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OFFICE OF THE CITY CLERK
OAKLAND

2017 SEP 28 PM 1:30

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Michele Byrd,
Director, HCDD

SUBJECT: Brooklyn Basin Affordable Housing
Agreements

DATE: September 14, 2017

City Administrator Approval

Date:

9/27/17

RECOMMENDATION

Staff Recommends That The City Council Adopt The Following Legislation:

Ordinance (1) Authorizing A Master Housing Agreement With The Oakland Housing Authority and MidPen Housing Corporation, Or Affiliated Entities, For Development of Affordable Housing At Brooklyn Basin, (2) Authorizing Lease Disposition and Development Agreements With MidPen Housing Corporation And The Oakland Housing Authority, Or Affiliated Entities, For The Long-Term Ground Lease Of Parcel F At Brooklyn Basin For The First Phases Of Development, And (3) Making CEQA Findings For This Action; And

Resolution (1) Authorizing An Unsecured Predevelopment Loan In The Amount Of \$2,067,000 To MidPen Housing Corporation, Or Affiliated Entities, To Support The Development Of Affordable Housing On Parcels A And F At Brooklyn Basin, (2) Authorizing A Secured Affordable Housing Development Loan In An Amount Not To Exceed \$15,243,000, To MidPen Housing Corporation, Or Affiliated Entities, To Support The Development of Affordable Housing On Parcel F at Brooklyn Basin, And (3) Making CEQA Findings For This Action.

EXECUTIVE SUMMARY

The City is required to ensure that 465 units of affordable rental housing are developed on two parcels jointly owned by the City and the Oakland Housing Authority (OHA) at the Brooklyn Basin project site. Staff is seeking Council authorization for land disposition and funding to facilitate the development, including: (1) a Master Housing Agreement among the City, OHA and MidPen Housing Corporation (the selected affordable housing developer) outlining the general terms for disposition, development and funding of the affordable housing on the Brooklyn Basin affordable housing parcels, (2) two Lease Disposition and Development Agreements among the City, OHA and MidPen for the disposition by ground lease of one of the affordable housing parcels, Parcel F, for development of an affordable family housing project and an affordable senior housing project with a total of 211 affordable rental units, (3) a \$2,067,000 predevelopment loan to MidPen to fund predevelopment expenses associated with the overall Brooklyn Basin affordable housing project, and (4) a \$15,243,000 development loan

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to MidPen to fund development of the two affordable housing projects on Parcel F. The predevelopment loans funds, including a \$360,000 predevelopment loan approved in 2016, will most likely be converted into permanent development loan funds, for a total consolidated loan amount of \$17,670,000 approved to date.

BACKGROUND / LEGISLATIVE HISTORY

Project Description and Affordable Housing Requirement

The Brooklyn Basin Project (formerly known as the Oak to Ninth Project) is a large-scale development project on a formerly-industrial site along Oakland's waterfront. When fully developed, the project will comprise approximately 3,100 housing units, over 200,000 square feet in retail space, 29.9 acres of parks and public open space, two renovated marinas and restoration of an existing wetland area.

In 2006, the developer of the project (then known as Oakland Harbor Partners), the City, and the Redevelopment Agency entered into a Development Agreement (DA) for the project. The City negotiated a variety of community benefits provisions into the DA, including provisions for on-site affordable housing development. The DA required the Redevelopment Agency to purchase two parcels (then Parcels F and G) from the developer and to develop 465 units of housing affordable to low income households on those parcels, to be developed in phases as part of the overall project. Oakland Harbor Partners agreed to sell the affordable housing parcels at a discount and to contribute \$2 million toward development of affordable housing on those parcels.

At the same time, the Redevelopment Agency also negotiated a "Cooperation Agreement" with a coalition of community groups, known as the Oak to Ninth Community Benefits Coalition (the "Coalition"), over the level of community benefits that would result from the project, including affordable housing development. The Cooperation Agreement was executed in 2006. Consistent with the DA, the Cooperation Agreement required the Redevelopment Agency to purchase the affordable housing parcels and ensure that at least 465 affordable housing units are developed as part of the overall development.

Delay and Subsequent Changes to Affordable Housing Requirements

Shortly after the DA and the Cooperation Agreement were originally signed, the Brooklyn Basin project was put on hold by the developer due to the economic downturn, and a legal challenge to the Project.

Upon dissolution of the Redevelopment Agency in 2012, the City retained and assumed the housing assets and functions of the Redevelopment Agency, including obligations related to affordable housing development at Brooklyn Basin.

Pursuant to the DA and the Cooperation Agreement, the City purchased Parcels F and G from the Brooklyn Basin developer, now known as Zarsion-OHP I, LLC (ZOHP), on August 28, 2014, for a purchase price of \$21,508,462 plus closing costs, with ZOHP obligated to conduct extensive environmental remediation, as well as infrastructure work on the property. The purchase price represented the appraised fair market value of the parcels, discounted by

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\$3,033,204 due to the early purchase. To fund the purchase, the City used proceeds from a housing bond issued by the Redevelopment Agency in 2011. Project funds totaling \$2,454,627 from this bond remained after the purchase of the parcels.

Current Status and Projected Affordable Housing Funding Sources

ZOHP has completed remediation and substantially completed site preparation work on the first phase of the overall project, including the affordable housing parcels. The first market rate phase of the development, 241 units on Parcel B, started construction this spring.

In June 2015, ZOHP selected MidPen Housing Corporation, a nonprofit affordable housing developer with extensive development experience in the Bay Area, to be the developer for the affordable housing project, and the City Administrator approved this selection. The City has been working closely with MidPen, OHA and the Coalition since June 2015, as MidPen develops and refines its affordable housing development scenarios and financing plan.

On January 5, 2016, City Council approved Resolution No. 85939 C.M.S., which approved a financing plan for the affordable housing unit development, and approved the submittal of a petition to the California Department of Finance (DOF) for a Final and Conclusive Determination that the City had an enforceable obligation under the DA and the Cooperation Agreement to fund development of 465 units of affordable housing on the affordable housing parcels. The City sought \$45 million in Real Property Tax Trust Funds (RPTTF), i.e., property tax funds that were formerly considered tax increment funds, as its contribution to develop the affordable housing.

After extensive negotiations, DOF allowed the City to retroactively re-characterize previous draws from the 2011 Affordable Housing Set-Aside Bond Fund, for the affordable parcel purchase at Brooklyn Basin and the Mural Apartments affordable housing development at the MacArthur BART station, as RPTTF expenditures. This freed up a minimum of \$35 million in 2011 Affordable Housing Bond Funds to support vertical construction of affordable housing development at Brooklyn Basin.

On July 19, 2016, per City Council Resolution No. 86301 C.M.S., the City Council approved a \$360,000 predevelopment loan to support MidPen in their predevelopment activities for development on Parcel F, and that loan closed earlier this spring (after the Borrower affiliates for Parcel F were formed).

On January 17, 2017, per City Council Resolution No. 13413 C.M.S., the City Council authorized a swap with ZOHP of Parcel G for Parcel A. That swap closed in June. As a result, the affordable housing parcels are now Parcels F and A. As part of the parcel swap, ZOHP agreed to place its DA-required \$2 million affordable housing contribution (\$1 million per parcel) into an escrow account through the end of 2018.

On July 18, 2017, City Council approved the first reading of an ordinance authorizing the sale of a 50% joint ownership interest in the affordable housing parcels to OHA, in exchange for a \$10 million purchase price and OHA's commitment to provide 258 Project-Based Section 8 vouchers to the project. The \$10 million in sales proceeds would be earmarked to the project. The

second reading for this ordinance is scheduled for September 19, 2017, and the close of the sale of the joint interest to OHA is anticipated by October

MidPen is proposing to build the required 465 units in four separate project phases over a seven-year time frame. Per the terms of the Cooperation Agreement, 110 units will target seniors and the remaining 355 will target families. All units must be affordable to households earning 25 percent to 60 percent of Area Median Income. At least 30 percent of the units will be three-bedroom units and at least 20 percent of the units will be two-bedroom units.

ANALYSIS AND POLICY ALTERNATIVES

The recommended actions will delineate the rights and responsibilities between the City, OHA and MidPen, set the stage for predevelopment activities to take both parcels further into the predevelopment process, and provide the formal site control and development financing commitments required to allow MidPen to apply for its other funding sources for the first two affordable housing developments on Parcel F. If successful in applying for their other funding sources, construction could commence by the end of 2018 or early in 2019 on the first 211 affordable housing units at Brooklyn Basin.

The **Master Housing Agreement (MHA)** among the City, OHA, and MidPen will outline the general terms for affordable housing development for the entire affordable housing project at Brooklyn Basin, including land disposition and funding, and establish a proposed schedule for development of the affordable housing in four project phases.

The **Lease Disposition and Development Agreements (LDDAs)** will set the terms for conveying site control via long-term ground leases of Parcel F for a 101-unit family housing project (Project 1) and a 110-unit senior housing project (Project 2) on Parcel F, the first parcel to be developed. Parcel F will be ground leased to MidPen at a nominal rent in order to make the projects economically feasible. The long-term ground lease structure complies with the City's policy for retaining long-term fee ownership of land parcels it owns. In this case, OHA will be a 50% co-owner of the land as well. MidPen will develop and own the improvements (i.e., the affordable housing developments), which the affordable housing development loans will be secured against. The LDDAs will set forth the terms and conditions for the ground lease and development of Parcel F, including various preconveyance conditions.

Now that the project is moving further along towards development, MidPen is requesting an additional \$2,067,000 in **unsecured predevelopment loans** for predevelopment expenses on both Parcels A and F. (MidPen's proposed predevelopment loan budget is attached as **Attachment A**). In 2016, City Council approved a \$360,000 predevelopment loan for partial predevelopment expenses on Parcel F to get the project through design review approvals; this would bring the total predevelopment loan award to \$2,427,000. The additional funding will help assist the Parcel F phases to get through the State Tax Credit Allocation Committee (TCAC) application process to obtain an allocation of low-income housing tax credits, and the Parcel A phases to proceed through the design review approval stage. The total amount of predevelopment loan funds exceeds the City's typical predevelopment loan amounts (which are limited currently to \$35,000-\$75,000, depending on location within the City). Staff has long considered increasing the predevelopment loan limits, but to date has not had sufficient funding

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available to do so. In this instance, in which funding is set aside for development of the affordable housing units at Brooklyn Basin, staff believes that it is appropriate to exceed the usual predevelopment loan limits in order to cover permitting fees, architectural and engineering fees, and legal costs.

MidPen has requested that the predevelopment loan term be for an initial 24 month period (with a six month extension available as an administrative action) at three percent simple interest, with interest and principal payments deferred to the end of the term. The predevelopment loan would initially be unsecured, which is necessary in this case because MidPen does not as yet own a fee simple or ground lease interest in the parcels. When the parcels are conveyed to MidPen via ground lease and the development loans are closed, then the predevelopment loans will be consolidated with the development loans and will be secured by MidPen's interest in the properties and project improvements.

As previously noted, the proposed predevelopment loan is substantially larger than what would be allowed under the City's over-the-counter program (which allows for a loan of \$35,000 per phase, or up to \$75,000 per phase if the Project is located in the downtown area). In addition, MidPen has requested a lower interest rate (three percent to align with the City's development loans, rather than the usual six percent for predevelopment loans), and a longer term (24 months instead of 18 months). However, given the breadth and complexity of the project, and the fact that the funding is clearly dedicated to the project, staff is comfortable with recommending these terms. On occasion, for large projects, the City has provided large unsecured predevelopment loans.

Currently, MidPen is requesting **secured affordable housing development loan funding** in the total amount of \$17,670,000 to fund the first two development projects on Parcel F, which will include 211 of the 465 affordable units. The development budget and proforma for the Parcel F family project is included as **Attachment B**, and the development budget and proforma for the Parcel F senior project is included as **Attachment C** to this staff report.

