

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, February 4, 2008 PAC meeting
Patten University, 2433 Coolidge Avenue, Student Activity Center

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

Art Clark, Chair of the Project Area Committee (PAC), chaired the meeting. The meeting started at 6:32 p.m.

I. Roll Call

See attached roster of attendance.

II. Open Forum

No comments from members of the public. Frank Rose spoke about his concern regarding the propensity of obesity amongst the youth of Oakland. He also mentioned the lack of recreational and activity related options available to youth and families within Central City East. He stated his intention to have the PAC focus on those items in the future.

III. Approval of the Minutes

Jean Blacksher stated that for Item VI, page 4, top paragraph that she did not second the motion brought forth by Robert Klinger. Staff will change.

Tom Thurston stated that for Item VI, page 3, midway through first paragraph, "The Agency is acquiring the private parcels through a Chapter 8 acquisition..." that the wording should be changed to state the County is acquiring. Staff clarified that the Agency was indeed the acquiring party. Tom also brought up a point of order regarding Item IX, page 6, where the Item was described as tabled until the February 4th meeting, however the item was not on the February 4th PAC meeting's agenda.

Suzanne Kunkel stated that for Item VIII, page 6, 2nd paragraph that the wording be changed from "...mission statement to define who and what they are" to "...mission statement to define who and what *we* are."

Motion (by Preston Turner, seconded by Gloria Jeffery): to approve the minutes of the January 7, 2008 meeting with the corrections.

Vote: 14 Ayes, 0 Nays, and 3 Abstentions. Motion passed.

IV. Administrative Items

a. Nominations to fill PAC vacancies

None were made.

b. Announcements from PAC community organizations

No announcements.

c. Vote for CCE Vice Chair

Art Clark reminded the PAC that Charles Chiles was nominated during the January 7th meeting and that the floor was open for any other nomination. Kathy Chao nominated Frank Rose. No other nominations were submitted.

Motion (by Preston Turner, seconded by David Knox): to close nominations for Vice Chair.

Vote: 18 Ayes, 0 Nays and 0 Abstentions. Motion passed unanimously.

Charles Chiles spoke and gave his experience and qualifications for the position. Frank Rose then spoke and gave his experience and qualifications for the position.

Vote: Charles Chiles - 9 votes, Frank Rose – 6 votes, with 4 Abstentions. Charles Chiles becomes Vice Chair of the CCE PAC.

V. Update on Retreat, Strategic Plan, and Five Year Implementation Plan.

Art Clark stated that the Sub-Committee for the Retreat, Strategic Plan and Five Year Implementation Plan Development stressed that the focus of the March and April PAC meetings should be on the development of the 5-Year Implementation Plan and that a moratorium on funding requests or other agenda items be in effect.

Theresa Navarro-Lopez gave an update on the progress of the 5-Year Implementation Plan. The sub-committee met the week of January 28th to discuss the Implementation Plan Retreat. Due to timing and preparation, the sub-committee set the date for Saturday, February 23rd, 8:30 – 4pm at Mills College. The retreat will only be one day and focus on the vision of the PAC. Discussion and other developments will occur in subsequent PAC meetings.

Some PAC members had questions or comments:

Kathy Chao wanted to know who would be facilitating. Theresa responded that the facilitator would be from M.I.G, which has worked with the City and the Planning Commission in the past.

Art Clark stated that he hoped the majority of the PAC could attend. This was to just take a snapshot view of where the PAC would like to be 5 years from now and to come with open minds.

Jean wanted to know when the PAC would focus more on the implementation. Art responded that the PAC will focus on the implementation plan during the March and April PAC meetings.

VI. Request from Pineview Partners, LLC to fund improvement to 8603-8701 Hillside Street.

Theresa Navarro –Lopez and Larry Gallegos of CCE staff discussed the funding request for improvements to Hillside Street Apartments. The total amount requested by Hillside is \$475,000; staff recommended funding up to \$275,000. Current owners are working with the Oakland Police Department to remedy some of the concerns brought up by OPD and the neighboring community. The proposed funding will be directed towards external improvements. Funding will be transferred from the currently underused “Public & Private Development” and “Land Assembly” categories of which related items can be addressed by use of CCE bond funds. Also, removing \$275,000 will still leave approximately \$100,000 in the category.

