



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
REAL ESTATE
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

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To: Chadrick Smalley
Economic Development and Housing Manager
City of Emeryville

From: Keyser Marston Associates, Inc. (KMA)

Date: March 31, 2017

Subject: Financial Feasibility Analysis – 3600-3620 San Pablo Avenue

In accordance with your request, Keyser Marston Associates, Inc. (KMA) has prepared a financial feasibility analysis of redevelopment alternatives for a 0.39-acre property located on the east side of San Pablo Avenue between 36th and 37th streets in the City of Emeryville. The purpose of the analysis is to estimate the development economics of redeveloping the site, with the primary use being affordable housing, and to quantify the potential range of subsidy required by the City.

I. Property

The property, which is comprised of three separate but contiguous parcels, is currently under a single private ownership and is on the market for sale. The City is considering purchasing and redeveloping the property with higher and better uses. Current uses of the property include a food bank operated by the Emeryville Citizens Assistance Program (ECAP), a warehouse, and a former restaurant.

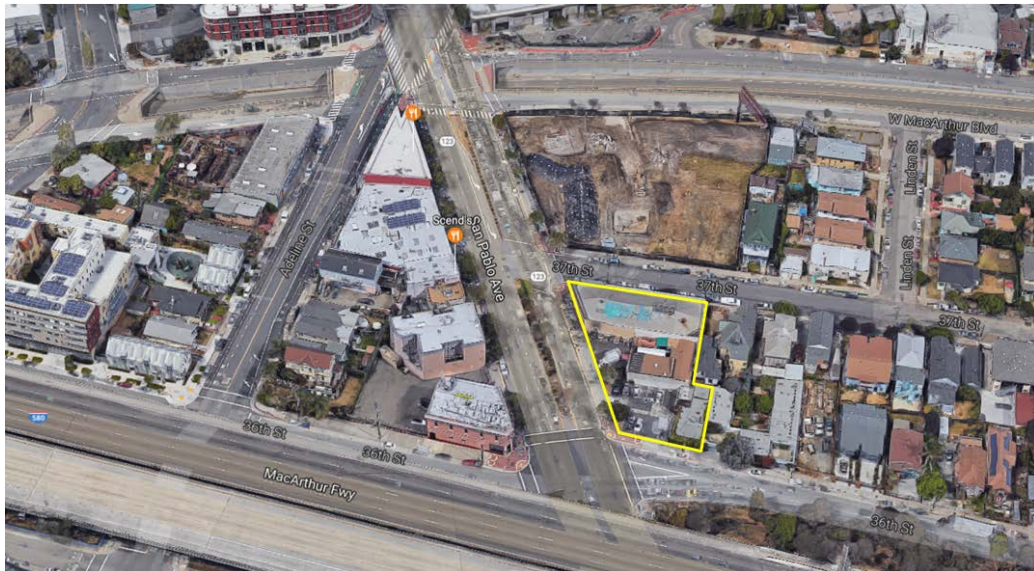
Parcel Data

Address	APN	Acres	Existing Buildings		
			Sq.Ft.	Yr Built	Primary Use
3600 San Pablo Ave	049-0950-006-01	0.14	1,210	1918	Former restaurant
3610 San Pablo Ave	049-950-008-01	0.11	2,004	1923	Food bank (ECAP)
3620 San Pablo Ave	049-950-001	<u>0.14</u>	N/Av	N/Av	Warehouse
		0.39			

Source: County Assessor records

The site is located at a prominent gateway location on San Pablo Avenue in the southeast corner of the City of Emeryville bordering the City of Oakland. In recent years, several properties along San Pablo Avenue have been redeveloped with medium density, mixed use projects with housing above ground floor commercial uses. Immediately to the north of the subject site, on City-owned land, a new affordable multi-family project with ground floor retail space is proposed (the “3706 San Pablo project”). To the east of the site is a neighborhood of primarily single family homes and low density multi-family apartments.

Site Aerial



Google

II. Development Scenarios

At the direction of City staff, this analysis considered the development economics of five project scenarios. All of the scenarios recognize two fundamental goals for redevelopment of the site: (1) to add much-needed affordable housing units for the City of Emeryville, and (2) to include a space for ECAP to continue providing food and other community services at this location. In Scenarios 1 and 2 it is assumed that the housing would serve formerly homeless individuals (“supportive housing”) and in Scenarios 3-5 the housing would serve low income families. The other variable among the scenarios relates to the source of primary project financing, with Scenarios 1 and 3 utilizing 9% Low Income Housing Tax Credits and the other scenarios utilizing 4% Tax Credits. The difference between 4% and 9% Tax Credits is discussed in the following Financial Feasibility section (Section III). Scenario 5 includes a mix of affordable and market rate units in order to test whether inclusion of the market rates units improves the development economics.

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In each scenario, the ground floor of the building is used for the ECAP space, other community services, and the parking garage, with the residential on the upper 2-3 floors (see Appendix A for conceptual project graphics). In order to manage the overall cost of the development, underground parking has not been assumed in this analysis. All the development scenarios were prepared in collaboration with City staff and Van Meter Williams Pollock (VMWP), the design sub-consultant for this assignment.

Development Alternatives
3600-3620 San Pablo Mixed Use Project

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Resident Population	Supportive Hsg	Supportive Hsg	Families	Families	Families/ Mixed Income
Primary Financing	9% Tax Credits	4% Tax Credits	9% Tax Credits	4% Tax Credits	4% Tax Credits
<u>Residential Units</u>					
Below Market Rate*	39 units	39 units	35 units	35 units	18 units
Market Rate	0 units	0 units	0 units	0 units	17 units
Total	39 units	39 units	35 units	35 units	35 units
Average Unit sq. ft.	465 sf	465 sf	886 sf	886 sf	886 sf
ECAP sq. ft.	5,188 sf	5,188 sf	3,624 sf	3,624 sf	3,624 sf
Other Community Svcs	1,598 sf	1,598 sf	0 sf	0 sf	0 sf
Parking Spaces	16 spaces	16 spaces	26 spaces	26 spaces	26 spaces
Parking Ratio	0.4 /unit	0.4 /unit	0.7 /unit	0.7 /unit	0.7 /unit

* Includes one manager's unit

The replacement ECAP space is estimated at 5,188 square feet in Scenarios 1 and 2 and 3,624 square feet in Scenarios 3-5, both of which would be a significant increase from the roughly 2,000 square feet of indoor building space it has presently. The new ECAP space would include a larger food storage area, a kitchen, administrative office space, and an indoor food distribution area. The new ECAP space can be larger with the supportive housing alternative because fewer parking spaces are needed than in the family housing alternative. In both alternatives, parking for the project is kept to a minimum in keeping with the site's infill and public transit-served location.

