



AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: New Market Tax Credits,
Oakland Renaissance
NMTC, Inc.

DATE: June 12, 2013

City Administrator
Approval

Date

6/25/13

COUNCIL DISTRICT: 3

RECOMMENDATION

Staff recommends that the City Council adopt:

A Resolution Authorizing Oakland Renaissance NMTC, Inc., an Affiliate of the City, to Accept an Allocation of Tax Credit Authority in an Amount not to Exceed \$20 Million Pursuant to the New Markets Tax Credit Program, and to Enter into an Allocation Agreement and Related Documents with the Community Development Financial Institutions Fund for this Tax Credit Authority.

A Resolution Authorizing a Loan in the Amount of \$125,000 for a Term of up to Twelve (12) Months with an Interest Rate of 3.5 Percent from the Community Development Block Grant (CDBG) Fund to cover Oakland Renaissance NMTC Inc.'s Organizational Start-up Expenses Required to Initiate the Allocation of New Market Tax Credits.

A Resolution Approving the Allocation of up to \$6 million of New Market Tax Credits by Oakland Renaissance NMTC, Inc., to a Sub-Community Development Entity affiliated with Oakland Renaissance NMTC, Inc., to Allocate said Tax Credits to the East Bay Asian Local Development Corporation or its Affiliates for the Renovation of Swan's Marketplace Located at 538 9th Street, and/or Property at 1825 San Pablo Avenue.

A Resolution Approving the Allocation of up to \$8 Million of New Market Tax Credits by Oakland Renaissance NMTC, Inc., to a Sub-Community Development Entity affiliated with Oakland Renaissance NMTC, Inc., to Allocate said Tax Credits to the BRIDGE Housing, Inc. or its Affiliates for the Development of MacArthur Station Mixed-Use Development, Parcel A, at 585 40th Street.

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A Resolution Approving the Allocation of up to \$6 Million of New Market Tax Credits by Oakland Renaissance NMTC, Inc., to a Sub-Community Development Entity affiliated with Oakland Renaissance NMTC, Inc., to Allocate said Tax Credits to Sunfield Development LLC or its Affiliates for the Development of Seminary Point, a Retail Project at Foothill Boulevard and Seminary Avenue.

EXECUTIVE SUMMARY

The New Markets Tax Credit Program (“NMTC Program”) was established by Congress in 2000 to encourage investments into operating businesses and real estate projects in low-income communities. The NMTC Program is administered by the Community Development Financial Institutions (“CDFI”) Fund. The NMTC Program attracts private financing by permitting individual and corporate investors to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (“CDEs”). In turn, the CDEs invest these funds into qualified businesses that are located in low-income communities.

Oakland Renaissance NMTC, Inc. (“ORNMTC”), an affiliate of the City, received CDE certification from the CDFI Fund in 2005. On September 14, 2012, ORNMTC applied for tax credit authority under the NMTC program in an amount of \$100 million primarily to provide real estate financing necessary to support retail business attraction and retention in Oakland. On April 24, 2013, ORNMTC was notified by the CDFI Fund that it received an allocation of tax credit authority in an amount of \$20 million. ORNMTC intends to leverage this allocation of NMTCs to provide loans with affordable terms for projects that would not be economically feasible otherwise.

Staff recommends that the City Council adopt legislation authorizing ORNMTC to accept an allocation of the tax credit authority in an amount of \$20 million and to enter into an Allocation Agreement and related documents with the CDFI Fund for said tax credit authority.

Furthermore, staff recommends that the City Council adopt legislation authorizing the City Administrator to enter into an agreement with ORNMTC to provide a loan to ORNMTC from Community Development Block Grant (CDBG) funds in the amount of \$125,000 to cover ORNMTC’s organizational start-up expenses required for the allocation of tax credits and the costs related to applying for a new NMTC Program allocation in 2013. The loan would be for a term of up to 12 months with an interest rate of 3.5 percent.

Lastly, staff recommends that the City Council adopt legislation authorizing and approving the allocations of tax credits by ORNMTC to three ORNMTC-related New Market Tax Credits Sub-CDEs to support the development of the following projects:

East Bay Asian Local Development Corporation – Swan’s Marketplace located at 538 9th Street and/or EBALDC Headquarters at 1825 San Pablo	\$6,000,000
BRIDGE Housing, Inc. - MacArthur Station Mixed Use Development at 585 40th Street	\$8,000,000
Sunfield Development LLC - Seminary Point at Foothill Boulevard and Seminary Avenue	\$6,000,000

OUTCOME

Authorizing acceptance of the allocation of tax credit authority of \$20 million by ORNMTC and execution of an Allocation Agreement with the CDFI Fund for said tax credit authority will enable ORNMTC to attract private investment dollars to low-income communities by offering investors tax credits in exchange for their investment. The projects that have been selected for funding all include commercial components that will enhance the surrounding neighborhoods and address the lack of retailers in those areas. ORNMTC needs start-up capital to hire the consultants necessary for sub-allocating tax credits to the specified projects and to apply for a new allocation of NMTCs with the CDFI Fund in 2013. The proposed short-term loan from the City to ORNMTC would provide this start-up capital. Without such funding, ORNMTC will not be able to operate.

BACKGROUND/LEGISLATIVE HISTORY

The New Markets Tax Credit Program

The U.S. Department of the Treasury’s CDFI Fund administers the NMTC Program, which targets debt and equity capital to businesses or organizations situated in low-income, economically distressed communities. Intended to address the lack of available capital for business and economic development ventures in such places, the program provides federal tax credits to those who would invest in CDEs that, in turn, invest in qualified businesses. Each business or economic development initiative or project supported by the NMTC program, involves at least three key parties:

- A CDE, such as ORNMTC, that has been competitively awarded an allocation of tax credits by the CDFI Fund and sells them to investors;
- Individuals or corporate investor entities (that may or may not be affiliated with a CDE) that use the tax credits in return for making Qualifying Equity Investments (QEIs) in a CDE, which the CDE subsequently uses for making loans or equity investments in projects; and

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- The recipient of the qualified low-income community investments (QLICI), termed a Qualified Active Low Income Business (QALICB).

The investor will be eligible to claim a tax credit equal to five percent of its equity investment in the CDE for each of the first three years and a six percent credit for each of the next four years (for a total of 39 percent) over a seven-year compliance period. The investment in the CDE cannot be redeemed before the end of the seven-year period. The NMTC Program is designed to rely on the CDE's local knowledge and expertise when deciding what business to invest in or lend to with the funds it raises.

In essence, the NMTC Program allows NMTC investors to forego the usual direct return of all or a substantial portion of their investment because they will receive tax credits that more than offset the amount of return on investment given up. ORNMTC will have three years to use its NMTC allocation after entering into an allocation agreement with CDFI.

