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Agency Counsel

**REDEVELOPMENT AGENCY
OF THE CITY OF OAKLAND**

Resolution No. 2009-0105 C.M.S.

**A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION
PLAN FOR THE BROADWAY/MACARTHUR/SAN PABLO
REDEVELOPMENT PROJECT**

WHEREAS, Section 33490 of the California Community Redevelopment Law (Health & Safety Code Section 33000, et seq.) requires a redevelopment agency to adopt an implementation plan every five years; and

WHEREAS, the Agency Administrator has prepared and presented to the Agency an Implementation Plan for the Broadway/MacArthur/San Pablo Redevelopment Project for 2009-2014; and

WHEREAS, the Agency has held a public hearing and received comment on the proposed Implementation Plan; and

WHEREAS, the proposed Implementation Plan as presented to the Agency sets forth the specific goals and objectives for the Broadway/MacArthur/San Pablo project area, the specific programs, projects and estimated expenditures over the next five years, and an explanation of how the goals, objectives, programs, projects, and expenditures will eliminate blight within the project area and meet low- and moderate-income housing requirements, as required by law; now, therefore, be it

RESOLVED: That the Agency hereby approves and adopts the 2009-2014 Implementation Plan for the Broadway/MacArthur/San Pablo Redevelopment Project attached to this Resolution as Exhibit A; and be it further

RESOLVED: That the Agency Administrator or his or her designee is hereby authorized to take whatever action is appropriate with respect to the Implementation Plan consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, DEC 8 2009, 2009

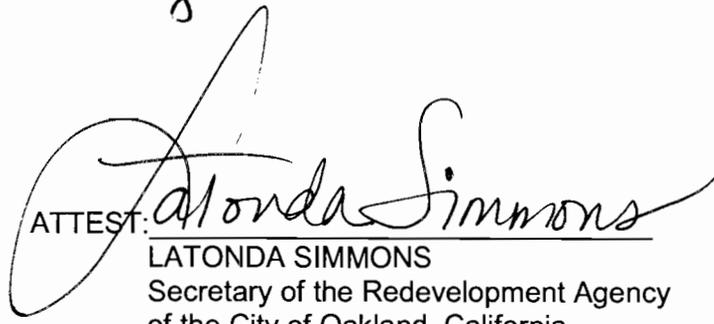
PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND
CHAIRPERSON BRUNNER - 8

NOES- 0

ABSENT- 0

ABSTENTION- 0

ATTEST: 
LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland, California

**A RESOLUTION ADOPTING THE 2009-2014 IMPLEMENTATION PLAN FOR THE
BROADWAY/MACARTHUR/SAN PABLO REDEVELOPMENT PROJECT**

EXHIBIT A

**BROADWAY/MACARTHUR/SAN PABLO REDEVELOPMENT PROJECT
FIVE-YEAR IMPLEMENTATION PLAN
2009-2014**

I. INTRODUCTION

The Broadway/MacArthur/San Pablo Redevelopment Plan was adopted on July 25, 2000 (Ordinance No. 12269 C.M.S.). The Project Area consists of two distinct sub-areas in North Oakland and is comprised of 676 acres. The Broadway/MacArthur sub-area incorporates Broadway Auto Row and Telegraph Avenue between 27th and 42nd Streets. The San Pablo sub-area incorporates the Golden Gate neighborhood on San Pablo Avenue between 53rd and 67th Streets.

The California Community Redevelopment Law ("CRL") requires redevelopment agencies to adopt an implementation plan for every redevelopment project area for each five-year period that the project area is in operation and until the term for plan effectiveness of the project area expires. This Implementation Plan for the Broadway/MacArthur/San Pablo Redevelopment Project is a policy statement that has been prepared to guide and to set priorities for redevelopment activities for the 2009-2014 period. The purpose of the Implementation Plan is to provide a clear and reasonable statement of the Agency's short-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.

This Implementation Plan includes two separate components: a Redevelopment and a Housing Component. The Redevelopment Component revisits the goals and objectives of the Broadway/MacArthur/San Pablo Redevelopment Plan, presents the projects, programs and expenditures (other than those related to low- and moderate-income housing) that have been developed to achieve the goals and objectives, and describes how these projects, programs and expenditures will eliminate blight within the Project Area. The Housing Component describes how the components of the plan will implement various CRL requirements regarding low- and moderate-income housing; how the Redevelopment Plan goals and objectives for housing preservation and production will be implemented; and how the statutory requirements for the expenditure of tax increment set-aside funds for housing purposes will be met.

The Redevelopment Agency is required to prepare a mid-term review of the Implementation Plan and conduct a public hearing between the second and third year after the Implementation Plan has been adopted. New issues and opportunities may be encountered in the course of administering the Implementation Plan during the five-year period. Therefore, this Implementation Plan may be amended, if necessary, to effectuate changes in Agency priorities. Any such amendments will be reflected in the mid-term review of the Implementation Plan.