With the supportive housing project, there is approximately 1,600 square feet of space in the ground floor that could be used for other community services such as a health clinic, employment/job training services, counseling services, navigation center, or other services targeted for formerly homeless and low income populations. Alternatively, this space could be additional building area for ECAP. For this assignment, KMA and VMWP toured the ECAP facility and met with ECAP representatives in order to understand ECAP's general space needs; however a more comprehensive space planning exercise

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would be needed if/when the City decides to move forward with the project. Loading for the ECAP facility is assumed to be located inside the secure parking garage.

III. Financial Feasibility

In order to analyze financial feasibility, a preliminary development pro forma was prepared for each scenario. The pro forma first estimates the costs to develop the project including land acquisition costs, all direct construction costs, as well as indirect (“soft”) costs of development such as design and engineering, fees and permit costs, taxes, insurance, legal, financing, and administrative overhead costs. Second, the pro forma estimates the operating income generated by the project once developed, quantifies the debt financing supported by the operating income (if any), and estimates other financing sources that might be available based on sources typically available for low income housing projects. Any remaining “feasibility gap” is assumed to be funded through a subsidy by the City of Emeryville. It is typical for affordable housing projects of this nature to require a significant local subsidy.

The following includes a brief discussion of some of the key development cost and operating income assumptions in the pro forma. Full pro formas are included in Appendix B.

a) Land Acquisition Cost

As noted, all three parcels comprising the site are under a single ownership and the owner has had the site listed for sale for some time. The site was listed last summer at \$2.75 million but was recently increased to \$3.25 million (\$83,300/unit for the maximum 39 units permitted on the site). It is not known what has caused the owner to increase the price, as a buyer has not been successfully secured at the lower price. Factors influencing the value of the property include the City’s development regulations (up to 100 units/acre and 75 foot building height is permitted), environmental conditions (some level of soils remediation will likely be required), the site’s size and configuration, the location next to the I-580 freeway, existing tenant leases, and the condition of existing improvements¹. It is noted that the property is being marketed for the value of the land rather than the value of the existing improvements (see Appendix C for the property listing).

The City recently contracted to have the subject property appraised although ultimately, the purchase price would need to be negotiated between the owner and the City. For

¹ Though a complete inspection has not been performed for this assignment, it appears the existing improvements are in average to below-average condition. Existing tenants include ECAP and a locksmith. The restaurant space is vacant.

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purposes of this analysis, a land acquisition cost of \$2.04 million (\$52,300/unit for the maximum 39 units allowed) has been assumed, which was based on the January 2017 appraised value for the adjacent 3706 San Pablo affordable housing project.

b) Direct Construction Costs

The direct construction costs for the project have been estimated based on the costs of other multi-family projects in the market of similar construction type. It is assumed that the project will pay prevailing wages due to the fact that multiple public subsidy sources, including from the City of Emeryville, will be funding the project. It is noted that the Bay Area real estate market has been experiencing rapidly escalating construction costs in recent years due in large part to the significant volume of construction activity in the region. There have been some signs that construction cost increases are beginning to moderate but it is uncertain whether this will be a long term trend.

It is also noted that the project will likely require some level of soils remediation due to the fact that, according to the Phase I environmental report, the site was at one time used for a dry cleaner and an automobile service station. The soils remediation costs are undetermined at this time; however this analysis does include a placeholder cost estimate.

c) Indirects/Financing/Operating Reserve

The pro forma includes all indirect costs of development including design and engineering costs, local fees and permits costs, financing costs, etc. For the supportive housing project (Scenarios 1 and 2), it is assumed that the project will need to fund an operating reserve of approximately \$2.6 million to fund ongoing operating deficits. Due to the Extremely Low Income and Very Low Income rents targeted for this population, operating income from the project is not projected to be sufficient to fully cover operating expenses. Under the conservative assumption that there are no outside funding sources available to subsidize these operating costs, the operating reserve fund in this analysis has been sized to cover operating deficits for a 30-year period. If a source can be secured to provide subsidized supportive services, the operating reserve can be reduced.

d) Operating Income

The primary source of operating income from the project is the apartment rents. At this time it is assumed that neither ECAP nor any other potential service provider will pay

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rent for the ground floor space². Monthly rents for the affordable units are based on the Area Median Incomes (AMI) for Alameda County as adjusted for household size and depth of affordability. As shown in the table below, the affordable rents are on the order of 60% to 80%+ lower than comparable market rate rents³.

Monthly Rents
3600-3620 San Pablo Mixed Use Project

	Extremely Low Income*	Very Low Income*	Low Income*	Market Rate
Studio	\$471	\$812	\$983	NA
1-Bedroom	\$499	\$865	\$1,048	\$2,440
2-Bedroom	\$591	\$1,030	\$1,250	\$3,140
3-Bedroom	\$678	\$1,185	\$1,439	\$4,060

* Qualifying household incomes:

Extremely Low Income: up to 30% of AMI
Very Low Income: 30% to 50% of AMI
Low Income: 50% to 80% of AMI

It is important to note that the level of affordability varies among the five scenarios. For the supportive housing alternative (Scenarios 1 and 2), all 39 units are reserved for Extremely Low and Very Low Income households (earning 30% to 50% of AMI), while the family alternative provides a broader mix of households. The affordability mixes are driven by the population served as well as by requirements of the financing programs assumed to be utilized (see discussion in the following section). The following summarizes the affordability for each of the scenarios:

² The City of Emeryville pays the rent, utilities, and other occupancy costs for ECAP's current operations.