Oakland Renaissance NMTC, Inc.

ORMNMTTC is a California nonprofit public benefit corporation formed in August of 2004, and is an affiliate of the City of Oakland. ORNMTC's mission is to serve low-income communities and low-income persons in Oakland. In 2005 ORNMTC received CDE certification from the CDFI Fund.

ORMNMTTC is governed by a five-member Board of Directors made up of City of Oakland department heads and managers. The current ORNMTC board is comprised of the following individuals:

- Fred Blackwell, Assistant City Administrator
- Katano Kasaine, Treasury Manager, Finance & Management Agency
- Gregory Hunter, Neighborhood Investment Manager, Office of Neighborhood Investment
- Patrick Lane, Redevelopment Manager, Office of Neighborhood Investment
- Jens Hillmer, Urban Economic Coordinator, Office of Neighborhood Investment

Each member serves on the board while performing his or her respective duties within the City. The Board of Directors is responsible for making investment decisions for projects. In addition to the Board of Directors, ORNMTC has enlisted a six-member Advisory Board comprised of residents, business owners and community leaders located in ORNMTC's service area.

On October 5, 2004, the City and the former Redevelopment Agency, pursuant to Resolutions No. 78843 C.M.S. and 2004-0055 C.M.S., authorized ORNMTC to apply for an allocation of NMTCs. On September 20, 2005, the City and the former Redevelopment Agency, pursuant to Resolutions No. 79457 C.M.S. and 2005-0054 C.M.S., authorized ORNMTC to apply for another allocation of NMTCs. Neither of these two applications was successful. On September 14, 2012, ORNMTC applied for tax credit authority in an amount of \$100 million under the

NMTC Program to provide primarily real estate financing necessary to support retail business attraction and retention in the City of Oakland. On April 24, 2013, ORNMTC was notified by the CDFI Fund that it received an allocation of tax credit authority in an amount of \$20 million.

ORMNMTTC will leverage NMTCs to provide loans with affordable terms for projects and devote 100 percent of its NMTC Program allocation to Low Income Communities (LICs) in Oakland. Nearly half of Oakland's census tracts are areas of severe economic distress. Under ORNMTC's by-laws, City Council approval is required prior to any allocation of tax credits to specific economic development projects.

ANALYSIS

The NMTC Program Allocation Agreement

Authorizing acceptance of the allocation of tax credit authority of \$20 million for ORNMTC and execution of an allocation agreement with the CDFI Fund is an essential step toward enabling ORNMTC to attract private investment dollars to low-income communities.

In its application for tax credit authority, ORNMTC emphasized the need for more investment into real estate projects that have a retail component. Therefore, ORNMTC requested a NMTC Program allocation to provide primarily real estate financing necessary to support retail business attraction and retention in Oakland's low-income communities.

City Loan

ORMNMTTC must hire various consultants to begin operations and make its first round of tax credit sub-allocations. These include corporate and transaction legal, accounting and financial services and application writing. Staff of ORNMTC estimates that it will need up to \$125,000 to hire these consultants. Since ORNMTC is starting operations as a CDE under the NMTC Program for the first time this year, it has not yet received any placement fees from developers for making allocations to qualified real estate projects. ORNMTC is also planning to apply for a new round of NMTC in 2013. ORNMTC has to hire consultants to provide assistance in this process. As a result, ORNMTC requires a short-term loan from the City to cover the costs for these consultants. The City loan would be funded from the Community Development Block Grant (CDBG) Fund for a term of up to 12 months with an interest rate of 3.5 percent. The loan would be repaid from the closing costs due to ORNMTC from the first NMTC transaction involving the Swan's Marketplace and 1825 San Pablo Avenue projects.

Projects and Financing Structure

Staff is recommending that the City Council adopt legislation authorizing and approving the allocations of NMTCs by ORNMTC to three ORNMTC-related New Market Tax Credits Sub-CDEs for the development of the following projects:

Swan's Marketplace located at 538 9th Street/ EBALDC Headquarter at 1825 San Pablo Avenue	\$6,000,000
MacArthur Station Mixed-Use Development located at 585 40th Street	\$8,000,000
Seminary Point	\$6,000,000

Project descriptions are attached to this report as *Attachment A*.

ORMNMTTC staff selected the three proposed projects for funding allocations because it is already very familiar with each development and the development team through previous deals. Staff also evaluated and ranked each proposal on the basis of project conformance with NMTC application, project readiness, public benefits and conformance to City and ORSA planning documents. A scoring sheet for the projects is attached to this report as *Attachment B*.

Swan's Marketplace/1825 San Pablo Avenue

In 1999, the former Redevelopment Agency sold the Swan's Marketplace complex, a historic landmark in downtown Oakland, to the East Bay Asian Local Development Corporation (EBALDC) to facilitate the building's adaptive reuse for affordable housing, co-housing and commercial space for nonprofit organizations and small local businesses. EBALDC is planning to undertake major renovations at Swan's Marketplace to attract new tenants and revitalize the complex.

EBALDC is also renovating property located at 1825 San Pablo Avenue for use as its new headquarters. EBALDC will relocate its headquarters to the second floor of this building occupying approximately 10,000 square feet. The 10,000 square-foot ground floor will be available for lease to viable retail/restaurant and other viable commercial uses. The co-location of EBALDC and its tenants will create a community hub conveniently located near public transportation similar to the successful Asian Resource Center in Oakland Chinatown.

EBALDC is seeking a total NMTC allocation of \$16 million for the two projects. ORNMTC is proposing to allocate \$6 million of its NMTC allocation toward this total amount. EBALDC has approached other CDEs for the balance of the required allocation, but has not yet reached an agreement with a specific CDE for the project. The total estimated investor equity generated through the NMTC financing structure is \$5.0 million. This amount is further reduced by transaction costs charged by each participating CDE in the deal, such as NMTC placement fees, asset management fees and Sub-CDE expenses. After deducting these expenses, which have not been fully determined, it is estimated that actual project equity will be approximately 20 percent of the estimated investor equity or \$3.2 million. ORNMTC's Sub-CDE's portion of the total net

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equity is approximately \$1.2 million, which means that ORNMTC allocation of \$6 million in NMTCs yields about \$1.2 million in additional cash for the project. It is critical for ORNMTC to close this transaction before filing a new application for an additional allocation of tax credit authority to the CDFI Fund, which, based on past experience will likely be due in September of this year.

MacArthur Station Mixed-Use Development

In 2009, the Agency entered into Owner Participation Agreement (OPA) with MacArthur Transit Community Partners, LLC (MTCP), an affiliate of BRIDGE Housing Corporation (BRIDGE), for the development of the MacArthur Transit Village project. The project includes 624 residential units, 42,000 square feet of neighborhood-serving commercial and retail space and a 480-stall replacement parking garage for BART patrons. The development will be developed in five separate phases. The BART garage will be completed in November of this year, while the affordable housing development is scheduled to start by August.