The Implementation Plan is a policy statement rather than an unalterable course of action. The intention is to set priorities for redevelopment activities within the Project Area for the period covered by the Implementation Plan based on the projected funding available during that period. Any funding allocations described in the Implementation Plan are estimates only and do not

commit or limit the Agency to using the funds in the exact manner described. The commitment of funds for projects and programs occurs through the adopted Redevelopment Budget or by separate action of the Agency Board. New issues and opportunities may arise during the course of administering the Redevelopment Plan for the Project Area which may result in the need to amend the Implementation Plan.

This Implementation Plan was developed with considerable community input, led by the Broadway/MacArthur/San Pablo Project Area Committee (“PAC”), comprising homeowners, residential tenants, business owners, and representatives from local community organizations in the Project Area. The PAC was approved and seated on March 21, 2000. Their initial three-year term that was required under redevelopment law ended in July 2003. The Oakland City Council has approved annual one-year extensions for the PAC through July 2010. The PAC reviewed and recommended approval of the proposed expenditure plan for this Implementation Plan at their September 3, 2009, meeting and reviewed a draft of this Implementation Plan at their November 5, 2009, meeting.

II. BACKGROUND

Since the Broadway/MacArthur/San Pablo Redevelopment Plan was first adopted in 2000, the Redevelopment Agency has funded or otherwise supported a number of actions called for in the earlier implementation strategies. The following programs and projects have been accomplished to date in this Project Area:

- Established a Façade Improvement Program and Tenant Improvement Program and completed 30 façade projects and five tenant improvement projects.
- Completed the Broadway Median Improvements on Broadway from W. MacArthur to 42nd Street.
- Completed the Telegraph Avenue Pedestrian Streetscape Improvement Plan.
- Completed the 40th Street Streetscape Project on 40th Street between Telegraph and Martin Luther King, Jr. Way.
- Executed a Disposition and Development Agreement and completed development of 34 units of housing at 3860 Martin Luther King, Jr. Way.
- Started construction on the San Pablo Pedestrian Streetlight Project in July 2009.
- Established the Neighborhood Projects Initiative program and funded 20 projects over three rounds of the program including median renovations on 40th Street and West MacArthur, upgrades to the Golden Gate Recreation Center playing fields, a dog park and tot lot in Mosswood Park, and banners, street trees, and planters on Telegraph Avenue.
- Completed entitlements for the MacArthur Transit Village project and approval of an Owner Participation Agreement committing redevelopment funding to the project.
- Provided grants to Rebuilding Together Oakland to fund renovations on eight properties occupied by low-income home-owners.

- Provided grants to Grid Alternatives to fund solar panels on two properties occupied by low-income residents.
- Provided funding for the Broadway/Valdez District Specific Plan, which is currently underway.

III. GOALS AND OBJECTIVES FOR THE PROJECT AREA

The goals of the Broadway/MacArthur/San Pablo Redevelopment Project are as follows:

- 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 Area residents.
- D. Improve transportation, public facilities and infrastructure throughout the Project Area.
- E. Stimulate home ownership opportunities in the Project Area and preserve and expand the supply of rental housing through new construction, rehabilitation, and conservation of living units in the Project Area.
- F. Revitalize neighborhood commercial areas.

IV. PROJECTS AND EXPENDITURES PROPOSED FOR THE NEXT FIVE YEARS

The following table outlines the projected tax increment revenue from the Broadway/MacArthur/San Pablo Redevelopment Project Area over the five-year period of this Implementation Plan. The figures assume a 1% growth in the total assessed value of all taxable properties within the Project Area over the 2009 assessed valuation during the first year, which increases to a 3% growth rate in 2012. The revenues stated for the last four of the five years proposed, FY 2010-14, are projections *only* and are contingent upon specific Council authorizations at a later date.

Projection of Tax Increment Revenue

	FISCAL YEAR					TOTAL
	2009-10	2010-11	2011-12	2012-13	2013-14	2009-14
Gross Tax Increment Revenue	5,112,073	5,163,194	5,433,449	5,596,452	5,764,346	27,069,514
Prior Years Revenue	1,700,000	-	-	-	-	1,700,000
Housing Set Aside Requirement	(1,022,415)	(1,773,408)	(1,358,362)	(1,399,113)	(1,441,086)	(6,394,384)
AB 1290 Pass-Through	(1,022,420)	(1,041,227)	(1,140,681)	(1,200,666)	(1,262,451)	(5,667,445)
Estimated Debt Service	(1,157,000)	(1,157,000)	(1,857,000)	(1,857,000)	(1,857,000)	(7,885,000)
State Education Funds (ERAF)	(2,205,084)	(364,531)	-	-	-	(2,569,615)
Net Tax Increment Revenues*	1,405,155	1,427,028	1,077,406	1,139,673	1,203,809	6,253,071

* Net tax increment revenue amounts include staffing and operations and maintenance costs.

The total projected net tax increment revenues, net of debt service, which will be available in the Project Fund between 2009 and 2014 are estimated to be approximately \$6.3 million. Of this total, it is projected that approximately \$5 million will be needed to cover on-going staffing and operating costs for this Project Area. That leaves a remainder of \$1.3 million for projects and programs. The above projections assume that an \$8 million bond will be issued in Fiscal Year 2011-2012. The total projected Low and Moderate Income Housing Fund revenues are estimated to be \$6.8 million.

