

DRAFT
CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, March 5, 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 6:47 p.m.

I. Roll Call

See attached roster of attendance.

II. Open Forum

Dan Vanderprieem spoke to the PAC and informed them of his retirement and wished them well. Theresa Navarro-Lopez presented Dan Vanderprieem with a plaque from the PAC thanking him for all his work and dedication to the Central City East Redevelopment area.

III. Approval of the Minutes

Motion (by Thomas Campbell, seconded by Suzanne Kunkel) to approve the minutes of the February 5, 2007 PAC meeting.

Tom Thurston stated that on page 6 of the minutes the paragraph which states “61.45 million will be used for...” should be replaced with “may be used for...” Gregory Hunter stated that there is no decision on how the funds should be spent but funds have to be directed to something along these lines, “61.45 million will be used for...” is what was said and will remain the same in the minutes.

Vote: 9 Ayes, 0 Nays, and 5 Abstentions. Motion passed.

IV. Administrative Items

a. Staff Announcement of Robert’s Rules of Order for the CCE PAC meetings.

Frank P. Thomas Jr. discussed the incident that occurred at the last meeting regarding Robert Klinger’s comment. Frank P. Thomas Jr. and Art Clark met with Robert to discuss what occurred at the meeting. Robert explained that he made the comment in frustration. Frank wants to come up with a manner that allows the PAC to talk to one another at the meetings so that this does not occur. Frank talked to Dan Purnell, the Executive Director of the Public Ethics Commission, to see if he can do training for the Robert’s Rules of Order and will try to find a night that fits for the PAC. Theresa Navarro-Lopez passed out a copy of the Robert’s Rules of Order.

Ken Harvey asked whether the Robert's Rules of Order would have made a difference for what happened at the last meeting. Ken stated that this problem may not be linked to the rules.

Frank P. Thomas Jr. thinks that as a group the Robert's Rules of Order would help but may not solve the problem.

Ellen Lynch supports that Robert's Rules of Order be in place. Ellen thinks that without the Robert's Rules of Order there would be chaos and she thinks that it is important to do the training.

Gloria Jeffrey wants to check and see if everyone wants the training.

Thomas Campbell thinks we should all do the training so that we are all coming from the same place.

Frank P. Thomas Jr. asked for a show of hands for the training. Corona Rivera thinks it should be an alternate day and not the same meeting night.

Frank P. Thomas Jr. would like it to be the same day as part of PAC's business. Frank Rose wants to find out the number of PAC members who want it and then add it to the agenda.

Suzanne Kunkel stated that some PAC members have been here for 4 years and received the training annually. Frank stated that he does not think the PAC has had the training annually.

Gloria Jeffrey stated that the PAC does have it annually.

Gilda Gonzales would like to combine the training with what has gone on in the PAC to be most effective.

Tom Thurston stated that the rules need to be applied fairly and consistently at all times to be effective and fair.

Preston Turner suggested that there should be an official parliamentarian for the PAC.

Theresa Navarro-Lopez stated that there is no official parliamentarian in the bylaws; the PAC can elect to do that. Theresa discussed other options to allow everyone to be heard.

Frank P. Thomas Jr. stated that Robert's Rules of Order is not related to what happened last month. Frank has been asking for training on the Robert's Rules of Order for some time now. As a group the PAC should decide if they want to have the training or not.

Motion (by Frank Rose, seconded by Preston Turner) to have a presentation on the Robert's Rules of Order as soon as possible.

Corona Rivera asked for a point of clarification and when will the training be at the next meeting or a separate meeting.

Preston Turner wanted to know how long of a presentation the training would be. Frank P. Thomas Jr. stated that it could be from 30 to 75 minutes and that Dan Purnell cannot do it at the existing Mondays that the PAC meets. Dan meets with the Public Ethics Commission on the first Monday of the month at 6:30 p.m. which is the same day and time the CCE PAC meets.

Vote: 13 Ayes, 2 Nays, and 4 Abstentions. Motion passed.

Gilda Gonzales asked what date is as soon as possible since this cannot be the next PAC meeting. Preston Turner asked that the presentation be made at the next meeting be for 30 minutes.