³ According to RealAnswers, a third party vendor of apartment market data, as of the third quarter of 2016 the average apartment rent in Emeryville was about \$2,900/month (see Appendix D).

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**Unit Affordability Mix
3600-3620 San Pablo Mixed Use Project**

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
	Supportive Housing	Supportive Housing	Families	Families	Families/ Mixed Income
30% AMI Rents	20	20	4	0	0
40% AMI Rents	0	0	9	0	0
50% AMI Rents	18	18	14	17	9
60% AMI Rents	0	0	7	17	8
Market Rate Rents	0	0	0	0	17
Manager Unit	1	1	1	1	1
Total Units	39	39	35	35	35
Average	40% AMI	40% AMI	47% AMI	55% AMI	103% AMI

e) Financing Sources

The analysis is based upon the assumption that the project would be financed with Low Income Housing Tax Credits, a common source of financing affordable multi-family apartment projects. There are two forms of Low Income Housing Tax Credits – 9% Tax Credits and 4% Tax Credits. 9% Tax Credits are highly oversubscribed and are allocated in two competitive funding rounds a year by the California Tax Credit Allocation Committee (TCAC). 9% Tax Credits are preferred over 4% Tax Credits because 9% Tax Credits generally produce more funding. 4% Tax Credits are not competitive like 9% Tax Credits but they also generally require higher subsidies from other sources.

In addition to Low Income Housing Tax Credits, funding from State and County programs is often relied upon to fund affordable housing projects through programs such as the Affordable Housing and Sustainable Communities Program (AHSC), Mental Health Services Act (MHSA), and project based Section 8 from the local Housing Authority. The amount of funding that might be secured from State and County sources is difficult to predict given that, like 9% Tax Credits, they are competitively awarded. The average amount of funding from State and County sources for eleven recent Tax Credit projects in the region (new construction, not rehabilitation projects) was \$107,000/unit (see Appendix E). Based on this data, an assumption of \$100,000/unit has been utilized for this analysis.

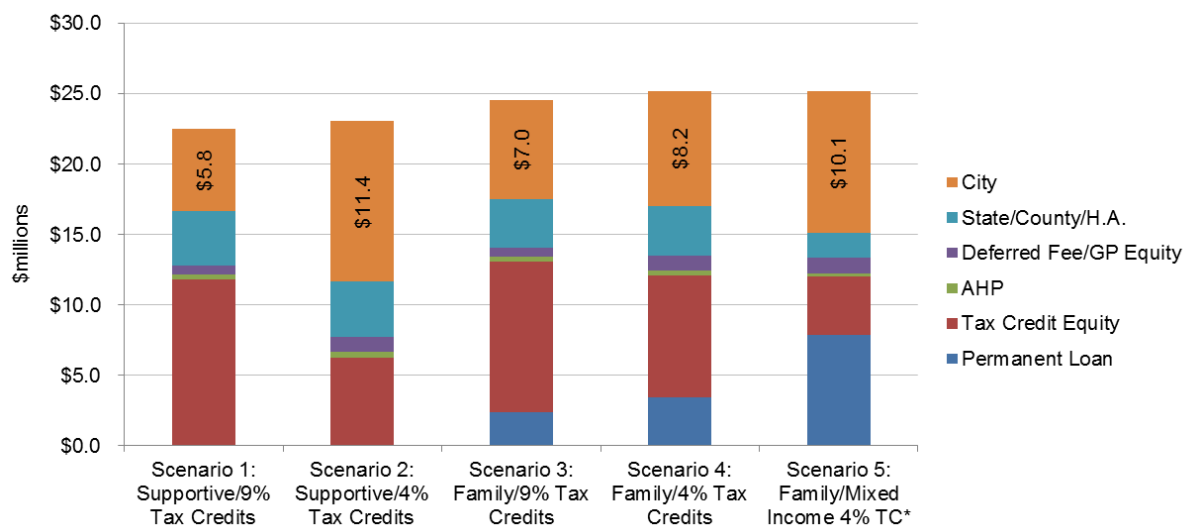
Other funding sources assumed in the analysis include a Deferred Developer Fee/General Partner equity, Affordable Housing Program (AHP) funds, and permanent debt financing supported by the project's income. However, in the supportive housing

scenarios, operating income is not sufficient to afford a mortgage payment. Other funding sources specifically for supportive housing, such as the Veterans Housing and Homeless Prevention program (VHHP) and No Place Like Home program, both administered by the State, are not explicitly assumed in this analysis.

It is noted that, at the time of this writing, there are significant uncertainties around the future availability of federal funding for affordable housing, including impacts on the Low Income Housing Tax Credit program, resulting from the incoming Trump administration. This uncertainty represents a risk factor that should be monitored and considered as the City deliberates moving forward with redeveloping the site.

After all other potential funding sources have been accounted for, it is assumed that the remaining feasibility gap would need to be filled by the City of Emeryville. As shown in the chart below, the remaining gap is estimated to range from as low as \$5.8 million to as high as \$11.4 million (roughly \$149,000 to \$292,000/unit). One of the reasons why the required City subsidy for this project may be higher than for other affordable housing projects in the City is the fact that the City is essentially subsidizing the entire cost of the ECAP and community services space since affordable housing funding programs will not fund these costs and, as has been noted, it is assumed that neither of these spaces will generate rent. Furthermore, deep subsidies are typically required for formerly homeless projects because of the highly discounted rents required to make units affordable to this population.

Permanent Funding Sources 3600-3620 San Pablo Mixed Use Project



*Note: Market rate units are not eligible to be funded with Tax Credits and other affordable housing programs.

