

# Brooklyn Basin Community Facilities District (CFD)

Presenters:

**Kimani Rogers**

Urban Economic Analyst IV

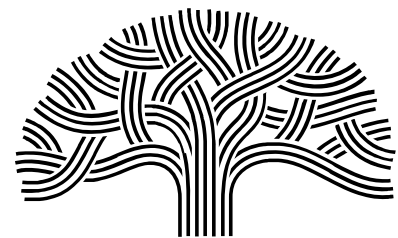
Economic & Workforce Development

**Chris Lynch**

Jones Hall, A Professional Law Corporation

**Dave Freudenberger**

Goodwin Consulting Group, Inc.



**CITY OF  
OAKLAND**



Developer's Brooklyn Basin  
Project Rendering



# Presentation Outline

1. Brooklyn Basin Project Overview
2. CFD requirement in Conditions of Approval and Development Agreement
3. Overview of Mello-Roos Community Facilities Act
4. CFD No. 2017-1 – 2 Resolutions
  - Resolution Correcting Inconsistencies
  - Resolution Determining that Special Tax Shall Cease to be Levied
5. CFD No. 2023-1 Formation – 2 Resolutions
  - Resolution of Intent to Establish CFD
  - Resolution of Intent to Incur Bonded and Indebtedness

# 1. Brooklyn Basin Project

- 64.2 acres of land area along Oakland Estuary
- Four development phases
- Up to 3,700 residential units, which includes the recent approval for 600 additional market-rate units
- Up to 200,000 sq. ft. of commercial space
- Minimum of 3,534 parking spaces
- 31 Acres of open space, renovated marinas, shoreline improvements, new roads, etc.

# Brooklyn Basin Phases I-IV

Parcels By Phase	Market Rate Units	Affordable Units	Total Units	Development Status
<b>Phase I</b>				
Parcel A		254	254	130 units completed/occupied; remaining 124 units to be completed in 2024
Parcel B	241		241	Completed and occupied
Parcel C	241		241	Completed and occupied
Parcel F		211	211	Completed and occupied
Parcel G	371		371	Under construction; completion Q3 2023
<b>Subtotal</b>	<b>853</b>	<b>465</b>	<b>1,318</b>	
<b>Phase II</b>				
Parcel D	243		243	Construction to start in 2024
Parcel E	191		191	Construction to start in 2024
Parcel H	382		382	Construction to start in 2024
Parcel J	378		378	Under construction; completion Q4 2023
<b>Subtotal</b>	<b>1,194</b>		<b>1,194</b>	
<b>Phase III</b>				
Parcel K	400		400	Construction to start approx. 2026
Parcel L	250		250	Construction to start approx. 2026
<b>Subtotal</b>	<b>650</b>		<b>650</b>	
<b>Phase IV</b>				
Parcel M	538		538	Construction to start approx. 2025
<b>Total</b>	<b>3,235</b>	<b>465</b>	<b>3,700</b>	





# Background Information: Development Agreement

- Original Development Agreement between the City and the Developer approved in 2006
- In May 2023, the Council approved a Third Amendment to the Agreement increasing residential density by 600 units and adding community benefits
- That increased density creates special tax capacity for public services and a portion of the public improvements

## 2. CFD Requirements: Conditions of Approval

### Planning Commission Condition of Approval No. 38:

- “Prior to and at the time of approval of the first final map for the project, a Community Facilities District (CFD) ... shall be fully operational, and all assessments, reserve funding and/or other long-term financing and other requirements necessary to **fully fund, in perpetuity, the maintenance of the parks, open space and public right of way.**”

# CFD Requirements: Development Agreement

CFD shall finance the costs and reserves for annual operations, maintenance, repair or replacement of the following public improvements:

- Improvements within the Brooklyn Basin Project's Public Open Space
- Landscaping located within any public right of way within the Brooklyn Basin Project, including, but not limited to, street trees and median landscaping
- Streetlights located within any public right of way within the Brooklyn Basin Project
- Street furniture located within any public right of way within the Brooklyn Basin Project
- Storm drainage treatment improvements within the Brooklyn Basin Project (including the Storm Water Improvements)
- Sidewalks located within the Brooklyn Basin Project public right of way and along the south side of Embarcadero

# 3. Mello-Roos Act Overview

- Response to Proposition 13 (1978)
- Mello-Roos Community Facilities Act of 1982
  - Special taxes for public facilities and public services
  - Special taxes may pay debt service on bonds
- Qualified Electors: landowners, unless there are 12 or more registered voters





