

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, May 7, 2007 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 6:48 p.m.

I. Roll Call

See attached roster of attendance.

II. Open Forum

Joel Arnold Tena of the East Bay Housing Organizations (EBHO) and CDBG District 2 talked about the upcoming Affordable Housing Week. Joel stated that every year EBHO sponsors Affordable Housing Week to inform the public of affordable housing issues and provide public assistance for those in need. The kick off day for the event is Friday, May 11, 2007 which will be held at Preservation Park in downtown Oakland. The kick off day will be followed up with a Town Hall meeting on May 19, 2007 at the Youth Uprising Center near Castlemont High School.

Sheryl Walton stated that she was concerned that at least thirty homeowners along the MacArthur Boulevard area received a letter from the Public Works Agency regarding repairs of their sidewalk and driveway on their property. The letter stated that the repairs had to be made in two weeks. Sheryl has issues with this unreasonable request. Sheryl wants to make sure that her concerns about this request are recorded in the minutes.

Frank Rose also stated that a neighbor of his mentioned they were told if they did not repair a hole in the pavement in front of their home that they would be fined. Frank would like to know more about this letter and request as well.

Emad Mirsaeidi from the Public Works Agency (PWA) recommended that all concerned parties should contact Jaime Heredia (in charge of street surfacing and sidewalks) or Joe Levine regarding the letter and the request from the Public Works Agency. Emad stated that he is not sure but recently, a sidewalk survey was completed by the PWA and this could be linked to that.

III. Approval of the Minutes

Initially there was no quorum. When quorum was reached, a few items were brought up.

Tom Thurston wanted two adjustments made to the minutes of the April 7, 2007 minutes. Tom wants the minutes to show that he had told the PAC that Favianna Rodriguez has resigned from the PAC. The agenda should be adjusted accordingly. Also, for Agenda Item VIII for the April 7, 2007 meeting Tom proposed that some money be set aside for a public/private partnership related to a Request for Proposal (RFP) targeting potential developers who may have

projects in the Central City East area. It was not accurately presented in the minutes that he would like to have this placed on the agenda for the next meeting. Also, Tom would like to add it to the June agenda.

Theresa Navarro-Lopez replied that when the item will be discussed by the PAC, it will have to be discussed as a conceptual basis and this will be an introduction of the idea. There may not be a conclusion that may be reached at the next meeting due to the amount of research necessary for this type of proposal. Tom wanted to address that in June.

Motion (by Sheryl Walton, seconded by Art Clark) to approve the minutes of the April 5, 2007 Special Meeting with the changes requested by Tom Thurston.

Vote: 11 Ayes, 0 Nays, and 2 Abstentions. Motion passed.

IV. Administrative Items

a. Nominations to fill PAC vacancies

Rodney Younger had submitted a request to fill the Residential Tenant position in the Eastlake/San Antonio sub area. He was not present due to sickness but will be present for the next meeting.

b. Announcements from PAC community organizations

Corona Rivera wanted to know if the PAC takes a summer break. Frank P. Thomas Jr. responded that in the past the PAC has taken breaks in August. Kimani Rogers elaborated that the PAC can vote to take time off.

c. Update on Council Reports

1) Extension of CCE PAC time

Theresa Navarro-Lopez said that the Council unanimously approved to extend the CCE PAC for one more year at the City Council meeting of April 31, 2007. Art Clark wanted clarification on how often the PAC must be renewed. Theresa replied that it is annually and must be done before July 29th of every year. July 29, 2003 is the date the CCE area was approved.

2) Eminent Domain item

Theresa informed the PAC that the item is going in front of the Council for its first Public Hearing May 8, 2007.

3) \$300,000 CCE funds for MacArthur Boulevard Undergrounding Project

Theresa stated that the funds were approved by the City Council at the May 1, 2007 Council meeting. The item was on the consent calendar so there were no major issues. Sheryl

Walton wanted to know if more Candelabra lights could be added to the streetscape project. The number of Candelabra lights is scarce along the street with sometimes only one or two per block. Frank P. Thomas Jr. requested to know what the total number of candelabra lights are to be placed along MacArthur Boulevard and the number to be placed per block. Corona Rivera wanted to know if the PAC had the ability to request more.