Darryl Carey, a representative of Pineview Partners and General Manager of Hillside Apartments spoke and presented his information regarding the status of Hillside. Hillside has 2 parts: 8603 Hillside has 47 apartments and 1 manager unit; 8701 Hillside has 49 apartments. It has a mixture of market rate units, affordable rate units and Section 8 units. It is dealing with issues of crime such as vandalism, dumping, graffiti, trespassing, gunshots, drug activity, etc. He has partnered with Castlemont, the local NCPC group, and other community groups and has taken an active role in engaging with the local youth. The requested funding will be used to obtain a new roof, repair and repaint the exterior façade, iron work replacement & repair, landscaping, etc.

Some members of the public spoke:

Betty Newsome, a tenant of Hillside, spoke in favor of the funding request. She spoke of the current improvements and requested assistance to continue improving Hillside.

Darnell Evans, a colleague of Mr. Carey’s spoke in favor of the funding request. He spoke of the positive impact on the community that the changes have brought so far.

Ray Leon of Councilmember Reid’s office spoke to express that the Councilmember is in favor of the request. Their office has been working with the property owner and tenants to improve the area and they have developed a plan with OPD to affect the safety concerns around the area.

Some PAC members had questions and/or comments:

Laura Jerrard wanted to know how the funding would be set up. Larry responded that staff would possibly set up a matching grant for up to \$275,000. The total amount of improvements will cost more.

Suzanne Kunkel asked how funding this project would generate tax-increment dollars. Larry responded that in the long term approach, improvement to this site would increase the value of the area and impact the increment.

Gilda Gonzalez wanted to know the total amount the owners have spent on the property so far; why CCE staff is recommending only \$275,000; if a review of a pro forma was done; and whether funds will only be spent on capital improvements. Steve deGolia, owner responded that approximately \$500,000 has been spent on exterior improvements due to graffiti and vandalism, and that the partners have lost over \$600,000/yr for the last 2 years. Larry Gallegos responded that staff is recommending only \$275,000 due to not wanting to exceed more than 25% of available funds within the Public & Private Development and Land Assembly Categories. Gregory stated that CCE staff will conduct a full review of the proforma and other parts of its due diligence to make sure the project is justified. Also, certain conditions will be placed upon the owners when staff drafts the Owner Participation Agreement (OPA) that will go along with the funding. Staff will continue to negotiate with the owners after the PAC approves, if it approves.

Kayode Powell asked what options there are to promote actual social improvements, whether staff lives on the property and how the PAC's contributions will impact the community crime concerns. Darryl Carey responded that he is a part of the local NCPC that is working with OPD and Castlemont, as well as turning his office into a type of community center and these approaches and others are addressing the social improvements concern. 6 staff members live on the property grounds. Gregory also stated that language can be placed in the OPA that will ensure community involvement.

Sheryl Walton asked where the owners lived. Steve deGolia responded that he lived in Walnut Creek.

Kathy Chao wanted to know the cost of acquisition and questioned whether the owner would sell the property after the improvements are completed. Steve deGolia responded that the initial cost was \$9 million and that they didn't expect the negative impact of the dead end street. He stated that the owners are aware that they probably won't achieve their profit goals, but they would like to positively impact the community

Kathy stated she would like to see more concrete plans for improvements, funding and management as well as more concrete conditions for the OPA before the PAC votes on whether or not to approve funding.

Motion (by Kathy Chao, seconded by Gilda Gonzales): For this item to come back to the PAC at a later date with more information, with more concrete conditions and for the OPA and for staff to conduct their proper due diligence on this project, including a pro forma analysis.

Gloria Jeffery asked the PAC to approve the request now; she believed it would positively impact neighboring projects.

Al Parham asked what would be the effect of a delay. Darryl stated that they would like to show the community that they are moving forward on improving the property.

Tom Thurston wanted to know how the delay will affect staff's submission of report to the Council. Gregory Hunter responded that if the item were not approved at this meeting, it would not be able to go in front of the Council until at least April or May, possibly later.

Substitute Motion (by Tom Thurston, seconded by Al Parham): That funding for this project be approved now with a report regarding staff's review of the proforma and the conditions of the OPA to the PAC at the next meeting (*staff clarified that the date should instead be in the May meeting if they wanted to adhere to the PAC's self-imposed moratorium on hearing items other than the 5-year implementation plan is completed*). **Amendment (by Tom): aforementioned items to be presented to the PAC in the May meeting or as early as possible.**

Sheryl Walton wanted to know where the owner would get the matching funds if the PAC were to approve funding. Steve deGolia replied that they are applying for some HUD funds as well as using their own funds to pay for improvements.