In addition to the money shown above, approximately \$16 million remains from the last five year Implementation Plan period, which includes funds from a \$17 million bond issue in 2006. The majority of these funds have already been committed by the Agency Board/City Council for projects and programs within the Project Area and will be expended within the first year of this Implementation Plan.

The proposed expenditures for the next five years are based on the projected tax increment revenue that will be available in the Project Fund net of staffing and operating costs, the proceeds from the proposed bond issue in Fiscal Year 2011-2012, and the remaining funds from the past five-year Implementation Plan period. The following table provides the approximate funding allocation (excluding the Low and Moderate Income Housing Funds) to each implementation strategy.

Project/Program Category (Example projects and programs)	Committed Funds from Prior Years	Future Tax Increment and Prior Year Funds	Anticipated Bond Proceeds	Total Funding	% of total funds
Business Assistance and Commercial Corridor Enhancement (Façade and Tenant Improvement Programs)	\$700,000	\$0	\$350,000	\$1,050,000	4%
Neighborhood Improvements/ Public Facility Upgrades (Neighborhood Project Initiatives Program)	\$200,000	\$0	\$400,000	\$600,000	2%
Low Income Housing Rehab (Rebuilding Together Oakland, Solar Programs, etc.)	\$0	\$400,000	\$0	\$400,000	2%
Catalyst Infill Project Development (MacArthur Transit Village)	\$10,500,000	\$0	\$6,300,000	\$16,800,000	66%
Crime Prevention/Safety (Enhanced Security Officer)	\$400,000		\$0	\$400,000	2%
Land Acquisition/Assembly/ Remediation	\$2,000,000	\$0	\$0	\$2,000,000	8%
Streetscapes/Infrastructure projects (San Pablo Streetlights, Telegraph Streetscape)	\$1,850,000	\$400,000	\$950,000	\$3,200,000	13%
Planning Activities (Broadway Specific Plan, and Redevelopment Plan Amendments)	\$400,000	\$500,000	\$0	\$900,000	4%
Total	\$16,050,000	\$1,200,000	\$8,000,000	\$25,350,000	100%

Below is a brief description of the programs and projects referenced in the expenditure plan that have been identified as key components of the implementation strategy for FY 2009-14.

Façade Improvement Program and Tenant Improvement Program

The Façade Improvement and Tenant Improvement programs provide grants and architectural design assistance to property owners and tenants located on the commercial corridors within the Project Area (including Telegraph Avenue, San Pablo Avenue, West MacArthur Boulevard, 40th Street, Martin Luther King, Jr. Way, and Broadway). The goals of the Façade Improvement Program are to promote retail activity, restore historic properties, enhance the general appearance of commercial corridors, and improve blighted properties. The Façade Improvement Program offers matching grants of up to \$30,000 for improvements to storefronts, including new signage, window repair, and exterior painting. The Tenant Improvement Program is designed to assist property owners in attracting retail businesses to locations that are difficult and costly to renovate, and serves as an incentive for new retail businesses to locate within the Project Area. The Tenant Improvement Program offers matching grants for tenant improvements to the interiors of vacant retail spaces of up to \$10 per square foot, with a total grant not to exceed \$45,000. To date, the Agency has completed 30 façade projects and five tenant improvement

projects. These two programs will continue to operate during the period of this Implementation Plan.

Neighborhood Projects Initiative Program

The Neighborhood Projects Initiative (“NPI”) program is a community grant program that funds one-time, small-scale, community-initiated physical improvement projects. The program is designed to support existing blight reduction and beautification efforts in the Project Area and to encourage community participation in redevelopment. The program was launched in 2006 and has awarded grants to 20 community projects over three funding cycles. Previously funded projects include community planting projects on the 40th Street and West MacArthur Boulevard medians, a dog run facility and tot lot at Mosswood Park, street trees, planters, banners and lighting improvements along Telegraph Avenue, improvements to the Golden Gate and Mosswood Recreation Centers, surveillance cameras at crime hot spots on Martin Luther King, Jr. Way and San Pablo Avenue, and a mural on the building of the non-profit Ella Baker Center for Human Rights. The fourth funding cycle is currently in process. The Agency anticipates administering two additional grant cycles in 2011 and 2013.

Low Income Housing Rehabilitation

In addition to the funding that is set aside for the Low and Moderate Income Housing Fund, the PAC has prioritized the use of redevelopment funds to assist with low income housing rehabilitation within the Project Area. Example programs that have been funded in the past and that may continue during the course of this implementation plan include funding to Rebuilding Together Oakland for the rehabilitation of homes owned by low-income seniors and funding for the placement of solar panels on low-income households to reduce utility costs.

