

People who live, work and own property and businesses in Redevelopment Areas have made significant changes with a helping hand from CEDA.
Page 1



The California Enterprise Zone (EZ) Program keeps businesses thriving throughout Oakland.
Page 4



Gregory Hunter, Deputy Director of Redevelopment, outlines steps being taken to make Oakland safer.
Page 5



Want to know what kind of redevelopment funding is available in your area? Check out this comprehensive chart.
Pages 6 - 7



REDEVELOPING OAKLAND

REASSESS / REEVALUATE / REBUILD / REVITALIZE



▲ Entrepreneur Mary Forte received façade improvement and tenant improvement grants to help construct her *It's a Grind Coffee House* which was featured in *Entrepreneur* magazine.

IN THE ZONE

RESIDENTS, BUSINESSES, PROPERTY OWNERS FLOURISH IN REDEVELOPMENT AREAS

So much work is underway in Oakland's redevelopment areas that someone outside these special regions may think each one is a giant construction site. The fact is that people really do live, work, manage property and thrive in redevelopment areas while efforts to improve and revitalize their neighborhoods continue.

Some residents and business owners go several steps further by taking the opportunity to help shape their redevelopment areas. They play an active role in beautifying streets, making neighborhoods safer, attracting new enterprises and generating tax revenue by running successful businesses. The key for many of these change agents has been easy access to Redevelopment Agency grants and the support of Redevelopment staff. (A complete listing of available Redevelopment programs and grant funds can be found on page 6.)

Those who actively participate in Oakland's revitalization are an inspiration to everyone who wants Oakland to be an even better city. Just a few of the stories of people successfully living, working and managing property in Oakland's redevelopment areas are presented in this issue of *Redeveloping Oakland*.



Activist Preston Turner has created a home ► in Oakland from a former crack den.

REDEVELOPMENT MEANS...

- safer streets
- more attractive neighborhoods
- revitalized retail centers
- opportunities for small business
- jobs for local residents

A SAFER BEAT

Preston Turner and his wife moved to the Central City East Redevelopment Area in 1989 with plans to relocate to the Oakland Hills within five years. Nearly 20 years later, they remain in Central City East.

"Once we got involved in the community and worked with our neighbors, we felt we had to stay," said Turner.

(continued on page 2)

A SAFER BEAT *(continued from page 1)*

Turner is part of the local Neighborhood Crime Prevention Council (NCPC). The NCPC creates change by dividing the area into large “bears” and identifying priority projects to improve safety in each beat. Thanks to coordinated efforts with OPD and the City’s Neighborhood Service Coordinator, the group recently gathered enough evidence of illegal activities at a High Street business location that the landlord received a court order requiring increased lighting and added security. The next step, according to Turner, is obtaining a Façade Improvement grant to transform the blighted shopping strip into a productive retail center serving the neighborhood.

“This was a victory for our group, and greater change is on the radar. Working with City staff and the Council has made the difference,” said Turner.

Turner is also active in the redevelopment area’s Project Area Committee (PAC). He and other PAC participants are delighted that the Redevelopment Agency’s Foothill/High/Melrose streetscape plan is in the final design stage. The work will beautify city streets and entice desirable merchants. Turner also hopes the design will curtail dangerous sideshow activity prevalent in the area.



▲ One of seven newly installed traffic roundabouts that slow down cars and beautify the area. High Street, shown in the background, will also be getting a facelift to boost retail activity.



◀ Urban pioneers John Gibbs, left, and Rick Mead plus more than 60 neighborhood volunteers transformed a litter strewn median on 40th Street into a welcoming strip of greenery and flowers.

a detailed proposal incorporating everyone’s expertise from construction and logistics to marketing. The group even started an e-mail campaign to get other residents behind the project and to draw in interested volunteers.

The grant was approved, and after finalizing the design, the committee broke the extremely hard ground on the strip to begin planting. In fact, they received some heavy duty help digging holes for new trees thanks to the Oakland Public Works Department. Public Works also supplied safety cones for volunteers on weekend work days.

The neighborhood volunteers planted 26 trees and over 400 additional plants in the median with help from teens in the nearby Thunder Road drug rehabilitation program. Mead and his team were impressed to see Kathy Kleinbaum and other City staffers Christine Lebron and Linda Hui join in on planting days.

Residents of the Temescal neighborhood couldn’t be happier with the final result.

“The corridor has been completely transformed from a desolate stretch into an entry into the neighborhood,” said John Gibbs. “What was once a boundary line now unifies the neighborhood.”