Funding for the senior affordable housing loan on Parcel F is proposed to be funded by:

- \$4,000,000 in housing bond funds (which will also take out \$793,000 of the unsecured predevelopment loan funds)
- \$5,500,000 value of the below market ground lease (not included in loan amount)

Funding for the family affordable housing loan on Parcel F is proposed to be funded by:

- \$7,670,000 in housing bond funds (taking out \$868,000 in unsecured predevelopment loan funds)
- \$5,000,000 in land sales proceeds from OHA's purchase of a joint interest in Parcel F
- \$1,000,000 affordable housing contribution from ZOHP

Between the \$17,670,000 in loans from City sources, and the \$5,500,000 estimated value of the below market ground lease on the senior phase, total funding contributions from the City on the Parcel F projects will be \$23,170,000, or just under \$110,000 per unit. This funding amount is well in line with other City loans in the past, and should place the projects competitively for other funding sources.

Parcel A development loans and LDDAs for the remaining 254 units will be brought to City Council at a later date for consideration and approval.

The terms of the **DA and Cooperation Agreement**, set out extensive requirements for the affordable housing units in terms of depth of affordability, limits on senior units, and minimum number family-sized units (two and three bedroom units). Although last year's favorable DOF decision provides substantial capital towards the development of the affordable units, this estimated \$35 million and land contribution costs of \$21.5 million represents about 23 percent of the projected total development costs for the project, which are estimated at \$240 million for the 465 units. This gap is not unusual for affordable housing developments – the City's policy is to provide a maximum of 40 percent of total development costs, with developers expected to leverage the rest of funding with a variety of sources, including tax credits, other state and federal funding sources, and private loans to the extent that these are supported by cash flow. OHA has an extensive history with this type of partnership with affordable housing developers and/or the City, both in its HOPE VI revitalization efforts for its own public housing stock, and in numerous stand alone projects throughout the City. OHA owns the land on such affordable housing developments as the Savoy Hotel (formerly the Jefferson and Oaks Hotels), Prosperity Place (11th and Jackson), and Ave Vista (Grand Avenue). In addition, the City and OHA have worked together to secure Project-Based Section 8 rental vouchers in developments throughout the City through the City's competitive NOFA. OHA's involvement as co-owner in the property provides substantial benefits to the projects and to residents, including: development capital of \$10 million, on-going development subsidies via the vouchers, and on-going contributions to project capital reserves and operating expenses for the affordable units over the long-term while allowing the property to serve some households at even lower incomes than were originally contemplated.

MidPen Qualifications

Although this is MidPen's first development in Oakland, the organization has a 45 year history of affordable housing development and property management, having developed or rehabilitated over 100 properties with over 8,000 units in cities throughout the Bay Area. Their staff have proceeded diligently with predevelopment activities on the affordable housing parcels, and is working closely with Planning staff to complete their Final Development Plan (FDP) for Parcel F this fall. As of the writing of this staff report, Planning staff expects to bring the FDP for Parcel F to Design Review on September 28, 2017, and MidPen expects to apply for outside funding sources (including state tax credits) in 2018. Should the tax credit applications be successful, MidPen plans to start construction in late 2018 or early 2019.

The City is compelled to produce 465 affordable rental housing units at Brooklyn Basin per the DA and the Cooperation Agreement at deep affordability levels. The partnerships with OHA and MidPen, using the development funding allocated to the construction of the affordable housing, are absolutely integral to bring these units to fruition. Therefore, especially given the Bay Area's deepening affordable housing crisis, no other options were considered.

FISCAL IMPACT

Since the City and OHA were already planning to retain ownership of the affordable housing parcels, with long-term ground leases for each project to MidPen and their affiliates, the approval of the Master Housing Agreement and Lease Disposition and Development Agreements will have minimal fiscal impacts.

The additional \$2,067,000 predevelopment loan, as well as the \$360,000 predevelopment loan made last year, will be paid from RPTTF funds (2011 Affordable Housing Set-Aside Bond, Fund 1885/9785, Projects 10000020, 1000390, and 1001237), and will be taken out by the development loans for their respective projects (\$793,000 for the senior housing development on Parcel F, \$868,000 for the family development on Parcel F, and \$766,000 between the two Parcel A phases).

The proposed \$15,243,000 secured development loans for construction of the affordable housing on Parcel F (total between the senior and family projects) will be funded as follows:

- \$1 million ZOHP affordable housing contribution – this represents half of the funds held in escrow by First American Title Company through an escrow agreement with ZOHP through the end of 2018
- \$5 million – half of OHA purchase price – sale scheduled to take place in late September 2017
- \$9,243,000 in swapped and remaining bond funds (coming in by FY18-19; as of the date of this report, \$10,559,627 of this funding is currently available)

After funding development on Parcel F, approximately \$29,330,000 in local funding will remain for development of the 254 units of affordable rental housing on Parcel A:

- \$1 million contribution from ZOHP for the second parcel
- \$5,000,000 from the other half of OHA's purchase of a joint interest in Parcel A.
- Approximately \$23,330,000 bond funding projected to come through FY 2021-22

The DOF drawdown schedule is attached as **Attachment D**. DOF's May 19, 2016 decision allows the City to use the remaining 2011 Bond funds, and allows the City to go back and re-characterize previous commitments totaling \$37.5 million made from the 2011 Bond fund for the City's purchase of the affordable housing parcels in 2014 (\$21.5 million) and Mural Apartments (MacArthur BART Transit Oriented Development affordable phase, \$16 million) as RPTTF expenditures, which frees up the 2011 Bond Funds for use for the vertical construction of affordable units at Brooklyn Basin. Funding would be reimbursed over six to seven tax years as it becomes available. However, under this arrangement, DOF does not consider the vertical unit construction to be an enforceable obligation of ORSA, and will not cover City staff project delivery costs (estimated to total \$4-\$5 million over the life of the five phases of the project through 2023). Therefore, City staffing costs will need to be recovered from the 2011 Housing Bond as well, leaving approximately \$35 million for vertical construction.

Between the City's purchase price for the affordable housing parcels of approximately \$21,500,000 and estimated development loans of \$35,000,000, the City's total funding investment in all 465 units will be roughly \$56,500,000 (\$121,505 per unit). OHA will provide

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\$10 million in development subsidies via its purchase of a 50% interest in the property, and ZOHP is providing another \$2 million towards the affordable housing. These sources are expected to help leverage roughly \$200 million in outside funding sources.

PUBLIC OUTREACH / INTEREST

The Coalition continues to be involved with this project since it is party to the 2006 Cooperation Agreement with the City. The members of the Coalition are the Asian Pacific Environmental Network, East Bay Asian Youth Center, Oakland Community Organizations, and the Urban Strategies Council. City staff, the Coalition, OHA, and MidPen have been meeting frequently since June 2015 to discuss the affordable housing program and financing plan and the Coalition is an active participant in those discussions. The Coalition supports the involvement of OHA at the current level of Section 8 units.

COORDINATION

Housing and Community Development staff coordinated with the City Attorney's Office, Controller's Bureau, the City Administrator's Office and MidPen Housing in preparation of this report. Staff also remains in frequent contact with the Real Estate division, Bureau of Planning and Building Department, and Public Works department's Environmental Services Division.

SUSTAINABLE OPPORTUNITIES

Economic: The development of affordable housing at Brooklyn Basin will create economic opportunities through the provision of construction and property management employment opportunities. In addition, providing affordable housing, with a substantial portion of PBS8 units, will allow residents have greater financial security. Residents of affordable housing tend to spend their increased discretionary funds within their communities, which will also help local businesses.

Environmental: Environmental remediation of the affordable housing parcels has been completed and monitoring is occurring. Housing Staff will work with Public Works – Environmental Services Division staff on remediation issues and monitoring, and with Planning staff on NEPA review.

Social Equity: The development of affordable housing at Brooklyn Basin will create 465 affordable housing units for low and very low income residents, which is a means of achieving greater social equity. Units will serve lower incomes (regulated at 25-60 percent of AMI, but with vouchers that could allow residents in the 0-25 percent of AMI level as well). Affordable units will serve seniors and families, with large (3 bedroom) units that would otherwise be difficult to find in Oakland. Oakland's neighborhood-level environment will be improved by replacing vacant and underused lots with new homes and residents.

CEQA

The City of Oakland Planning Commission certified the Oak to Ninth Avenue Project Environmental Impact Report on March 15, 2006. Under the California Environmental Quality Act (CEQA) Section 15162, no subsequent environmental review is required unless the project has changed substantially, the circumstances under which the project would occur have changed substantially, or new information demonstrates that any potential environmental impacts would be substantially more severe than previously demonstrated. In reviewing the preliminary affordable housing development and financing plan, staff has determined that none of the circumstances necessitating further environmental review are present. The reasons for this determination include, among others, the following: (1) the preliminary affordable housing development and financing plan does not affect development envelope previously reviewed in the EIR and is not a change in the project that involves any new significant effects or a substantial increase in the severity of previously identified significant effects; (2) circumstances under which the project is undertaken have not occurred that will involve new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and (3) no new information has come to light that would involve new or substantially more severe effects or feasible alternatives or mitigation measures. Accordingly, no further environmental review is required for this project at this time. The EIR identifies impacts and requires mitigation measures, and the proposed project will continue to be required to incorporate the mitigation measures. The EIR is available for review at 250 Frank Ogawa Plaza, Suite 3315, Oakland, CA 94612 during normal business hours.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt

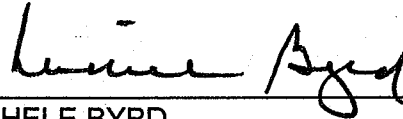
An Ordinance (1) Authorizing A Master Housing Agreement With The Oakland Housing Authority and MidPen Housing Corporation, Or Affiliated Entities, For Development of Affordable Housing At Brooklyn Basin, (2) Authorizing Lease Disposition and Development Agreements With MidPen Housing Corporation And The Oakland Housing Authority, Or Affiliated Entities, For The Long-Term Ground Lease Of Parcel F At Brooklyn Basin For The First Phases Of Development, And (3) Making CEQA Findings For This Action; And

A Resolution (1) Authorizing An Unsecured Predevelopment Loan In The Amount Of \$2,067,000 To MidPen Housing Corporation, Or Affiliated Entities, To Support The Development Of Affordable Housing On Parcels A And F At Brooklyn Basin, (2) Authorizing A Secured Affordable Housing Development Loan In An Amount Not To Exceed \$15,243,000, To MidPen Housing Corporation, Or Affiliated Entities, To Support The Development of Affordable Housing On Parcel F at Brooklyn Basin, And (3) Making CEQA Findings For This Action.

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For questions regarding this report, please contact Christia Katz Mulvey, Housing Development Coordinator, at (510) 238-3623.