MacArthur Transit Village

The MacArthur Transit Village project includes the development of a mixed-use transit village at the MacArthur BART Station, consisting of 624 units of multi-family housing (including 108 below market-rate units), 42,500 square feet of neighborhood-serving retail, and 5,000 square feet of community space. The project involves relocating the existing BART surface lot to a parking structure on the site and developing the land that is made available and on surrounding parcels. In 2009, the Agency entered into an Owner Participation Agreement (“OPA”) with the development team, MacArthur Transit Community Partners, to further the development of the project. During the five-year period of this Implementation Plan, the Agency anticipates working with the development team to acquire all of the necessary parcels for this project, construct the parking garage and public infrastructure components of the project, and start construction of the first two phases of housing.

Enhanced Security Officer

This program funds a patrol officer that is specifically assigned to the Project Area to provide additional police services during peak hours to address crime and safety issues on the main commercial corridors within the Project Area. The Agency anticipates funding this officer during FYs 2009-11.

Targeted Land Acquisition

The Agency has set aside funding to use for the opportunity purchase of key parcels within the Project Area to further the goals of blight removal, crime reduction, and infill development. Parcels that will be targeted include brownfield sites, properties known to be crime magnets, and key opportunity sites for catalyst development. Identified focus corridors for land acquisition include West MacArthur Boulevard, San Pablo Avenue, and Broadway.

San Pablo Pedestrian Streetlight Project

This project includes the installation of pedestrian-level street lights in the San Pablo Golden Gate neighborhood on San Pablo Avenue between 53rd and 67th Streets. This project has been identified as a high priority by the PAC in order to improve safety and pedestrian access to the Golden Gate retail district. The project budget of \$1.875 million was funded by bond proceeds. Construction began in July 2009 and is anticipated to be completed by April 2010.

Telegraph Streetscape Project

The Agency completed a design plan for streetscape improvements on Telegraph Avenue in July 2005. The Agency anticipates applying for grant funding opportunities to implement this project and using redevelopment funds to serve as the required financial match.

Broadway Specific Plan

The Agency contributed funds for the preparation of a Specific Plan to analyze retail and housing opportunities for the reuse of key properties in the Broadway Auto Row portion of the Project Area. The corridor under study includes the portion of Broadway from West Grand to Highway 580. Approximately half of the area is in the Broadway/MacArthur/San Pablo Redevelopment Project Area and the remainder is in the Central District. Work on the Specific Plan began in FY 2008-09 and is projected to be completed in 2010.

Redevelopment Plan Amendment Activities

During the course of this Implementation Plan, the Agency plans to complete one or more Redevelopment Plan amendments including extending the eminent domain authority of the Project Area and looking at possible extensions of the Project Area boundaries to include adjacent neighborhoods that have blight conditions impacting the existing Project Area.

V. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE BLIGHT

The leading indicators of blight in the Broadway/MacArthur/San Pablo Redevelopment Project Area include underutilized and vacant land, deteriorated and dilapidated buildings, high rates of vandalism and crime, high commercial vacancies, inadequate public improvements, and lack of private investment.

The Agency will focus on the following strategies to eliminate blight in the Broadway/MacArthur/San Pablo Redevelopment Project Area:

- Assist with the development of vacant and underutilized properties through land assembly, environmental assessments and clean-ups, and marketing to developers.
- Assist with the development of catalyst projects, such as the MacArthur Transit Village, to improve property values and stimulate investment in the Project Area.
- Make public improvements to Project Area infrastructure including, lighting, streetscape, park improvements, and other public facility upgrades by funding the Neighborhood Projects Initiative program and streetscape projects.
- Supply grants to improve blighted structures and decrease commercial vacancies through programs such as the Façade Improvement Program and the Tenant Improvement Program.
- Provide grants to improve blighted residential properties occupied by low-income homeowners by funding programs such as Rebuilding Together Oakland.

VI. TIME LIMITS

The California Community Redevelopment Law ("CRL") as contained in Sections 33000 *et seq.* of the California Health and Safety Code, requires that this Implementation Plan identify the fiscal year that the Agency expects each of the following time limits described below to expire. For this project area, the time limit expirations are as follows:

DESCRIPTION OF TIME LIMIT EXPIRATION	FISCAL YEAR
(1) The time limit for the commencement for eminent domain proceedings to acquire property within the Project Area	2012-2013
(2) The time limit for the establishment of loans, advances, and indebtedness to finance the redevelopment project	2019-2020
(3) The time limit for the effectiveness of the Redevelopment Plan	2029-2030 (i.e., on July 25, 2030)
(4) The time limit to repay indebtedness with the proceeds of property taxes	2044-2045 (i.e., on July 25, 2045)

Some of these time limits may be extended pursuant to the CRL. For instance, if the Agency makes payment to the county Supplemental Educational Revenue Augmentation Fund, it is entitled to extend the time limits on the effectiveness of the Redevelopment Plan and the receipt of tax increment by an additional year (Section 33331.5).

VII. HOW GOALS, OBJECTIVES, PROJECTS AND EXPENDITURES WILL FULFILL THE LOW/MODERATE-INCOME HOUSING REQUIREMENTS

Implementation Plan Requirements

This Housing Component of the Implementation Plan is required by Article 16.5 of the California Redevelopment Law ("CRL") as contained in Sections 33000 *et seq.* of the California

Health and Safety Code. (All citations in this portion of the Implementation Plan are to the Health and Safety Code unless otherwise specified.)