# 4. CFD No. 2017-1: Resolution Correcting Inconsistencies

Purpose of CFD No. 2017-1: pay for operation/maintenance of public infrastructure serving the Brooklyn Basin project (Condition of Approval #38 and Development Agreement)

## Proposed Corrective Action

- Proposed by taxable properties in CFD No. 2017-1
- Correct errors in description of geographic scope of services financed by CFD No. 2017-1 (internally inconsistent and inconsistent with COA #38/Development Agreement)
  - **No change** in boundaries of CFD No. 2017-1
  - **No change** in special taxes levied in CFD No. 2017-1
  - **No change** in description of financed services (except deletion of erroneous “within the CFD”)
- Approve Amended and Restated Boundary Map/Notice of Special Tax Lien

# CFD No. 2017-1: Resolution for Levy Special Tax Cessation

Goal: Utilize CFD funding for public facilities without reducing CFD funding for operation/maintenance of Brooklyn Basin infrastructure

- Leverages special tax capacity of 600 additional market-rate residential units

## Proposed Cessation of Special Taxes in CFD No. 2017-1

- Proposed by affected taxable properties in CFD No. 2017-1
  - Not including Parcels B and C (which are complete and occupied, and will remain within CFD No. 2017-1) and Parcels A and F (which are 100% affordable and will remain within, but not be assessed by, CFD 2017-1)
- Cease levying special taxes on other taxable properties so they can be added to CFD No. 2023-1
- Direct recordation of Notice of Cessation

# 5. CFD No. 2023-1: Formation

## Proposed taxable properties:

All of the taxable properties in CFD No. 2017-1 except Parcels B and C (these are the parcels that will no longer pay special taxes in CFD No. 2017-1). Parcels A and F will also remain in CFD No. 2017-1, but due to being 100% affordable they are not assessed by the CFD.

## Services Funding:

Funding for same services as CFD No. 2017-1 plus small watercraft launch/water taxi dock

## Facilities Funding:

Funding for new City public infrastructure serving Brooklyn Basin (projected \$31 million of net bond proceeds)



# CFD No. 2023-1: Formation Process

1. Petition
2. Resolution of Intention, Boundary Map, RMA
3. Public Hearing
4. Resolution of Formation and Resolution of Necessity (Bonds/Debt)
5. Election
6. Special Tax Ordinance
7. Notice of Special Tax Lien

# CFD No. 2023-1: Resolution of Intention to Establish

- Intent to establish CFD
- Preliminarily approve Boundary Map
- Proposed RMA
- Proposed Facilities and Services
- Call Public Hearing

# CFD No. 2023-1: Resolution of Intention to Issue Bonds/Debt

- Intent to issue bonds (\$50 million aggregate) and other debt
- Call Public Hearing



# CFD No. 2023-1: RMA Tax Zones



# CFD No. 2023-1: RMA Special Tax Rates and Revenue

	Units	Annual Special Tax Rate			Revenue	
		Services	Facilities	Total	Services	Facilities
<b><u>Original CFD 2017-1</u></b>						
Parcels B,C,D,E,G,H,J,K,L,M 56,000 sf of Non-Residential Total	2,635	\$1,140	\$0	\$1,140	\$3,005,560 \$63,717 \$3,069,277	\$0
<b><u>Revised CFD 2017-1 + New CFD 2023-1</u></b>						
Revised CFD 2017-1 (Parcels B,C)	482	\$1,140	\$0	\$1,140	\$549,480	\$0
New CFD 2023-1						
Zone 1 (Parcels D,E,G,H,J) 56,000 sf of Non-Residential	1,565	\$704	\$436	\$1,140	\$1,101,760 \$63,717	\$683,000
Zone 2 (Parcels K,L,M) Subtotal	<u>1,188</u> 2,753	\$1,140	\$1,500	\$2,640	<u>\$1,354,320</u> \$2,519,797	<u>\$1,782,000</u> \$2,465,000
Total	<u>3,235</u>				<u>\$3,069,277</u>	<u>\$2,465,000</u>

# CFD No. 2023-1: RMA Other Key Provisions

- Special Tax is only levied on Developed Property
- Developed Property is based on issuance of Certificate of Occupancy
- Services Tax increases annually at the greater of 4.8% or CPI
- Tax Zone 1: Facilities Tax ceases and Services Tax increases upon Trigger Event
- Actual Services Tax rates levied in CFD No. 2023-1 will be set equal to actual rates levied in CFD No. 2017-1
- Services Tax may be increased if a land use change would reduce revenue
- Facilities Tax may be lowered prior to first bond sale if effective tax rate is too high