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IV. Conclusions

Redevelopment of the 3600-3620 San Pablo Avenue property with a mixed use affordable housing and ground floor community services project would achieve multiple goals for the City of Emeryville including significantly upgrading the use, condition, and appearance of the subject site, adding much needed affordable housing units for Emeryville residents, and providing upgraded and expanded space for ECAP. However, even with the availability of other public subsidy sources, the project would require a significant investment on the part of the City, estimated to range from roughly \$5.8 million to \$11.4 million.

The 9% Tax Credit scenarios result in lower feasibility gaps than the 4% Tax Credits; therefore it is recommended that 9% Tax Credits be the preferred financing plan. It is also recommended that the project be planned as a 100% affordable project, as the higher rents from market rate units are not sufficient to make up for the fact that Tax Credits and other affordable housing subsidies are not available for market rate units. In addition, unlike the affordable units, the market rate units do not enjoy a property tax exemption.

As noted, the analysis assumes a land acquisition cost of \$2.04 million. Any increase or decrease in the ultimate land purchase price negotiated with the property owner will have a like impact on the amount of subsidy required. For example, if the ultimate purchase price is \$3.25 million (the amount the owner is currently asking) the City subsidy would increase by \$1.21 million (\$3.25 million minus \$2.04 million).

APPENDICES

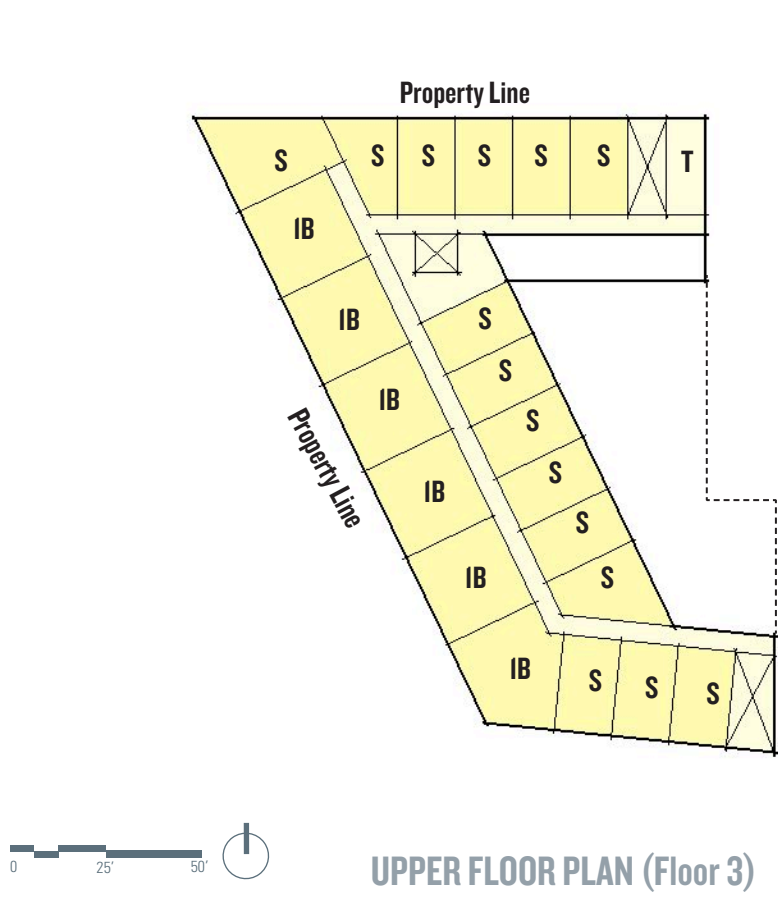
Appendix A Conceptual Project Graphics

Appendix B Preliminary Development Pro formas

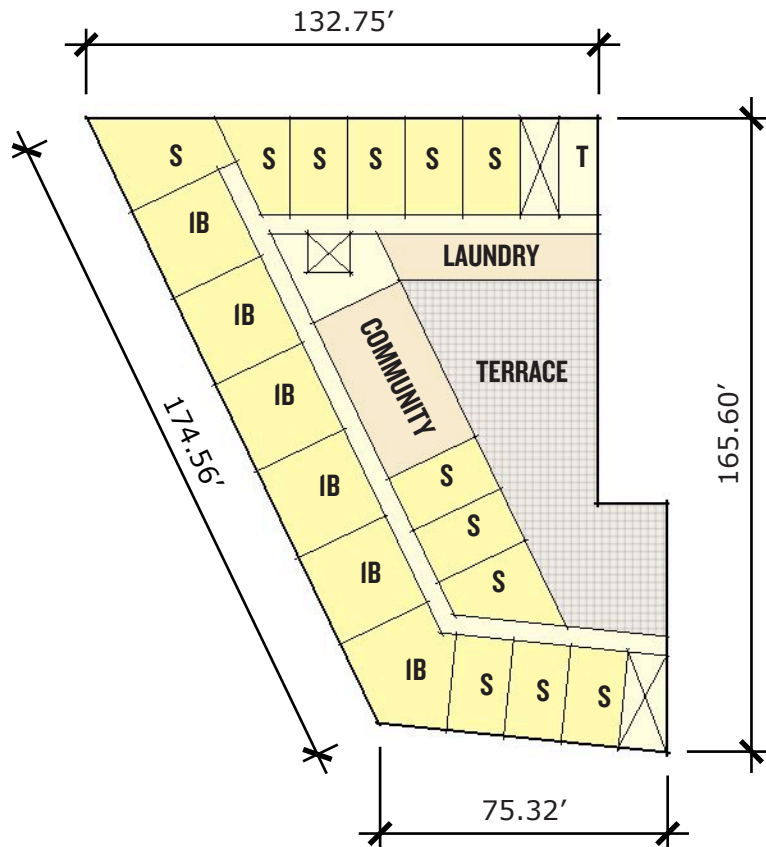
Appendix C Property Listing

Appendix D Emeryville Apartment Market Report

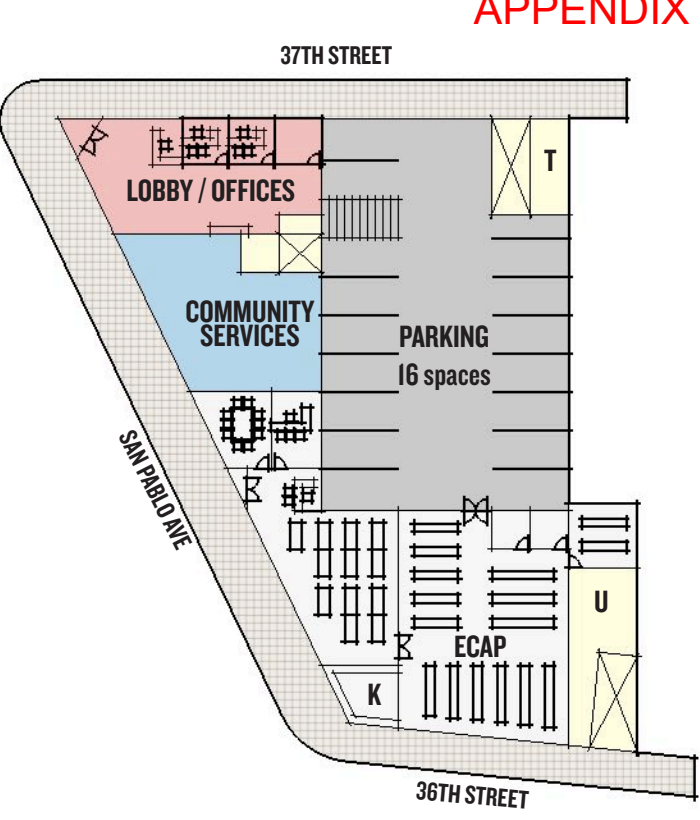
Appendix E Summary of Funding Sources for Recent Tax Credit Projects



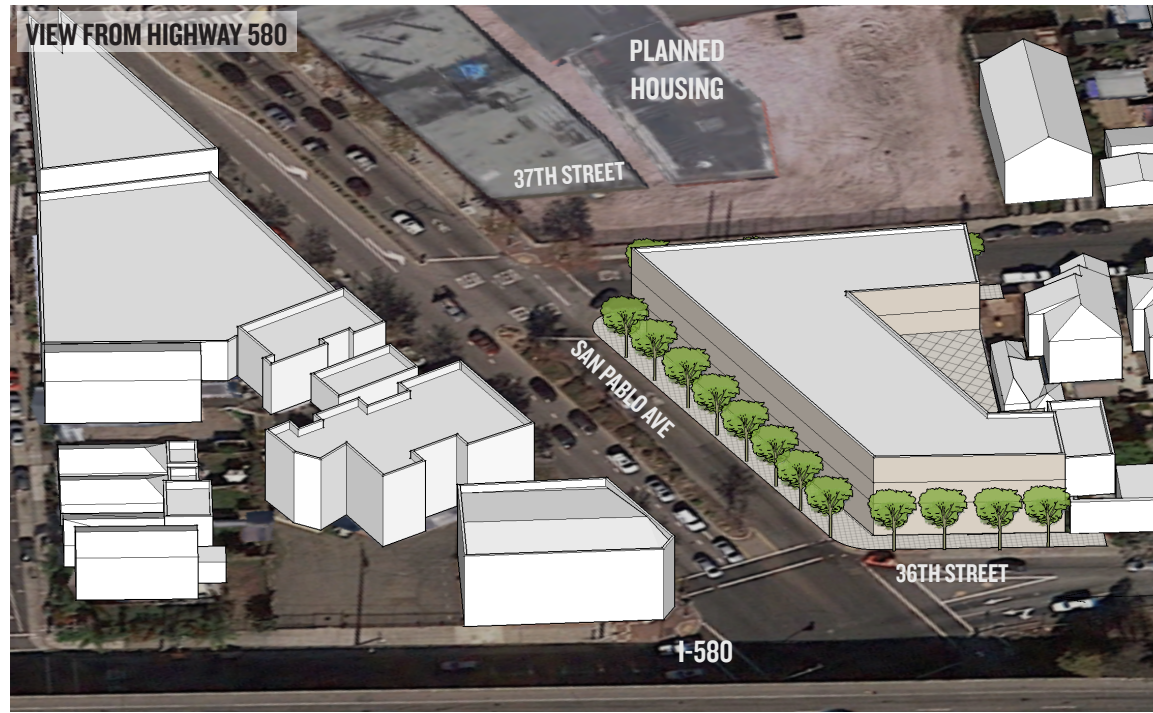
UPPER FLOOR PLAN (Floor 3)



COURTYARD PLAN (Floor 2)



GROUND FLOOR PLAN



PROGRAM SUMMARY	Residential	Lobby / Offices	Community services	ECAP	Circulation/ Utilities	Commons/ Laundry	Parking	TOTAL built area	Open space
Ground floor	-	1,781	1,598	5,188	1,607	-	6,061	16,234	-
Floor 2	8,514	-	-	-	2,650	1,778	-	12,941	3,294
Floor 3	9,639	-	-	-	2,650	-	-	12,288	-
TOTAL	18,152	1,781	1,598	5,188	6,907	1,778	6,061	41,463	3,294

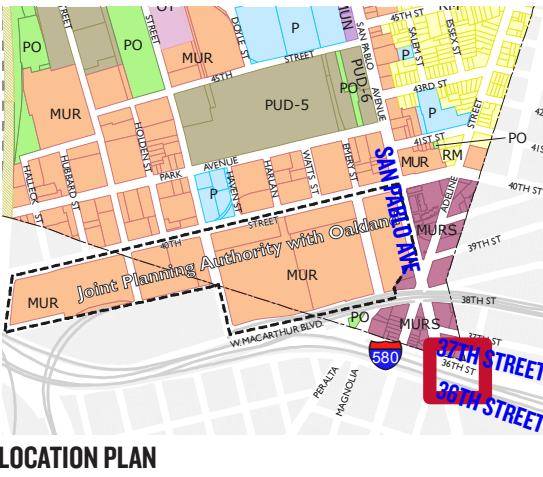
HOUSING SUMMARY	Studio	1br	Unit Count
Ground floor	-	-	-
Floor 2	12	6	18
Floor 3	15	6	21
TOTAL	27	12	39
Unit %	69%	31%	100%