Respectfully submitted,



MICHELE BYRD
Director, Housing and Community Development

Reviewed by:
Norma W. Thompson, Housing Development
Manager

Prepared by:
Christia Katz Mulvey, Housing Development
Coordinator, Housing Development Services

- Attachment A: MidPen Predevelopment Loan Budget
- Attachment B: Parcel F Family housing budget/proforma
- Attachment C: Parcel F Senior housing budget/proforma
- Attachment D: Projected RPTTF Drawdowns

DATE: 8/18/2017
 DEVELOPER: MidPen Housing
 PROJECT NAME: Brooklyn Basin Affordable Housing

Predevelopment Budget

USES								
UNITS		PARCEL F BUDGET THROUGH TCAC APP			PARCEL A THROUGH DESIGN REVIEW APPROVALS			TOTAL
		110	101	211	124	130	254	466
GL Code	Description	Parcel F Senior Phase I	Parcel F Family Phase II	Parcel F Budget	Parcel A Phase I Family	Parcel A Phase II Family	Parcel A Budget	Parcel F & A Budget
1750-0100	Land Cost							
1750-0401	Title PTR and Escrow-Acquisition	\$ 1,000	\$ 1,000	\$ 2,000	\$ 1,000	\$ 1,000	\$ 2,000	\$ 4,000
1750-0501	Legal Costs-Acquisition/DDA/Ground Lease	\$ 15,000	\$ 15,000	\$ 30,000	\$ 15,000	\$ 15,000	\$ 30,000	\$ 60,000
1750-0240	Permits / Plan Review Fees-(Non-Impact Non-Bldg)	\$ 30,000	\$ 30,000	\$ 60,000	\$ 30,000	\$ 30,000	\$ 60,000	\$ 120,000
1750-0250	Appraisal Costs	\$ 4,000	\$ 4,000	\$ 8,000	\$ 4,000	\$ 4,000	\$ 8,000	\$ 16,000
1750-0255	Market Study	\$ 8,000	\$ 8,000	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000
1750-0275	Printing Costs (MPHC) / Misc	\$ 1,000	\$ 1,000	\$ 2,000	\$ 1,000	\$ 1,000	\$ 2,000	\$ 4,000
1750-0300	Architectural Contract thru 100% DD (F) 100% SD (A)	\$ 500,000	\$ 575,000	\$ 1,075,000	\$ 185,000	\$ 195,000	\$ 380,000	\$ 1,455,000
1750-0302	Architectural Reimbursables	\$ 10,000	\$ 10,000	\$ 20,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 30,000
1750-0330	Engineering-Survey/Planning FDP/FEMA	\$ 12,000	\$ 12,000	\$ 24,000	\$ 12,000	\$ 12,000	\$ 24,000	\$ 48,000
1750-0331	Engineering-Civil	\$ 25,000	\$ 25,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
1750-0332	Engineering-Geotech./Soils	\$ 12,500	\$ 12,500	\$ 25,000	\$ 12,500	\$ 12,500	\$ 25,000	\$ 50,000
1750-0334a	Engineering-Envm Peer review/Phase I	\$ 4,000	\$ 4,000	\$ 8,000	\$ 4,000	\$ 4,000	\$ 8,000	\$ 16,000
1750-0334b	Engineering-NEPA Consults	\$ 30,000	\$ 30,000	\$ 60,000	\$ 30,000	\$ 30,000	\$ 60,000	\$ 120,000
1750-0335a	Engineering- Acoustical	\$ 4,000	\$ 4,000	\$ 8,000	\$ 4,000	\$ 4,000	\$ 8,000	\$ 16,000
1750-0335b	Engineering- Traffic	\$ 2,500	\$ 2,500	\$ 5,000	\$ 2,500	\$ 2,500	\$ 5,000	\$ 10,000
1750-0335c	Engineering- Green Point Rating	\$ 5,000	\$ 5,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 20,000
1750-0335d	Engineering- Joint Trench	\$ 10,000	\$ 10,000	\$ 20,000	\$ 10,000	\$ 10,000	\$ 20,000	\$ 40,000
1750-0335e	Engineering- Exterior Bldg Maintenance review	\$ 5,000	\$ 5,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 20,000
1750-0335f	Engineering- Solar design	\$ 10,000	\$ 10,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
1750-0335g	Engineering- fire protection design	\$ 10,000	\$ 10,000	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
1750-0335	Engineering- Misc Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1750-0337	Engineering- Reimbursables	\$ 2,000	\$ 2,000	\$ 4,000	\$ 1,500	\$ 1,500	\$ 3,000	\$ 7,000
1750-0339	Engineering- Constr Mgmt Precon	\$ 5,000	\$ 5,000	\$ 10,000	\$ 3,000	\$ 3,000	\$ 6,000	\$ 16,000
1750-0339a	Engineering- GC Precon	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1750-0341	Engineering- Value Engineering	\$ 27,000	\$ 27,000	\$ 54,000	\$ 15,000	\$ 15,000	\$ 30,000	\$ 84,000
1750-0343	Engineering-Waterprf Consult	\$ 5,000	\$ 5,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
1750-0504	Legal Costs-Organization	\$ 7,500	\$ 7,500	\$ 15,000	\$ 7,500	\$ 7,500	\$ 15,000	\$ 30,000
1750-0530	Syndication-Consultant	\$ 5,000	\$ 5,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 20,000
1750-0630	Tax Credit-Fees	\$ 2,500	\$ 2,500	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000
1750-0001	SOFT COST CONTINGENCY	\$ 40,000	\$ 40,000	\$ 80,000	\$ 20,000	\$ 20,000	\$ 40,000	\$ 120,000
	TOTAL	\$ 793,000	\$ 868,000	\$ 1,661,000	\$ 378,000	\$ 388,000	\$ 766,000	\$ 2,427,000

SOURCES								
	City Predev Loan 1 (committed)	\$ 180,000	\$ 180,000	\$ 360,000			\$ -	\$ 360,000
	City Predev Loan 2 (New Request)	\$ 613,000	\$ 688,000	\$ 1,301,000	\$ 378,000	\$ 388,000	\$ 766,000	\$ 2,067,000
	TOTAL	\$ 793,000	\$ 868,000	\$ 1,661,000	\$ 378,000	\$ 388,000	\$ 766,000	\$ 2,427,000

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Attachment A

Brooklyn Basin Parcel F Family 8/18/17



SOURCES AND USES			
CONSTRUCTION SOURCES			
		per unit	
Construction Loan	\$ 36,173,895	358,157	
City of Oakland Gap Funds	\$ 7,670,000	75,941	
City of Oakland / OHA Land Sale Proc	\$ 5,000,000	49,505	
City of Oakland / ZOHP Contribution	\$ 1,000,000	9,901	
Source 4	\$ -	-	
Source 5	\$ -	-	
Source 6	\$ -	-	
LP and GP Equity	\$ 2,530,255	25,052	
total	\$ 52,374,150	\$ 518,556	
PERMANENT SOURCES			
		per unit	
Amortizing Perm Loan, Tranche A	\$ 5,396,400	53,430	
Amortizing Perm Loan, Tranche B	\$ 10,604,600	104,996	
City of Oakland Gap Funds	\$ 7,670,000	75,941	
City of Oakland / OHA Land Sale Proc	\$ 5,000,000	49,505	
City of Oakland / ZOHP Contribution	\$ 1,000,000	9,901	
Source 4	\$ -	-	
Source 5	\$ -	-	
Source 6	\$ -	-	
Tax Credit Investor Proceeds	\$ 25,301,549	250,510	
GP Equity Capital Contribution	\$ 3,811,302	37,736	
Deferred Developer Fee	\$ -	-	
total	\$ 60,053,225	\$ 582,018	
PERMANENT USES			
	total	per unit	per SF
Land	\$ 1	\$ 0	\$ 0
Other Acquisition Costs	\$ 54,646	\$ 541	\$ 0
Total Acquisition Costs	\$ 54,647		\$ 0
HARD COSTS			
Resid. Site Work and Structures	\$ 34,609,892	\$ 342,672	\$ 272
Commercial Costs	\$ -	\$ -	\$ -
Escalation Contingency	\$ 2,251,570	\$ 22,293	\$ 18
Overhead & Profit/GC/Ins. Bond	\$ 4,773,709	\$ 47,264	\$ 38
Owner Contingency	\$ 2,083,241	\$ 20,626	\$ 16
Total Hard Costs	\$ 43,718,412	432,856	\$ 344
SOFT COSTS			
Architecture and Engineering	\$ 1,988,916	\$ 19,692	\$ 16
Construction Loan interest and fees	\$ 2,821,461	\$ 27,935	\$ 22
Permanent Financing	\$ 20,000	\$ 198	\$ 0
Legal Fees	\$ 135,000	\$ 1,337	\$ 1
Reserves	\$ 468,884	\$ 4,642	\$ 4
Permits and Fees	\$ 2,322,000	\$ 22,990	\$ 18
Other Soft Costs	\$ 943,228	\$ 9,339	\$ 7
Relocation	\$ -	\$ -	\$ -
Developer Fee	\$ 7,580,676	\$ 75,056	\$ 60
Total Soft Costs	\$ 16,280,165	161,190	\$ 128
TOTAL DEVELOPMENT COSTS	\$ 60,053,225	\$ 594,586	\$ 472
SURPLUS / (GAP)	\$ 0		

FINANCING ASSUMPTIONS		TAX CREDIT ASSUMPTIONS	
Debt Coverage Ratio	1.15	9% CREDIT COMPETITIVENESS	
Construction Underwriting Rate	4.47%	Tiebreaker	N/A
Permanent Interest Rate	5.87%	Set-Aside	N/A
Perm Loan Amortization	30	Geographic Region	N/A
		Project Type	Senior
DEVELOPER FEE		CREDIT AND EQUITY ASSUMPTIONS	
15% of TDC	\$7,870,882	Price	1.04
Total Fee	\$7,580,676	130% Basis Boost?	Yes
Deferred Amount	\$1,269,374	100% Tax Credit Eligible?	Yes
GP Equity back into project	\$3,811,302	Acquisition Credits?	No
Net Developer Fee	\$2,500,000		

HARD COST ASSUMPTIONS
Feasibility (no detailed square footages or pricing available)

OPERATING AND SERVICES EXPENSE ASSUMPTIONS		
Total Residential Operating Expenses	\$ 5,810	Annual Escalation 3.5%
Resident Services Fee from Operations	\$ 891	
Resident Services Fee from Reserves	\$ -	
Commercial Operating Expenses	\$ -	
Replacement Reserves	\$ 450	
Debt Admin Fees - Bond Issuer, MHSA, Other	\$ 8,101	

CASH FLOW - YEARS 1-5 and 15						
	2014	2015	2016	2017	2018	2028
Effective Gross Income	2,045,825	2,083,992	2,122,984	2,162,819	2,203,518	2,662,713
Operating Expenses	(586,775)	(607,312)	(628,568)	(650,568)	(673,337)	(949,809)
Services Expenses	(90,000)	(93,150)	(96,410)	(99,785)	(103,277)	(106,892)
Loan Admin Fees	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)
Reserves	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)
Net Operating Income	1,305,499	1,319,980	1,334,455	1,348,917	1,363,353	1,503,671
Debt Service Loan 1	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)
Debt Service Loan 2	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)
Debt Service Loan 3	-	-	-	-	-	-
Cash Flow	170,289	184,770	199,245	213,707	228,143	368,461
DCR	1.15	1.16	1.18	1.19	1.20	1.32
LP Fee	7,000	7,210	7,426	7,649	7,879	10,588
Deferred Developer Fee	0	0	0	0	0	-
Partnership Management Fee	25,000	25,750	26,523	27,318	28,138	37,815
Services Paid from Cash Flow	0	0	0	0	0	0
Residual Receipts to Lenders	69,145	75,905	82,648	89,370	96,064	160,029
Incentive Management Fee	69,145	75,905	82,648	89,370	96,064	0
Other						

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Attachment B

Brooklyn Basin Parcel F Family 8/18/17
Gross Potential Income

Page Notes:

Affordability						
Affordable Rent Calculations CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE						
TCAC Rents	Effective: April 14, 2017			Projects Placed in Service on or after 4/14/2017		
COUNTY: ALAMEDA				RURAL STATUS: Non-Rural		
	SRO	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm
100% AMI	\$1,826	\$1,826	\$1,956	\$2,346	\$2,712	\$3,024

Section 8 Payment Standards and Contract Rents						
Effective:	FY 2017					
Source:	110% HUD FMRS (not the OHA payment standard)					
	SRO	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm
FMR/Pymt Standard		\$1,579	\$1,898	\$2,393	\$3,322	\$3,828
Contract Rent		\$1,466	\$1,777	\$2,258	\$3,163	\$3,647