GATEWAY TO TEMESCAL

When Rick Mead and his partner moved to the Broadway/MacArthur/San Pablo Redevelopment Project Area, they thought the nearby 40th Street median could definitely use some work. The unattractive median strip didn’t match the vibrant Temescal neighborhood where they lived.

As soon as the City of Oakland reached out to announce grant funding available through the Neighborhood Project Initiative Program, Mead immediately thought of the 40th Street median between Telegraph and Broadway. He contacted Kathy Kleinbaum, the Redevelopment Area Manager in charge of the grant.

“Kathy was very encouraging from the start,” said Mead.

Kathy connected Mead with John Gibbs, a landscape architect in the neighborhood who had completed a median planting project in the past. Mead, Gibbs and other neighbors put together

(continued on page 3)

HIGH SALON STYLE IN HISTORIC DOWNTOWN OAKLAND

Each morning as she walked from her downtown Oakland loft to her salon, Suzanne Van Houten admired a storefront that she knew would be the ideal new location for her business. When she began moving Topps Salon to the Old Oakland location, however, a misstep by her bank created financing problems.

She contacted City of Oakland staff for assistance. Although she ultimately didn't select the City's loan program for her project, she did learn she was eligible for Tenant Improvement Program grants.

"Finding out about the grant was pure luck, and all because of a mistake by my bank," said Van Houten.

Brian Kendall, who manages the Central District's Façade and Tenant Improvement Programs, assisted the business owner with obtaining interior build-out and signage grants for the space.

"Brian was delightful to work with," said Van Houten. "It was extremely easy to get the grant."

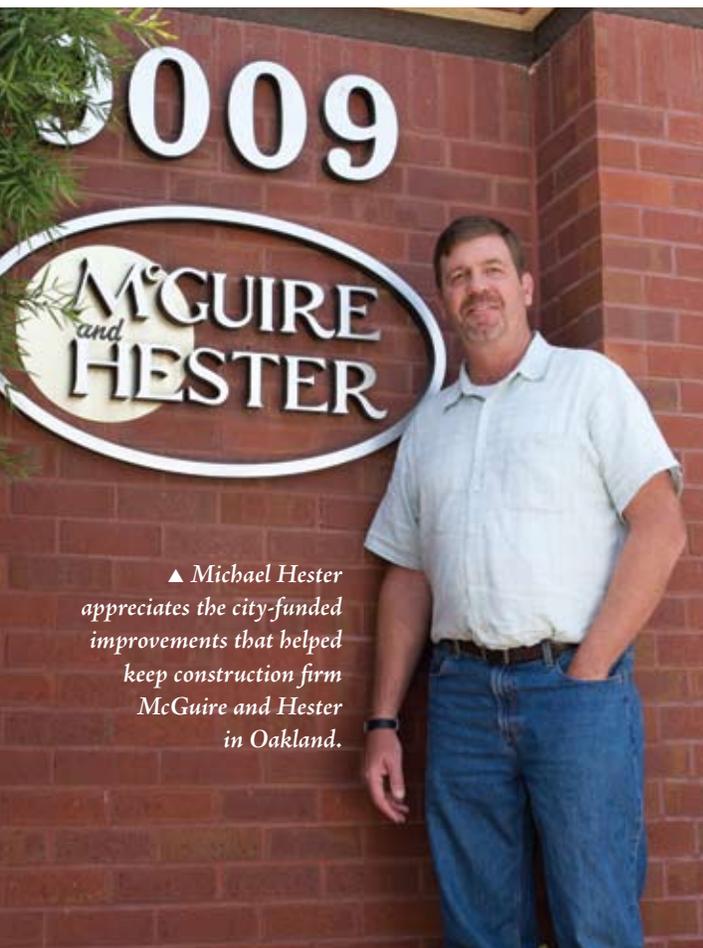


Suzanne Van Houten sets the style for her Old Oakland salon.

As a result of the matching funds, the salon owner was able to add more finishing touches and install nicer furnishings and fixtures in her full-service shop. She also purchased a high quality sign that could stand up to weather and wear—a feature that gave her added piece of mind as a business owner.

Now, five years later, the area surrounding Topps Salon has developed further. Van Houten has told neighboring business owners about the Redevelopment Agency's grants so they can benefit as she did.

▶ *Topps Beauty Salon storefront in Old Oakland.*



▶ *Michael Hester appreciates the city-funded improvements that helped keep construction firm McGuire and Hester in Oakland.*

BETTER FOR BUSINESS

McGuire and Hester has been at the same Railroad Avenue location for 16 years. Unfortunately, the heavy construction company and other businesses on the street haven't always found the area a pleasant place to come to work.

"This is a tough neighborhood, and the street has been a dumping ground for garbage," said Michael Hester. "We've had trouble attracting employees because interviewees see the location and keep driving instead of coming inside."