FAR REQMTS	Allowed	With bonus	Provided
FAR	1.5	3.0	2.5
DUA	50	100	101
Area (sqft)	25,203	50,406	41,463

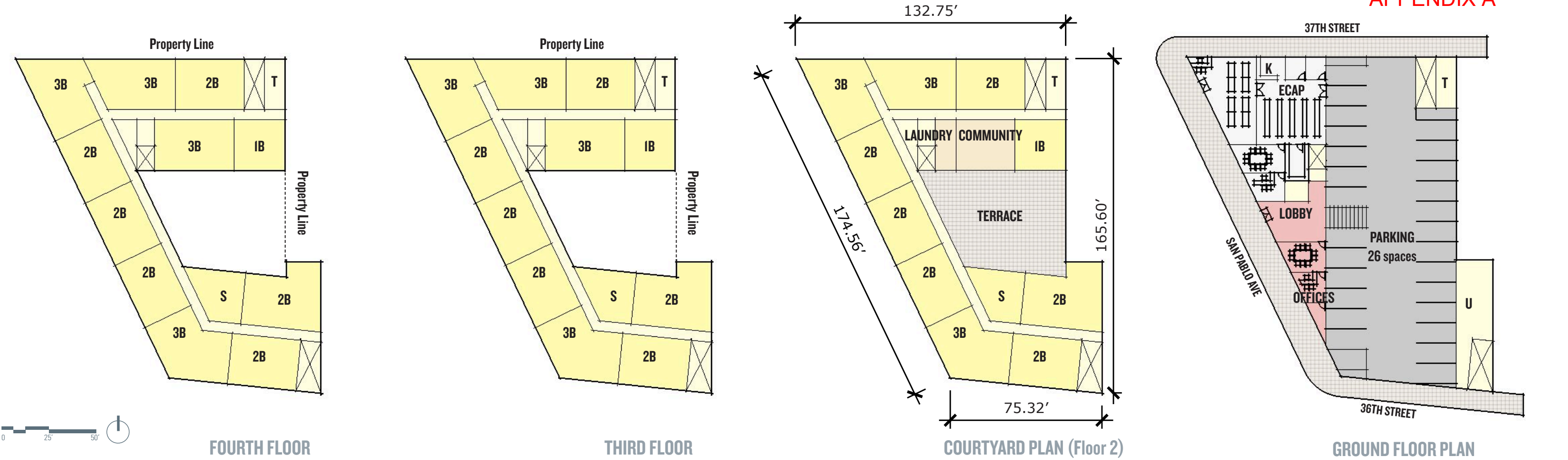
PARKING SUMMARY	Residential	ECAP	Res Ratio
Spaces	15.0	1.0	0.38

OPEN SPACE REQUIREMENTS		Per unit sq ft	Unit count	Area (sqft)	Total area (sqft)
Required open space	Private	40	39	1,560	2,340
	Common	20	39	780	
	Substitute with common open area	80	39	3,120	
Provided open space	Private	-	39	-	3,294
	Common	84	39	3,294	

ZONING SUMMARY	
MIXED-USE WITH RESIDENTIAL SOUTH (MURS)	
SITE AREA	16,802 SF/ 0.39 acres
EXISTING PARKING ON SITE	10 spaces
BUILDING HEIGHT LIMIT	40/75 ft
FAR ALLOWED / AFTER BONUS	1.5/3.0
DENSITY ALLOWED	50/100 du/acre
UNITS ALLOWED	19.5 units/39 units



LOCATION PLAN



PROGRAM SUMMARY	Residential	Lobby / Offices	Community services	ECAP	Circulation/ Utilities	Commons/ Laundry	Parking	TOTAL built area	Open space
Ground floor	-	1,305	-	3,624	1,917	-	9,726	16,572	-
Floor 2	9,678	-	-	-	2,527	983	-	13,187	3,047
Floor 3	10,661	-	-	-	2,527	-	-	13,187	-
Floor 4	10,661	-	-	-	2,527	-	-	13,187	-
TOTAL	30,999	1,305	-	3,624	9,497	983	9,726	56,134	3,047

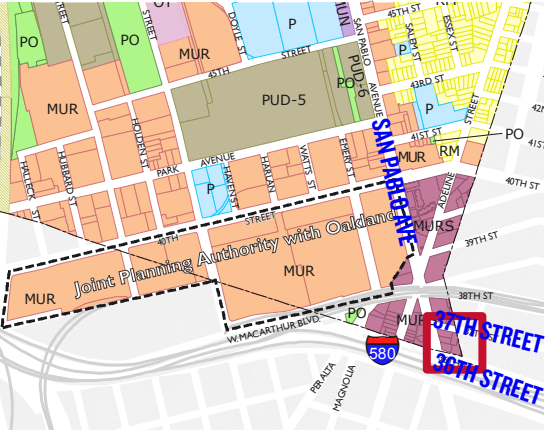
HOUSING UNIT SUMMARY	Studio	1br	2br	3br	Unit Count
Ground floor	-	-	-	-	-
Floor 2	-	2	6	3	11
Floor 3	-	2	6	4	12
Floor 4	-	2	6	4	12
TOTAL	-	6	18	11	35
Unit %	0%	17%	51%	31%	100%

FAR REQMTS	Allowed	With bonus	Provided
FAR	1.5	3.0	3.3
DUA	50	100	91
Area (sqft)	25,203	50,406	56,134

PARKING SUMMARY	Residential	ECAP	Res Ratio
Spaces	25	1	0.71

OPEN SPACE REQUIREMENTS		Per unit sq ft	Unit count	Area (sqft)	Total area (sqft)
Required open space	Private	40	35	1,400	2,100
	Common	20	35	700	
	Substitute with common open area	80	35	2,800	
Provided open space	Private	-	35	-	3,047
	Common	87	35	3,047	