Gross Potential Rent Calculation															
Unit Type	Bedrooms Baths	Rent as % of Median	Total Number Of Units (inc MHSA, S8)	MAX GROSS Rent	Less Utility Allowance	Max Net Rents	MPHC Proposed Rents	Actual % AMI Rents	Tenant Paid Monthly Income	# OF COSR Units	# OF Section 8 Units	Per Unit Section 8 Increment	Total Monthly Section 8 Increment	2017 TCAC TIEBREAKER Increment	2018 TCAC TIEBREAKER Increment
-	Studio	30%		\$ 548	(\$113)	\$ 435	\$ 435	30%	\$ -		0	\$ 1,031	\$ -	\$ -	\$ -
-	Studio	40%		\$ 730	(\$113)	\$ 617	\$ 617	40%	\$ -		0	\$ 848	\$ -	\$ -	\$ -
-	Studio	50%		\$ 913	(\$113)	\$ 800	\$ 800	50%	\$ -		0	\$ 666	\$ -	\$ -	\$ -
-	Studio	60%		\$ 1,096	(\$113)	\$ 983	\$ 983	60%	\$ -		0	\$ 483	\$ -	\$ -	\$ -
-	One Bdrm	30%	3	\$ 587	(\$121)	\$ 466	\$ 466	30%	\$ 1,397		1	\$ 1,311	\$ 1,311	\$ 920	\$ 1,115
-	One Bdrm	40%	6	\$ 782	(\$121)	\$ 661	\$ 661	40%	\$ 3,968		3	\$ 1,115	\$ 3,345	\$ 2,759	\$ 3,345
-	One Bdrm	50%	15	\$ 978	(\$121)	\$ 857	\$ 857	50%	\$ 12,855		7	\$ 920	\$ 6,437	\$ 6,437	\$ 7,806
-	One Bdrm	60%	12	\$ 1,174	(\$121)	\$ 1,053	\$ 1,053	60%	\$ 12,631		6	\$ 724	\$ 4,343	\$ 5,517	\$ 6,691
-	Two Bdrm	30%	2	\$ 704	(\$135)	\$ 569	\$ 569	30%	\$ 1,138		1	\$ 1,689	\$ 1,689	\$ 1,220	\$ 1,454
-	Two Bdrm	40%	4	\$ 938	(\$135)	\$ 803	\$ 803	40%	\$ 3,214		2	\$ 1,454	\$ 2,908	\$ 2,439	\$ 2,908
-	Two Bdrm	50%	6	\$ 1,173	(\$135)	\$ 1,038	\$ 1,038	50%	\$ 6,228		3	\$ 1,220	\$ 3,659	\$ 3,659	\$ 4,362
-	Two Bdrm	60%	4	\$ 1,408	(\$135)	\$ 1,273	\$ 1,273	60%	\$ 5,090		2	\$ 985	\$ 1,970	\$ 2,439	\$ 2,908
-	Three Bdrm	30%	5	\$ 614	(\$159)	\$ 655	\$ 655	30%	\$ 3,273		3	\$ 2,508	\$ 7,525	\$ 5,898	\$ 6,712
-	Three Bdrm	40%	10	\$ 1,085	(\$159)	\$ 926	\$ 926	40%	\$ 9,258		5	\$ 2,237	\$ 11,186	\$ 9,830	\$ 11,186
-	Three Bdrm	50%	19	\$ 1,356	(\$159)	\$ 1,197	\$ 1,197	50%	\$ 22,743		10	\$ 1,966	\$ 19,660	\$ 15,660	\$ 22,372
-	Three Bdrm	60%	14	\$ 1,627	(\$159)	\$ 1,468	\$ 1,468	60%	\$ 20,555		7	\$ 1,695	\$ 11,864	\$ 13,762	\$ 15,660
-	Two Bdrm	MNGR	1	\$ 1,408	(\$159)	\$ 1,249	\$ -		\$ -						
MNGR	Two Bdrm	MNGR													
Subtotals			101						\$ 102,350	0	50		\$ 75,896	\$ 74,538	\$ 86,520

Rent Level Mix - TCAC Affordability Table				
AMI	% of total	9% score	Unit Mix	Enter
Units <= 30% AMI	10	10.0%	SROs	0
Units 35%AMI	-	0.0%	Studios	0
Units 40%AMI	20	20.0%	1-Bed	36
Units 45% AMI	-	0.0%	2-Bed	17
Units 50% AMI	40	40.0%	3-Bed	48
Units 55% AMI	-	0.0%	4-Bed	0
Units 60% AMI	30	30.0%	Total	110
Total Tax Credit Units	100			
Total Staff Units	1			
Total Units >60% AMI	-			
Total Units	101	Points	50.0	Total Unit Check
		10% at 30%?	2	WARNING: Unit Mix for Income doesn't match Unit Count
OK for Scoring		Tot Aff Pts:	52.0	
Average affordability (of tax credit units)			49.0%	

Utility Allowances						
Effective Date:	12/1/2016 Source: OHA					
Notes:						
	Tenants Pay?	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm
Cooking: Gas						
Cooking: Electric	x	6	7	8	9	10
Electric (other)	x	21	25	30	40	51
Heating: Gas						
Heating: Electric	x	13	15	18	22	25
Air Conditioning						
Hot Water: Gas						
Hot Water: Electric						
Water	x	73	74	79	88	95
Sewer						
Garbage						
Other						
TOTAL		113	121	135	159	181

Brooklyn Basin Parcel F Family 8/18/17
CASH FLOW PROJECTION

Page Notes:

Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Calendar		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Tenant Payments	2.5%	1,228,205	1,258,910	1,290,383	1,322,642	1,355,708	1,389,601	1,424,341	1,459,950	1,496,448	1,533,859	1,572,206	1,611,511	1,651,799	1,693,094	1,735,421	
MHSA/Special Needs Tenants	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MHSA COSR Payments		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Section 8 Payments	1.0%	30	910,751	919,858	929,057	938,347	947,731	957,208	966,780	976,448	986,213	996,075	1,006,035	1,016,096	1,026,257	1,036,519	1,046,885
Other Income	2.5%	14,544	14,908	15,280	15,662	16,054	16,455	16,867	17,288	17,720	18,163	18,618	19,083	19,560	20,049	20,550	
Distributions from Services Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Commercial/Childcare Income	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Scheduled Gross Income		2,153,500	2,193,676	2,234,720	2,276,652	2,319,493	2,363,264	2,407,988	2,453,686	2,500,381	2,548,098	2,596,859	2,646,690	2,697,616	2,749,662	2,802,856	
Residential Vacancy	5.0%	(62,137)	(63,691)	(65,283)	(66,915)	(68,588)	(70,303)	(72,060)	(73,862)	(75,708)	(77,601)	(79,541)	(81,530)	(83,568)	(85,657)	(87,799)	
Section 8 Vacancy	5.0%	(45,538)	(45,993)	(46,453)	(46,917)	(47,387)	(47,860)	(48,339)	(48,822)	(49,311)	(49,804)	(50,302)	(50,805)	(51,313)	(51,826)	(52,344)	
MHSA/Special Needs Vacancy	10.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Commercial Vacancy	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Effective Gross Income		2,045,825	2,083,992	2,122,984	2,162,819	2,203,518	2,245,101	2,287,589	2,331,002	2,375,362	2,420,693	2,467,016	2,514,355	2,562,735	2,612,179	2,662,713	
Operating Expenses (non-MHSA)	3.5%	(586,775)	(607,312)	(628,568)	(650,568)	(673,337)	(696,904)	(721,296)	(746,541)	(772,670)	(799,714)	(827,704)	(856,673)	(886,657)	(917,690)	(949,809)	
Bond Issuer Fee		(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	
Services Fee paid from income (non-MH)	3.5%	(90,000)	(93,150)	(96,410)	(99,785)	(103,277)	(106,892)	(110,633)	(114,505)	(118,513)	(122,661)	(126,954)	(131,397)	(135,996)	(140,756)	(145,683)	
City Annual Monitoring Fee	0.0%	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	
Services paid from services reserve	3.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Operating Reserves	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Replacement Reserves	0.0%	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	
MHSA Operating Expenses	3.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MHSA Resident Services	3.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MHSA Admin Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
MHSA Replacement Reserves	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net Operating Income		1,305,499	1,319,980	1,334,455	1,348,917	1,363,353	1,377,755	1,392,109	1,406,405	1,420,629	1,434,768	1,448,808	1,462,734	1,476,532	1,490,183	1,503,671	
Debt Service (Tranche A)		(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	
Debt Service (Tranche B)		(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	
Debt Service MHP or Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net Available Cash		170,289	184,770	199,245	213,707	228,143	242,545	256,899	271,195	285,419	299,558	313,598	327,524	341,322	354,973	368,461	
Debt Coverage Ratio		1.15	1.16	1.18	1.19	1.20	1.21	1.23	1.24	1.25	1.26	1.28	1.29	1.30	1.31	1.32	
Asset Management Fee	7,000	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133	9,407	9,690	9,980	10,280	10,588	
Deferred Developer Fee		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Partnership Management Fee	25,000	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815	
Services paid from Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cash Flow prior to Residual Receipts		138,289	151,810	165,297	178,740	192,127	205,448	218,690	231,839	244,882	257,805	270,593	283,229	295,697	307,980	320,059	
Residual Receipts to Public Lenders	50%	69,145	75,905	82,648	89,370	96,064	102,724	109,345	115,919	122,441	128,903	135,296	141,615	147,849	153,990	160,029	
City of Oakland Gap Funds	7,670,000	56%	38,796	42,589	46,373	50,144	53,900	57,637	61,351	65,040	68,700	72,325	75,912	79,457	82,955	86,401	
City of Oakland / OHA Land Sale Proceeds	5,000,000	37%	25,291	27,763	30,230	32,688	35,137	37,573	39,994	42,399	44,785	47,148	49,487	51,798	54,078	56,324	
City of Oakland / ZOHP Contribution	1,000,000	7%	5,058	5,553	6,046	6,538	7,027	7,515	7,999	8,480	8,957	9,430	9,897	10,360	10,816	11,265	
Source 4	-	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Cash Flow to Owner	50%	69,145	75,905	82,648	89,370	96,064	102,724	109,345	115,919	122,441	128,903	135,296	141,615	147,849	153,990	160,029	
Deferred Fee		1,269,374	69,145	75,905	82,648	89,370	96,064	102,724	109,345	115,919	122,441	128,903	135,296	141,615	0	0	
Incentive Mgmt Fee														147,849	153,990	160,029	

**Brooklyn Basin Parcel F Family 8/18/17
CASH FLOW PROJECTION**

Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Calendar	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Tenant Payments	1,778,807	1,823,277	1,868,859	1,915,580	1,963,470	2,012,557	2,062,870	2,114,442	2,167,303	2,221,486	2,277,023	2,333,949	2,392,287	2,452,105	2,513,407
MHSA/Special Needs Tenants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA COSR Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Section 8 Payments	1,057,353	1,067,927	1,078,606	1,089,392	1,100,286	1,111,289	1,122,402	1,133,626	1,144,962	1,156,412	1,167,976	1,179,656	1,191,452	1,203,367	1,215,400
Other Income	21,064	21,591	22,130	22,684	23,251	23,832	24,428	25,039	25,664	26,306	26,964	27,638	28,329	29,037	29,763
Distributions from Services Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial/Childcare Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Gross Income	2,857,224	2,912,795	2,969,595	3,027,656	3,087,007	3,147,678	3,209,700	3,273,107	3,337,930	3,404,204	3,471,963	3,541,242	3,612,078	3,684,509	3,758,571
Residential Vacancy	(89,994)	(92,243)	(94,549)	(96,913)	(99,336)	(101,819)	(104,365)	(106,974)	(109,648)	(112,390)	(115,199)	(118,079)	(121,031)	(124,057)	(127,159)
Section 8 Vacancy	(52,868)	(53,396)	(53,930)	(54,470)	(55,014)	(55,564)	(56,120)	(56,681)	(57,248)	(57,821)	(58,399)	(58,983)	(59,573)	(60,168)	(60,770)
MHSA/Special Needs Vacancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	2,714,363	2,767,155	2,821,116	2,876,273	2,932,656	2,990,294	3,049,215	3,109,451	3,171,034	3,233,994	3,298,365	3,364,180	3,431,474	3,500,283	3,570,642
Operating Expenses (non-MHSA)	(983,052)	(1,017,459)	(1,053,070)	(1,089,928)	(1,128,075)	(1,167,558)	(1,208,422)	(1,250,717)	(1,294,492)	(1,339,799)	(1,386,692)	(1,435,226)	(1,485,459)	(1,537,450)	(1,591,261)
Bond Issuer Fee	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)	(8,001)
Services Fee paid from income (non-MH)	(150,781)	(156,059)	(161,521)	(167,174)	(173,025)	(179,081)	(185,349)	(191,836)	(198,550)	(205,500)	(212,692)	(220,136)	(227,841)	(235,815)	(244,069)
City Annual Monitoring Fee	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)	(10,100)
Services paid from services reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserves	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)	(45,450)
MHSA Operating Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA Resident Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA Admin Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA Replacement Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Operating Income	1,516,979	1,530,086	1,542,974	1,555,621	1,568,006	1,580,105	1,591,894	1,603,348	1,614,441	1,625,144	1,635,430	1,645,267	1,654,624	1,663,467	1,671,761
Debt Service (Tranche A)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)	(382,854)
Debt Service (Tranche B)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)	(752,356)
Debt Service MHP or Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Available Cash	381,769	394,877	407,764	420,411	432,796	444,895	456,684	468,138	479,231	489,934	500,220	510,057	519,414	528,257	536,552
Debt Coverage Ratio	1.34	1.35	1.36	1.37	1.38	1.39	1.40	1.41	1.42	1.43	1.44	1.45	1.46	1.47	1.47
Asset Management Fee	10,906	11,233	11,570	11,917	12,275	12,643	13,022	13,413	13,815	14,230	14,656	15,096	15,549	16,015	16,496
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Services paid from Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow prior to Residual Receipts	370,863	383,644	396,194	408,494	420,521	432,252	443,662	454,725	465,416	475,705	485,563	494,961	503,865	512,241	520,056
Residual Receipts to Public Lenders	185,432	191,822	198,097	204,247	210,261	216,126	221,831	227,363	232,708	237,852	242,782	247,480	251,932	256,121	260,028
City of Oakland Gap Funds	104,042	107,628	111,149	114,600	117,974	121,265	124,465	127,569	130,568	133,455	136,221	138,857	141,355	143,705	145,897
City of Oakland / OHA Land Sale Proceeds	67,824	70,162	72,457	74,706	76,906	79,051	81,138	83,161	85,116	86,998	88,801	90,520	92,148	93,680	95,109
City of Oakland / ZOHP Contribution	13,565	14,032	14,491	14,941	15,381	15,810	16,228	16,632	17,023	17,400	17,760	18,104	18,430	18,736	19,022
Source 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow to Owner	185,432	191,822	198,097	204,247	210,261	216,126	221,831	227,363	232,708	237,852	242,782	247,480	251,932	256,121	260,028
Deferred Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Incentive Mgmt Fee	185,432	191,822	198,097	204,247	210,261	216,126	221,831	227,363	232,708	237,852	242,782	247,480	251,932	256,121	260,028