Gloria Jeffrey acknowledged Ray Leon from Council Member Reid's office. Ray Leon introduced himself. Frank P. Thomas Jr. also introduced Kevin Liao who is an aide with Councilmember Pat Kernighan.

b. Oak Knoll and CCE Fiscal Merger-Ralph Kanz- opportunity to speak

Ralph Kanz spoke about the Oak Knoll area and the merger. Ralph is concerned about Oak Knoll issues and he expressed concerns initially in August and is now following up. Ralph stated that the City is not following any planning in the City. For example, the Estuary Plan and the Oak to Ninth development which was approved and the original Estuary Plan was thrown out. Oak Knoll is similar to Oak to Ninth; the proposal came out in the 1990's for 550 units of housing and golf courses. Now there is a new plan for Oak Knoll with 900 units of housing on site and this throws out the old plans for the purposes of increasing the tax increment. The increment is being removed from the general fund and the area and the tax increment is going to the CCE area. City needs to deal with the allocation of funds. How is Oak Knoll helping everyone? Look at history of redevelopment and ask questions.

c. An Action Item to accept nominations for the Residential Tenant positions for the Elmhurst and EastLake/San Antonio sub-areas

Frank P. Thomas Jr. urged the PAC members from these areas to look for representatives to fill the tenant positions.

d. Announcements from PAC Community Organizations

Frank Rose announced that Wednesday, March 7, 2007 the Oak Knoll development will be discussed at the City Planning Commission meeting. The PAC members should express their opinions at this meeting. The Oak Knoll Coalition is discussing the development. The PAC should also send representatives. The Planning Commission meeting starts at 6: 30 p.m. in City Hall but the item is last on the agenda.

Frank P. Thomas Jr. announced that the Lake Chabot Golf Club opens April 7th at 8:00 a.m. with activities for all ages and child care is provided at Grass Valley School. There will be a Golf Tournament which will cost \$100.00 to participate in. The tournament starts at noon. There will also be an Easter egg hunt at the Golf course.

V. Request from Public Works Agency staff for \$300,000 from Central City East Tax Increment Funds to help meet a portion of the shortfall costs for the under grounding work on MacArthur Boulevard.

Bruce Saunders, Assistant Director of the Public Works Agency (PWA), presented the request for \$300,000 from the CCE funds to meet the shortfall for the under grounding work on MacArthur Boulevard. The costs overruns are related to costs that would have been charged to property owners, an increased costs for sidewalk trenching, and a lack of an assessment district. PWA staff will continue to look for additional funds to meet the additional costs to fund the shortfall.

Ken Harvey asked how many more times will PWA staff ask for more funds.

Bruce Saunders stated that this is the last time they will request funds for the under grounding work. Some of these costs were unexpected but they have dealt with these costs.

Ken Harvey asked why PWA staff was not aware of these possible costs from the original survey of the area. The neighborhood groups want to know when the project will be done.

Paul Chan stated that an Underground Service Tank (UST) was discovered that was not in the original survey. The UST was outside the gas station property line and no one was aware of it. Also at the beginning of project, it is difficult to foresee all overruns.

Jean Blacksher asked if PWA staff hired someone to give them estimates but didn't get the proper contingency. That is the consultant's fault.

Paul Chan stated that various costs were due to various factors such as the increased costs of materials.

Gloria Jeffrey stated that the project started two years late and now you are asking for more funds. Gloria has issues with the Public Works Agency coming for more funds. It is unfair that the City places the community and the PAC in these situations.

Bruce Saunders stated that there were many legal issues that led to the delays of at least 12 months.

Robert Klinger asked about the total shortfall which is \$1.06 million and if that is the entire City's portion?

Paul Chan responded that all the costs shown are the City's shortfall.

Robert Klinger asked if there was an assessment district for this work.

Paul Chan responded that no, the City was told not to create an assessment district for the undergrounding work.

Robert asked if the City will take up the costs that are listed for the property owners.

Art Clark asked if the City is being asked to cover 100% of shortfall.

Paul Chan stated that the City is not concerned with the utilities' shortfall which is not presented in this material to the PAC. The City will be paying for its overruns. The utilities have their own overruns which is not listed in the report.

Gloria Jeffrey asked if the residents will not be charged for panel conversion and the City will pay the rest.

Paul Chan stated yes, staff is proposing to cover the cost that would have to be charged to the property owners.