Suzanne Kunkel asked whether approving this funding will impact buying the Opportunity Sites. Staff responded that the Taxable Bond Funds will be used to acquire the Opportunity Sites.

Gregory clarified that staff usually work out the specific details and issues of a project and OPA with the owner with out the Council's specific instructions. Staff will do their due diligence.

Vote on Tom's Substitute Motion: 13 Ayes, 5 Nays, and 1 Abstention. Motion passed.

The maximum amount recommended by the PAC to be approved for this project is \$275,000.

VII. New Request for \$350,000 from Tax Increment Funds to make improvements to Sunshine Court.

Gregory Hunter presented the request of funds for improvement to Sunshine Court. The funding information and source of funding has changed since the last meeting's request. 25% of the required funds will come from the Central City East area, with the rest coming from the Coliseum area. The money will also come from CCE's Tax Increment funds and not from the Taxable Bond Funds.

Some PAC members had questions and/or comments:

Ken Harvey wanted to know what would stop other private roads from requesting funding. Gregory stated that the majority of private roads in Oakland are above the 580 freeway.

Robert Klinger wanted to know where Sunshine Court was located and why there would be joint funding. Gregory clarified that Sunshine Court falls within both the Coliseum and CCE Redevelopment Areas due to an error when the Redevelopment Area boundaries were drawn up; the road can therefore be funded by both areas.

Robert wanted to know if the PAC was directing funding toward residential roads and areas now. Gregory clarified that this is a private road that was never dedicated to the City of Oakland and is therefore not eligible for regular City maintenance; also there are some industrial businesses on Sunshine Court near International.

Motion (by Al Parham, seconded by Charles Chiles): to approve staff's recommendation to fund the improvements of \$350,000 for Sunshine Court.

Vote: 7 Ayes, 5 Nays, and 7 Abstentions. Motion passed.

Point of Order: Clarification on whether the motion passed was requested. Staff clarified that a majority of "Aye" votes between those who cast "Aye" or "Nay" votes is needed; Abstentions do not affect that determination. In other words a motion must only have more "Aye" votes than "Nay" votes in order to pass; the number of Abstentions does not impact the vote either way. A revote was requested. Chair Art Clark stated that the motion had passed and that the PAC would not revote on the same motion.

VIII. Request for an additional \$180,000 for the Central City East Commercial Safety Program

Larry Gallegos presented. He informed the PAC that the initial amount of funding described to the PAC for the CCE Commercial Safety Program would not be sufficient to adequately cover the program. Staff was bring 3 more proposals to the program: 1) consultant for Commercial Security; 2) Enhanced Camera program; 3) Armed Security.

Some PAC members had questions and/or comments:

Kathy Chao asked who would oversee the cameras and what would happen with the armed security after 2009. Larry responded that the camera aspect of the Commercial Safety Program would be in conjunction with the Oakland Police Department. The armed security aspect will be evaluated along with the rest of the pilot program after 2009.

Gloria Jeffery wanted to know the strategy of the armed security patrols and wanted to make sure that their presence would be properly sustained for an effective amount of time. Larry responded that staff is aware that a sustained presence is needed and that the armed patrols will operate in conjunction with Sargent Morris of OPD and be under his guidance and supervision.

Tom Thurston asked if there were any data on the camera's effectiveness and wanted to know that since some of the funds were coming from the Façade Program does that mean that there is a lot of funds remaining for that program and if so, why. Theresa responded that any funding for the Façade Program that remained from the previous fiscal year (2007-2008) can be applied toward this when the new (2008-2009) fiscal year starts in July and more funds are directed towards the Façade program. Also, cameras are related to the Façade Program and can thus be applied towards this program.

Gilda stated that she believed the cameras have made a difference in her area, especially high definition cameras, but believes that armed security may not be able to handle the necessary duties and may need to be phased out over time. Larry responded that the armed security can only do so much (such as apply a "citizen's arrest") but that they often give the perception of safety to the community.

Motion (by Kathy Chao, seconded by Charles Chiles): to approve staff's recommendation of additional funding of \$180,000 for the program.

Vote: 15 Ayes, 1 Nay, and 0 Abstentions. Motion passed.

IX. Items for the next PAC meeting of March 3, 2008

None discussed

X. Adjournment.

The meeting was adjourned at 8:47 pm.