

**DRAFT**  
**CENTRAL CITY EAST PROJECT AREA COMMITTEE**  
**Monday, January 8, 2006 PAC meeting**  
**Patten University, 2433 Coolidge Avenue, Student Activity Center**

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

Frank P. Thomas, Jr., Chair of the Project Area Committee (PAC), chaired the meeting. The meeting started at 6:42 p.m.

**I. Roll Call**

See attached roster of attendance. Theresa Navarro-Lopez welcomed Gilda Gonazales, Executive Directory of the Unity Council, to the PAC. Gilda is replacing Maria Sanchez as the designated representative from the Unity Council. An official letter from the Unity Council was received by Theresa Navarro-Lopez from the Chair of the Unity Council stating Gilda's appointment. Theresa also received an official letter for Ellen Lynch designating Ellen the representative from the San Antonio Hill Neighborhood Association to the CCE PAC.

**II. Open Forum**

There were no speakers in the open forum.

**III. Approval of the Minutes**

Tom Thurston stated that he would like to replace the word on page 8, paragraph 7 of the minutes of December 5, 2006 from "uses" with "users." The sentence should read "Tom Thurston would like to know the number of users for the..."

**Motion (by Art Clark, seconded by Jean Blacksher) to approve the minutes of the December 5, 2006 meeting with the corrections requested by Tom Thurston.**

**Vote:** 10 Ayes, 0 Nays, and 5 Abstentions. Motion passed.

**IV. Administrative Items**

**a. Nominations to fill PAC vacancies**

Ellen Lynch nominated Thomas A. Campbell Jr. to serve as the representative for the EastLake/San Antonio Business Owner representative position. Theresa Navarro-Lopez will provide a candidate filing form to Thomas A. Campbell to fill out and include in the packet of information that will go out for the February 5, 2007 meeting. The PAC may vote on the nomination at the February 5, 2007 meeting.

**b. Update on CCE & Oak Knoll Fiscal Merger: Public Hearing**

Theresa Navarro-Lopez provided an update of the December 5, 2006 first public hearing and the December 12, 2006 second public hearing. The City Council approved the Oak Knoll Implementation Plan and the merger unanimously. Further discussions with SunCal, the Oak Knoll developer, will take place related to the affordable housing requirements and other items in general.

Frank P. Thomas, Jr. asked what percentage of the housing credits were approved.

Theresa Navarro-Lopez responded that the City Council approved that the use of up to 50% of surplus housing credits may be purchased from the CCE Redevelopment Area.

**c. Announcements from PAC Community Organizations**

Laura Jerrard stated that the District 2 Community Development Block District Board is holding meetings this month and the PAC members are welcome to attend.

Kathy Chao announced that the Cesar Chavez School will be holding a parade and welcome event on Saturday January 13, 2007 from 3:00 p.m. to 5:00 p.m. to welcome the new Mayor Ron Dellums.

Sheryl Walton announced that Friday and Saturday, January 12, 2007 and January 13, 2007, will be the African American Health Conference and Exposition. The conference will be held on Friday and the Exposition will be held on Saturday, free from 8:30 a.m. to 6:00 p.m.

Terry Butler announced that on Thursday, January 11, 2007, there will be a youth forum at Sweets Ballroom on 19<sup>th</sup> Street and Broadway from 5:00 p.m. to 6:30 p.m. and on Saturday, January 13, 2007, at the East Oakland Youth Development Center there will be another youth event as well.

**V. Presentation on Mills Act**

Joann Pavlinec, Community and Economic Development Agency (CEDA) staff, presented background information on the Mills Act. The proposed Mills Act pilot program for the City of Oakland is provided on a voluntary basis only. For property owners who would like assistance with the renovation of their homes and fulfill the historic requirements as stated in the Mills Act program. There are 3,500 properties eligible for the program in the City of Oakland. The proposed Mills Act program will be a two year pilot program that will allow for up to 10 contracts with property owners in the first year and 20 contracts with property owners in the second year. There will be a \$25,000 limit on the tax rebate per year allowed in the Redevelopment areas. The item will go to the City Council on January 16, 2007. Joann would like to bring a recommendation from the PAC to the City Council for the January 16<sup>th</sup> meeting.

Robert Klinger asked what the criteria will be to evaluate the pilot program after 2 years.

Joann Pavlinec stated that the City will evaluate the program by looking at the applicants, the money, staff time and resources, etc. used for the program. The City will not see the full benefit of the program as it is a 10 year contract with each property owner. It is unclear what will be seen visually in the first two years.

Ellen Lynch stated that there is so much to lose with the rapid decay of historical architecture in Oakland and that she would like to see the preservation of architecture and accountability of property owners.

Joann Pavlinec said there will be accountability with this pilot program.

Frank P. Thomas, Jr asked how does a property owner qualify for the program and how many properties are on the list.

Joann Pavlinec stated that there are 3,500 properties on the list. A property can qualify if it has a historical rating of either an A or B. The property also qualifies if it is in a historical district and the building has an A, B, or C rating. If the building has a C rating, then it would need to get a Heritage Landmark rating as well to qualify.