ZONING SUMMARY	
MIXED-USE WITH RESIDENTIAL SOUTH (MURS)	
SITE AREA	16,802 SF/ 0.39 acres
EXISTING PARKING ON SITE	10 spaces
BUILDING HEIGHT LIMIT	40/75 ft
FAR ALLOWED / AFTER BONUS	1.5/3.0
DENSITY ALLOWED	50/100 du/acre
UNITS ALLOWED	19.5 units/39 units



APPENDIX B. Table 1a**Supportive Housing, 9% Tax Credits**

Development Costs
 3600-3620 San Pablo Mixed Use Project
 City of Emeryville

		Per GSF 35,404	Per Unit 39	Total	% Directs
I. Land					
Land Acquisition	\$121 /land sf	\$58	\$52,308	\$2,040,000	16.2%
Transaction Costs		\$1	\$1,051	\$41,000	0.3%
Total Land		\$59	\$53,359	\$2,081,000	16.5%
II. Directs (Prevailing Wages)					
Sitework & Remediation		\$30	\$27,403	\$1,068,700	8.5%
Residential Structures	28,618	\$320	\$234,497	\$9,145,400	72.7%
ECAP/Services	6,786	\$260	\$45,241	\$1,764,400	14.0%
Contingency		\$17	\$15,356	\$598,900	4.8%
Total Directs		\$355	\$322,497	\$12,577,400	100.0%
III. Indirects					
A&E		\$20	\$17,738	\$691,800	5.5%
Local Permits & Fee		\$24	\$21,923	\$855,000	6.8%
Legal/Title/Marketing		\$4	\$3,846	\$150,000	1.2%
Reserves		\$4	\$3,923	\$153,000	1.2%
Developer Fee		\$56	\$51,282	\$2,000,000	15.9%
Other Soft Costs		\$14	\$12,821	\$500,000	4.0%
Total Indirects		\$123	\$111,533	\$4,349,800	34.6%
IV. Financing					
TCAC		\$1	\$674	\$26,300	0.2%
Construction Interest		\$18	\$16,338	\$637,200	5.1%
Financing & Syndication		\$7	\$5,941	\$231,700	1.8%
Total Financing		\$25	\$22,954	\$895,200	7.1%
V. Operating Reserve (30-yr)		\$73	\$66,410	\$2,590,000	20.6%
VI. Total Development Costs		\$635	\$576,754	\$22,493,400	178.8%

APPENDIX B. Table 1b**Supportive Housing, 9% Tax Credits**

Operating Income
 3600-3620 San Pablo Mixed Use Project
 City of Emeryville

	Units	%	Unit SF	Total SF	Gross Rent	Util Allnc	Net Rent	Annual Income
<u>30% of AMI</u>								
Studio	14	36%	425	5,950	\$512	(\$41)	\$471	\$79,128
1-Bedroom	6	15%	556	3,339	\$548	(\$49)	\$499	\$35,928
2-Bedroom				0	\$658	(\$67)	\$591	\$0
3-Bedroom				0	\$760	(\$82)	\$678	\$0
Subtotal	20	51%		9,289				\$115,056
<u>40% of AMI</u>								
Studio	0	0%	425	0	\$683	(\$41)	\$642	\$0
1-Bedroom	0	0%	556	0	\$731	(\$49)	\$682	\$0
2-Bedroom				0	\$878	(\$67)	\$811	\$0
3-Bedroom				0	\$1,014	(\$82)	\$932	\$0
Subtotal	0	0%		0				\$0
<u>50% of AMI</u>								
Studio	13	33%	425	5,525	\$853	(\$41)	\$812	\$126,672
1-Bedroom	5	13%	556	2,782	\$914	(\$49)	\$865	\$51,900
2-Bedroom				0	\$1,097	(\$67)	\$1,030	\$0
3-Bedroom				0	\$1,267	(\$82)	\$1,185	\$0
Subtotal	18	46%		8,307				\$178,572
<u>60% of AMI</u>								
Studio	0	0%	425	0	\$1,024	(\$41)	\$983	\$0
1-Bedroom	0	0%	556	0	\$1,097	(\$49)	\$1,048	\$0
2-Bedroom				0	\$1,317	(\$67)	\$1,250	\$0
3-Bedroom				0	\$1,521	(\$82)	\$1,439	\$0
Subtotal	0	0%		0				\$0
Manager's Unit (1BR)	1	3%	556	556			\$1,048	\$12,576
Total	39	100%	465	18,152			\$654	\$306,204
Other Income							\$10.00	\$4,680
(Less) Vacancy							10.0%	(\$31,088)
EGI								\$279,796
<u>Operating Expenses</u>								
Operating Expenses							\$7,500	\$292,500
Replacement Reserve							\$300	\$11,700
Property Taxes							\$0	\$0
Total							\$7,800	\$304,200
NOI							(\$626)	(\$24,404)

APPENDIX B. Table 1c**Supportive Housing, 9% Tax Credits**

Feasibility Gap

3600-3620 San Pablo Mixed Use Project

City of Emeryville

	Per Unit	Total	% Total
	39		
<u>Permanent Sources of Funds</u>			
Permanent Loan	\$0	\$0	0.0%
Tax Credit Equity (9%)	\$301,538	\$11,760,000 ⁽¹⁾	52.3%
AHP	\$10,000	\$390,000	1.7%
Deferred Developer Fee/GP Equity	\$15,385	\$600,000	2.7%
State/County/Housing Authority	\$100,000	\$3,900,000	17.3%
Total	\$426,923	\$16,650,000	74.0%
 (Less) Development Costs	 (\$576,754)	 (\$22,493,400)	 -100.0%
 Feasibility Gap (City Funded)	 (\$149,831)	 (\$5,843,400)	 -26.0%

⁽¹⁾ Tax credit equity estimated based on recent tie-breaker scoring (for formerly homeless projects). Tax credit pricing estimated at \$0.95.

