

CENTRAL CITY EAST PROJECT AREA COMMITTEE
Monday, June 4, 2007 Gathering of the PAC
Patten University, 2433 Coolidge Avenue, Student Activity Center

(These are notes from the gathering of the PAC members)

Art Clark, Vice-Chair of the Project Area Committee (PAC), chaired the meeting. The meeting started at 6:46 p.m.

I. Roll Call

See attached roster of attendance.

II. Open Forum

Nai Phan of the Lao Family Community Development Inc. spoke regarding an article from the April 2007 Chronicle article. He is a board member of Lao Family and was disappointed with the Chronicle for not checking the facts. They are writing a letter to the Editor to make the corrections. They are also sending a letter to other outlets to address the contents of the article. He wanted to clarify that not all on the Lao Family Board are related.

III. Approval of the Minutes

No quorum was reached. Approval of the minutes will be postponed until the following meeting.

IV. Administrative Items

a. Nominations to fill PAC vacancies

Rodney Younger submitted a candidates filing form to fill the Residential Tenant position in the Eastlake/San Antonio sub-area. He was in attendance, but there was no quorum to vote on his admission to the PAC.

Theresa Navarro-Lopez stated that Ellen Lynch had resigned and that her replacement was there to introduce herself. Elise Evans introduced herself as Ellen's replacement and gave her qualifications and background. Elise is representing the San Antonio Hills Neighborhood Association. No official letter was submitted to the PAC, and Elise was unable to assume her seat on the PAC at this meeting. An official letter will be send to Theresa Navarro-Lopez with the new representation of Elise Evans for the San Antonio Hills Neighborhood Association.

b. Announcements from PAC community organizations

Gloria Jeffrey announced that Larry Reid's Office needs people on June 11, 2007 to attend a hearing in Sacramento at the State Assembly to support the new State Law to allow the City of Oakland to seize vehicles used at sideshows. You may contact Iris Merriouns for more information about the hearing.

Preston Turner thanked those that attended the Foothill High Melrose Streetscape Project community meeting that took place on May 30, 2007. Preston thanked Kimani Rogers and CEDA staff for putting the meeting together.

Gilda Gonzales thanked the PAC members for authorizing the funding for the rehabilitation of the elevators at the senior housing site in Fruitvale.

Jean Blacksher wants City staff to go back and re-evaluate the numbers that were presented to the PAC about the average costs of homes in the CCE area. This information was provided in regard to the First-Time Homebuyers Program. Jean wants staff to clarify what the average home of a price in the area is and the ability to buy a home in the area. Jean is concerned that the numbers are too low and the prices are much higher than the information provided.

c. Month off for CCE PAC meeting in August

This item was delayed as there was no quorum, no vote could be had.

V. Follow Up Discussion of Housing Sub Committee to Address Criteria for the NOFA CCE funds

The discussion initially delayed due to lack of quorum. No quorum was met, so Marge Gladman, CEDA Housing Development Manager, Tom Thurston, and Laura Jerrard presented the information the sub committee discussed. The presentation took place with the understanding that there could only be feedback to what was presented, but no vote. CEDA housing staff will release the Notice of Funding Availability (NOFA) sometime in mid-August and therefore needs input from the CCE PAC as soon as possible.

Tom Thurston and Laura Jerrard stated that the PAC cannot place in the NOFA that the PAC does not want any affordable housing in specific districts. This statement may lead to various problems. Tom and Laura presented the new guidelines from the May 16, 2007 subcommittee meeting and the original guidelines from the March 27, 2007 sub committee meeting. They stated that any feedback would be helpful.

Marge Gladman stated that some guidelines are currently in the NOFA. Marge stated that she likes the new suggestion of the map showing developments within half a mile of the area. Marge stated that the mixed-use project guideline probably is not relevant. Marge would like clarification on the items related to security.

Jean Blacksher is concerned about the mixed-use projects comment.

Marge Gladman stated that the NOFA is one of first stages for funding and the projects are highly unlikely to have secured commitments from commercial uses this early in the process due to timing issues.

Marge Gladman stated that the NOFA can fund the housing and outer shell of a mixed-use building, but cannot pay for retail and commercial components of the development.

Gilda Gonzales asked if staff can amend the language to allow for flexibility for mixed-use projects. Gilda also asked that for security issues can the wording be softened to encourage developments that are designed so that they provide safe and secure environments.

Kathy Chao wants to make sure that the PAC places some type of mechanism that is enforceable by CEDA management to address safety and security issues. Kathy stated that there needs to be some kind of enforceable tool.

Marge Gladman stated that the City's code enforcement department can come in to regulate if called. All projects do have management restrictions and they are reviewed every couple of years.

Kathy Chao stated that the NOFA needs to address safety and security of the housing development.

Marge Gladman stated that this depends on the management. The management agreement allows that is in place now allows the replacement of the management company, if it is not successful.

Kathy Chao asked if the staff can put in a requirement for a Tenant or Resident Association.

Gloria Jeffrey asked if these guidelines are only for the CCE or Citywide guidelines.