Emad Misraedi of the Public Works Agency responded that these are pedestrian level lights and when the streetscape phase of the MacArthur project begins they will look into the installation of more pedestrian lights, if the budget allows.

V. Discussion of the Housing Sub Committee to Address Criteria for the NOFA CCE Funds

CCE PAC members of the Housing Sub-committee presented with Marge Gladman, CEDA Housing Development Manager.

Tom Thurston stated that the PAC needs to develop criteria for proposals for the NOFA to properly spend the 25% requirement of tax increment funds on affordable housing. The Committee was tasked to come up with criteria for developers to present projects to the PAC that the PAC would like to see. Tom stated that the PAC is to provide feedback on what the subcommittee came up with. Ultimately, there will be a letter and guidelines for potential developers included in the NOFA. Tom stated that affordable housing if done correctly can help to preserve diversity and offset the gentrification that comes with development.

Marge Gladman, CEDA Housing Development Manager, presented some affordable housing success stories. The first development was 2301 NorthGate which was developed by Resources for Community Development (RCD) and is managed by John Stewart Company. It has 43 units made up of 2 to 4 bedrooms and there are 43 parking spots. The NorthGate project was completed in October of 2003. The City of Oakland put in \$2.5 million towards the project which cost \$13 million. The project has units available for households between 30% - 60% of Area Median Income (AMI). The rents are as follows for \$1,089 a month for a 3 bedroom unit for a household at 50% AMI, \$683 per month for a 3 bedroom unit for a household at 30% AMI, and \$1,300 for a 3 bedroom for a household at 60% AMI.

Gloria Jeffrey asked if the development is managed and does the manager live on site.

Marge Gladman stated that yes; a development that has more than 16 units on site must have a live in manager.

Ken Harvey asked about the highest income household allowed at the site.

Marge Gladman stated that the highest income is at 60% of the Area Median Income (AMI) which is approximately \$52,000 for a family of four.

Marge Gladman also presented the next development the Eastmont Court. Eastmont Court is located at 6850 Foothill Blvd, across from Eastmont Center. The site was also developed by RCD. The site is a special needs project which must allow for adults who have

been dually diagnosed with HIV and another disability. The site also has 19 units of 1 to 2 bedrooms, 11 parking spots. The project was completed in March 2005. The City of Oakland put in \$2 million of a total cost of \$4.5 million. The site has a live in manager and social services on site.

Corona Rivera asked how the height and density of this development compares to the surrounding neighborhood area.

Marge Gladman commented that the Eastmont Town Center is across the street which is mixed use and that there are small houses that are behind the development.

Corona Rivera worried about a permanent shade placed on houses.

Marge Gladman stated that there is open space separating the house from the site.

Frank Thomas asked if the homeowners view will still be blocked by the Eastmont Court development.

Marge Gladman stated that the site is on a major commercial corridor which allows for a higher density development.

Tom Thurston stated that because the development is on a commercial street there may be projects that are multiple stories

Art Clark stated that he is concerned that there may be multiple affordable housing projects in the same area and an over concentration of affordable housing in one area. In the blocks between 73rd Avenue and Church Street on Foothill Boulevard there are 19 new units with additional 65 units from previous projects.

Laura Jerrard commented that the PAC members should continue with the presentation and maybe some of the concerns will be addressed.

Jean Blacksher would like to talk about density and the issue with fitting in with what is already there. Jean does not necessarily want to add more of the same but wants change for the better.

Laura Jerrard stated that that is a good point and the committee will address how to modify criteria to state this information.

Corona Rivera would like to add that the examples should improve upon the area and not follow status quo.

Kayode Powell stated that staff should address the map that developers will show of surrounding area. Can the map show an area larger than ½ mile radius and why not a mile or larger?

Laura Jerrard asked if staff could present the map showing the city funded Affordable housing sites in the CCE area.

Theresa Navarro-Lopez stated that CEDA staff has this map and staff can show this to the PAC.

Gloria Jeffrey feels that District 7 has enough affordable housing projects and would like to pass it to other areas. Gloria feels that excess affordable housing has affected retail options for her area.

Charles Chiles stated that District 6 feels the same way and does not want more affordable housing in the area.