# CFD Process Schedules

- CFD No. 2017-1

Date	Event
July 18, 2023 (City Council)	Corrective Resolution/Resolution of Cessation
After CFD No. 2023-1 Formation	Record Notice of Cessation; Amended and Restated Boundary Map/Notice of Special Tax Lien

- CFD No. 2023-1

Date	Event
July 18, 2023 (City Council)	Resolution of Intention/Public Hearing
September 19, 2023 (City Council)	Resolution of Formation/Public Hearing/Election
October 3, 2023 (City Council)	Adopt Special Tax Ordinance
FY 2024-25	Initial Tax Levy

# Recommendation

Staff recommends that the Committee approve all four resolutions and forward them to the July 18 City Council meeting for a public hearing (non-consent)

Image of the 9<sup>th</sup> Ave Terminal Shell, Township Commons Park, the Development Project, the Estuary and San Francisco in the background.



# Questions and Public Comments

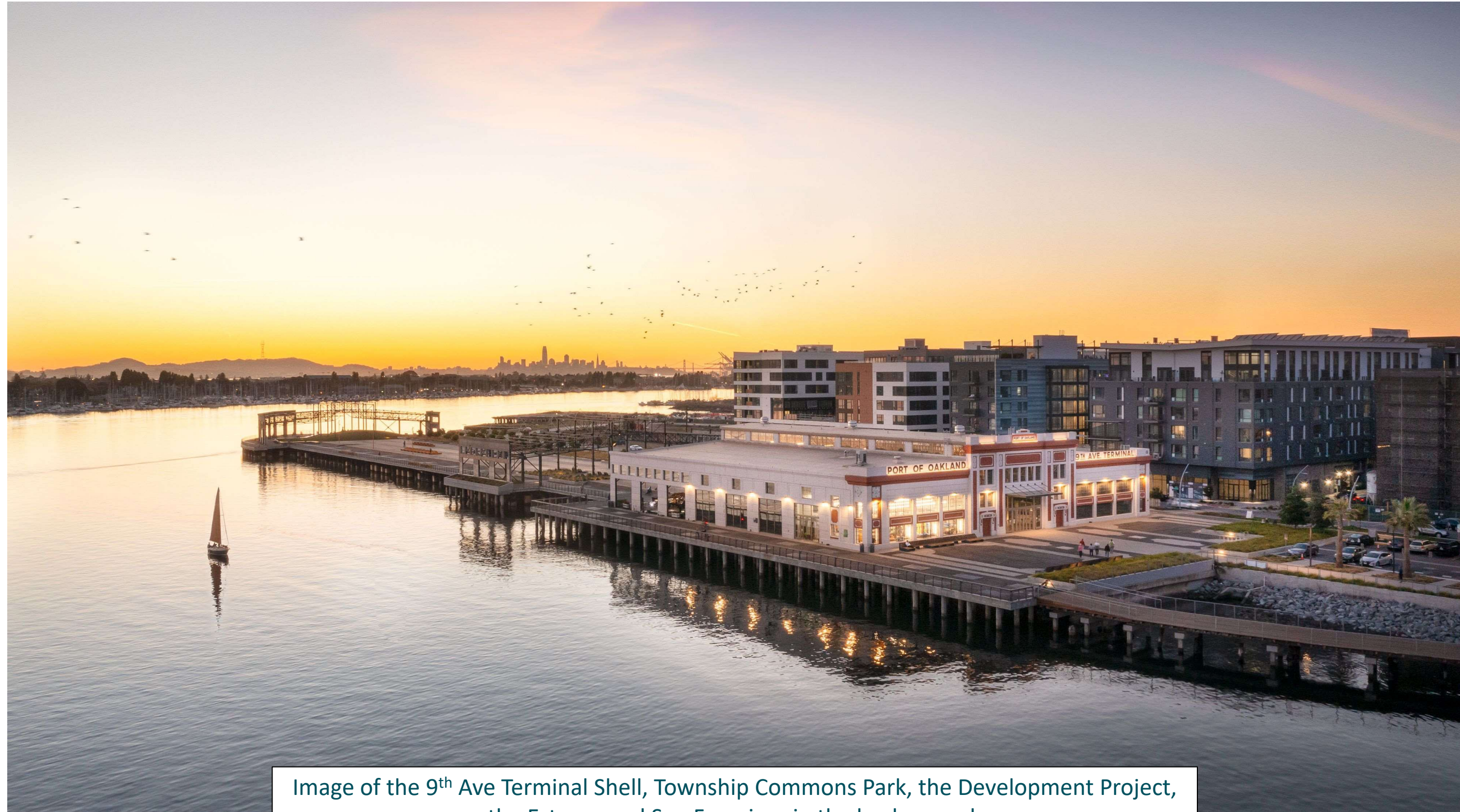