Marge Gladman answered that some of these are CCE specific and some can be citywide.

Robert Klinger asked what about Gregory's proposed "thinking outside the box" ideas.

Marge Gladman stated that some of the items he had hoped to do we are unable to do because of Federal and Redevelopment law such as income mix, income levels for rental and ownership.

Gilda Gonzales asked if the NOFA goes out Citywide.

Marge Gladman stated that yes but the PAC requested that staff place in the NOFA a CCE specific addendum and other items that would help developers know what the PAC is looking for in the CCE area.

Gilda Gonzales asked for more clarification of the process.

Marge Gladman stated that the Housing Community Development staff has ranking system to evaluate proposals that are submitted to the NOFA and the PAC has a chance to evaluate as well when they applicants present to the PAC. The PAC can submit recommendations about the projects that are presented to the PAC.

Charles Chiles stated that he does not think Council listens to the PAC.

Art Clark asked that PAC if they had other feedback to give to Marge.

Kathy Chao stated that she is interested in good property management and would like to see projects that the PAC can be proud.

Tom Thurston asked if staff can include a question as to how the project will impact the neighborhood in the NOFA. For example how the average Area Median Income will be raised by the project.

There was a comment from the public. Rodney Younger stated that the maintenance of the property is important and to make sure that the property manager infused pride into the project by managing the property well.

Kayode Powell would like to expand the radius of the map to cover a one mile radius.

Marge Gladman stated that most other programs require only a quarter or half a mile radius of the area.

Art Clark would like the staff to come back next time so that the PAC can vote.

Robert Klinger suggested that the required minimum number of units for on site management be reduced significantly and to look at the density, height, and scale of projects to be lowered then zoned.

VI. Discussion and Presentation of the possible use of the CCE Bond Funds through a RFP Process

Theresa provided background information for the bond funds, what is available and is not available. Tom contacted Theresa and wanted to explore creative ways to utilize funds with the idea to do a Request for Proposal or Notice of Funding Availability (RFP/NOFA) style, but targeted towards developers who wanted to do something in the CCE area.

Tom wanted to clarify from the beginning. There are \$61.45 million for taxable projects and for purchasing of opportunity sites. Tom stated that he did not think there was an agreement to use the \$61.45 million for opportunity sites. So far the PAC has agreed to allocate \$2.8 million for the purchase of specific sites. Tom would like to follow the July 4th implementation plan and look at getting some of these funds out via a RFP. Tom would like clarity on the use of the \$61.45 million.

Theresa Navarro-Lopez researched other Redevelopment Agencies to see if other cities had done something similar. Theresa stated that it is an issue of having control of the property. Usually the City will purchase or own the site first and then work to have the site developed. So far, other agencies Oakland staff has spoken to have not done an RFP in this manner.

Theresa Navarro-Lopez stated that the Agency can work on developments via an Ownership Participation Agreement (OPA) and then work with the owner to create a Request for Proposal (RFP) because the City wants to target areas. City staff is concerned about having

some form of control or guidelines for the development and the ability to target efforts. Theresa Navarro-Lopez stated that this is for discussion purposed only tonight and to begin the process to look at how this may be done.

Gloria Jeffrey asked Tom for clarification on his recommendation. Gloria wants to know how the bond funds would be used for developers to come in a go for funds for projects that PAC would want. How would that be done?

Tom Thurston, yes the RFP could be developed so that PAC states what they want in the area.

Gloria Jeffrey asked for further clarification on whether the developer would own or buy the land?

Tom Thurston suggested the PAC can do different things. The PAC can continue to pursue the opportunity sites and also assist development projects that may not pencil out but need help. This may assist to get projects out quicker and hedge the PAC's bets.

Gilda Gonzales stated that she thinks framing the idea is important. Gilda thinks that this is innovative and would like to keep the opportunity sites in mind as well and focus another pot of money that can be open to the free market but under PAC control. Gilda likes the thinking and would like to keep multiple programs in place. Gilda would like staff to research and expose all legal obstructions, concerns, hurdles, etc. that may be a hurdle to doing this type of RFP.

Laura Jerrard stated that are we talking about different kinds of projects or about different ways to do current projects.

Tom Thurston stated that it is a little of both. Tom does not have a project in mind but a developer may have one but may just need some help for it to pencil out. Tom wants to have the flexibility.

Robert Klinger stated that he is confused on two points: 1) the opportunity sites are already established, does Tom feel we can not spend money on these sites; and 2) does a process already exist for new project evaluation? Why is the PAC making changes now?

Tom Thurston stated that the new project form does not have a method to invite development of a project. Also, Tom wanted to clarify that in the past the bond funds were never fully decided to go towards the opportunity sites. At the July 2004 workshop, the PAC identified their top priorities; wanted to suggest these proposals because the proposal was not being brought up by staff. Tom wants to open the process to the private sector.

Gloria Jeffrey wants to know what the difference is between this proposal and the NOFA.

Tom Thurston stated that the NOFA is only for affordable housing

Gloria Jeffrey stated that the developer with financial needs will not go after redevelopment funds because of the affordable housing restrictions.