The Housing Component 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 at affordable housing cost 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 (Section 50093);
- 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).

Affordable housing cost is defined in Section 50052.5 as shown in the following table. Housing cost for rental housing includes rent plus an allowance for tenant-paid utilities. Housing cost for owner-occupied housing includes principal, interest, insurance, taxes, utilities, homeowner association dues, and maintenance.

Definition of Affordable Housing Cost

Income Level	Rental Housing	Owner-Occupied Housing
Very Low Income	30% of 50% of AMI	30% of 50% of AMI
Low Income	30% of 60% of AMI	30% of 70% of AMI
Moderate Income	30% of 110% of AMI	35% of 110% of AMI, but no less than 28% of actual income

AMI = "Area Median Income," which is the Median Family Income, adjusted for family size, for the metropolitan area (Alameda and Contra Costa Counties combined), as determined by the U.S. Department of Housing and Urban Development

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:

- The production and/or replacement of low-mod housing depending upon activities undertaken by an agency within its project areas;

- 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
- 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.

1. Production of Housing Based on Activities in the Project Area:

- AREA HOUSING PRODUCTION REQUIREMENTS. In project areas adopted after January 1, 1976, at least 30 percent (30%) of all new and substantially rehabilitated dwelling units developed by a redevelopment agency must 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)). At least 15 percent (15%) of all new residential dwelling units developed within a project area under the jurisdiction of an agency by public or private entities or persons other than the Agency must 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)). At least 15 percent (15%) of all substantially rehabilitated units that have received agency assistance must 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));
- REPLACEMENT HOUSING REQUIREMENTS. Suitable locations must be identified for replacement housing units rehabilitated, developed or constructed pursuant to Section 33413(a), if the destruction or removal of low-mod units will result from a project contained in the Implementation Plan (Section 33490(a)(3)).

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

- At least 20 percent of tax increment revenues must be set aside into a low and moderate income housing fund to increase, improve or preserve the community's supply of low and moderate income housing (Section 33334.2).
- The law requires the proportional expenditure of these housing funds on moderate, low, and very-low income housing (Section 33334.4).
- The law requires the transfer of housing funds to other public entities producing housing in the community in some cases if the law and moderate income housing fund has excess surplus (a possible outcome of the provisions of Sections 33334.12 et seq.).

- The law requires the proportional expenditure of housing funds on the same proportion of the population over the age of 65 as reported in the most recent U.S. census (Section 33334.4).

3. Additional Requirements:

The implementation plan must include estimates of the balances and deposits into the low and moderate income housing fund; a housing program identifying expenditures from the Housing Fund; an indication of housing activity that has occurred in the project area; and estimates of housing units that will be produced in the project area for each of the various income categories.

For project areas that are within six years of the time limit on the effectiveness of their redevelopment plan, the implementation plan must show the ability of the agency to comply with its replacement housing and area production requirements and the disposition of the remaining monies in the low and moderate income housing fund prior to the time limit (Section 334900(a)(4)).

Applicable Low and Moderate Income Housing Requirements

1. 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. The low-mod housing provisions as applied to the Project Area are discussed below:

a. Replacement Housing Obligation

The Agency is required to meet replacement-housing obligations pursuant to the 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.

The Agency does not anticipate undertaking or assisting any actions in the Project Area that would result in the demolition or removal from the market of low and moderate income housing. Therefore there is no replacement housing obligation at present.

b. Housing Production Obligation

The Agency is required to comply with the housing unit production requirement of 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.

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 ensure the creation of low and moderate income housing in order to comply with the provisions of subparagraph (2) of Section 33413(b). Subparagraph (2) 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.

However, Section 33413(b)(2)(A)(ii) allows an agency as an alternative to satisfy this requirement by ensuring that two affordable units are made available outside of the project area for every one unit that would otherwise be required within the project area.

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.

c. Housing Construction Activity in the Project Area, 2000 - 2009

From the inception of the Redevelopment Plan for this Project Area through 2009 (i.e. the first 10 year Production Requirement Compliance Period July 2000 to December 2009), there have been 373 units of housing completed.

The following table illustrates housing production in the Project Area from 2000 to 2009:

**Broadway/MacArthur/San Pablo Project Area
Housing Production, 2000 to 2009**

Project	Total Units	Very Low	Low	Moderate	Unrestricted
371 30 th Street	26				26
McLure Street Housing	14				14
The Veranda (532-536 30 th St)	26				26
City Limits (1205 67 th St)	61				61
6465 San Pablo Ave	33				33
6501 San Pablo Ave	25				25
Artisan Walk (6459 San Pablo Ave)	66				66
San Pablo Heights/Tri-City Lofts	24				24
Temescal Station, Phase I	10				10
Temescal Station, Phase II	18				18
Wang Scattered Site (62 nd & Marshall)	2				2
3860 Martin Luther King Jr. Way	34				34
Scattered Site Infill Development ¹	34				34
TOTALS	373	0	0	0	373
Affordable Units Required	56				
Very Low Income Units Required	23				

