

**Central City East Project Area Committee
Monday April 4, 2011 PAC Meeting
Patten University, 2433 Coolidge Avenue, Student Activity Center**

(The minutes are in draft form until approved by the PAC)

Gloria Jeffery of the Project Area Committee (PAC) chaired the meeting. The meeting started at 6:47 p.m.

I. Roll Call

- a. See attached roster of attendance.

II. Open Forum

- a. Shawn Roland from East Bay Housing Organization (EBHO) spoke. She informed the PAC that EBHO has been active in trying to protect Redevelopment, and especially Affordable Housing via Redevelopment. EBHO is looking for additional volunteers to assist in its efforts to preserve Affordable Housing and Redevelopment. A sign-up sheet was passed around.
- b. Arthur Boone from the Sierra Club spoke. He provided the PAC with a status update of the Sierra Club's Tree Planting project, funded via CCE's NPI program. 45 trees have been planted so far; they would like to plant more in the next 2 months. The Sierra Club is looking to do some type of advertising or public relations effort to get the word out and recruit more interested parties. Gloria Jeffery inquired about the maintenance efforts related to the tree planting. Arthur responded that tree maintenance wasn't part of the grant, but that they are seeking volunteers and any individual throughout Oakland who is willing to adopt a tree. Tom Thurston encouraged Arthur to come back once the tree planting is complete.

III. Approval of the March Minutes

Motion (by Tom Thurston, seconded by Jean Blacksher): To approve the March 7, 2011 PAC Meeting minutes.

Vote: By Consensus. Motion Passed.

IV. Administrative Items

- a. Nominations for PAC positions.
 - i. No nominations.
- b. PAC member attendance and absence status.

- i. No updates were given at this time.
- c. Announcements from PAC community organizations
 - i. None.
- d. Council Item and Staff updates:
 - i. Norma Thompson of CEDA HCD gave an update of the NOFA process. She informed the PAC that of the 3 NOFA projects recommended by the PAC, only 2 (Kenneth Henry Court and MacArthur Apartments) were selected by staff to receive funding. She gave staff's rationale as to why the projects were funded or not.
 - ii. Theresa Navarro-Lopez gave an update of CCE staff item heading towards Council or Committee. She stated that the Clinton Park ADA improvements item will go before the Community and Economic Development Committee on April 26th. In addition, representatives from Public Works will be bringing an item to the Council in May that should help expedite the contracts for the construction process of multiple CCE streetscapes.

V. Redevelopment in California Update

- a. Gregory Hunter gave an update of the state of Redevelopment in California. He spoke on the status of the governor's proposal to eliminate Redevelopment in the last few months, and discussed the plan behind some specific legislation. The plan would call for the elimination of Redevelopment and Redevelopment Agencies (RDA), the suspension of Redevelopment Operations and the transfer of all revenue from Redevelopment to certain Successor Agencies (SA) for each RDA, as well as an Oversight Board to be set up for each SA. These measures should recover approximately \$2.7 Billion of the \$26 Billion deficit of California in its 1st year. Gregory also spoke specifically of the \$110 million in Oakland Redevelopment Funds. The Governor has already cut \$11 Billion of the State Budget, and needs to find approximately \$15 million more.
- b. Gregory also spoke specifically of the \$110 million in Oakland Redevelopment Agency (ORA) Funds, how the funds are split up, and how the Governor's proposal will impact those funds. He clarified that the City of Oakland currently gets a direct amount of \$62 million. With the passage of the Governor's proposal, the City would lose approximately \$40 million in indirect and direct funds towards projects and programs.
- c. Gregory then stated that the Governor's proposal needed a 2/3 majority in order to pass for immediate implementation. Approval of the measure fell 1 vote short. The Governor will most likely seek to have the legislation pass by a simple majority in the future; however if the item is submitted for a simple majority vote, the likelihood of additional legislation and other "riders" on the Bill would be almost certain, and the Bill could end up so weighted down that it may not pass the simple majority method.
- d. Gregory next stated that the ORA has taken certain measures to protect as much of its increment as it possibly can. It has drafted an agreement with the City of Oakland to set

aside or protect “committed” funds for existing ORA projects to be continuously funded. They are looking to transfer ORA owned property to the City to protect that property from being exposed to a “firesale” type situation by the State. The Agency will also acquire 8 City parcels to help reduce the City deficit. However, the Governor’s Bill does have a “clawback” provision that would seek to take any funds that the City/Agency has dedicated to the projects back when Redevelopment is eliminated. This could conceivably be pitting funding for schools vs. funding for development. The ORA/City measure would also look to retain as much staff as possible to complete existing projects. The City may not be able to keep all staff on board for projects, but the staff that can be retained will continue according to the existing need and remaining projects. ORA is currently focusing on getting as many projects as possible “in the door” and then “out the door.”

- e. Jean Blacksher wanted clarification regarding whether the vast bulk of existing Redevelopment funds would go to the City if the Governor’s Proposal passed. Gregory clarified that that is the current plan.
- f. Mary Fuller inquired as to how the lawsuit against the Governor’s Proposal would be funded if the Redevelopment funds are seized. Gregory replied that it currently is unclear how the lawsuit would be paid. The lawsuit would most likely be issued on behalf of the CRA and the League of Cities.
- g. Andy Park wanted clarification on how Oakland would lose \$40 million according to the Governor’s proposal. Gregory responded that under Redevelopment Oakland gets \$110 million, \$62 million of which goes to Redevelopment programs/projects. Without Redevelopment, Oakland would get about \$22 million towards City related funds from the State, for a net loss of \$42 million (\$62 - \$40).
- h. Ross Ojeda inquired as to whether Redevelopment would survive to the deficit of other programs statewide. Gregory replied that it is unclear what will unfold. It is likely that Redevelopment would undergo some type of reform that could help to contribute to the offset of some of the deficit, but the amount of the contribution is unknown at this time. There is still more leeway for changes and reform.
- i. Bari Scott inquired as to whether or not there is a way to rework the agreement between ORA and the City to adjust which funds are protected, and how. Gregory responded that the possibility for reworking it exists, but the time and effort needed to rework it will probably not be available.
- j. Andy Nelson inquired as to whether developers would know the amount of funds that the Successor Agencies make available for projects if the Governor’s proposal passes and the City has a set amount allocated to each specific development project. Gregory responded that yes, and the City would be at a disadvantage as the amount of funds available for the projects will be more defined, impacting the competitiveness of bids and proposals.
- k. Al Parham expressed his appreciation for staff’s efforts.

VI. Potential Items for Next Meeting

- a. Tom Thurston requested Vision Update presentation, in addition to the information Theresa submitted to the PAC via email.
- b. Bari Scott requested an update of what's been done in CCE so far. Theresa responded that the update she submitted via email communicated what accomplishments and achievements have occurred in CCE so far.
- c. Kimani Rogers stated that the 5-Year Implementation Plan requires a mid-Cycle amendment process, and that item may take require the vast bulk of the next CCE meeting. Kimani clarified that the legislation will need to go to Council before mid-July, requiring the PAC to provide their recommendation in May to allow for the necessary legislative process to run its course in a timely manner.

VII. Adjournment

- a. Meeting adjourned at 8:15.