Art Clark expressed concern about the length of time of the contract of 10 years which may be too long. Art stated that 1 year may be enough.

Joann Pavlinec stated that the City does not have a choice. The State Legislature dictates the timeframe. The contract can be renewed each year and the type of repairs may justify 10 years or more funds.

Art Clark asked how many of the 3,500 designated properties are within the Central City East Redevelopment.

Joann Pavlinec did not have the answer and will get this information to the PAC members. If the PAC members have any other questions or requests they can contact Joann at 238-6344.

Frank P. Thomas, Jr asked if any of the 3,500 property owners been contacted.

Joann Pavlinec stated that the program needs the approval of City Council before any type of action can occur.

Joann Pavlinec would like a recommendation from the PAC that she can take to the City Council in January.

**Motion (by Tom Thurston, seconded by Ellen Lynch) that the PAC recommends adoption of the Pilot Mills Act Program.**

**Vote:** 12 Ayes, 1 Nay, and 2 Abstentions. Motion passed

Public Comment

Mary Becker, a member from the public, stated that she was glad that the motion was passed and would like to see as many of the historical buildings in the City preserved as possible. This is a great start and \$100,000 is a small amount to invest in historical preservation.

## **VI. Report from CCE Committee Reviewing the Use of the Funds from Oak Knoll's Purchase of CCE Surplus Housing Credits**

Gloria Jeffrey was not present to present the sub-committee report. Different members of the committee spoke.

Tom Thurston stated that the group considered a lot of options such as infrastructure, for-profit-development, land assembly and the committee ultimately recommends that PAC put the money into a program for First Time Homebuyers.

Charles Chiles stated that the group wanted to put the \$11 million into programs for the middle-class.

Frank P. Thomas, Jr wants programs that will be geared towards the middle-income households because most of the existing programs are targeted to low-income people. There are very few programs for the middle-income and he would like programs that assist middle-income households to own housing.

Theresa Navarro-Lopez also stated that the sub-committee wanted to clarify if the PAC wanted to go in this policy direction. The sub-committee would not develop a program and criteria until the policy direction was set, tonight if possible.

Tom Thurston did not recall how the recommendation to the PAC would be set tonight.

Jean Blacksher understood the money was to be set aside for middle-class programs and would be a rollover type loan where the funds would be replenished.

Theresa Navarro-Lopez stated that there is no vote on the agenda, so the PAC can not vote on this tonight, but the committee can move forward on continuing to develop this program.

Kathy Chao stated that she likes focusing on the housing idea but also would like to have programs for residents in the community as well such as like internet access or other resources. Kathy asked if this funding can also go to other programs to help people in these areas.

Jean Blacksher stated that the funds would help to provide for the down-payment for potential home-buyers without the 45-year affordable housing restriction.

Art Clark asked if specifics of the program discussed were such as the size of the loan and how it works.

Frank P. Thomas, Jr stated that were no specific details discussed but the sub-committee would like to present a proposal to the City Council when the Council discusses the purchase of the housing credits.

Jean Blacksher stated that the purpose of the meeting was to bring the idea for this type of program to the PAC.

Ellen Lynch asked if 25% of these funds go to the affordable housing funds.

Frank P. Thomas, Jr stated that the Oak Knoll funds do not have any restrictions and will not be used for the 25% affordable housing funds.

Robert Klinger would like to have this targeted towards the redevelopment of existing property and property owners instead of towards potential new owners. Robert does not see how giving money to potential property owners helps reach the goals of redevelopment.

Charles Chiles stated that this will help to bring in more stability to neighborhoods by increasing homeownership.

Gregory Hunter understood that the sub-committee would come to the PAC with a policy direction. It seems that new proposals are being discussed at this meeting so the sub-committee should continue to work with staff for more direction and development.

Laura Jerrard stated that she thinks it is a good idea to use the funds for new housing but she also thinks it would be good for some of the funds to go to rehabilitation homes as well.

Ellen Lynch also agrees that the CCE area needs programs for people who have homes and want to fix them.

Frank P. Thomas, Jr thinks that the sub-committee should meet again to work on the next step.

Jean Blacksher stated that the purpose of the meeting was to come back to the PAC to provide direction on how the funds should be spent.

Charles Chiles stated that the purpose was to earmark the \$11 million now and then bounce it back to the City Council.

Kenneth Harvey asked how the City would target the middle income population.

Frank P. Thomas, Jr. stated that that would have to be done at later date

**Motion (by Art Clark, seconded by Kayode Powell) for the PAC to table the item for further discussion and to continue the discussion at the next meeting.**

**Vote:** 14 Ayes, 1 Nay, and 0 Abs. Motion passed.

## **VII. Foothill & Seminary Proposal Request for \$175,000 from the Public & Private Development CCE Tax Increment Funds category**

Gregory Hunter presented a request for financial assistance to develop a site previously identified as an Opportunity Site by the PAC. Gregory provided the background and history of the site. The property requested \$175,000 that will be provided in two parts: (1) \$75,000 to be used for a feasibility and market analysis study; and (2) \$100,000 to be used to pay for existing loan costs and debt service. Funding will come from the Public and Private Development category and any unused funds will be returned to the funding source.