At the same time, the location suited the construction company's needs, so the owners wanted to find a way to stay. Hester made inroads to City-funded improvements for Railroad Avenue through contacts with the Oakland Commerce Corporation, Airport Area Business Association and City Councilmember Larry Reid.

Once the ball started rolling about five years ago, McGuire and Hester and other large businesses on Railroad Avenue began working with Jay Musante, who manages Coliseum Redevelopment Area projects, and with the Oakland Public Works Department. Together, City staff and the businesses created a street reconstruction and drainage plan.

"Oakland staff was great to work with. It was a slow process, but the business owners understood that Oakland has many needs to address," said Hester.

The work included new curbs, gutters, sidewalk and ornamental fencing. As an added "win," McGuire and Hester was low bidder on the project and earned the construction contract. Work was completed two years ago.

(continued on page 4)



DIAMOND IN THE ROUGH

Benjamin Scott's live-work property on San Pablo Avenue, near the Emeryville Border, had been vacant for years. He felt that other property owners took a "grin-and-bear-it" attitude as they waited for this stretch of the Broadway/MacArthur/San Pablo Redevelopment Area to reach its commercial potential.

But Scott, who owns Prokope Realty, didn't want his empty space to bring the neighborhood down any further. He heard about the Redevelopment Agency's Façade Improvement Program through the City's public outreach efforts and decided to give the program a chance—even though he expected everything to be wrapped in red tape.

"I was apprehensive going in, but I didn't realize how friendly and efficient the services were going to be," said Scott. "I only had to talk to two people, Christine Lebron, the project manager, and an administrative assistant."

From the start, Scott felt Lebron had his best interests at heart. She connected him with free architectural services and let him, as the property owner, work with the architect directly to personalize the design.

Scott knew that he had enough capital for only the most basic façade renovation. With the matching grant, however, he was able to add custom ironwork and tile plus attractive lighting, doors and windows.

"Those extra touches make the building pop," said Scott.



▲ Benjamin Scott's refreshed property attracted a great retail tenant.

BETTER FOR BUSINESS *(continued from page 4)*

With the road project as a catalyst for change, McGuire and Hester felt comfortable spending over \$200,000 to improve its site. Other neighboring businesses followed suit. Hester and fellow business owners are also excited that the next round of streetscape improvements is in the final design stage.

"It's still a rough neighborhood, but it has improved dramatically," said Hester. "Phase Two will have a huge impact on homeowners and businesses."

EZ BENEFITS

CALIFORNIA'S STATE ENTERPRISE ZONE (EZ) OFFERS FINANCIAL INCENTIVES FOR MANY BUSINESSES IN REDEVELOPMENT AREAS

In a time when businesses are more concerned than ever with profits and expenses, one program continues to offer substantial financial assistance. The California Enterprise Zone (EZ) Program offers tax credits to businesses located within a large portion of Oakland plus 41 other identified enterprise zones statewide.

"We're not just sustaining businesses," said Susana Villarreal, Oakland Enterprise Zone Coordinator. "We're also facilitating the hiring of unemployed, low-income residents. This program is a win for everyone."

The EZ Program offers a Hiring Tax Credit for qualified new employees, an Employee Tax Credit for businesses hiring eligible unemployed workers and a Sales and Use Tax Credit for the purchase of certain business equipment and machinery. Credits received are applied to a business's tax bill, which can significantly offset profits or reduce losses. Villarreal estimates that Oakland business owners are credited over \$5 million annually.

"In the beginning of the program, companies couldn't believe they would really save money. Now, participants are telling other business owners about the program. We get a lot of business-to-business referrals," said Villarreal.

RELATIONSHIP WITH REDEVELOPMENT

Oakland's 27-square-mile Enterprise Zone, which includes Downtown plus many neighborhood retail centers and industrial areas, overlaps much of the city's redevelopment areas. So, many businesses located in Oakland's redevelopment areas are eligible for the EZ Program's financial benefits.

"The redevelopment areas and the EZ Program are a hand-in-glove relationship," said Al Auletta, Redevelopment Area Manager. "Redevelopment is attracting businesses to revitalized neighborhoods, and then EZ is showing business owners how to save money. The EZ Program is one of our most significant business incentives."