Theresa Navarro-Lopez stated that they do not have the affordability restrictions. There are restrictions such as living wage, construction restrictions, etc. that are applied towards market rate or retail development.

Tom Thurston stated that these funds can also be used for market rate housing development.

Laura Jerrard stated that there are two issues for discussion now: 1) was the \$61.45 million allocated for purchasing properties only, and 2) how the PAC feels about Tom's proposal.

Theresa Navarro-Lopez stated that when the bond was issued, the use of funds was presented in general but it dealt with addressing blight.

Gilda Gonzales asked if the PAC already voted on the four sites identified and pursued by the staff.

Theresa Navarro-Lopez stated that yes the sites were voted on by the PAC.

Gloria Jeffrey agreed on bond funds to go towards the 4 sites that staff is working to purchase because that is what the bonds are for.

Tom Thurston stated that he knows that we have to work under the bond covenant, but the PAC can take what the covenant says and put it in an RFP and see what the private sector will do with it.

Jean Blacksher asked if this replaces the land banking plans.

Tom Thurston stated that, no, it does not.

Jean Blacksher stated that this is good because landbanking is important for big developers.

Robert Klinger was still confused about the opportunity sites and what we could do. Robert asked if the funds are available why not go after more opportunity sites.

Theresa Navarro-Lopez can put together a chart of the sites with Tom's idea.

Robert Klinger would like Tom to clarify if he wants to expand the number of opportunity sites.

Gloria Jeffrey would like to target motels on MacArthur Boulevard now that the CCE area has funds.

Jean Blacksher asked if staff is doing anything with the opportunity sites.

Theresa Navarro-Lopez stated that there are four sites staff is moving on, as well as other sites on the list that have been contacted and been informed of our interest to buy.

Tom Thurston would like to look ahead by doing other projects and attempting other methods, as well as continuing to do what we are currently do.

Gloria Jeffrey does Tom have some examples about developers that are in need of funds.

Robert Klinger stated that developers will always want money to help them out.

Kayode Powell would like to compromise, continue research on this idea to bring in developer on our terms and also expand the opportunity sites list. Kayode would like to table this discussion until later and let sub-committee decides the approach.

Jean Blacksher asked if we have a sub-committee review it.

Art Clark stated that there is no sub-committee. The PAC would need to set one up.

Gilda Gonzales would like to see the full list of opportunity sites at the next meeting. Gilda would like to see something getting done, would like to review the sites, and identify if there are some non-starters, as well as progress of the current chosen sites. Gilda would like to like to focus on “policy” and “progress.”

Gilda Gonzales thinks this should be brought back to the whole PAC body, not just a subcommittee, so that the entire PAC can develop and digest the idea.

Robert Klinger stated that the PAC to set up time to provide community input. That input was the opportunity sites; he doesn't want developers to tell the PAC what to do and what to put where. Robert does not want the PAC to forget about the opportunity sites.

Art Clark would like this to come back and the PAC can further discuss it then at the next meeting.

VII. Brief Progress Report Related to the Oakland Housing Authority (OHA)

Theresa Navarro-Lopez presented for Gregory Hunter. Gregory met with OHA staff twice to address the scattered sites, still can't discuss replacement of sites yet due to OHA policy. Staff will continue with follow up meetings in the process of negotiation.

Art Clark would staff also follow up with the Council actions, like the lawsuit.

Robert Klinger asked staff to make sure that the affordable housing funds can be used for this purpose, if not would like to use some of the Oak Knoll funds for the OHA sites.

Gilda Gonzales asked if OHA can give a presentation about the housing status of the sites and can the PAC look to form some form of partnership with them.

Art Clark stated that the PAC can extend an invitation to OHA.

Robert Klinger spoke with Pat Kernighan and she said that OHA would be interested in selling the sites.

Laura Jerrard stated that OHA has realized that the scattered sites have become an insurmountable issue, but they need the Federal government's authorization to okay it.

Jean Blacksher stated that how can the PAC be sure that the sites will be replaced properly.

Robert's wife: they don't have to be replaced in Oakland, the sites only have to be replaced somewhere in Alameda County.

Gloria Jeffrey stated that other cities will not take the OHA housing and they have stated that in the past. Gloria sees this as a problem.

Charles Chiles stated that he would be surprised if Oakland gets that kind of concession where the replacements would not be located in Oakland.

VIII. Items for the next PAC meeting of July 9, 2007

Art Clark wants to include a suggestion to have training sessions for the CCE PAC that includes training on Strategic Planning for the PAC members. Staff should provide a list of training and events the PAC can attend. Art wants to address attendance of PAC members at the meeting. Staff needs to address this issue with the PAC members. Many of the PAC members had concerns about lack of attendance and having a quorum at the meeting. Is there a possibility of checking the Bylaws and seeing if the quorum can be changed. An item to discuss attendance and amendment to the Bylaws should be added to the agenda as well. The nominations for the Chair and Vice Chair should be listed as an item for the next agenda as well.

IX. Adjournment

Adjourned at 8:35