Councilmember Desley Brooks spoke and stated her support for staff's recommendation to fund this proposal. Desley would like to see this site developed. This area used to be a business hub. The City is currently utilizing the Façade Improvement Program (FIP) and the Tenant Improvement Program (TIP) to develop the area. The developer would set up a for-sale housing development with retail on the ground floor.

### **Public comment**

John R Bailey, a representative of First A.M.E. Church who owns the site, spoke on behalf of the church. John stated that a number of church members and the steward board were present to show support for the project.

Toni Cook, a resident of area and a member of the Church, gave background information, history, and the demographics of the church and its members. Many members live near where site will be developed and support the project.

### **PAC Discussion**

Tom Thurston asked a procedural question about the process and if this is how the PAC is going to deal with the Opportunity Sites or is this special situation.

Gregory Hunter stated that staff has sent out letters to owners of all the Opportunity Sites in the past and this was a response to that letter. Another round of letters was sent out recently to all the property owners of the Opportunity sites.

Tom Thurston asked if this was the first to response.

Gregory Hunter stated that yes for this property. Gregory wanted to also clarify that this was a loan for \$175,000

Tom Thurston asked if he could hear from the developer.

Gregory Hunter stated that the Church is the developer. As part of providing the loan the church will have to identify a fee-developer to assist in the development of this project. However, without the identification of a specific project, the Church is unable to identify a specific type of fee-developer to work with on the project. The feasibility and market analysis will assist with this step.

Jean Blacksher asked the PAC to take into account that this is an Opportunity site and that the Church will work with the community. They are asking for a loan and they plan to do positive work for this site

Kayode Powell asked for an explanation of the community outreach and what the timeline for the loan would be.

Charles Chiles stated that he was aware of the community outreach. He stated that flyers were sent out and placed in multiple locations for the community meetings. Charles feels that \$175,000 is a small amount, especially because it is a loan that will be paid back.

Sheryl Walton stated that she used to walk through the area and is in support of seeing development in this area. Sheryl feels that \$175,000 is a drop in the bucket. Sheryl asked if there will be interest on the loan and what the square footage of the site is.

Gregory Hunter stated that there will be no interest on the loan and the site is approximately 42,000 square feet.

Frank Rose asked if the site at 98<sup>th</sup> Avenue and Bancroft Boulevard is on Opportunity site list.

Theresa Navarro-Lopez stated that yes this property is on the list.

Frank Rose stated that Councilmember Brooks brings her projects to the PAC and is the only councilmember to do so. Frank complimented her for doing this since she is the only Councilmember who comes to the PAC.

Kathy Chao requested that when the feasibility study is done that the consultant looks at a mix of pricing for the market units so that it meets the needs and ability of the community.

Gregory Hunter stated that the information will have that in there.

Terry Butler supports the project and would like to see more development in East Oakland.

Robert Klinger feels it is a good opportunity but has two questions. Robert does not know what use will be recommended from the study and he is unclear if the PAC will support any type of recommendation.

Frank P. Thomas Jr. stated that he supports the project.

Robert Klinger is wary due to the Palm Villa experience and because this developer consistently returned to the City for more money.

Charles Chiles feels this project is different than Palm Villa because it is a loan.

**Motion (by Charles Chiles, seconded by Sheryl Walton) to support the loan of \$175,000 for the Foothill Seminary project.**

Kayode Powell stated that he was not ready for the question? Feels his question regarding the community outreach was not fully answered.

Charles Chiles stated that flyers were distributed and placed in different locations and the community was approached for input. There were postings in the Eastmont Town Center.

Desley Brooks stated that the outreach was linked to many previous efforts including meetings with the Greenline Institute a couple of years ago with over 300 people in attendance; discussion in the bus tours; in the streetscape meetings for the Foothill/Seminary Streetscape project; and in the Town Hall meetings she held in the past.

Tom Thurston asked if FAME has background in developing a project.

Desley Brooks stated that this project is not in the development stage and is looking at the feasibility for development right now.

Tom Thurston expressed his concerns about their background and experience. Tom stated the three “C’s” of lending.

Desley Brooks stated that again, this is about the feasibility of the site. Once the feasibility study is completed the Church will get a fee-developer when they are ready to develop the site.

The motion was restated

Vote: 15 ayes, 0 nays, and 0 abstentions. The motion passed.

**VIII. Items for the next PAC meeting of February 5, 2006**

1. Follow up discussion of CCE Bond Issuance
2. Presentation on libraries, parks & recreation, streetscape improvement projects, and opportunity sites
3. Add the Sub-Committee’s item that was tabled from this meeting

Staff members from Councilmember Pat Kernighan’s staff introduced themselves. It was mentioned that staff members from Councilmember Reid’s office have also attended PAC meeting. Councilmember Kernighan herself has attended meeting in the past as well.

**IX. Adjournment**

The meeting was adjourned at 8:05 p.m.