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“APPROXIMATELY \$3.5 MILLION
IN REDEVELOPMENT FUNDS
HAVE BEEN EARMARKED IN THE
FY 2007/2008 BUDGET FOR
THESE PUBLIC SAFETY PROGRAMS ...
NEARLY 14 PERCENT
OF THE REDEVELOPMENT
NET TAX INCREMENT.”
— GREGORY HUNTER, CEDA

MESSAGE FROM THE DIRECTOR

GREGORY HUNTER, DEPUTY
DIRECTOR OF REDEVELOPMENT

This summer, *Redeveloping Oakland* highlights the specific ways the City of Oakland eliminates blight and revitalizes neighborhoods. The City’s results-oriented programs assist residents, businesses and commercial property owners across the board. We help renovate building façades and rehabilitate vacant storefronts to attract new businesses; provide small business incentives, such as tax credits, deductions and financing; facilitate infill development; and provide loans to homeowners for exterior work that enhances curb appeal.

A chart on page 6 of this issue summarizes the available programs. I hope you take advantage of the programs highlighted and find inspiration in the stories presented of people who have used these programs to improve their neighborhoods, businesses and properties.

PUBLIC SAFETY

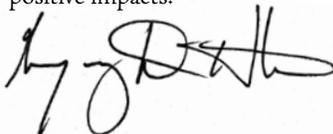
Reducing crime and enhancing public safety are vital components of Oakland’s redevelopment. Steps taken in these areas encourage business retention and attraction and stimulate financial investment and developer interest in our redevelopment areas.

Several new programs have been launched this year to address crime in our neighborhoods and commercial districts. Mayor Dellums and Oakland Police Chief Tucker introduced “Geographic Policing,” a police deployment model that promises improved response time and proactive problem solving. In this model, the city is divided into three districts, each led by a captain, with officers assigned to the area full-time. The Mayor and Police Chief also launched the 2008 Augmented Police Recruitment Program to fully staff the Oakland Police Department (OPD) by the end of this year.

Our staff works in conjunction with OPD and the City Council to develop and introduce public safety programs to Project Area Committees (PACs) active in many redevelopment project areas. Examples include enhanced patrols in the Central District and Coliseum Redevelopment Areas and additional officers in the Broadway/MacArthur/San Pablo, West Oakland, Central District, Central City East and Coliseum Redevelopment Areas. A pilot commercial security program on selected corridors in the Central City East and Coliseum Redevelopment Areas is also underway. The PACs overwhelmingly support these programs, which have been approved by the City Council in its role as Board of the Oakland Redevelopment Agency.

Approximately \$3.5 million in redevelopment funds have been earmarked in the FY 2007/2008 budget for these public safety programs. This investment represents nearly 14 percent of the redevelopment net tax increment.

Initial data indicates that our efforts are already paying off with quicker response times by the police. We will continue to monitor crime reduction and public safety initiatives to ensure that residents, businesses and investors in our redevelopment project areas feel their positive impacts.



Gregory D. Hunter



REDEVELOPMENT PROGRAMS

1. FAÇADE IMPROVEMENT PROGRAM

- + Improves commercial properties in targeted commercial corridors
- + Provides matching grants and architectural assistance for exterior improvements, including landscaping

2. TENANT IMPROVEMENT PROGRAM

- + Improves vacant commercial spaces with a prospective tenant
- + Provides matching grants and architectural assistance for interior renovations

3. NEIGHBORHOOD PROJECT INITIATIVE PROGRAM

- + Funds one-time, small-scale, community initiated projects that physically improve the community
- + Encourages community participation in revitalizing redevelopment project areas through blight reduction and beautification efforts

4. COMMERCIAL REVOLVING LOAN PROGRAM

- + Provides an additional lending resource to businesses for projects that require finance capital for further investment

5. SMALL BUSINESS RETAIL LOAN PROGRAM

- + Provides capital for physical improvements to small retail and commercial businesses and property owners
- + Offers hands-on business assistance to clients

6. COMMERCIAL SECURITY PILOT PROGRAM (Pilot in Central City East & Coliseum Areas)

- + Utilizes private security patrols for enforcement along targeted commercial corridors
- + Offers free Crime Prevention Through Environmental Design (CPTED) training to eligible businesses and property owners

7. HOMEOWNERSHIP REHAB PROGRAM

- + Provides loan funds to low- to moderate-income households for cosmetic or restorative exterior work such as window replacement, exterior painting, landscaping, fencing and other work that enhances curb appeal

8. PUBLIC SAFETY AND POLICE SERVICES PROGRAM

- + Funds enhanced patrols in the five redevelopment project areas noted in the table on page 7

9. INFILL INCENTIVES GRANT PROGRAM

- + Offers matching funds for predevelopment analysis to developers and property owners
- + Encourages the exploration of residential and nonresidential development options for infill areas in the Coliseum Redevelopment Project Area, particularly along major corridors

FAR LEFT AND LEFT: A \$50,000 façade improvement grant helped the owners of 1631 Telegraph Avenue return architectural details to the building that had been removed or covered over during a renovation in the 1950s. MIDDLE TOP AND BOTTOM: An amazing 1920s commercial building with hidden gothic architectural features, 416-420 15th Street had its original transom windows, terra cotta arches and columns restored thanks to a \$50,000 façade improvement grant. RIGHT: In addition to a \$45,000 tenant improvement grant, the owner of Luka's Taproom and Lounge qualified for a Central District Broadway Corridor Loan to help finance construction, purchase furnishings and equipment and buy initial product inventory.