Gloria Jeffrey if the City does not pay for residential charges, how much will it cost?

Paul Chan stated that the costs to property owners depends on the length of the trench work that needs to replace the overhead poles.

Preston Turner asked if the PAC does not support providing the \$300,000 what will happen.

Paul Chan responded that the City would not cover the amount that would be charged to the property owners and the City will send letters to the owners for these costs.

Gregory Hunter stated that the City will not levy costs to the property owners at this point. The project will be completed and the funds will have to come from somewhere else.

Preston Turner asked if City staff can ensure that they will not keep coming back to the well for funds.

Gregory Hunter stated that Redevelopment staff will work with PWA staff to make sure that all contingencies for a project are covered for the future.

Jean Blacksher wanted to know if the City was given the estimate before starting the work why is the project not kept to the price.

Ron Moore, PWA staff, stated that the project was bid per unit price but unfortunately the unit quantities were underestimated.

Motion (by Preston Turner, seconded by Frank Rose) to fund the shortfall for \$300,000 for the MacArthur Boulevard under grounding work and the *final amount from the PAC.*

Gilda Gonzales stated a friendly amendment to add “the final amount from the PAC.”

Preston Turner accepted the friendly amendment.

Vote: 14 Ayes, 2 Nays, and 3 Abstentions. Motion passed.

Sheryl Walton wanted to know when the project will be finished.

Paul Chan stated that the contractor has built the substructure. The utilities are now placing facilities for another 12 to 13 months; they are scheduled to finish by December of 2008.

Sheryl Walton would like to follow up on the date that the project will be completed.

VI. Request from CEDA staff for the use of \$50,000 of Central City East tax increment funds to meet a local match for loans provided by the CalReuse loan funds.

Margot Lederer-Prado presented and discussed the Brownfield’s loan and grant projects. Margot asked the PAC for a commitment of a \$50,000 match for the program. Oakland is one of three pilot projects in the State that receives funds. The funds explore where unsafe environmentally unsound property is in Oakland. The bulk of the loan is from the State and Oakland is required to supply a match of 15%. Margot is going to three redevelopment areas to ask for \$50,000 in each area. The CALReuse loan program provides loans for up to \$125,000 per property and has a 36 month interest rate set by the State. The borrower does not pay any interest until the term has ended. The City knows where some of the brownfields sites are which were recorded after the 1970’s. The City does not have sites recorded before that date. The only way to know if a site is contaminated is to test the site. Margot provided the Brownfield’s Resource Guide to the PAC.

Robert Klinger asked how the funds will target the CCE area.

Margot Lederer-Prado only projects from the area will be eligible for funds from your area.

Robert Klinger asked about the quality of the project and if it will fit the desire of the PAC.

Margot Lederer-Prado stated that only viable projects are needed but also deal with projects at hand. Margot would promote the goals of the PAC if she can receive recommendations from the PAC.

Tom Thurston was concerned that there are other programs the PAC has not heard about and wanted to know what other programs that fall under Redevelopment that the PAC should hear about.

Gregory Hunter stated that the CALReuse Program is not specific to this area and that this opportunity just came to the City. The City staff wants to take advantage of the opportunity.

Tom Thurston asked if there are any other areas or programs that the PAC should hear about now.

Gregory Hunter stated that there a lot of projects/grants the City goes after and City staff will explore many possibilities /programs that will positively impact the area.

Art Clark asked about what funding category from the Five-Year Implementation will this be funded from and what are the number of Brownfields sites in the CCE area.

Gregory Hunter stated that this will come from the Public/Private Category in the Five-Year Implementation Plan. The funds are a placeholder to show that the funds are available. Margot has done a survey and there is a list of sites. There may be more than the existing list that is why the testing is done.

Gilda Gonzales commented that the Unity Council has used these funds in the past. Gilda thinks that this is a good program and an incentive for developers to clean up a site.

Thomas Campbell asked if there is a time limit for when the funds will be used.

Margot Lederer-Prado stated that the money will not be spent until the invoices come from the bank. The program lasts two years with a one year extension. It usually takes three years.

Preston Turner wants City staff to ensure that the CCE opportunity sites are looked at, see if they apply for these funds, and is it a one shot deal.