During this time period there have not been any units of low and moderate income housing developed in the Project Area. Based on this lack of production, the Agency has a deficit of 56 low and moderate income units including a deficit of 23 very-low income units for the Project Area. However, to comply with area production requirements, the City of Oakland has two developments completed during FY 2008-2009 outside of the Project Area in other project areas that do not have production requirements and whose units have not been used toward any production requirements: Fox Courts (Central District) with a total of 79 affordable units including 40 very low income units and Jack London Gateway (Acorn) with a total of 60 affordable units including 24 very low income units. Given these two developments and the option in CRL to credit the Agency with one production unit for every two affordable units constructed outside of the Project Area, these two developments yield a total of 69 affordable units that can be counted toward the Project Area's production requirement, including 32 very low income units. These two developments sufficiently address the production deficit of Broadway/MacArthur/ San Pablo Project Area for the current compliance period. Further, there is now a surplus of 13 affordable units and 9 very low income units that can be applied to the next compliance period (see following section f).

¹ Source: Win2Data "Year Built" 2004-08

d. Estimate of Future Housing Construction Activity in the Project Area

The Agency estimates that between 2010 and 2019 (i.e. the next 10 year Production Requirement Compliance Period), as many as 930 units of housing may be newly constructed, substantially rehabilitated, or acquired with affordability covenants. This includes the MacArthur BART Transit Village, which is slated to develop 625 units of housing.

The following table illustrates projected housing production from 2010 to 2019 and how most of the housing production obligations will be fulfilled:

**Broadway/MacArthur/San Pablo Project Area
Projected Housing Production, 2010 to 2019**

Project	Total Units	Very Low	Low	Moderate	Unrestricted
3884 Martin Luther King Jr. Way	40				40
3414 Andover St	16				16
4225 Broadway	19				19
485 West MacArthur Blvd	16				16
5300-5310 San Pablo Ave	32				32
557 Merrimac	40				40
Courthouse Condominiums	142				142
MacArthur BART Transit Village ²	625	89	1	18	517
TOTALS	930	89	1	18	822
Affordable Units Required	196				
Very Low Income Units Required	79				

It should be noted that all of these units will be located within the Project Area and therefore the affordable units can be counted on a one-for-one basis toward the production obligation.³

e. Estimated Number of Units Required for Housing Production Obligation

If 930 units are built during this Implementation Plan period, the total number built from Redevelopment Plan inception through 2019 would be 1,303. This would generate a housing production obligation of at least 196 units affordable to very-low, low or moderate income households. Of these, at least 79 units would be required to be affordable to and restricted for occupancy by very-low income households.

² 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.

³ If the production requirement is met with units located outside of the Project Area, two units must be produced to fulfill one unit of housing production obligation.

f. How the Housing Production Obligation Will be Met

The table in section d above shows that if all projected housing units are built, there will be approximately 108 units of low- and moderate income units estimated to be constructed 2010-2019. As stated in section c. above, the surplus of 13 low-mod affordable units and 9 very low income units that can be applied to this compliance period (Section 33413(b)(4)). As shown in the following table, based on these estimates, the Agency will not achieve its production requirements for the last two compliance periods, with a deficit of 75 low-mod affordable units in total, but a surplus of 19 very-low units.

	Affordable	Very Low
Total Units Required	196	79
less Units Projected	108	89
less Unit surplus from prior production requirement period	13	9
Total Surplus (Deficit) Units	(75)	19

To the extent there is a deficit, the Agency will identify projects and if necessary provide financial assistance to ensure that the required number of low-mod units are developed or otherwise made available.

2. Applicable Provisions Regarding Low and Moderate Income Housing Set-Aside

a. 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 the Agency’s Low and Moderate Income Housing Fund (the “Housing Fund”) created to hold the monies until expended.

The Redevelopment Agency has adopted a general policy that 25 percent of all tax increment be allocated to the Housing Fund, subject to certain conditions. 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 Implementation Plan except for 2009-10 and 2010-11, where some or all of the voluntary 5 percent increase may be used to make State-mandated payments to the Supplemental Educational Revenue Augmentation Fund if that requirement survives a pending legal challenge.

b. 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, in the case of the income proportionality test, and over the duration of the implementation plan in the case of the age test, through the termination of the Redevelopment Plan life. These tests do not have to be met on an annual basis.

c. 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 adopted 2008 Regional Housing Needs Allocation (RHNA) Plan prepared by the Association of Bay Area Governments. Based on the 2008 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	1,900	At least 27%
Low Income	2,098	At least 29%
Moderate Income	3,142	No more than 44%
Total	7,140	

Therefore, the CRL requires for Oakland that at least 27 percent of the Housing Fund monies dedicated to projects and programs be spent on housing for very-low income households. In addition, at least 29 percent of these funds must be spent on housing for low-income households, and no more than 44 percent of the funds may be spent on housing for 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 may provide a disproportionate amount of funding for low income housing by reducing the amount of funds allocated to moderate-income households. In no event may the expenditures targeted to moderate-income households exceed the established threshold amount.