*Attachment
B*

Brooklyn Basin Parcel F Senior 8/18/17



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 OAKLAND
 2017 SEP 28 PM 1:32

TCAC 9%

SOURCES AND USES			
CONSTRUCTION SOURCES		per unit	
Construction Loan	\$ 36,547,681		332,252
City of Oakland Gap Funds	\$ 4,000,000		36,364
City of Oakland / OHA Land Sale Proc	\$ -		-
Below Market Ground Lease	\$ 5,500,000		50,000
Source 4	\$ -		-
Source 5	\$ -		-
Source 6	\$ -		-
LP and GP Equity	\$ 2,582,121		23,474
total	\$ 48,629,802		\$ 442,089
PERMANENT SOURCES		per unit	
Amortizing Perm Loan, Tranche A	\$ 4,055,800		36,871
Amortizing Perm Loan, Tranche B	\$ 10,726,500		97,514
City of Oakland Gap Funds	\$ 4,000,000		36,364
City of Oakland / OHA Land Sale Proc	\$ -		-
Below Market Ground Lease	\$ 5,500,000		50,000
Source 4	\$ -		-
Source 5	\$ -		-
Source 6	\$ -		-
Tax Credit Investor Proceeds	\$ 25,820,214		234,729
GP Equity	\$ 100		1
Deferred Developer Fee	\$ -		-
total	\$ 50,102,614		\$ 455,478
PERMANENT USES			
ACQUISITION	total	per unit	per SF
Land	\$ 5,500,000	\$ 50,000	\$ 56
Other Acquisition Costs	\$ 47,894	\$ 435	\$ 0
Total Acquisition Costs	\$ 5,547,894		\$ 56
HARD COSTS			
Resid. Site Work and Structures	\$ 27,397,809	\$ 249,071	\$ 278
Commercial Costs	\$ -	\$ -	\$ -
Escalation Contingency	\$ 1,782,346	\$ 16,203	\$ 18
Overhead & Profit/GC/Ins. Bond	\$ 3,778,874	\$ 34,353	\$ 38
Owner Contingency	\$ 1,649,096	\$ 14,992	\$ 17
Total Hard Costs	\$ 34,608,125	314,619	\$ 351
SOFT COSTS			
Architecture and Engineering	\$ 1,820,358	\$ 16,549	\$ 18
Construction Loan interest and fees	\$ 2,539,809	\$ 23,089	\$ 26
Permanent Financing	\$ 20,000	\$ 182	\$ 0
Legal Fees	\$ 135,000	\$ 1,227	\$ 1
Reserves	\$ 465,930	\$ 4,236	\$ 5
Permits and Fees	\$ 2,520,000	\$ 22,909	\$ 26
Other Soft Costs	\$ 1,045,499	\$ 9,505	\$ 11
Relocation	\$ -	\$ -	\$ -
Developer Fee	\$ 1,400,000	\$ 12,727	\$ 14
Total Soft Costs	\$ 9,946,595	90,424	\$ 101
TOTAL DEVELOPMENT COSTS	\$ 50,102,614	\$ 455,478	\$ 507
SURPLUS / (GAP)	\$ 0		

FINANCING ASSUMPTIONS		TAX CREDIT ASSUMPTIONS	
Debt Coverage Ratio	1.15	9% CREDIT COMPETITIVENESS	
Construction Underwriting Rate	4.47%	Tiebreaker	65.21%
Permanent Interest Rate	5.87%	Set-Aside	Non Profit
Perm Loan Amortization	30	Geographic Region	North/East Bay
		Project Type	Senior
DEVELOPER FEE			
15% of TDC	\$7,305,392	CREDIT AND EQUITY ASSUMPTIONS	
Total Fee	\$1,400,000	Price	1.04
Deferred Amount	\$0	130% Basis Boost?	Yes
GP Equity	\$100	100% Tax Credit Eligible?	Yes
		Acquisition Credits?	No

HARD COST ASSUMPTIONS
Feasibility (no detailed square footages or pricing available)

OPERATING AND SERVICES EXPENSE ASSUMPTIONS		
Total Residential Operating Expenses	\$ 6,041	Annual Escalation 3.5%
Resident Services Fee from Operations	\$ 818	
Resident Services Fee from Reserves	\$ -	
Commercial Operating Expenses	\$ -	
Replacement Reserves	\$ 450	
Debt Admin Fees - Bond Issuer, MHSA, Other	\$ 100	

	CASH FLOW - YEARS 1-5 and 15					
	2014	2015	2016	2017	2018	2028
Effective Gross Income	2,021,042	2,058,441	2,096,643	2,135,668	2,175,535	2,625,076
Operating Expenses	(664,472)	(687,728)	(711,798)	(736,711)	(762,496)	(1,075,576)
Services Expenses	(90,000)	(93,150)	(96,410)	(99,785)	(103,277)	(106,892)
Loan Admin Fees	-	-	-	-	-	-
Reserves	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)
Net Operating Income	1,206,071	1,217,063	1,227,935	1,238,672	1,249,261	1,343,317
Debt Service Loan 1	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)
Debt Service Loan 2	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)
Debt Service Loan 3	-	-	-	-	-	-
Cash Flow	157,323	168,315	179,187	189,924	200,513	294,569
DCR	1.15	1.16	1.17	1.18	1.19	1.28
LP Fee	7,000	7,210	7,426	7,649	7,879	10,588
Deferred Developer Fee	0	0	0	0	0	-
Partnership Management Fee	25,000	25,750	26,523	27,318	28,138	37,815
Services Paid from Cash Flow	0	0	0	0	0	0
Residual Receipts to Lenders	62,661	67,677	72,619	77,478	82,249	123,083
Incentive Management Fee	62,661	67,677	72,619	77,478	82,249	123,083
Other						

Attachment C

Brooklyn Basin Parcel F Senior 8/18/17 Gross Potential Income

Page Notes:

Affordability							Section 8 Payment Standards and Contract Rents						
Affordable Rent Calculations							CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE						
TCAC	Rents	Effective: April 14, 2017	Projects Placed in Service on or after 4/14/2017				Effective:	FY 2017					
COUNTY:	ALAMEDA		RURAL STATUS: Non-Rural				Source:	110% HUD FMRS (not the OHA payment standard)					
		SRO	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	SRO	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm
100% AMI		\$1,826	\$1,826	\$1,956	\$2,346	\$2,712	\$3,024	FMR/Pymt Standard	\$1,579	\$1,898	\$2,393	\$3,322	\$3,828
								Contract Rent	\$1,539	\$1,851	\$2,337	\$3,251	\$3,742

Gross Potential Rent Calculation															
Unit Type	Bedrooms Baths	Rent as % of Median	Total Number Of Units (inc MHA, \$8)	MAX GROSS Rent	Less Utility Allowance	Max Net Rents	MPHC Proposed Rents	Actual % AMI Rents	Tenant Paid Monthly Income	# OF COSR Units	# OF Section 8 Units	Per Unit Section 8 Increment	Total Monthly Section 8 Increment	2017 TCAC TIEBREAKER Increment	2018 TCAC TIEBREAKER Increment
-	Studio	30%		\$ 548	(\$40)	\$ 508	\$ 508	30%	\$ -		0	\$ 1,031	\$ -	\$ -	\$ -
-	Studio	40%		\$ 730	(\$40)	\$ 690	\$ 690	40%	\$ -		0	\$ 848	\$ -	\$ -	\$ -
-	Studio	50%		\$ 913	(\$40)	\$ 873	\$ 873	50%	\$ -		0	\$ 666	\$ -	\$ -	\$ -
-	Studio	60%		\$ 1,096	(\$40)	\$ 1,056	\$ 1,056	60%	\$ -		0	\$ 483	\$ -	\$ -	\$ -
-	One Bdrm	30%	10	\$ 587	(\$47)	\$ 540	\$ 540	30%	\$ 5,398	6	6	\$ 1,311	\$ 7,864	\$ 5,517	\$ 6,591
-	One Bdrm	40%	22	\$ 782	(\$47)	\$ 735	\$ 735	40%	\$ 16,179	13	13	\$ 1,115	\$ 14,496	\$ 11,954	\$ 14,496
-	One Bdrm	50%	43	\$ 978	(\$47)	\$ 931	\$ 931	50%	\$ 40,033	35	35	\$ 920	\$ 32,183	\$ 32,183	\$ 39,029
-	One Bdrm	60%	31	\$ 1,174	(\$47)	\$ 1,127	\$ 1,127	60%	\$ 34,925	25	25	\$ 724	\$ 18,098	\$ 22,988	\$ 27,878
-	Two Bdrm	30%	1	\$ 704	(\$56)	\$ 648	\$ 648	30%	\$ 648	1	1	\$ 1,689	\$ 1,689	\$ 1,220	\$ 1,454
-	Two Bdrm	40%	0	\$ 938	(\$56)	\$ 882	\$ 882	40%	\$ -	0	0	\$ 1,454	\$ -	\$ -	\$ -
-	Two Bdrm	50%	2	\$ 1,173	(\$56)	\$ 1,117	\$ 1,117	50%	\$ 2,234	2	2	\$ 1,220	\$ 2,439	\$ 2,439	\$ 2,908
-	Two Bdrm	60%	0	\$ 1,408	(\$56)	\$ 1,352	\$ 1,352	60%	\$ -	0	0	\$ 985	\$ -	\$ -	\$ -
-	Three Bdrm	30%	0	\$ 814	(\$71)	\$ 743	\$ 743	30%	\$ -	0	0	\$ 2,508	\$ -	\$ -	\$ -
-	Three Bdrm	40%	0	\$ 1,085	(\$71)	\$ 1,014	\$ 1,014	40%	\$ -	0	0	\$ 2,237	\$ -	\$ -	\$ -
-	Three Bdrm	50%	0	\$ 1,356	(\$71)	\$ 1,285	\$ 1,285	50%	\$ -	0	0	\$ 1,966	\$ -	\$ -	\$ -
-	Three Bdrm	60%	0	\$ 1,627	(\$71)	\$ 1,556	\$ 1,556	60%	\$ -	0	0	\$ 1,695	\$ -	\$ -	\$ -
-	MNGR		1	\$ 1,408	(\$71)	\$ 1,337	\$ -		\$ -						
Subtotals			110						\$ 99,416	0	82		\$ 76,768	\$ 76,299	\$ 92,455