At this point, BRIDGE would like to start development of Phase 3 of the project, which is also referred to as Parcel A. Phase 3 will be located on a 1.58 acre site. Phase 3 of the project is being designed and programmed as the catalyst of the development addressing the need for new, affordable office, neighborhood-serving retail and providing entry level market rate apartments. The building will include office space, ground floor neighborhood-serving retail such as a pharmacy, bank, coffee shop/restaurant and athletic club, plus 196 apartment units.

BRIDGE is seeking a total NMTC allocation of \$32 million for the project. ORNMTC is proposing to allocate \$8 million of its NMTC allocation toward this total amount. BRIDGE has approached other CDEs, including a BRIDGE-affiliated CDE, for the balance of the required allocation, but has not yet reached an agreement for the project. The total estimated investor equity generated through the NMTC financing structure is \$10.0 million. This amount is further reduced by transaction costs charged by each participating CDE in the deal, such as NMTC placement fees, asset management fees and Sub-CDE expenses. After deducting these expenses, which have not been fully determined for this deal, it is estimated that actual project equity will be approximately 20 percent of the estimated investor equity or \$6.4 million. ORNMTC's Sub-CDE's portion of the total net equity is therefore approximately \$1.6 million, which means that ORNMTC allocation of \$8 million in NMTCs yields about \$1.6 million in additional cash for the project.

The MacArthur Station Mixed-Use Development, Phase 3, is still in the early predevelopment stage and BRIDGE is still looking for a development partner. As a result, any transaction with BRIDGE will require further due diligence review of project economics and schedule once a development partner has been identified and the project scope and budget have been further refined. According to BRIDGE, the project is expected to be ready to close in December of 2013.

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Seminary Point, Foothill Boulevard and Seminary Avenue

In July 2012, Council authorized a Disposition and Development Agreement (DDA) with Sunfield Development, LLC (Sunfield) to sell City-owned property that is located in East Oakland at the intersection of Seminary Avenue and Foothill Boulevard for the development of a neighborhood commercial retail shopping center. The Seminary Point project will be developed on 11 contiguous parcels that were previously acquired and assembled by the former Redevelopment Agency. Sunfield has secured full entitlements and is currently prepared to develop a new 27,000 square-foot neighborhood-serving retail center that would feature a 14,000 square-foot Walgreens, as well as additional smaller retail tenants.

Sunfield is seeking a total NMTC allocation of \$11 million for the project. ORNMTC is proposing to allocate \$6 million of its NMTC allocation toward this total amount. Sunfield has not yet approached other CDEs for the balance of the required allocation. The total estimated investor equity generated through the NMTC financing structure is \$3.4 million. This amount is further reduced by transaction costs charged by each participating CDE in the deal, such as NMTC placement fees, asset management fees and Sub-CDE expenses. After deducting these expenses, which have not been fully determined for this deal, it is estimated that actual project equity will be 20 percent of the estimated investor equity or \$2.2 million. ORNMTC's Sub-CDE's portion of the total net equity is approximately \$1.2 million which means that ORNMTC allocation of \$6 million in NMTCs yields about \$1.2 million in additional cash for the Project. The project is expected to be ready for close toward the end of this year.

Details for each of the proposed deals will be determined prior to the close of each transaction and are subject to approval by the ORNMTC board.

Risk and Mitigations

Recapture Event

The general risk for ORNMTC in the proposed transactions relate to the prevention of a "Recapture Event". There are three events that can result in the recapture of NMTCs at the investor level.

- The CDE ceases to qualify as a community development entity,
- The "Substantially-All Test" requirement is not satisfied (meaning that 85 percent of the QEI must be continuously invested in QLICs during the NMTC compliance period), or
- The investment is redeemed or otherwise cashed out by the CDE and the CDE distributes the funds to the equity holder. Both conditions must be met.

If there is a recapture event at any time during the seven-year compliance period, all holders of the qualified equity investment (both prior and current holders) are subject to recapture in the

year of the recapture event. Generally, ORNMTC will take the following measures to prevent such an event:

- ORNMTC will ensure that all required reporting to the CDFI Fund is completed in a timely manner, which will prevent ORNMTC from losing its CDE certification from the CDFI fund
- No principal amortization or prepayment will be allowed during the seven-year compliance period. This will prevent putting the projects in violation of the Substantively All Test, which says that 85 percent of the QEI must be continuously invested in QLICIs during the NMTC compliance period.
- The transactions will be structured to ensure that up-streamed distributions of cash flow cannot be interpreted as redemption of capital, i.e. a return of equity. While return of equity to the investor is not permitted, return on equity is allowed. Therefore, all cash flow that is distributed up-stream to the NMTC investor would be structured as a return on equity and would be recognized as income.
- Transaction documentation will include legal opinions confirming that all aspects of the transaction comply with NMTC regulations.

Loan Security

Generally, these Qualified Low Income Community Investment (QLICI) Loans A and B will be secured with a first deed of trust on each property. Additional collateral may consist in the project's reserve accounts and developer/QALIB guarantees, but these have not been negotiated yet. There are risks for ORNMTC, the investors, developers and other financial partners in the proposed deals. The project could go bankrupt or fail to meet NMTC regulations and trigger a recapture event, which in essence means that the investor will have to repay the tax credit.

In the past, the former Redevelopment Agency assumed certain liabilities in some deals. For example, in the Fox Theater deal, the Agency, as project sponsor, committed to making a buy-out payment at the conclusion of the seven-year NMTC leverage loan term and also made guarantees to the investors and other parties in the deal, including rehabilitation work completion guarantees, guarantees to ensure payment of project carrying costs through lease-up, a guarantee against recapture of the NMTCs in the event of project non-compliance with IRS regulations and certain environmental indemnifications.

In the case of the proposed projects, however, neither the City nor ORSA are in a position to provide such guarantees. As a result, the investors, in close collaboration with ORNMTC staff, will perform a thorough due diligence analysis of each deal to minimize any project risks. ORNMTC's exposure to risk would ultimately be limited to its resources, which would be the fees from the currently proposed and future deals. Nevertheless, failure of one project could impact the way ORNMTC manages other projects if funding for staff is lost. ORNMTC will therefore also need to closely monitor risks in its projects.

At this time, ORNMTC will need to provide initial letters of intent to projects before the investment team hires all of the attorneys, accountants and other financial consultants required structure the deals and reduce the investor risks. The three proposed projects are at different stages of development, but they all need ORNMTC to confirm its NMTC allocations in order to get other CDEs and investors comfortable with the project. Further review of the risks will continue until the close of project financing and projects will be monitored closely until the end of the seven-year compliance period.