PROGRAMS	BROADWAY / MACARTHUR / SAN PABLO	WEST OAKLAND	CENTRAL DISTRICT	CENTRAL CITY EAST	COLISEUM
1. Façade Improvement Program	✓	✓	✓	✓	✓
2. Tenant Improvement Program	✓	✓	✓	✓	✓
3. Neighborhood Project Initiative Program	✓	✓			✓
4. Commercial Revolving Loan Program					✓
5. Small Business Retail Loan Program			✓		
6. Commercial Security Pilot Program				✓	✓
7. Homeownership Rehab Program				✓	
8. Public Safety and Police Services Program	✓	✓	✓	✓	✓
9. Infill Incentives Grant Program					✓
10. Graffiti Abatement Program		✓		✓	✓
11. Coliseum Tough on Blight Operation					✓

10. GRAFFITI ABATEMENT PROGRAM

- Addresses an overwhelming demand from local business and residential community groups to reduce blight in their areas
- Promotes youth workforce training while simultaneously dealing with the persistent problem of graffiti along commercial corridors
- May, in some redevelopment areas, include a mural component to provide opportunities for artists to create murals that reflect culture, history, traditions and values; instill community pride; provide job opportunities for at-risk youth; and reduce opportunities for graffiti.

11. REDEVELOPMENT AREA INITIATIVE – COLISEUM TOUGH ON BLIGHT OPERATION

- This program is an enhanced blight enforcement operation that aggressively pursues blighted properties and blighted conditions within the Coliseum Redevelopment Area. Community members are encouraged to report a problem to 510.444.CITY (2489) or www.oaklandnet.com/oakshines/HTML/report2.cfm.

EZ Program *(continued from page 4)*

Companies located in redevelopment areas account for 86 percent of businesses receiving EZ hiring tax credits, and almost 80 percent of employees claimed live in redevelopment areas. In other words, the program has a direct impact on employment rates and household incomes in areas most in need.

EASY TO APPLY

Incentive programs can have a reputation of being cumbersome. However, participants tell City staff that the EZ Program requires minimal paperwork compared with many standard business operations. Only a few forms and backup documents are required to begin receiving benefits. Companies that have been missing out on benefits can also apply retroactively, up to four years back, and amend their tax bills.

At www.oaklandwib.org, businesses can determine if they qualify for benefits by using proprietary software developed by Vervidian, a program partner. Then, businesses can register online and submit required documents electronically. Other online tools help participants estimate the total credits they may receive and then track credits and archive records over time.

For additional assistance, the Oakland EZ Program offers workshops. Services are also provided in Spanish and Mandarin. The program also offers, at no charge in many cases, CPA consultations to identify applicable purchases and other ways to access tax benefits.

BOTTOM LINE SUCCESS

The EZ Program has kept many companies in Oakland. As those companies prosper and hire local residents for work, the benefits pay forward.

Villarreal cited one example in which a company had planned to move out of Oakland to expand operations. The company already hired many area residents, so Villarreal explained how the owner could qualify for tax credits. The owner filed retroactively, received a big tax refund, and felt encouraged to work out the logistics and stay in the area. As a result, a successful business, and 350 jobs, remained on Oakland's tax rolls.

Any size business may qualify. Villarreal feels especially rewarded when smaller companies participate because the tax credits can make a substantial difference in their bottom lines.

For example, a small, family-owned industrial company used its tax credits to purchase additional manufacturing equipment. They increased production, and ultimately hired more employees. Villarreal hopes to make more small businesses aware of the program through outreach efforts.

To learn more about Oakland's Enterprise Zone, contact Susana Villarreal, Oakland Enterprise Zone Coordinator, at 510.238.7794 or svillarreal@oaklandnet.com.



OAKLAND'S 27-SQUARE-MILE ENTERPRISE ZONE, WHICH INCLUDES DOWNTOWN ... OVERLAPS MUCH OF THE CITY'S REDEVELOPMENT AREAS ... MANY (LOCAL) BUSINESSES ARE ELIGIBLE FOR THE EZ PROGRAM'S FINANCIAL BENEFITS.



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