Rent Level Mix - TCAC Affordability Table							Utility Allowances						
Effective Date: 12/1/2016 Source: OHA							Notes:						
AMI	% of total	9% score	Unit Mix	Enter	Check Income Table		Tenants Pay?	Studio	One Bdrm	Two Bdrm	Three Bdrm	Four Bdrm	
Units <= 30% AMI	11	10.1%	15.00	SROs	0	-							
Units 35% AMI	-	0.0%	-	Studios	0	-							
Units 40% AMI	22	20.2%	15.00	1-Bed	106	106							
Units 45% AMI	-	0.0%	-	2-Bed	4	4							
Units 50% AMI	45	41.3%	20.00	3-Bed	0	-							
Units 55% AMI	-	0.0%	-	4-Bed	0	-							
Units 60% AMI	31	28.4%		Total	110	110							
Total Tax Credit Units	109												
Total Staff Units	1												
Total Units >60% AMI	-												
Total Units	110	Points	50.0	Total Unit Check									
		10% at 30%?	2	OK									
OK for Scoring		Tot Aff Pts:	52.0										
Average affordability (of tax credit units)			48.8%										
TOTAL								40	47	56	71	86	

Brooklyn Basin Parcel F Senior 8/18/17
CASH FLOW PROJECTION

Page Notes:

Year		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Calendar		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Tenant Payments	2.5%	1,192,994	1,222,819	1,253,390	1,284,724	1,316,843	1,349,764	1,383,508	1,418,095	1,453,548	1,489,887	1,527,134	1,565,312	1,604,445	1,644,556	1,685,670
MHSA/Special Needs Tenants	2.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA COSR Payments		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Section 8 Payments	1.0%	30	921,218	930,431	939,735	949,132	958,624	968,210	977,892	987,671	997,548	1,007,523	1,017,598	1,027,774	1,038,052	1,048,432
Other Income	2.5%	13,200	13,530	13,868	14,215	14,570	14,935	15,308	15,691	16,083	16,485	16,897	17,320	17,753	18,196	18,651
Distributions from Services Reserve		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial/Childcare Income	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Gross Income		2,127,413	2,166,780	2,206,993	2,248,072	2,290,036	2,332,908	2,376,708	2,421,457	2,467,178	2,513,895	2,561,629	2,610,406	2,660,249	2,711,185	2,763,238
Residential Vacancy	5.0%	(60,310)	(61,817)	(63,363)	(64,947)	(66,571)	(68,235)	(69,941)	(71,689)	(73,482)	(75,319)	(77,202)	(79,132)	(81,110)	(83,138)	(85,216)
Section 8 Vacancy	5.0%	(46,061)	(46,522)	(46,987)	(47,457)	(47,931)	(48,410)	(48,895)	(49,384)	(49,877)	(50,376)	(50,880)	(51,389)	(51,903)	(52,422)	(52,946)
MHSA/Special Needs Vacancy	10.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income		2,021,042	2,058,441	2,096,643	2,135,668	2,175,535	2,216,263	2,257,872	2,300,384	2,343,819	2,388,200	2,433,548	2,479,885	2,527,237	2,575,626	2,625,076
Operating Expenses (non-MHSA)	3.5%	(664,472)	(687,728)	(711,798)	(736,711)	(762,496)	(789,184)	(816,805)	(845,393)	(874,962)	(905,606)	(937,303)	(970,108)	(1,004,062)	(1,039,204)	(1,075,576)
Bond Issuer Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Services Fee paid from income (non-MHSA)	3.5%	(90,000)	(93,150)	(96,410)	(99,785)	(103,277)	(106,892)	(110,633)	(114,505)	(118,513)	(122,661)	(126,954)	(131,397)	(135,996)	(140,756)	(145,683)
City Annual Monitoring Fee	0.0%	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
Services paid from services reserve	3.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Reserves	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserves	0.0%	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)
MHSA Operating Expenses	3.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA Resident Services	3.5%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA Admin Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA Replacement Reserves	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Operating Income		1,206,071	1,217,063	1,227,935	1,238,672	1,249,261	1,259,687	1,269,934	1,279,986	1,289,824	1,299,433	1,308,791	1,317,880	1,326,679	1,335,165	1,343,317
Debt Service (Tranche A)		(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)
Debt Service (Tranche B)		(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)
Debt Service MHP or Other		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Available Cash		157,323	168,315	179,187	189,924	200,513	210,939	221,186	231,238	241,077	250,685	260,043	269,132	277,931	286,417	294,569
Debt Coverage Ratio		1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.23	1.24	1.25	1.26	1.27	1.27	1.28
Asset Management Fee	7,000	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133	9,407	9,690	9,980	10,280	10,588
Deferred Developer Fee		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Partnership Management Fee	25,000	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815
Services paid from Cash Flow		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow prior to Residual Receipts		125,323	135,355	145,238	154,957	164,497	173,843	182,977	191,882	200,540	208,932	217,038	224,837	232,306	239,424	246,166
Residual Receipts to Public Lenders	50%	62,661	67,677	72,619	77,478	82,249	86,921	91,488	95,941	100,270	104,466	108,519	112,418	116,153	119,712	123,083
City of Oakland Gap Funds	4,000,000	100%	62,661	67,677	72,619	77,478	82,249	86,921	91,488	95,941	100,270	104,466	108,519	112,418	116,153	119,712
City of Oakland / OHA Land Sale Proceeds	-	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Below Market Ground Lease	-	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Source 4	-	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cashflow	50%	62,661	67,677	72,619	77,478	82,249	86,921	91,488	95,941	100,270	104,466	108,519	112,418	116,153	119,712	123,083
Incentive Management Fee to GP		62,661	67,677	72,619	77,478	82,249	86,921	91,488	95,941	100,270	104,466	108,519	112,418	116,153	119,712	123,083

**Brooklyn Basin Parcel F
CASH FLOW PROJECTION**

Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Calendar	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Tenant Payments	1,727,812	1,771,007	1,815,282	1,860,664	1,907,181	1,954,860	2,003,732	2,053,825	2,105,171	2,157,800	2,211,745	2,267,039	2,323,715	2,381,807	2,441,353
MHSA/Special Needs Tenants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA COSR Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Section 8 Payments	1,069,506	1,080,201	1,091,003	1,101,913	1,112,932	1,124,062	1,135,302	1,146,655	1,158,122	1,169,703	1,181,400	1,193,214	1,205,146	1,217,198	1,229,370
Other Income	19,118	19,595	20,085	20,587	21,102	21,630	22,170	22,725	23,293	23,875	24,472	25,084	25,711	26,354	27,013
Distributions from Services Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial/Childcare Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Scheduled Gross Income	2,816,435	2,870,803	2,926,370	2,983,165	3,041,215	3,100,551	3,161,204	3,223,205	3,286,585	3,351,378	3,417,617	3,485,336	3,554,572	3,625,359	3,697,735
Residential Vacancy	(87,346)	(89,530)	(91,768)	(94,063)	(96,414)	(98,824)	(101,295)	(103,827)	(106,423)	(109,084)	(111,811)	(114,606)	(117,471)	(120,408)	(123,418)
Section 8 Vacancy	(53,475)	(54,010)	(54,550)	(55,096)	(55,647)	(56,203)	(56,765)	(57,333)	(57,906)	(58,485)	(59,070)	(59,661)	(60,257)	(60,860)	(61,468)
MHSA/Special Needs Vacancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Commercial Vacancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Effective Gross Income	2,675,613	2,727,263	2,780,052	2,834,006	2,889,154	2,945,524	3,003,144	3,062,045	3,122,256	3,183,809	3,246,736	3,311,070	3,376,843	3,444,091	3,512,848
Operating Expenses (non-MHSA)	(1,113,222)	(1,152,184)	(1,192,511)	(1,234,249)	(1,277,447)	(1,322,158)	(1,368,434)	(1,416,329)	(1,465,900)	(1,517,207)	(1,570,309)	(1,625,270)	(1,682,154)	(1,741,030)	(1,801,966)
Bond Issuer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Services Fee paid from income (non-MHSA)	(150,781)	(156,059)	(161,521)	(167,174)	(173,025)	(179,081)	(185,349)	(191,836)	(198,550)	(205,500)	(212,692)	(220,136)	(227,841)	(235,815)	(244,069)
City Annual Monitoring Fee	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)	(11,000)
Services paid from services reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserves	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)	(49,500)
MHSA Operating Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA Resident Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA Admin Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MHSA Replacement Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Operating Income	1,351,110	1,358,520	1,365,520	1,372,084	1,378,182	1,383,785	1,388,862	1,393,380	1,397,305	1,400,603	1,403,235	1,405,164	1,406,348	1,406,746	1,406,313
Debt Service (Tranche A)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)	(287,744)
Debt Service (Tranche B)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)	(761,004)
Debt Service MHP or Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Available Cash	302,363	309,772	316,773	323,336	329,434	335,037	340,114	344,632	348,558	351,855	354,487	356,416	357,600	357,998	357,565
Debt Coverage Ratio	1.29	1.30	1.30	1.31	1.31	1.32	1.32	1.33	1.33	1.34	1.34	1.34	1.34	1.34	1.34
Asset Management Fee	10,906	11,233	11,570	11,917	12,275	12,643	13,022	13,413	13,815	14,230	14,656	15,096	15,549	16,015	16,496
Deferred Developer Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Partnership Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Services paid from Cash Flow	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Flow prior to Residual Receipts	291,457	298,539	305,203	311,419	317,159	322,394	327,092	331,219	334,743	337,625	339,831	341,320	342,051	341,982	341,069
Residual Receipts to Public Lenders	145,728	149,270	152,601	155,709	158,580	161,197	163,546	165,610	167,371	168,813	169,915	170,660	171,025	170,991	170,535
City of Oakland Gap Funds	145,728	149,270	152,601	155,709	158,580	161,197	163,546	165,610	167,371	168,813	169,915	170,660	171,025	170,991	170,535
City of Oakland / OHA Land Sale Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Below Market Ground Lease	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Source 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Remaining Cashflow	145,728	149,270	152,601	155,709	158,580	161,197	163,546	165,610	167,371	168,813	169,915	170,660	171,025	170,991	170,535
Incentive Management Fee to GP	145,728	149,270	152,601	155,709	158,580	161,197	163,546	165,610	167,371	168,813	169,915	170,660	171,025	170,991	170,535