PUBLIC OUTREACH/INTEREST

ORNMTC has created a six-member Advisory Board comprised of residents, business owners and community leaders located in ORNMTC's service area. ORNMTC staff presented the proposed tax credit allocations to the Advisory Board for review, and the Board approved the three projects that are being recommended for funding in this report.

COORDINATION

The following City departments were consulted during the preparation of this report:

- Office of the City Attorney
- Budget Office

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:

The requested short-term loan from the City to ORNMTC is for an amount of \$125,000. The loan will have a term of 12 months and carry an interest rate of 3.5 percent.

2. COST ELEMENTS OF AGREEMENT/CONTRACT

ORNMTC plans to spend the loan proceeds for the following consultants:

Legal	\$25,000
Audits	\$25,000
Financial management	\$25,000
Preparation of a new NMTC application	<u>\$50,000</u>
TOTAL	\$125,000

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3. SOURCE OF FUNDING

CDBG Loan

The CDBG source of the funds for the proposed short-term City loan of \$125,000 to ORNMTC is as follows:

\$53,141.67 from HUD – CDBG Fund (2108), CDBG Coordination Organization (#89949), Code Enforcement Relocation Program (P423110) that will be transferred to a new Project, to be created.

\$71,858.33 from HUD – CDBG Fund (2108), CDBG Coordination Organization (#89949), Project Reconnect (H08600) that will be transferred to a new Project, to be created.

ORMNMC Fees

ORMNMC will receive the following placement fees each transaction that will be used to repay the City loan:

Placement Fee – 2.5% - 3.5% of the Qualified Equity Investment, depending on the deal. ORNMTC will receive this payment as a lump sum at closing. In the case of Swan's Marketplace and 1825 San Pablo, which are anticipated to be the first deal that closes, ORNMTC will receive between \$150,000 and \$210,000. In addition ORNMTC will receive between \$350,000 and \$490,000 in fees for the other 2 transactions described in this report, which will be used to cover future organizational expenses.

ORMNMC will charge these additional fees for each transaction:

Asset Management Fee - 0.5% of QEI per year, payable in quarterly installments over a seven-year period.

CDE Expense Reimbursements - \$15,000/year

FISCAL/POLICY ALIGNMENT

The proposed legislation will allow ORNMTC to execute an allocation agreement with the CDFI Fund to bring investment into low-income communities in Oakland for the purpose of providing primarily real estate financing necessary to support retail business attraction and retention in severely distressed areas within the City of Oakland. The City of Oakland's demand for retail goods far exceeds the sales captured by Oakland stores. This imbalance results in approximately \$1 billion in lost sales revenue every year. As a result, Oakland is deprived of the revenue,

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concentrated activity and communal energy that would support revitalized neighborhoods, foster improved social interaction between its residents, activate local districts, and improve quality of life and safety.

It has been the City and former Redevelopment Agency's policy to revitalize and strengthen Oakland's historical role as the major regional retail center for the Metropolitan Oakland Area and to attract new businesses and retain existing businesses in Oakland's neighborhoods.

SUSTAINABLE OPPORTUNITIES

Economic: The renovation of Swan's Marketplace and the building located at 1825 San Pablo Avenue will substantially enhance an existing retail complex in Old Oakland and return a vacant building to productive economic use. EBALDC must comply with the City's contracting programs, including the Local and Small Local Business Enterprise (L/SLBE) Program and Local Employment Program, and will act in accordance with State prevailing wage laws and the City's Living Wage Ordinance.

The MacArthur Station Mixed-Use Development, Phase 3 will catalyze economic development in the surrounding communities as a result of improved safety and access to transit. The developer must comply with the City's contracting programs, including the Local and Small Local Business Enterprise (L/SLBE) Program and Local Employment Program, and will act in accordance with State prevailing wage laws and the City's Living Wage Ordinance.

Seminary Point will replace an underutilized vacant and blighted property with a new commercial neighborhood retail center which will act as a commercial catalyst for this district. The project will create new permanent employment opportunities as well as temporary construction-related jobs.

All of the projects will generate sales tax, property taxes, utility taxes, and business license taxes for the City.

Environmental: The MacArthur Station Mixed-Use Development, Phase 3 is located close to transit service and will encourage residents of the projects to use transit as their primary mode of travel. In general, transit oriented developments are designed to maximize access to public transport and reduce pressures to develop housing in the suburbs. Macarthur BART Transit Village will be built on a formerly contaminated property that has already been remediated during the first phase of the project. The Macarthur BART Transit Village will incorporate a sufficient number of green building attributes to secure a LEED-certified rating by the U.S. Green Building Council. The development of Seminary Point will remove a blighted property from this commercial node and will create an infill neighborhood commercial retail development. The developer will use its good faith efforts to design, develop, and construct the

Project to be environmentally sustainable in conformance with the Build it Green commercial checklist.

Social Equity: All of the three proposed projects will contribute to the physical improvement of the community, and create public spaces for recreation and retail services. Furthermore, a number of the potential jobs to be created may be available to low and moderate income individuals. The Seminary Point project will provide much needed access to retail services for daily goods and services in the Central East Oakland neighborhood and community. The project will bring a pharmacy and health and wellness services and retail to a neighborhood that is currently lacking the basic goods and services that should be available to its residents.

CEQA


Swan's Marketplace/1825 San Pablo Avenue - The renovation of Swan's Marketplace and the building at 1825 San Pablo Avenue belong to a list of classes of projects which have been determined not to have a significant effect on the environment and which shall, therefore, be exempt from the provisions of CEQA. Specifically, the allocation of NMTCs for the renovation of Swan's Marketplace project is exempt from CEQA pursuant to Section 15301(Existing Facilities) of the CEQA guidelines.

MacArthur Station Mixed-Use Development - On June 4, 2008, the City of Oakland Planning Commission certified the Final Environmental Impact Report ("EIR") for this project, adopted appropriate CEQA related findings, and approved Preliminary Development Plan project entitlements. On July 1, 2008, the City Council affirmed the Planning Commission's CEQA-related certification and approvals per City Council Resolution No. 81422 C.M.S.

Seminary Point - The Foothill Seminary Project was approved by the Planning Commission on October 19, 2011 with a Notice of Exemption (NOE) based on an in-fill exemption (Section 15332) from CEQA.

For questions regarding this report, please contact Jens Hillmer, Urban Economic Coordinator at 238-3317.