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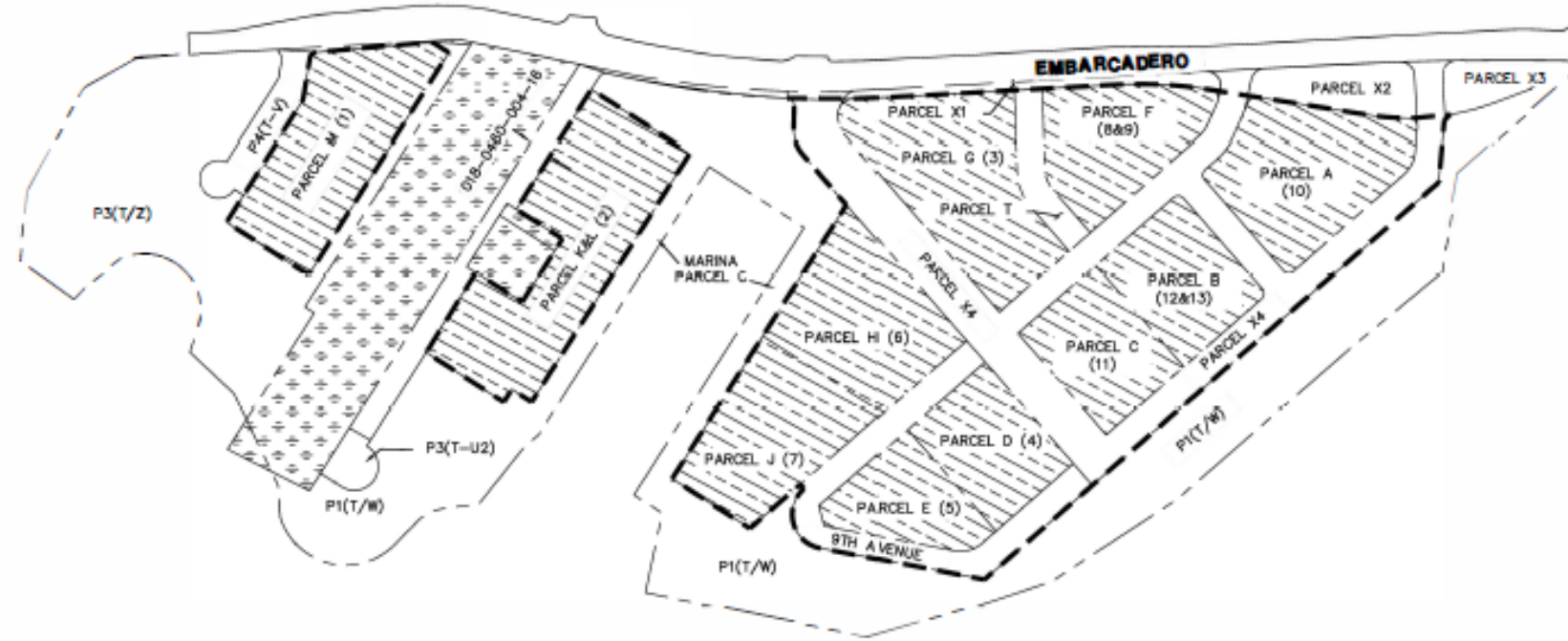




# CFD No. 2017 – 1 Boundary Map

## Attachment B

AMENDED AND RESTATED MAP OF BOUNDARIES OF CITY OF OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2017-1 (BROOKLYN BASIN PUBLIC SERVICES), CITY OF OAKLAND, COUNTY OF ALAMEDA, STATE OF CALIFORNIA



**ORIGINAL TAXABLE PROPERTIES WITHIN OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2017-1:**

- (1) 018-0430-001-14\* - PARCEL M
- (2) 018-0460-004-11\* - PARCELS K&L
- (3) 018-0465-002-30\* - PARCEL G
- (4) 018-0465-015-00\* - PARCEL D
- (5) 018-0465-016-00\* - PARCEL E
- (6) 018-0465-017-00\* - PARCEL H
- (7) 018-0465-018-00\* - PARCEL J
- (8) 018-0465-002-18 - PARCEL F
- (9) 018-0465-002-20 - PARCEL F
- (10) 018-0465-012-00 - PARCEL A
- (11) 018-0465-014-00 - PARCEL C
- (12) 018-0465-019-00 - PARCEL B
- (13) 018-0465-020-00 - PARCEL B

