Area contains many commercial properties in need of revitalization and physical improvement; and

WHEREAS, the staff of the Community and Economic Development Agency operate Commercial Façade Improvement Programs in other commercial districts in Oakland that provide incentives for property and business owners to rehabilitate and revitalize commercial buildings and/or storefronts offering matching grants and limited architectural design services; and

WHEREAS, the staff of the Community and Economic Development Agency have prepared a Commercial Façade Improvement Program for the Central City East Redevelopment Project (the "Program") to provide incentives for property and business owners to rehabilitate and revitalize commercial buildings and/or storefronts within targeted commercial districts of the Central City East Redevelopment Project Area; and

WHEREAS, the Program is consistent with and will further the purposes of the Central City East Redevelopment Area and its Five-Year Implementation Plan; and

WHEREAS, the Agency desires to authorize the Agency Administrator to make grants and execute all design contracts for the Program within the budget available for this purpose; and

WHEREAS, such rehabilitation and revitalization will assist in the elimination of blight and assist with retaining and attracting businesses and increasing job opportunities in the Project Area; and

WHEREAS, the Agency finds that the design contracts will be for services of a professional nature, and the services under these contracts will be temporary; and

WHEREAS, the Agency finds that the design contracts will not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the Agency adopts the Central City East Commercial Facade Improvement Program to provide matching grants of up to \$10,000 and architectural services of up to \$5,000 per property for commercial properties throughout the Central City East Redevelopment Project Area; and be it further

RESOLVED: That the Agency hereby allocates \$100,000 from FY 2004-2005 Central City East Redevelopment Budget funds (Fund 9540, Org. No. 88659, and Project No. to be created upon approval of this Resolution) for the implementation of this Program; and be it further

RESOLVED: That the Agency authorizes the Agency Administrator or her designee to adopt guidelines for the Program, to make grants and negotiate and execute all grant contracts and design contracts under the Program within the budget available for these purposes without returning to the Agency, and to take other action with respect to the Program and the grants consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

Attest: _____

CEDA FLOYD
Secretary of the Redevelopment Agency
of the City of Oakland

FILED
OFFICE OF THE CITY CLERK
APPROVED AS TO FORM AND LEGALITY:
2004 DEC - 1 PM 3:02
AGENCY COUNSEL

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S.

**A RESOLUTION ADOPTING THE CENTRAL CITY EAST
COMMERCIAL TENANT IMPROVEMENT PROGRAM,
ALLOCATING \$125,000 FOR THE PROGRAM FROM FY 2004-
2005 CENTRAL CITY EAST REDEVELOPMENT FUNDS, AND
AUTHORIZING THE AGENCY ADMINISTRATOR TO MAKE
GRANTS AND ENTER INTO DESIGN CONTRACTS FOR THE
PROGRAM WITHOUT RETURNING TO THE AGENCY**

WHEREAS, the Central City East Redevelopment Project Area contains many commercial properties in need of revitalization and physical improvement; and

WHEREAS, the staff of the Community and Economic Development Agency have prepared a Tenant Improvement Program for the Central City East Redevelopment Project (the "Program") to provide incentives for property, business owners, and tenants to rehabilitate and revitalize commercial buildings and/or storefronts within targeted commercial areas in the Central City East Redevelopment Project Area; and

WHEREAS, such rehabilitation and revitalization will assist in the elimination of blight and assist with retaining and attracting businesses and increasing job opportunities; and

WHEREAS, the program is consistent with and will further the purposes of the Central City East Redevelopment Plan and its Five-Year Implementation Plan; and

WHEREAS, such rehabilitation and revitalization will assist in the elimination of blight and assist with retaining and attracting businesses and increasing job opportunities in the Project Area; and

WHEREAS, the Agency desires to authorize the Agency Administrator or her designee to make grants and execute design contracts for the Program within the budget available for this purpose; and

WHEREAS, the Agency finds that the design contracts will be for services of a professional nature, and the services under these contracts will be temporary; and

WHEREAS, the Agency finds that the design contracts will not result in the loss of employment or salary by any person having permanent status in the competitive service; now, therefore, be it

RESOLVED: That the Agency hereby adopts the Central City East Tenant Improvement Program to provide matching grants of up to \$45,000 and architectural services of up to \$5,000 per tenant improvement for commercial properties throughout the Central City East Redevelopment Project Area; and be it further

RESOLVED: That the Agency hereby allocates \$125,000 from FY 2004-2005 Central City East Redevelopment Budget funds (Fund No. 9540, Org. No. 88659, and Project No. to be created upon approval of this Resolution) for the Tenant Improvement Program; and be it further

RESOLVED: That the Agency authorizes the Agency Administrator or her designee to adopt guidelines for the Program, to make grants and execute all design contracts under the Program within the budget available for these purposes without returning to the Agency, and to take other action with respect to the Program and the grants consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2004

PASSED BY THE FOLLOWING VOTE:

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

NOES-

ABSENT-

ABSTENTION-

Attest: _____

CEDA FLOYD
Secretary of the Redevelopment Agency
of the City of Oakland