Respectfully submitted,



FRID BLACKWELL
Assistant City Administrator

Reviewed by:
Gregory Hunter, Neighborhood Investment Officer
Office of Neighborhood Investment

Prepared by:
Jens Hillmer
Urban Economic Coordinator
Office of Neighborhood Investment

Attachment A: Project Descriptions
Attachment B: Scoring sheet

Attachment A

PROJECT SUMMARY

Swan's Marketplace & 1525 San Pablo Avenue

<u>Project Name</u>	Swan's Marketplace & 1825 San Pablo
<u>Location</u>	Downtown Oakland Swan's Marketplace - Washington Street, 9th Street and Clay Street, Oakland, CA 1825 San Pablo - 1825 San Pablo Avenue, Oakland, CA
Council District	CD 3 - Lynette Gibson McElhaney
<u>Development Team</u>	East Bay Asian Local Development Corporation (EBALDC)
<u>Project Description</u>	
Swan's Marketplace	Renovation of indoor open market space, including reformatting layout, adding contemporary glass entry doors to the open-front market, adding amenities such as communal seating, bathrooms, ventilation and storage for expected customer increase. Other improvements include public landscaping (bike racks, outdoor seating, signage) and increased storage and acoustic improvements.
Purpose of project	Reinforce Swan's as a food-centric gathering place for community and neighborhood. Increase accommodation for patrons, increase visibility and creating a flexible footprint for expansion of successful businesses and better integration of cross-traffic businesses.
1825 San Pablo	Renovation of a former station along the Key Route streetcar system and more recently, a former food service and shelter provider location to low-income people. The two-floor building project includes EBALDC's headquarters on the second floor in 10,000 square feet and 10,000 sf of retail/restaurant/commercial uses on the ground floor.
Purpose of project	To create a gateway between the growing economic vibrancy in Downtown Oakland and the changing social environment along San Pablo Avenue Corridor.
<u>Project Readiness & Timeline</u>	
Swan's Marketplace	EBALDC owned, Permits within weeks, Construction ready once permits received
1525 San Pablo	EBALDC owned, design/entitlements/permits received. Project is under construction. Leasing for ground floor tenants is underway.
<u>Eligibility Criteria</u>	
Swan's Marketplace	30% Poverty Rate (greater than 30%) 52.34% AMI Households (less than 60%) 1.5x National Average Unemployment Rate (greater than 1.5x)
1825 San Pablo	38.8% Poverty Rate (greater than 30%) 1a. 74% AMI Households (less than 60%) 1.5x National Average Unemployment Rate (greater than 1.5x)
<u>Major Tenant</u>	
Swan's Marketplace	Cosecha, Rosamunde Grill, Taylor's Sausage, Breads of India, HKIT Architects, Musiseum of Children's Art, End Game, Community Economics, Hickman Charter School, etc.
1825 San Pablo	Office for EBALDC headquarters. First floor tenants to be determined.
<u>Total Project Cost</u>	\$15,878,507
Swan's Marketplace Construction Costs	\$3,802,025
1825 San Pablo Construction Costs	\$2,769,039
<u>Total ORNMTC Allocation</u>	\$20,000,000
ORNMTC Allocation for Project	\$6,000,000
<u>Sponsor/Ownership</u>	East Bay Asian Local Development Corporation (EBALDC)
<u>NMTC Investor</u>	To be determined
<u>Jobs</u>	
Created	Temporary construction jobs
Retained	Permanent retail/office jobs
<u>Taxes</u>	Sales tax from retail (include restaurants, grocery, neighborhood-serving uses, etc) Property tax revenue should increase as a result of improvements.
<u>Community Benefits</u>	Healthy Neighborhood Revitalization - encouraging economic development to promote healthy neighborhoods, which involve retail tenants and residents as partners in the growth of Swan's and addressing factors that make neighborhoods vital places to work, live, earn, learn and play. Local Food Access - providing access to fresh, affordable local food Local Jobs and Businesses - majority of businesses in Swan's is Oakland based

PROJECT SUMMARY

MacArthur BART Station Mixed Use Development Project Information

<u>Project Name</u>	MacArthur Station Mixed Use Development
<u>Location</u> Council District	585 40th Street, Oakland CA 94609 CD 1 - Dan Kalb
<u>Development Team</u>	BRIDGE Community Development, Inc , Partner to be determined
<u>Project Description</u>	New construction of mixed use development including office space, neighborhood serving retail, and a 256 space parking garage. The development will include a 196 unit apartment building that will lease space in the parking garage, but the apartments will not be part of the NMTC financing.
<u>Project Readiness & Timeline</u>	Predevelopment from May 2013 to December 2013. Conceptual drawings completed. Planning underway. Construction period is 24 months, beginning in early 2014
<u>Eligibility Criteria</u>	20.8% Poverty Rate 50.4% AMI Households
<u>Major Tenant</u>	BRIDGE Housing Corporation offices, neighborhood-serving retail, leasees of parking spaces
<u>Total Project Cost</u> Construction Costs	\$33,000,000 \$28,000,000
<u>Total ORNMTC Allocation</u> ORNMTC Allocation for Project	\$20,000,000 \$8,000,000
<u>Sponsor/Ownership</u>	BRIDGE Housing Corporation
<u>NMTC Investor</u>	To be determined
<u>Jobs</u> Created Retained	149 Permanent Jobs, 402 Construction Jobs (per year) 110 Permanent Jobs
<u>Taxes</u>	20,000 sf of retail may include bank, health club, or other non-sales tax generating uses. In addition to office and retail construction, the project helps create property tax revenue from 196 new housing units by including residential parking spaces.
<u>Community Benefits</u>	149 new jobs created; 196 new market rate housing units will balance affordable component of MacArthur Transit Village and increase demand for local businesses; improved neighborhood safety through more eyes on the street; smart growth development at transit station will improve air quality by increasing use of public transit