Margot Lederer-Prado stated that the program is for two years with a possible extension for a year.

Motion (by Gilda Gonzales, seconded by Corona Rivera) to accept staff's recommendation to provide \$50,000 of Central City East tax increment funds to meet a local match for loans provided by the CalReuse loan funds.

Vote: 19 Ayes, 0 Nays, and 0 Abstentions. Motion passed.

VII. Central City East and Oak Knoll Fiscal Merger- Follow up discussion on the use of funds from Oak Knoll's Purchase of CCE Surplus Housing Credits.

Gloria Jeffrey put the agenda on the item to make a recommendation from the subcommittee and requested other information.

Jackie Campbell presented the City's existing Mortgage Assistance Program (MAP). The City has loans that are provided directly to the borrower. The maximum amount of the loan is \$75,000, requires 3% of borrower's own funds, 3% simple interest, and the borrower can pay along the way if they choose to but there are no monthly payments. The loan is due in 30 years or when the property changes ownership or the owner refinances. The loans are for first-time home buyers for a population that is up to 80% of Area Median Income (AMI). The City works with fair credit and works with existing lenders. The applicant must attend a homebuyer workshop. The income levels are from the Housing and Urban Development (HUD) Department and are updated in March. The purchase limit for a home is \$456,000 which may go up to \$503,000 shortly. The properties that are eligible are single family houses, detached, condos, live-work but no duplexes. Applicants may be eligible for other loans through the California Housing and Financing Agency (CalHFA), Alameda County Mortgage Credit Certificate, and Section 8 homeownership.

The City currently cannot go above the 80% AMI. Jackie Campbell discussed what the 100% AMI is and showed the potential purchase price for a family of four from the 80% to 100% AMI.

Ellen Lynch stated that the median home price in Oakland is \$540,000 does the City finance homes that are fixer-uppers.

Jackie Campbell stated that no, the City cannot finance fixer-uppers because the house needs to be in good condition.

Robert Klinger asked about the Section 8 program. Jackie responded that the City works with potential buyers that are Section 8 participants that are part of a homebuyers program.

Charles Chiles asked about the program for teachers and public safety officers. Jackie stated that they have not loaned a loan to a public safety officer but they do have some loans to teachers.

Frank P. Thomas Jr. asked how the City will use the \$11 million in conjunction with the City's program. Jackie Campbell stated that this is something the PAC will have to determine.

Ellen Lynch asked if the City has a prepayment penalty. Jackie Campbell stated that there is no prepayment penalty.

Gloria Jeffrey stated that the original proposal from the subcommittee was to use the \$11 million for a first time homebuyer program and that they want to fund 100% AMI. This should be agendized for the next meeting.

Thomas Campbell asked if there was any discussion of breaking down funds per category.

Gloria Jeffrey stated that this is not what the subcommittee chose.

Charles did the subcommittee discuss any percent breakdown.

Gloria wants to bring this back to the PAC to let the PAC decide and put it on the agenda to vote at the next meeting.

Gilda Gonzales asked to place the percent breakdown of the funds on the agenda.

VIII. Discussion of Housing Sub Committee to Develop Criteria for the NOFA CCE funds.

Theresa Navarro-Lopez stated that if a PAC member plans to be on the committee and thinks that he/she may apply for NOFA funds that this may be a conflict of interest.

Motion (by Art Clark, seconded by Gilda Gonzales) to extend meeting for 15 minutes.

Vote: 10 Ayes, 5 Nays, and 1 Abstention. Motion passed.

Frank P. Thomas Jr. stated that Gilda Gonzales volunteered to be the Chair of the housing committee that will explore the use and criteria for NOFA funds. Gilda decided not to chair the committee.

Frank asked for volunteers. The volunteers for this committee are: David Kakishiba, Thomas Campbell, Laura Jerrard, Preston Turner, and Tom Thurston (Chair) with a total of five members.

IX. Items for the next PAC meeting

Frank P. Thomas Jr. asked for any items for the agenda. Tom Thurston would like a presentation on the Enterprise Zone. Tom also stated that the PAC members have to complete the statement of interest forms of financial disclosure. Tom stated PAC members should talk to Theresa Navarro-Lopez with any questions.

X. Adjournment

The meeting was adjourned at 8:48 p.m.