The Agency will allocate its funds in such a way that these percentages are met over the ten-year period from 2009 through 2019. In addition, the City and other entities may provide assistance for the construction of units affordable to very low and low income households that may also be counted toward meeting the proportionality requirements of Section 33334.4.

d. 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	Percentage of Funds
Senior	10.5% maximum
Unrestricted	89.5% minimum
Total	

The Agency will ensure that over the term of this Implementation Plan from 2009 through 2014 not more than 10.5 percent of its expenditures on affordable housing projects are for projects exclusively serving seniors.

e. Transfer of Housing Funds to Other Providers

The Housing Fund 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 the Housing Fund that exceeds the greater of \$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.

3. 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. The housing production requirement, if applicable, must be met every ten years, while the proportionality tests must be achieved over the next five or ten 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.

4. Estimated Housing Fund Revenues and Expenditures

The following table presents the projected future deposits into the Housing Fund. As shown below, \$6,394,388 in revenues are projected to be available over the five-year term of this Implementation Plan.

**Estimate Housing Set-Aside Revenue
2009-2014**

Plan Year	Fiscal Year	Housing Set Aside
1	2009-10 ⁴	\$1,022,419
2	2010-11	\$1,173,408
3	2011-12	\$1,358,362
4	2012-13	\$1,399,113
5	2013-14	\$1,441,086
Total		\$6,394,388

5. Anticipated Housing Program Activities

The Agency may assist in a variety of programs to provide, improve, and preserve affordable housing such as the following:

a. 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.

b. Rehabilitation

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 improves the neighborhood. Additionally, such programs can be extended to owners of 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.

⁴ Note that in fiscal year 2009-2010 the Agency will deposit only 20% -- instead of 25% -- tax increment set-aside into the Housing Fund due to the State of California's requirement that Redevelopment Agencies make an additional deposit to fund education -- into "Supplemental" Educational Revenue Augmentation Funds (SERAF) account. In FY 2010-11, the Agency will deposit approximately 23% of the projected gross increment for the project area in order to make the required SERAF payment.

c. Affordability Assistance

The Agency may provide 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.

d. Preservation of Existing Affordable Housing

The Agency may offer loans, grants or other forms of investment to assist in the preservation of existing assisted housing that is otherwise threatened with conversion to market rate. Such assistance would be coupled with affordability restrictions of 55 years for rental housing and 45 years for owner-occupied housing.

6. Allocation of Housing Funds over Previous Implementation Period

While Agency funds are tracked individually for each project area, the funds from all of the Agency's project areas are combined into a single Low and Moderate Income Housing Fund (except for West Oakland and Central City East, both of which restrict the use of housing funds to their Project Areas). The Agency has made findings that affordable housing activities in any part of the City are of benefit to all of the redevelopment project areas. As a result, Low and Moderate Income Housing Funds may be used both inside and outside the Project Area. In addition, the City of Oakland also provides assistance for the development, improvement and preservation of affordable housing.

The tables on the following pages provide information for the previous implementation plan period 2004-2009, regarding:

- the amounts of Low and Moderate Income Housing Fund moneys utilized to assist units affordable to, and occupied by, extremely low income households, very low income households, and low-income households, including units available to families with children; and
- the number, the location, and level of affordability of units newly constructed with other locally controlled government assistance and without Agency assistance and that are required to be affordable to, and occupied by, persons of low, very low, or extremely low income for at least 55 years for rental housing or 45 years for homeownership housing

Redevelopment Agency Assisted Housing Activities Completed or Underway, 2004 - 2009

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)				Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate	
1574-1590 7th Street	Homeownership	Underway	West Oakland			2	3	\$ 127,327
3701 Martin Luther King, Jr. Way	Homeownership	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 109,909
3829 Martin Luther King, Jr. Way	TBD	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD	\$ 52,000
6 th & Oak Streets	Seniors	Underway	Central District		69			\$ 3,699,656
720 E. 11 th Street Project	Families	Underway	Central City East	30	24			\$ 4,859,833
Altenheim Phase I	Senior	2007	None	39	53		1	\$ 4,084,660
Altenheim Phase II	Seniors	Underway	None	48	32		1	\$ 1,753,000
Byron Avenue Homes	Homeownership	Underway	Central City East	4	4	2		\$ 386,550
California Hotel	Special Needs	Underway	West Oakland	149				\$ 600,000
Drachma, Inc (14 unit scattered site)	Families	Underway	West Oakland	14				\$ 840,000
East Side Arts and Housing	Families	2006	Coliseum	4	12		2	\$ 1,130,000
Eastmont Court	Disabled or HIV/AIDS	2005	Central City East	18			1	\$ 1,427,000
Edes Avenue Homes, Phase A	Homeownership	2008	Coliseum		26			\$ 2,517,000
Edes Avenue Homes, Phase B	Homeownership	Underway	Coliseum		13	15		\$ 3,601,000
Effie's House	Families	Underway	None	4	17			\$ 1,257,000
Eldridge Gonaway	Families	Underway	Central City East		39		1	\$ 1,655,000
Emancipation Village	Special Needs	Underway	None	35			2	\$ 1,652,000
Fairmount Apartments	Families	Underway	None	30			1	\$ 3,400,000
Faith Housing	TBD	Underway	West Oakland	TBD	TBD	TBD	TBD	\$ 689,598
Foothill Plaza Apartments	Families	Underway	Central City East	53			1	\$ 2,910,000
Fox Courts	Families	2009	Central District	40	39		1	\$ 4,950,000
Golf Links	Homeownership	2009	None			3	7	\$ 584,000
Harrison Senior	Senior	Underway	Central District		73			\$ 5,133,000
Hills Elmhurst Plaza Senior Housing	Senior	Underway	Coliseum		63		1	\$ 6,032,000
Hugh Taylor	SRO	Underway	Central City East	42				\$ 1,222,000
Ironhorse at Central Station	Families	2009	Oakland Army Base		98		1	\$ 8,379,000
Jack London Gateway	Senior	2009	Acorn	24	36		1	\$ 4,900,000
Lincoln Court	Senior	2006	None	81			1	\$ 2,000,000
Lion Creek Crossings, Phase I	Families	2005	Coliseum	14	56			\$ 1,500,000
Lion Creek Crossings, Phase III	Families	2008	Coliseum		58		1	\$ 3,000,000