PROJECT SUMMARY
Foothill Seminary

<u>Project Name</u>	Foothill Seminary/ Seminary Point
<u>Location</u> Council District	Foothill Boulevard and Seminary Avenue CD 5 - Desley Brooks
<u>Development Team</u>	Sunfield Development LLC
<u>Project Description</u>	1.69 Acres (approximately 73,500 SF) site 26,950 SF retail; 73 off-street parking stalls
<u>Project Readiness & Timeline</u>	Planning Commission approved Entitlements received in 2011 CEQA Notice of Exemption based on an infill exemption Anchor tenant signed Letter of Commitment (LOC) in late 2011 Other tenants must enter into Letter of Intent (LOI) DDA still needs to be executed; anticipated to occur fall of 2013, after property management plan is approved by the State of CA Construction anticipated to start Fall of 2014
<u>Eligibility Criteria</u>	32.1% Poverty Rate 32.69% AMI Households >1.5x National Average Unemployment Rate
<u>Major Tenant</u>	Walgreens
<u>Total Project Cost</u> Construction Costs	\$10,436,000 \$7,656,512
<u>Total ORNMTC Allocation</u> ORNMTC Allocation for Project	\$20,000,000 \$6,000,000
<u>Sponsor/Ownership</u>	Sunfield Development LLC
<u>NMTC Investor</u>	Not named in project description
<u>Jobs</u> Created	106 total jobs estimated, with 52 construction jobs estimated 54 permanent jobs estimated: Walgreens 17.5 new jobs estimated, other tenants unknown, but no more than 10 jobs per tenant is likely
Retained	New construction, no relocations anticipated
<u>Taxes</u>	Estimated annual sales tax is \$57,753 Estimated annual business tax is \$9,810 Estimated annual utility tax is \$3,348 Estimated annual property tax is \$7,000 Estimated Permit Fees is \$152,000
<u>Community Benefits</u>	Consistent with the CCE Redevelopment Plan by: Stimulates infill development on an underutilized and vacant site Attracts new businesses and retail while providing employment opportunities Revitalizes a neighborhood commercial area by developing a new neighborhood commercial retail center Generate various tax revenues to the City of Oakland Project will bring a pharmacy and health and wellness services to the neighborhood

Attachment B

Project Name Evaluators	Swans Market & 1825 San Pablo			Foothill & Seminary			MacArthur BART Station Parcel A Development			1800 San Pablo			East Oakland Youth Development Center		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Criteria															
1. Consistency with Goals in NMTC Application (20%) % of Retail or Grocery/Food component	10	10	5	10	15	20	5	5	5	10	10	10	0	0	0
2. Readiness															
a. Entitlements (10%)	10	10	9	8	10	8	8	9	8	0	0	2	10	10	10
b. Building Permits (10%)	9	9	9	3	5	5	5	9	5	0	0	0	8	9	8
c. Other Financing (10%)	7	9	9	5	9	5	8	9	8	2	1	2	8	6	7
3. Benefits															
a. Jobs (10%)	10	10	10	8	9	9	10	10	10	4	7	9	5	5	5
b. Community Services(10%) – grocery store, drug store, other retail and financial services (10%)	10	10	10	10	9	9	9	10	9	4	6	2	7	8	8
c. Taxes (10%) – property taxes, sales taxes, business taxes, etc. for City	10	8	8	9	9	9	8	8	8	5	6	6	2	2	2
4. City Plans (up to 5% each for a max of 20%)															
a. Redevelopment Plan consistency	5	5	5	5	5	5	4	5	4	3	5	5	2	5	5
b. General Plan consistency	5	5	5	5	5	5	4	5	4	3	5	5	3	5	5
c. Retail Strategy	4	4	4	4	4	5	4	4	3	3	4	3	0	0	0
d. Specific Plan	0	0	0	0	0	0	4	0	4	0	0	0	0	0	0
e. Other Plans (Implementation Plans)	5	5	5	5	5	5	5	5	5	2	5	5	0	5	5
Total Points Per Section															
Consistency	10	10	5	10	15	20	5	5	5	10	10	10	0	0	0
Readiness	26	28	27	16	24	15	21	27	21	2	1	4	26	25	25
Benefits	30	28	28	27	27	27	27	28	27	13	19	17	14	15	15
City Plans	19	19	19	19	19	20	20	19	20	11	19	18	5	15	15
GRAND TOTAL (max 100%)	85	85	79	72	85	85	73	79	73	36	49	49	45	55	55

AVERAGE SCORE PER PROJECT

83

81

75

45

52

APPROVED AS TO FORM AND LEGALITY:

BY:  DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

A RESOLUTION AUTHORIZING OAKLAND RENAISSANCE NMTC, INC., AN AFFILIATE OF THE CITY, TO ACCEPT AN ALLOCATION OF TAX CREDIT AUTHORITY IN AN AMOUNT NOT TO EXCEED \$20 MILLION PURSUANT TO THE NEW MARKETS TAX CREDIT PROGRAM, AND TO ENTER INTO AN ALLOCATION AGREEMENT AND RELATED DOCUMENTS WITH THE COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND FOR THIS TAX CREDIT AUTHORITY

WHEREAS, the New Markets Tax Credit program (“NMTC Program”) was created by Congress in 2000 to provide tax credits to stimulate investment in low-income communities to facilitate economic and community development; and

WHEREAS, under the NMTC Program, taxpayers receive tax credits by making equity investments in qualified community development entities (“CDEs”) whose primary mission is to serve or provide investment capital for low-income communities, and who maintain accountability to residents of low-income communities; and

WHEREAS, Oakland Renaissance NMTC, Inc., an affiliate of the City of Oakland, is a California nonprofit public benefit corporation, which was established by the City in August of 2004, and whose mission is to serve low-income communities and low-income persons in the City of Oakland; and

WHEREAS, Oakland Renaissance NMTC, Inc., received CDE certification from the Community Development Financial Institutions (“CDFI”) Fund of the U.S. Department of the Treasury in 2005; and

WHEREAS, on September 14, 2012, Oakland Renaissance NMTC, Inc., applied for tax credit authority under the NMTC Program to provide primarily real estate financing necessary to support retail business attraction and retention in Oakland; and

WHEREAS, on April 24, 2013, Oakland Renaissance NMTC, Inc., was notified by the CDFI Fund that it received an allocation of tax credit authority in an amount of \$20 million; now, therefore, be it

RESOLVED: That the City Council hereby authorizes Oakland Renaissance NMTC, Inc., to accept an allocation of tax credit authority in an amount not to exceed \$20 million pursuant to the NMTC Program, and to negotiate and enter into an agreement ("Allocation Agreement") and related documents with the CDFI Fund for this tax credit authority; and be it further

RESOLVED: That the City Council hereby authorizes Oakland Renaissance NMTC, Inc., to take whatever action is necessary with respect to the Allocation Agreement and the tax credit authority consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2013

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF
AND PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council,
City of Oakland

2013 JUN 27 PM 3:35

APPROVED AS TO FORM AND LEGALITY:

BY: 
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION AUTHORIZING A LOAN TO OAKLAND RENAISSANCE NMTC, INC., IN THE AMOUNT OF \$125,000 FOR A TERM OF UP TO TWELVE MONTHS WITH AN INTEREST RATE OF 3.5 PERCENT FROM THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND TO COVER OAKLAND RENAISSANCE NMTC, INC.'S ORGANIZATIONAL START-UP EXPENSES REQUIRED TO INITIATE THE ALLOCATION OF NEW MARKET TAX CREDITS

WHEREAS, Oakland Renaissance NMTC, Inc., an affiliate of the City of Oakland, is a California nonprofit public benefit corporation, which was established by the City in August of 2004, and whose mission is to serve low-income communities and low-income persons in the City of Oakland; and