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BROOKLYN BASIN SCHEDULE FOR NECESSARY RPTTF DRAWDOWN BY PHASE

BROOKLYN BASIN RPTTF Drawdown by Project Phase	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23		TOTAL
	7/2016-12/2016	1/2017-6/2017	7/2017-12/2017	1/2018-6/2018	7/2018-12/2018	1/2019-6/2019	7/2019-12/2019	1/2020-6/2020	7/2020-12/2020	1/2021-6/2021	7/2021-12/2021	1/2022-6/2022	7/2022-12/2022	1/2023-6/2023	
Bond Proceeds on Hand	2,545,000														
RPTTF Fiscal Year Request	2,000,000	2,000,000	2,000,000	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000	4,500,000	5,000,000	4,500,000	2,500,000	0	0	\$ 40,045,000
City Housing Staff Costs	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(375,000)	(350,000)	(350,000)	(300,000)	(300,000)	(150,000)	(4,600,000)
RPTTF Accrual Balance for Project	4,170,000	5,795,000	7,420,000	9,545,000	3,170,000	5,333,000	9,958,000	4,125,000	8,307,000	4,150,000	6,350,000	300,000	150,000	0	0
RPTTF Project drawdown	0	0	0	(8,500,000)	(2,462,000)	0	(9,958,000)	(468,000)	(8,307,000)	0	(5,750,000)	0	0	0	(35,445,000)
Ending RPTTF Accrual Balance	4,170,000	5,795,000	7,420,000	1,045,000	708,000	5,333,000	0	3,657,000	0	4,150,000	600,000	300,000	150,000	0	0
TAX CREDITS DATES															
PARCEL 1 - Family Phase															
(Non-Competitive 4% Tax Exempt Bond project) 4% Tax Exempt															
Tax Credit Application	October 2017														
Tax Credit Award	December 2017														
Tax Credit closing deadline (90 days) / Construction Start	March 2018														
RPTTF needed	March 2018														
RPTTF needed	July 2018														
Construction Completion / Begin Lease-Up	August 2019														
				3,240,000	2,462,000										3,240,000
															2,462,000
PARCEL 1 - Senior Phase															
(Competitive 9% Tax Credit project) 9%															
Tax Credit Application	June 2017														
Tax Credit Award	September 2017														
Tax Credit closing deadline (180 days) / Construction Start	March 2018														
RPTTF needed	March 2018														
RPTTF needed	July 2018														
Construction Completion / Begin Lease-Up	August 2019														
				5,260,000											5,260,000
PARCEL 2 - Family 1 Phase															
(Non-Competitive 4% Tax Exempt Bond project) 4% Tax Exempt															
Tax Credit Application	March 2019														
Tax Credit Award	May 2019														
Tax Credit closing deadline (90 days) / Construction Start	July 2019														
RPTTF needed	July 2019														
RPTTF needed	January 2020														
Construction Completion / Begin Lease-Up	December 2020														
						9,958,000	468,000								9,958,000
															468,000
PARCEL 2 - Family 2 Phase															
(Non-Competitive 4% Tax Exempt Bond project) 4% Tax Exempt															
Tax Credit Application	March 2020														
Tax Credit Award	May 2020														
Tax Credit closing deadline (90 days) / Construction Start	July 2020														
RPTTF needed	July 2020														
Construction Completion / Begin Lease-Up	December 2021														
								8,307,000							8,307,000

Attachment D

PARCEL 2 - Family 3 Phase (Non-Competitive 4% Tax Exempt Bond project)		4% Tax Exempt							
Tax Credit Application	March 2021								
Tax Credit Award	May 2021								
Tax Credit closing deadline (90 days) / Construction Start	July 2021								
RPTTF needed	July 2021						5,750,000		5,750,000
RPTTF needed	January 2022						0		0
Construction Completion / Begin Lease-Up	December 2022								

Attachment
D

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DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C.M.S.

ORDINANCE (1) AUTHORIZING A MASTER HOUSING AGREEMENT WITH THE OAKLAND HOUSING AUTHORITY AND MIDPEN HOUSING CORPORATION, OR AFFILIATED ENTITIES, FOR DEVELOPMENT OF AFFORDABLE HOUSING AT BROOKLYN BASIN, (2) AUTHORIZING LEASE DISPOSITION AND DEVELOPMENT AGREEMENTS WITH MIDPEN HOUSING CORPORATION AND THE OAKLAND HOUSING AUTHORITY, OR AFFILIATED ENTITIES, FOR THE LONG-TERM GROUND LEASE OF PARCEL F AT BROOKLYN BASIN FOR THE FIRST PHASES OF DEVELOPMENT, AND (3) MAKING CEQA FINDINGS FOR THIS ACTION

WHEREAS, in 2014 and 2017, the City acquired Project Parcels A and F (the "affordable housing parcels") at the Brooklyn Basin development project (formerly the Oak to 9th project) for the development of 465 units of affordable housing; and

WHEREAS, the obligation to purchase the affordable housing parcels for development of affordable housing arises pursuant to a Development Agreement between the City and Zarsion-OHP I, LLC ("ZOHP"), originally entered into in 2006 and subsequently amended (the "Development Agreement") and a Cooperation Agreement between the City and the Oak to Ninth Community Benefits Coalition originally entered into in 2006 and subsequently amended (the "Cooperation Agreement"); and

WHEREAS, the Development Agreement provides that the City and ZOHP will work together to identify, recruit and select an affordable housing developer to acquire the affordable housing parcels and develop affordable housing, and sets forth a process for ZOHP to propose an affordable housing developer and for the City to accept or reject the proposed developer; and

WHEREAS, the Housing Authority of the City of Oakland, California ("OHA") has purchased or will be purchasing an undivided 50 percent tenant-in-common interest in the affordable housing parcels; and

WHEREAS, the City and OHA have selected MidPen Housing Corporation ("MidPen"), a California nonprofit public benefit corporation, pursuant to the developer selection process in the Development Agreement, to be the developer of affordable housing at the affordable housing parcels; and

WHEREAS, MidPen is an experienced and capable affordable housing developer; and

WHEREAS, on January 5, 2016, Council passed Resolution No. 85939 C.M.S. approving a financing plan for developing affordable housing at Brooklyn Basin; and

WHEREAS, a Master Housing Agreement among the City, OHA and MidPen, or affiliates, will set forth the general terms and conditions under which the affordable housing parcels will be conveyed and the affordable housing will be financed and developed on the parcels; and

WHEREAS, MidPen has proposed developing the affordable housing on the affordable housing parcels in phases, with the first two project phases being developed on Parcel F; and

WHEREAS, MidPen has proposed to develop 101 units of family housing as part of Project 1 and 110 units of senior housing as part of Project 2 on Parcel F; and

WHEREAS, all units (other than manager units) will be affordable to households earning no more than 60% of area median income; and

WHEREAS, Section 2.42.140, et seq., of the Oakland Municipal Code authorizes the City to sell or lease real property for development by ordinance; and

WHEREAS, lease disposition and development agreements among the City, OHA and MidPen will set forth the terms and conditions under which the City and OHA will dispose of Parcel F to MidPen and/or affiliated entities by means of long-term ground leases, and by which MidPen will construct Project 1 and Project 2 on Parcel F; and

WHEREAS, the conveyance of Parcel F to MidPen for development and operation of affordable housing will further the health, safety, and general welfare of the residents of the City of Oakland by increasing the stock of housing affordable to low income households; and

WHEREAS, Section 2.42.180 of the Oakland Municipal Code authorizes the City to dispose of property at its fair reuse value as assessed based on the property's proposed development and use, prevailing market conditions, development climate at the time of disposition, and other economic and noneconomic factors, and requires findings to justify any below-market disposition; and

WHEREAS, the assessment set forth in the staff report accompanying this Ordinance concludes that, based on a financial feasibility analysis of the proposed project, the fair reuse value of Parcel F is nominal; and

WHEREAS, given the economics of the proposed projects and the need to make the projects work, the ground lease of Parcel F to MidPen at a nominal cost is necessary; and

WHEREAS, the Environmental Impact Report for the Oak to Ninth Mixed Use Development Project prepared under the California Environmental Quality Act ("CEQA") and certified by the City Council in 2006 and recertified in 2009 (the "EIR") provides a project-level analysis of the environmental impacts of the Brooklyn Basin development project and supports all levels of approval necessary to implement the Brooklyn Basin project, including affordable housing development on the affordable housing parcels; and

WHEREAS, the proposed transactions, including development of Project 1 and Project 2 on Parcel F, would not result in any significant effect that has not already been analyzed in the EIR, and there will be no significant environmental effects caused by the transactions that have not already been analyzed in the EIR; now, therefore

The Council of the City of Oakland does ordain as follows:

SECTION 1. The City Council hereby authorizes the City Administrator or her designee to negotiate and execute a Master Housing Agreement with OHA and MidPen, or affiliated entity or entities approved by the City Administrator, setting forth the general terms and conditions under which the affordable housing parcels will be conveyed and the affordable housing units will be financed and developed on the parcels.

SECTION 2. The City Council hereby authorizes the City Administrator or her designee to negotiate and execute lease disposition and development agreements with OHA and MidPen, or affiliated entity or entities approved by the City Administrator, for the disposition of Parcel F to Mid-Pen or affiliate by long-term ground leases and the development of Project 1 and Project 2 on Parcel F by MidPen or affiliate consistent with the terms of this Ordinance and other agreements with respect to the affordable housing parcels.

SECTION 3. The City Council hereby authorizes long-term ground leases of the City's interest in Parcel F at Brooklyn Basin to MidPen, or affiliated entity or entities approved by the City Administrator, for nominal lease payments, in return for an agreement by the developer to develop and operate Project 1 and Project 2 on Parcel F as affordable housing. The City Council further authorizes the City Administrator or her designate to negotiate and execute ground leases and any other agreements or documents as necessary to convey leasehold interests in Parcel F to MidPen or affiliates, as well as agreements or documents as necessary to transfer or assign funds or other interests the City has with respect to Parcel F including remediation and monitoring funds, escrowed funds, and environmental protections, upon the satisfaction of any preconveyance conditions imposed by the City Administrator or her designee.

SECTION 4. As a condition of the conveyances, the City will require that appropriate restrictions on occupancy, rents and operations for affordable units developed as part of Project 1 and Project 2 be recorded against improvements developed on Parcel F.

SECTION 5. The City Council, pursuant to Oakland Municipal Code Section 2.42.170.B., hereby waives the competitive Notice of Development Opportunity ("NODO") process for disposition of Parcel F, and finds and determines that disposition of Parcel F without a competitive NODO process is in the best interests of the City in order to comply with the provisions of the Development Agreement concerning selection of an affordable housing developer for the affordable housing parcels, and to facilitate timely development of affordable housing on the affordable housing parcels by an experienced and capable affordable housing developer.

SECTION 6. Based on the reuse value assessment set forth in the staff report accompanying this Ordinance concluding that the fair reuse value of Parcel F is nominal given its required use as affordable housing and the need to make Project 1 and Project 2 financially feasible, Council hereby finds that the ground lease of Parcel F to MidPen at nominal cost is necessary and in the best interests of the City. Because Parcel F is being conveyed at less than fair rental value, all City employment and contracting programs shall apply to Project 1 and Project 2.

SECTION 7. All agreements associated with the Parcel F and Project 1 and Project 2 shall be reviewed and approved as to form and legality by the Office of the City Attorney prior to execution by the City, and shall be placed on file with the City Clerk.

SECTION 8. The City Council finds and determines that the proposed transactions would not result in any significant effect that has not already been analyzed in the EIR, and there will be no significant environmental effects caused by the transactions that have not already been analyzed in the EIR. The City Administrator or her designee is hereby authorized to file a notice of determination with the Office of the Alameda County Recorder and the State Office of Planning and Research, and to take any other action necessary in furtherance of the project consistent with this Ordinance and its basic purposes.

SECTION 9. The record before this Council relating to this Ordinance includes, without limitation, the following:

- A. All staff reports, decision letters and other documentation and information produced by or on behalf of the City, and all notices relating to this Ordinance and the LDDAs;
- B. All oral and written evidence received by City staff and the City Council before and during the consideration of this Ordinance;

- C. All matters of common knowledge and all official enactments and acts of the City, such as (1) the General Plan; (2) the Oakland Municipal Code, including, without limitation, the Oakland real estate regulations; (3) the Oakland Planning Code; (4) other applicable City policies and regulations; and (5) all applicable state and federal laws, rules and regulations.

SECTION 10. The custodians and locations of the documents or other materials which constitute the record of proceedings upon which the City Council's decision is based are respectively: (a) the Office of Housing And Community Development, 250 Frank H. Ogawa Plaza, 5th floor, Oakland CA; (b) Planning and Neighborhood Preservation Department, Planning Division, 250 Frank H. Ogawa Plaza, 3rd floor, Oakland CA; and (c) the Office of the City Clerk, 1 Frank H. Ogawa Plaza, 1st floor, Oakland, CA.

SECTION 11. The recitals contained in this Ordinance are true and correct and are an integral part of the Council's decision.