Robert Klinger stated that District 2 feels the same way. Robert stated that there are too many affordable housing developments in his area and has issues with funding low income housing in his area. Robert would like to fund affordable housing elsewhere. Robert would like to follow example of Oak Knoll of having already done too much and giving and selling “credits” to other areas outside of the CCE area.

Ken Harvey stated that the area does not need affordable and that this reverses positive growth.

Laura Jerrard does think there is room for affordable housing at least in District 2.

Tom Thurston thinks that anywhere you go, it could be said that there is too much. Tom stated that the CCE PAC stated in the Redevelopment Plan that that they would keep the funds for affordable housing in the CCE area and not add to the City-wide pool. Tom stated that the PAC either needs to change the Redevelopment Plan or the PAC needs to change its mind about affordable housing in the CCE area.

Gloria Jeffrey does not want to change the plan and wants the PAC to keep control of where these funds go.

Frank P. Thomas Jr. asked CEDA Housing staff if the CCE area has a surplus does the CCE area have to make additional housing units.

Jennie Mollica thinks examples brought up can be used to develop the criteria. Proposals can be marked down and scored accordingly. Jennie would like to look at where all the affordable housing sites are and then compare these with the opportunity sites. Jennie would like to look at some kind of connection with opportunity sites.

Art Clark noted that the committee has not mentioned ownership as a criteria and that he would like that to be stated in the criteria.

Corona Rivera asked what is the requirement of Redevelopment funds by law.

Gregory Hunter stated that the State mandates 20% be spent on affordable housing and the City Council added an additional 5% for the City of Oakland so the redevelopment area is required to set aside 25% of tax increment funds for affordable housing which includes rental and ownership units.

Robert Klinger stated that Jennie's proposal ignores the fact that there are too many sites in the CCE area.

Theresa Navarro-Lopez stated that the sites are spread out and the map will have to illustrate this information.

Robert Klinger stated that he does not think the map is needed and there the area has too much affordable housing.

Gregory Hunter stated that this body submitted recommendations for three proposals for the last NOFA. The PAC recommended against funding the two affordable housing developments and the PAC approved the funding for the rehabilitation of an existing affordable housing development. CEDA Redevelopment staff went along with the PAC recommendations with the understanding that PAC would develop criteria to guide future projects. The PAC can come up with other criteria. If the PAC continues to reject all projects, Housing staff may have to provide their ranking of projects to Council, there will be 2 sets of recommendations which will not look good and nobody wants that. The PAC needs to develop criteria that are acceptable to the PAC. The PAC needs to bring other items into the discussion and possibly be creative in suggestions. For example, the PAC can look at the density ratio which in some cases means that a higher density leads to higher AMI requirements. The PAC may also look at how ownership units versus rental units are evaluated.

Kayode Powell stated that Redevelopment staff has provided information to the PAC. Kayode stated that the PAC should be contentious before coming to a consensus of what they got and look at proportions and ratios for the area, ownership, and AMI levels.

Gloria Jeffrey stated that Gregory Hunter's comments are true, but staff needs to be fair. The CCE area has too many affordable housing units and it cannot support retail. They have done their research and feel that it is too much.

Gregory Hunter stated that Gloria is correct, attracting retail to parts of Oakland is difficult and one excuse the retailers use is lack of disposable income. Gregory stated that there are ways to address this problem. Gregory reiterated that to the PAC that if the PAC maintains that they do not want affordable housing, CEDA staff may provide a different recommendation separate from the PAC.

Jennie Mollica wants clarification on how the affordable housing funds can be used and if the funds can be used for mixed-use retail and housing.

Gregory Hunter, yes the funds can be used for mixed-used projects but the funds can only go towards the housing component and not retail expenses.

Jennie Mollica can staff help facilitate working with mixed-use developers.

Gregory Hunter stated that yes the staff can do this.

Charles Chiles asked of the vacant and blighted property in the CCE area approximately how much is in District 6 and 7.

Gregory Hunter believes that is it is about 20%.

Charles Chiles wanted to know why there aren't major market stores and other resources in the area. Thinks part of it is due to affordable housing in area.

Robert Klinger agreed with Gloria and have same problem in District 2.

Jean Blacksher asked if the PAC can redefine the 25% requirement and how it can be applied to housing

Gregory Hunter responded that these projects are brought in by other groups and they are looking at their bottom line. The projects need to make sense financially for them to do the project.