WHEREAS, Oakland Renaissance NMTC, Inc., received CDE certification from the Community Development Financial Institutions ("CDFI") Fund of the U.S. Department of the Treasury in 2005; and

WHEREAS, on September 14, 2012, Oakland Renaissance NMTC, Inc., applied for tax credit authority under the New Markets Tax Credit Program (the "NMTC Program") to provide primarily real estate financing necessary to support retail business attraction and retention in Oakland; and

WHEREAS, on April 24, 2013, Oakland Renaissance NMTC, Inc., was notified by the CDFI Fund that it received an allocation of tax credit authority in an amount of \$20 million; and

WHEREAS, Oakland Renaissance NMTC, Inc., must hire various consultants, including corporate and transaction legal, accounting and financial services and application writing, to begin operations and make its first round of tax credit sub-allocations; and

WHEREAS, Oakland Renaissance NMTC, inc., needs funding to hire these consultants and has requested a short-term loan in the amount of \$125,000 from the City for a term of up to six months with an interest rate of 3.5 percent from the Community Development Block Grant (CDBG) Fund; and

WHEREAS, Oakland Renaissance NMTC, Inc. will repay the loan from placement fees chargeable to developers on its proposed sub-allocations of NMTCs to real estate projects; and

WHEREAS, funds in the amount of \$53,141.67 and \$71,858.33 for the proposed loan are available from HUD – CDBG Fund (2108), CDBG Coordination Organization (#89949), Code Enforcement Relocation Program (P423110) and CDBG Coordination Organization (#89949), Project Reconnect (H08600), respectively; that will each be transferred to a new Project, to be created; now, therefore, be it

RESOLVED: That the City Council hereby authorizes a loan in the amount of \$125,000 from the City to Oakland Renaissance NMTC, Inc., for a term of up to twelve (12) months with an interest rate of 3.5 percent, to cover Oakland Renaissance NMTC, Inc.'s organizational start-up expenses required to initiate the allocation of New Market Tax Credits; and be it further

RESOLVED: That the City Council hereby authorizes the City Administrator to negotiate and enter into a loan agreement and other agreements with Oakland Renaissance NMTC, Inc., for the loan; and be it further

RESOLVED: That funds in the amount of \$53,141.67 and \$71,858.33 for the proposed loan in a total amount of \$125,000 to Oakland Renaissance NMTC, Inc. are available from HUD – CDBG Fund (2108), CDBG Coordination Organization (#89949), Code Enforcement Relocation Program (P423110) and CDBG Coordination Organization (#89949), Project Reconnect (H08600), respectively, that will each be transferred to a new Project, to be created; and be it further

RESOLVED: That the City Council hereby authorizes the City Administrator to take whatever action is necessary with respect to the loan to Oakland Renaissance - NMTC, Inc., consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2013

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF
AND PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council,
City of Oakland

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2013 JUN 27 PM 3: 35

APPROVED AS TO FORM AND LEGALITY:
BY: 
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION APPROVING THE ALLOCATION OF UP TO \$6 MILLION OF NEW MARKET TAX CREDITS BY OAKLAND RENAISSANCE NMTC, INC., TO A SUB-COMMUNITY DEVELOPMENT ENTITY AFFILIATED WITH OAKLAND RENAISSANCE NMTC, INC., TO ALLOCATE SAID TAX CREDITS TO THE EAST BAY ASIAN LOCAL DEVELOPMENT CORPORATION OR ITS AFFILIATES FOR THE RENOVATION OF SWAN'S MARKETPLACE LOCATED AT 538 9TH STREET, AND/OR PROPERTY AT 1825 SAN PABLO AVENUE

WHEREAS, Oakland Renaissance NMTC, Inc., an affiliate of the City of Oakland, is a California nonprofit public benefit corporation, which was established by the City in August of 2004, and whose mission is to serve low-income communities and low-income persons in the City of Oakland; and

WHEREAS, on April 24, 2013, Oakland Renaissance NMTC, Inc. was notified by the Community Development Financial Institution ("CDFI") Fund that it received an allocation of tax credit authority as a community development entity ("CDE") in an amount of \$20 million; and

WHEREAS, Oakland Renaissance NMTC, Inc. wants to make an allocation of up to \$6 million of New Market Tax Credits to a sub-CDE affiliated with Oakland Renaissance NMTC, Inc., for the allocation of said tax credits to the East Bay Asian Local Development Corporation ("EBALDC") or its affiliates for the renovation of Swan's Marketplace at 538 9th Street, and/or of property at 1825 San Pablo Avenue for EBALDC's new headquarters (the "Project"); and

WHEREAS, Oakland Renaissance NMTC, Inc. selected the Project for a funding allocation because it is already very familiar with the development and EBALDC through previous deals, and on the basis of general Project conformance with the objectives of Oakland Renaissance NMTC, Inc.'s NMTC application, Project readiness, public benefits and conformance to City planning documents; and

WHEREAS, Oakland Renaissance NMTC, Inc. will establish a sub-CDE for the allocation of said tax credits to EBALDC or its affiliates; and

WHEREAS, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been met; now, therefore, be it

RESOLVED: The City has independently reviewed and considered this environmental determination, and the City finds and determines, based on the information in the staff report accompanying this Resolution, that this action complies with CEQA because this action on the part of the City is exempt from CEQA pursuant to Section 15301 (Existing Facilities) of the CEQA guidelines; and be it further

RESOLVED: That the City Council hereby approves the allocation of up to \$6 million of New Market Tax Credits by Oakland Renaissance NMTC, Inc., to a sub-CDE affiliated with Oakland Renaissance NMTC, Inc., to allocate said tax credits to EBALDC or its affiliates for the renovation of Swan's Marketplace at 538 9th Street, and/or property at 1825 San Pablo Avenue; and be it further

RESOLVED: That the City Council hereby authorizes the City Administrator or her designees to take whatever action is necessary with respect to the allocation of New Market Tax Credits to the Project consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2013

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF
AND PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council,
City of Oakland

2013 JUN 27 PM 3:35

APPROVED AS TO FORM AND LEGALITY:

BY: 
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION APPROVING THE ALLOCATION OF UP TO \$8 MILLION OF NEW MARKET TAX CREDITS BY OAKLAND RENAISSANCE NMTC, INC., TO A SUB-COMMUNITY DEVELOPMENT ENTITY AFFILIATED WITH OAKLAND RENAISSANCE NMTC, INC., TO ALLOCATE SAID TAX CREDITS TO BRIDGE HOUSING, INC. OR ITS AFFILIATES FOR THE DEVELOPMENT OF MACARTHUR STATION MIXED-USE DEVELOPMENT, PARCEL A, AT 585 40TH STREET