\* PURSUANT TO RESOLUTION NO. \_\_\_\_\_ ADOPTED ON JULY 18, 2023, THE CITY COUNCIL OF THE CITY OF OAKLAND DETERMINED THAT SUBJECT TO CERTAIN CONDITIONS THAT HAVE BEEN SATISFIED, THE LEN OF THE SPECIAL TAX LEVIED IN COMMUNITY FACILITIES DISTRICT NO. 2017-1 SHALL BE EXTINGUISHED WITH RESPECT TO THIS PARCEL AND DIRECTED RECORDATION OF A NOTICE OF CESSION THAT COMPLIES WITH THE REQUIREMENTS OF CALIFORNIA GOVERNMENT CODE SECTION 53330.5 FOR THE PURPOSE OF EXTINGUISHING THE LEN OF THE SPECIAL TAX LEVIED IN COMMUNITY FACILITIES DISTRICT NO. 2017-1 ON THIS PARCEL.

**NOTE:**

THE ORIGINAL MAP OF THE PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2017-1 (BROOKLYN BASIN PUBLIC SERVICES), CITY OF OAKLAND, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, WAS RECORDED ON OCTOBER 17, 2017, AT THE HOUR OF 12:04 P.M. IN BOOK 18 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE 86, DOCUMENT NO. 2017-229062, IN THE OFFICE OF THE COUNTY RECORDER IN ALAMEDA COUNTY, STATE OF CALIFORNIA, PURSUANT TO RESOLUTION NO. \_\_\_\_\_ ADOPTED ON JULY 18, 2023, THE CITY COUNCIL OF THE CITY OF OAKLAND DIRECTED THE CITY CLERK TO CAUSE TO BE RECORDED THIS AMENDED AND RESTATED MAP OF BOUNDARIES OF CITY OF OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2017-1 (BROOKLYN BASIN PUBLIC SERVICES), CITY OF OAKLAND, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, FOR THE PURPOSE OF ELIMINATING ALL REFERENCES TO THE LOCATION OF THE PUBLIC SERVICES TO BE FINANCED BY COMMUNITY FACILITIES DISTRICT NO. 2017-1 BECAUSE THE ORIGINAL MAP DID NOT ACCURATELY REPRESENT THE LOCATION OF SUCH PUBLIC SERVICES. CONCURRENTLY WITH RECORDING THIS AMENDED AND RESTATED MAP, THE CITY CLERK IS CAUSING TO BE RECORDED IN THE OFFICE OF THE COUNTY RECORDER AN AMENDED AND RESTATED NOTICE OF SPECIAL TAX LIEN FOR COMMUNITY FACILITIES DISTRICT NO. 2017-1 THAT WILL CORRECT ERRORS IN THE DESCRIPTION OF THE PUBLIC SERVICES TO BE FINANCED BY COMMUNITY FACILITIES DISTRICT NO. 2017-1.

PREPARED: MAY 25, 2023

**LINE TYPES & SYMBOLS**

- CFD 2017-1 BOUNDARY
- ORIGINAL TAXABLE PROPERTIES WITHIN CFD 2017-1
- PARCELS NOT INCLUDED IN BROOKLYN BASIN PROJECT, CFD 2017-1 BOUNDARY OR SERVICES AREAS

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF OAKLAND THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_.

CITY CLERK

I HEREBY CERTIFY THAT THE WITHIN AMENDED AND RESTATED MAP SHOWING PROPOSED BOUNDARIES OF CITY OF OAKLAND COMMUNITY FACILITIES DISTRICT NO. 2017-1 (BROOKLYN BASIN PUBLIC SERVICES), CITY OF OAKLAND, COUNTY OF ALAMEDA, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF OAKLAND AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_, BY ITS RESOLUTION NO. \_\_\_\_\_.

CITY CLERK

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_, AT THE HOUR OF \_\_\_\_\_ O'CLOCK \_\_\_\_\_ M., IN BOOK \_\_\_\_\_ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE \_\_\_\_\_ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF ALAMEDA, STATE OF CALIFORNIA.

COUNTY RECORDER, COUNTY OF ALAMEDA

**BOUNDARY NOTES:**

1. REFERENCE IS HEREBY MADE TO THE MAPS MAINTAINED BY THE ALAMEDA COUNTY ASSESSOR FOR AN EXACT DESCRIPTION OF THE LINES AND DIMENSIONS OF EACH LOT AND PARCEL.
2. SINCE RECORDATION OF THE CFD 2017-1 BOUNDARY MAP, SUBSEQUENT SUBDIVISIONS HAVE OCCURRED.





# CFD No. 2023 – 1 Boundary Map

ATTACHMENT E