Tom Thurston responded that the subcommittee can address this at another meeting.

Frank Thomas asked if there were any public comments.

Ken Harvey stated that the staff should take into account the hotels and motels in the areas of District 6 and 7.

Gregory Hunter stated that the 2007 NOFA will be released in August and Housing staff will begin putting it together later this month, so the PAC must bring something back to them for next meeting in June.

Motion (by Kayode Powell, seconded by Jean Blacksher) to table this discussion to the subcommittee meeting and for the subcommittee to bring back criteria to PAC.

Friendly Amendment by Robert Klinger to include staff in discussion for their input.
Friendly Amendment accepted by Kayode Powell.

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

VI. CCE & Oak Knoll Fiscal Merger- Follow Up Discussion on the Use of the Funds from Oak Knoll's Purchase of CCE Surplus Housing Credits

Gloria Jeffery presented to the PAC. She wanted to give the PAC members the updated timeframe for the Oak Knoll development. The EIR will be presented to the City Council in September of 2007 so there is plenty of time. The \$11 million will be spread throughout 5 years and the funds are not available yet. Some of the funds will be from a bond issued on Oak Knoll

that has not been issued yet. She discussed each option presented to the sub-committee and the sub-committee's thoughts of each item.

The first option for the use of the funds is an augmented First Time Homebuyer's Program for households in the 80 to 100% Area Median Income (AMI) participants. The committee was still interested in that. The second possibility was the use of the funds to address the concerns about the Oakland Housing Authority (OHA) scattered housing including possibly purchasing the sites from OHA. The committee was informed that if any sites were sold that OHA had to replace that with the same number of units. Also, there were issues between the City and OHA. The third possibility was the use of the funds for a Rental Rehabilitation program without the affordability requirements. The sub-committee was open to that possibility. The fourth was using the funds for various merchant projects, etc. This would require more funds, and the committee did ask staff to look into alternate funding sources for this possibility. Finally, there was the matter of security. Hiring outside security to augment the police is normally not done, but options will be reviewed in more detail and hopefully work with Chief Tucker to help develop his new plan. Staff will gather more information for all possibilities. There are various options and they have asked City Staff to gather the appropriate information.

Robert Klinger stated that at the end of the April meeting staff said they would explore more about the OHA sites and provide information. What information did they have?

Gregory Hunter repeated the policy of OHA needing to replace any sold sites by a 1 to 1 ratio. Managing OHA sites has also been discussed but nothing has come of it. Gregory reiterated that OHA will not sell any sites until there is an alternate replacement and will instead let existing units sit vacant until they can rehabilitate them, which may take awhile. OHA does have a staff person who focuses on the vacant and problem sites and staff is looking to contact that person.

Jennie Mollica wanted to know if Redevelopment can grant to OHA some funding with certain requirements attached to the funds to ensure management or improvements of the sites.

Gregory Hunter replied that the relationship between OHA is not the best, currently. The funds may be available and Redevelopment may choose not to go in this direction. Staff will work with OHA staff to discuss options. Gregory plans to meet with the new OHA staff person.

Robert asked if Gregory will report back on his meeting at the next PAC meeting. Gregory believes that he will have met with the OHA staff person and can report back.

Gloria restated the 5 options and restated that staff has been asked to put together information on each. Gloria would like to look at the 1st Time Homebuyer program first.

Art wanted to clarify that they were seeking information on all the options before voting to recommend. Gloria replied that they were. Art also wanted to consider land banking and Gloria replied that could be an additional option to be reviewed. The PAC discussed whether to discuss just one option per month or whether staff could bring information on two options per meeting. Marge Gladman responded that it was possible, but depended upon other factors.

Frank Thomas clarified that there was to be no vote at this time regarding the options but that each of the items will be brought back at a later time and be discussed in more detail later.

VII. Items for next PAC meeting of June 4, 2007

Robert stated that the discussion of alternate ways to resolve the OHA scattered sites problem should be added to the agenda. Gregory stated that he would give a “progress report” at the next meeting. The vote to take off the month of August should also be placed on the agenda.

VIII. Adjournment

The meeting was adjourned at 8:40 p.m.