WHEREAS, Oakland Renaissance NMTC, Inc., an affiliate of the City of Oakland, is a California nonprofit public benefit corporation, which was established by the City in August of 2004, and whose mission is to serve low-income communities and low-income persons in the City of Oakland; and

WHEREAS, on April 24, 2013, Oakland Renaissance NMTC, Inc. was notified by the Community Development Financial Institutions ("CDFI") Fund that it received an allocation of tax credit authority as a community development entity ("CDE") in an amount of \$20 million; and

WHEREAS, Oakland Renaissance NMTC, Inc., wants to make an allocation of up to \$8 million of New Market Tax Credits to a sub-CDE affiliated with Oakland Renaissance NMTC, Inc., for the allocation of said tax credits to BRIDGE Housing, Inc. ("BRIDGE") or its affiliates for the development of the MacArthur Station Mixed-use Development, Parcel A, located at 585 40th Street (the "Project"); and

WHEREAS, Oakland Renaissance NMTC, Inc. selected the Project for a funding allocation of up to \$8 million because it is already very familiar with the development and BRIDGE through previous deals, and on the basis of general Project conformance with the objectives of Oakland Renaissance NMTC, Inc.'s NMTC application, Project readiness, public benefits and conformance to City planning documents; and

WHEREAS, Oakland Renaissance NMTC, Inc., will establish a sub-CDE for the sub-allocation of said tax credits of up to \$8 million to BRIDGE or its affiliates; and

WHEREAS, the City of Oakland is the Lead Agency for this Project for the purposes of environmental review under the California Environmental Quality Act of 1970 ("CEQA"), and on June 4, 2008, at a duly noticed Public Hearing, the City of Oakland Planning Commission certified the Final Environmental Impact Report ("EIR") for the MacArthur Transit Village, which includes the Project and adopted appropriate CEQA-related; and

WHEREAS, on July 1, 2008, at a duly noticed public hearing, the City Council affirmed the Planning Commission's CEQA-related certification and approvals per City Council Resolution No. 81422 C.M.S.; and

WHEREAS, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; now, therefore, be it

RESOLVED: That the City hereby finds and determines: (1) that it has independently reviewed and considered the information contained in the previously certified EIR, and that the EIR complies with CEQA and CEQA Guidelines' requirements for analysis of the Project's environmental effects and mitigation measures; (2) that none of the changes to the Project, or circumstances under which it will be undertaken, or new information require preparation of a subsequent of supplemental EIR; and (3) that the Mitigation and Monitoring program for the Project is hereby (re)adopted; and be it further

RESOLVED: That the City Council hereby approves the allocation of up to \$8 million of New Market Tax Credits by Oakland Renaissance NMTC, Inc., to a sub-CDE affiliated with Oakland Renaissance NMTC, Inc., to allocate said tax credits to BRIDGE or its affiliates for the development of MacArthur Station Mixed-use Development, Parcel A, located at 585 40th Street; and be it further

RESOLVED: That the City Council hereby authorizes the City Administrator or her designees to take whatever action is necessary with respect to the allocation of New Market Tax Credits to the Project consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2013

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF
AND PRESIDENT KERNIGHAN

NOES-

ABSENT-

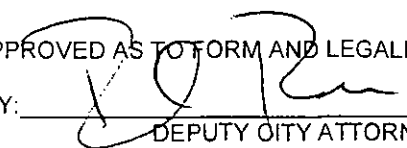
ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council,
City of Oakland

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2013 JUN 27 PM 3:35

APPROVED AS TO FORM AND LEGALITY:

BY: 
DEPUTY CITY ATTORNEY

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

A RESOLUTION APPROVING THE ALLOCATION OF UP \$6 MILLION OF NEW MARKET TAX CREDITS BY OAKLAND RENAISSANCE NMTC, INC., TO A SUB-COMMUNITY DEVELOPMENT ENTITY AFFILIATED WITH OAKLAND RENAISSANCE NMTC, INC., TO ALLOCATE SAID TAX CREDITS TO SUNFIELD DEVELOPMENT LLC OR ITS AFFILIATES FOR THE DEVELOPMENT OF SEMINARY POINT, A RETAIL PROJECT AT FOOTHILL BOULEVARD AND SEMINARY AVENUE

WHEREAS, Oakland Renaissance NMTC, Inc., an affiliate of the City of Oakland, is a California nonprofit public benefit corporation, which was established by the City in August of 2004, and whose mission is to serve low-income communities and low-income persons in the City of Oakland; and

WHEREAS, on April 24, 2013, Oakland Renaissance NMTC, Inc., was notified by the Community Development Financial Institution ("CDFI") Fund that it received an allocation of tax credit authority as a community development entity ("CDE") in an amount of \$20 million; and

WHEREAS, Oakland Renaissance NMTC, Inc., wants to make an allocation of up to \$6 million of New Market Tax Credits to a sub-CDE affiliated with Oakland Renaissance NMTC, Inc., for the allocation of said tax credits to Sunfield Development LLC ("Sunfield") or its affiliates for the development of Seminary Point, a retail project at Foothill Boulevard and Seminary Avenue ("Project"); and

WHEREAS, Oakland Renaissance NMTC, Inc., selected the Project for a funding allocation because it is already very familiar with the Project and Sunfield through previous deals, and on the basis of general Project conformance with the objectives of Oakland Renaissance NMTC, Inc.'s NMTC application, Project readiness, public benefits and conformance to City planning documents; and

WHEREAS, Oakland Renaissance NMTC, Inc., will establish a sub-CDE for the allocation of said tax credits to Sunfield or its affiliates; and

WHEREAS, the requirements of CEQA, the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been met; now, therefore, be it

RESOLVED: The City has independently reviewed and considered this environmental determination, and the City finds and determines, based on the information in the staff report accompanying this Resolution, that this action complies with CEQA because this action on the part of the City is exempt from CEQA pursuant to Section 15332 (In-Fill Development Projects) of the CEQA guidelines; and be it further

RESOLVED: That the City Council hereby approves the allocation of up to \$6 million of New Market Tax Credits by Oakland Renaissance NMTC, Inc., to a sub-CDE affiliated with Oakland Renaissance NMTC, Inc., to allocate said tax credits to Sunfield or its affiliates for the development of the Project; and be it further

RESOLVED: That the City Council hereby authorizes the City Administrator or her designees to take whatever action is necessary with respect to the allocation of New Market Tax Credits to the Project consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2013

PASSED BY THE FOLLOWING VOTE:

AYES- BROOKS, GALLO, GIBSON MCELHANEY, KALB, KAPLAN, REID, SCHAAF
AND PRESIDENT KERNIGHAN

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LATONDA SIMMONS
City Clerk and Clerk of the Council,
City of Oakland