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level (2)					Agency Funding (1)
				Very Low	Low	Moderate	Above Moderate		
Lion Creek Crossings, Phase IV	Families	Underway	Coliseum	50			1		\$ 2,980,547
MacArthur Homes (3801-3807 MLK Jr. Way)	Homeownership	Underway	Broadway/MacArthur	TBD	TBD	TBD	TBD		\$ 800,000
Madison Street Lofts	Families	2008	Central District	78			1		\$ 4,522,915
Mandela Gateway Rental	Families	2005	West Oakland	60	60		2		\$ 2,500,000
Mandela Gateway Townhomes	Families	2008	West Oakland		8	6			\$ 1,479,100
Marin Way Court	Families	Underway	Coliseum	19			1		\$ 1,200,000
Mortgage Assistance Program ⁵	Homeownership	multiple	Citywide	47	242	2	1		\$13,451,314
Oak Park Homes	Families	2004	Central City East	34			1		\$ 3,419,000
Oak Street Terrace Senior	Senior	2004	Central District	16	22		1		\$ 2,072,000
Oaks Hotel	SRO and Special Needs	Underway	Central District	85					\$ 1,100,000
Orchards on Foothill	Senior	2008	Central City East	64			1		\$ 1,025,000
Palm Court	Homeownership	2005	Acorn		12				\$ 855,400
Palm Villas Residential Project	Homeownership	2005	Central City East			78			\$ 5,353,000
Percy Abrams Jr. Senior	Senior	2006	None	44					\$ 1,000,000
Posada de Colores	Senior	Underway	Central City East	99			1		\$ 450,000
Project Pride	Transitional	Underway	West Oakland	42					\$ 1,600,000
Redwood Hill	Homeownership	Underway	None		8	9			\$ 2,310,000
Saint Joseph's Family Phase IIb	Families	Underway	Coliseum	54	4				\$ 3,019,656
Saint Joseph's Family Phase IIa	Families	Underway	Coliseum			16			\$ 3,584,000
Saint Joseph's Senior	Senior	Underway	Coliseum	42	25		1		\$ 4,639,000
Saint Patrick's Terrace	Senior	Underway	West Oakland	65					\$ 753,600
Sausal Creek	Homeownership	2008	None			17			\$ 3,980,000
Seven Directions	Families	2009	Coliseum	23	12		1		\$ 3,289,000
Slim Jenkins	Families	Underway	West Oakland	27		3	2		\$ 1,920,000
Southlake Towers	Seniors	2004	Central District	26	103		1		\$ 445,300
Tassafaronga Homeownership	Homeownership	Underway	Coliseum		17	5			\$ 1,868,000
Tassafaronga Village Rental Phase I	Families	Underway	Coliseum		50				\$ 3,000,000

(1) Agency Funding includes all funding provided from Low and Moderate Income Housing Fund over the life of the project. Some funding may have been provided prior to 2004.

(2) TBD = "to be determined" – specific affordability levels have not yet been established.

⁵ Represents fiscal years 2004-2005 through 2008-2009.

**Housing Units Newly Constructed in Redevelopment Project Areas,
Assisted With Locally-Controlled Government Assistance and
No Redevelopment Agency Low & Moderate Income Housing Financing, 2004 - 2009**

Project Name	Type	Year Built	Project Area	Number of Units at Each Affordability Level				
				Very Low	Low	Moderate	Above Moderate	
Lion Creek Crossings, Phase II	Families	2007	Coliseum	63	29			
Nathan A. Miley Senior Housing Community	Senior	2007	Central City East	50	19			
Uptown Project – Parcel 1	Families	2008	Central District	55		15		185
Uptown Project – Parcel 2	Families	2007	Central District	44		9		140
Uptown Project – Parcel 3	Families	2008	Central District	34		9		174
Wang Scattered Site – 901 70 th St.	Homeownership	2004	Coliseum		1			
Wang Scattered Site – 1311 Campbell Street	Homeownership	2005	West Oakland		1			