SECTION 12. This Ordinance shall be in full force and effect immediately upon its passage as provided by Section 216 of the City Charter if adopted by at least six members of Council, or upon the seventh day after final adoption if adopted by fewer votes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2017

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY,
GUILLEN, KALB, KAPLAN, AND PRESIDENT REID,

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____

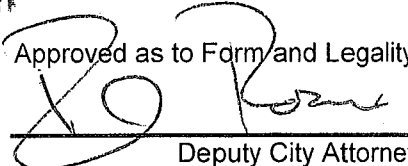
LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

ORDINANCE (1) AUTHORIZING A MASTER HOUSING AGREEMENT WITH THE OAKLAND HOUSING AUTHORITY AND MIDPEN HOUSING CORPORATION, OR AFFILIATED ENTITIES, FOR DEVELOPMENT OF AFFORDABLE HOUSING AT BROOKLYN BASIN, AND (2) AUTHORIZING LEASE DISPOSITION AND DEVELOPMENT AGREEMENTS WITH MIDPEN HOUSING CORPORATION AND THE OAKLAND HOUSING AUTHORITY, OR AFFILIATED ENTITIES, FOR THE LONG-TERM GROUND LEASE OF PARCEL F AT BROOKLYN BASIN FOR THE FIRST PHASES OF DEVELOPMENT, AND (3) MAKING CEQA FINDINGS FOR THIS ACTION

NOTICE AND DIGEST

This Ordinance authorizes a Master Housing Agreement between the City, the Oakland Housing Authority, and MidPen Housing Corporation for the disposition of the affordable housing parcels at Brooklyn Basin and the financing and development of affordable housing on those parcels. This Ordinance also authorizes the long-term ground leases of one of the affordable housing parcels, Parcel F, to MidPen Housing Corporation at a nominal cost for development of affordable housing, on the site, and authorizes the City Administrator to negotiate and enter into lease disposition and development agreements and ground leases with MidPen Housing Corporation and the Oakland Housing Authority for this transaction, and makes associated findings with respect to the California Environmental Quality Act (CEQA) and other matters.

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Approved as to Form and Legality

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION (1) AUTHORIZING AN UNSECURED PREDEVELOPMENT LOAN IN THE AMOUNT OF \$2,067,000 TO MIDPEN HOUSING CORPORATION, OR AFFILIATED ENTITIES, TO SUPPORT THE DEVELOPMENT OF AFFORDABLE HOUSING ON PARCELS A AND F AT BROOKLYN BASIN, (2) AUTHORIZING A SECURED AFFORDABLE HOUSING DEVELOPMENT LOAN IN AN AMOUNT NOT TO EXCEED \$15,243,000, TO MIDPEN HOUSING CORPORATION, OR AFFILIATED ENTITIES, TO SUPPORT THE DEVELOPMENT OF AFFORDABLE HOUSING ON PARCEL F AT BROOKLYN BASIN, AND (3) MAKING CEQA FINDINGS FOR THIS ACTION

WHEREAS, in 2014 and 2017, the City acquired Project Parcels A and F (the "affordable housing parcels") at the Brooklyn Basin development project (formerly the Oak to 9th project) for the development of 465 units of affordable housing; and

WHEREAS, the obligation to purchase the affordable housing parcels for development of affordable housing and to ensure development of at least 465 units of affordable housing on the site arises pursuant to a Development Agreement between the City and Zarsion-OHP I, LLC ("ZOHP"), originally entered into in 2006 and subsequently amended (the "Development Agreement") and a Cooperation Agreement between the City and the Oak to Ninth Community Benefits Coalition originally entered into in 2006 and subsequently amended (the "Cooperation Agreement"); and

WHEREAS, the Development Agreement provides that the City and ZOHP will work together to identify, recruit and select an affordable housing developer to acquire the affordable housing parcels and develop affordable housing, and sets forth a process for ZOHP to propose an affordable housing developer and for the City to accept or reject the proposed developer; and

WHEREAS, the Housing Authority of the City of Oakland, California ("OHA") has purchased or will be purchasing an undivided 50 percent tenant-in-common interest in

the affordable housing parcels from the City for \$10 million, with these sale proceeds to the City earmarked to the development of affordable housing on the affordable housing parcels; and

WHEREAS, the City and OHA have selected MidPen Housing Corporation ("MidPen"), a California nonprofit public benefit corporation, pursuant to the developer selection process in the Development Agreement, to be the developer of affordable housing at the affordable housing parcels; and

WHEREAS, MidPen is an experienced and capable affordable housing developer; and

WHEREAS, MidPen has proposed to develop the required 465 affordable housing units in four separate phases in order to maximize project viability and ability to leverage outside funding sources; and

WHEREAS, the City and OHA have been working closely with MidPen and the Community Benefits Coalition to develop and refine the affordable housing development scenarios and financing plan; and

WHEREAS, on January 5, 2016, Council passed Resolution No. 85939 C.M.S. approving a financing plan for developing affordable housing at the affordable housing parcels; and

WHEREAS, on July 19, 2016, the City Council approved City Council Resolution No. 86301 C.M.S. authorizing a \$360,000 unsecured predevelopment loan for the project; and

WHEREAS, it will be beneficial to the affordable housing development at Brooklyn Basin for the projects to receive additional predevelopment loan funds in the amount of \$2,067,000, for a total predevelopment loan amount not to exceed \$2,427,000, so that MidPen will have working capital to undertake predevelopment activities for the first two planned phases of the project through design review; and

WHEREAS, sufficient funding is available to the City from the Oakland Redevelopment Successor Agency from the 2011 Affordable Housing Set-Aside Bond Fund to provide the additional requested predevelopment loan; and

WHEREAS, MidPen does not currently hold an interest in the affordable housing parcels, and it is therefore not possible to secure the predevelopment loans at this time; and

WHEREAS, it is anticipated that the predevelopment loans will be consolidated with the loans for development of the projects on the affordable housing parcels when the development loans are closed; and

WHEREAS, the City anticipates receiving roughly \$40 million in additional housing bond proceeds over the next several years for affordable housing at Brooklyn Basin, of which \$35,000,000 will be available for development loans to the projects after paying City staff and administrative costs; and

WHEREAS, pursuant to the terms of the Development Agreement, ZOHP must provide a \$2 million affordable housing contribution to affordable housing development costs (\$1 million per affordable housing parcel), to be paid to the City once building permits for the affordable housing are drawn on each parcel; and

WHEREAS, MidPen has proposed developing the first two project phases on Parcel F, with 101 units of family housing as part of Project 1 and 110 units of senior housing as part of Project 2, for a total of 211 affordable units developed on Parcel F; and

WHEREAS, lease disposition and development agreements among the City, OHA and MidPen will set forth the terms and conditions under which the City and OHA will dispose of Parcel F to MidPen and/or affiliated entities by means of long-term ground leases, and by which MidPen will construct Project 1 and Project 2 on Parcel F; and

WHEREAS, all units (other than manager units) will be rented at rents affordable to households earning no more than 60% of area median income; and

WHEREAS, the project is consistent with the City's Project Development Guidelines, and MidPen meets the City's Threshold Developer Criteria; and

WHEREAS, the project will increase and improve the supply of low and very low income housing available in the City of Oakland; and

WHEREAS, the Environmental Impact Report for the Oak to Ninth Mixed Use Development Project prepared under the California Environmental Quality Act ("CEQA") and certified by the City Council in 2006 and recertified in 2009 (the "EIR") provides a project-level analysis of the environmental impacts of the Brooklyn Basin development project and supports all levels of approval necessary to implement the Brooklyn Basin project, including affordable housing development on the affordable housing parcels; and

WHEREAS, the proposed transactions, including development of Project 1 and Project 2 on Parcel F, would not result in any significant effect that has not already been analyzed in the EIR, and there will be no significant environmental effects caused by the transactions that have not already been analyzed in the EIR; now, therefore, be it

RESOLVED: That the City Council hereby authorizes the City Administrator or her designee to provide an additional unsecured predevelopment loan in the amount of \$2,067,000 to MidPen Housing Corporation, or to an affiliated entity or entities approved by the City Administrator or her designee, to support predevelopment work associated with the development of 465 units of affordable housing on the Brooklyn Basin affordable housing parcels, for a total unsecured predevelopment loan in an amount not to exceed

\$2,427,000; and be it

FURTHER RESOLVED: That the funding for this additional predevelopment loan shall be allocated from the 2011 Affordable Housing Set-Aside Bond Fund (City Fund 1885, Org 89929, Project 10001237; ORSA Fund 9785, Org 89929, Projects 10000020, 1000390 and 1001237); 2011 Affordable Housing Set-Aside Bond Fund and be it

FURTHER RESOLVED: That the additional predevelopment loan shall be contingent on the availability of sufficient funds in the 2011 Affordable Housing Set-Aside Bond Fund; and be it

FURTHER RESOLVED: That the predevelopment loan shall be for an initial term of 24 months (with a six month extension available at the City Administrator's discretion), with an interest rate to be determined by the City Administrator in her discretion, with the balance due at the end of the term, or on such other repayment terms and schedule as the City Administrator or her designee determines are in the best interests of the City and the project; and be it

FURTHER RESOLVED: That the City Administrator is authorized to consolidate the predevelopment loans or any portion thereof with any development loans for the project; and be it

FURTHER RESOLVED: That the City Council hereby further authorizes the City Administrator or her designee to provide a development loan in an amount not to exceed \$15,243,000, for a total consolidated loan amount (predevelopment and development loans) of up to \$17,670,000, to MidPen Housing Corporation, or to an affiliated entity or entities approved by the City Administrator or her designee, to be used for development of 211 units of affordable housing as part of Project 1 and Project 2 on Parcel F; and be it

FURTHER RESOLVED: That the funding for the development loan shall be allocated from the following sources: \$9,603,000 from 2011 Affordable Housing Set-Aside Bond Fund (City Fund 1885, Org 89929, Project L439410; ORSA Fund 9785, Org 89929, Projects 10000020, 1000390 and 1001237), and \$6,000,000 in funding from OHA sales proceeds and ZOHP developer contributions that will be deposited in the Low and Moderate Income Housing Asset Fund (2830), Housing Development Organization (88929), Housing Development Program Project (To Be Determined); and be it

FURTHER RESOLVED: That the development loan shall be contingent on the availability of sufficient funds in the Low and Moderate Income Housing Asset Fund and other funds; and be it

FURTHER RESOLVED: That the development loan and/or the consolidated loan shall be for a maximum term of 55 years, with an interest rate to be determined by the City Administrator in her discretion, with repayment to the City from surplus cash flow from the project and other available funds during the term of the loan, with the balance due at

the end of the term, or on such other repayment terms and schedule as the City Administrator or her designee determines are in the best interests of the City and the project; and be it

FURTHER RESOLVED: That as a condition of the development loan and/or consolidated loan, the City will require that appropriate restrictions on project occupancy, rents and operations be recorded against project improvements on Parcel F; and be it

FURTHER RESOLVED: That the development loan and/or consolidated loan shall be secured by a deed of trust on project improvements on Parcel F; and be it

FURTHER RESOLVED: That the development loan funds shall be reserved for a period of no more than 24 months from the date of this Resolution and shall be subject to reprogramming at the end of this period unless MidPen has secured commitments for full project funding or provided other assurances of adequate project funding that the City Administrator or her designee deems sufficient within her discretion, within the reservation period; and be it

FURTHER RESOLVED: That the making of the predevelopment loan and the development loan shall be contingent on and subject to such other appropriate terms and conditions as the City Administrator or her designee may establish; and be it

FURTHER RESOLVED: That the City hereby authorizes the City Administrator or her designee in her discretion to subordinate the priority of any of the City's recorded interests in Parcel F to a lien or encumbrance of another private or governmental entity providing financial assistance to the project, if the City Administrator or her designee determines that (1) an economically feasible alternative method of financing the project on substantially comparable terms and conditions but without subordination is not reasonably available, (2) the City's investment in the project in the event of default is reasonably protected, and (3) subordination is in the best interests of the City; and be it

FURTHER RESOLVED: That the City Administrator is hereby authorized to negotiate and execute loan documents for the predevelopment loan and the development loan, administer the loans, extend or modify the repayment terms, and take whatever other action is necessary with respect to the loans and the project consistent with this Resolution and its basic purposes; and be it

FURTHER RESOLVED: That the City Council finds and determines that the proposed funding transactions would not result in any significant effect that has not already been analyzed in the EIR, and there will be no significant environmental effects caused by the funding transactions that have not already been analyzed in the EIR.

IN COUNCIL, OAKLAND, CALIFORNIA, _____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLEN, KALB, KAPLAN,
AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California