APPENDIX B. Table 2a**Supportive Housing, 4% Tax Credits**

Development Costs

3600-3620 San Pablo Mixed Use Project

City of Emeryville

		Per GSF	Per Unit	Total	% Directs
		35,404	39		
I. Land					
Land Acquisition	\$121 /land sf	\$58	\$52,308	\$2,040,000	16.2%
Transaction Costs		\$1	\$1,051	\$41,000	0.3%
Total Land		\$59	\$53,359	\$2,081,000	16.5%
II. Directs (Prevailing Wages)					
Sitework & Remediation		\$30	\$27,403	\$1,068,700	8.5%
Residential Structures	28,618	\$320	\$234,497	\$9,145,400	72.7%
ECAP/Services	6,786	\$260	\$45,241	\$1,764,400	14.0%
Contingency		\$17	\$15,356	\$598,900	4.8%
Total Directs		\$355	\$322,497	\$12,577,400	100.0%
III. Indirects					
A&E		\$20	\$17,738	\$691,800	5.5%
Local Permits & Fee		\$24	\$21,923	\$855,000	6.8%
Legal/Title/Marketing		\$4	\$3,846	\$150,000	1.2%
Reserves		\$4	\$3,923	\$153,000	1.2%
Developer Fee		\$71	\$64,103	\$2,500,000	19.9%
Other Soft Costs		\$14	\$12,821	\$500,000	4.0%
Total Indirects		\$137	\$124,354	\$4,849,800	38.6%
IV. Financing					
TCAC		\$1	\$674	\$26,300	0.2%
Construction Interest		\$18	\$16,338	\$637,200	5.1%
Financing & Syndication		\$9	\$7,923	\$309,000	2.5%
Total Financing		\$27	\$24,936	\$972,500	7.7%
V. Operating Reserve (30-yr)		\$73	\$66,410	\$2,590,000	20.6%
VI. Total Development Costs		\$652	\$591,556	\$23,070,700	183.4%

APPENDIX B. Table 2b
Supportive Housing, 4% Tax Credits

Operating Income
3600-3620 San Pablo Mixed Use Project
City of Emeryville

	Units	%	Unit SF	Total SF	Gross Rent	Util Allnc	Net Rent	Annual Income
<u>30% of AMI</u>								
Studio	14	36%	425	5,950	\$512	(\$41)	\$471	\$79,128
1-Bedroom	6	15%	556	3,339	\$548	(\$49)	\$499	\$35,928
2-Bedroom				0	\$658	(\$67)	\$591	\$0
3-Bedroom				0	\$760	(\$82)	\$678	\$0
Subtotal	20	51%		9,289				\$115,056
<u>40% of AMI</u>								
Studio	0	0%	425	0	\$683	(\$41)	\$642	\$0
1-Bedroom	0	0%	556	0	\$731	(\$49)	\$682	\$0
2-Bedroom				0	\$878	(\$67)	\$811	\$0
3-Bedroom				0	\$1,014	(\$82)	\$932	\$0
Subtotal	0	0%		0				\$0
<u>50% of AMI</u>								
Studio	13	33%	425	5,525	\$853	(\$41)	\$812	\$126,672
1-Bedroom	5	13%	556	2,782	\$914	(\$49)	\$865	\$51,900
2-Bedroom				0	\$1,097	(\$67)	\$1,030	\$0
3-Bedroom				0	\$1,267	(\$82)	\$1,185	\$0
Subtotal	18	46%		8,307				\$178,572
<u>60% of AMI</u>								
Studio	0	0%	425	0	\$1,024	(\$41)	\$983	\$0
1-Bedroom	0	0%	556	0	\$1,097	(\$49)	\$1,048	\$0
2-Bedroom				0	\$1,317	(\$67)	\$1,250	\$0
3-Bedroom				0	\$1,521	(\$82)	\$1,439	\$0
Subtotal	0	0%		0				\$0
Manager's Unit (1BR)	1	3%	556	556			\$1,048	\$12,576
Total	39	100%	465	18,152			\$654	\$306,204
Other Income							\$10.00	\$4,680
(Less) Vacancy							10.0%	(\$31,088)
EGI								\$279,796
<u>Operating Expenses</u>								
Operating Expenses							\$7,500	\$292,500
Replacement Reserve							\$300	\$11,700
Property Taxes							\$0	\$0
Total							\$7,800	\$304,200
NOI							(\$626)	(\$24,404)

APPENDIX B. Table 2c**Supportive Housing, 4% Tax Credits**

Feasibility Gap

3600-3620 San Pablo Mixed Use Project

City of Emeryville

	Per Unit	Total	% Total
	39		
<u>Permanent Sources of Funds</u>			
Permanent Loan	\$0	\$0	0.0%
Tax Credit Equity (4%)	\$160,179	\$6,247,000 ⁽¹⁾	27.1%
AHP	\$10,000	\$390,000	1.7%
Deferred Developer Fee/GP Equity	\$28,205	\$1,100,000	4.8%
State/County/Housing Authority	\$100,000	\$3,900,000	16.9%
Total	\$298,385	\$11,637,000	50.4%
 (Less) Development Costs	 (\$591,556)	 (\$23,070,700)	 -100.0%
Feasibility Gap (City Funded)	(\$293,172)	(\$11,433,700)	-49.6%

⁽¹⁾ Tax credit pricing estimated at \$0.95.

APPENDIX B. Table 3a**Family, 9% Tax Credits**

Development Costs
 3600-3620 San Pablo Mixed Use Project
 City of Emeryville

		Per GSF 46,408	Per Unit 35	Total	% Directs
I. Land					
Land Acquisition	\$121 /land sf	\$44	\$58,286	\$2,040,000	12.3%
Transaction Costs		\$1	\$1,171	\$41,000	0.2%
Total Land		\$45	\$59,457	\$2,081,000	12.6%
II. Directs (Prevailing Wages)					
Sitework & Remediation		\$23	\$30,534	\$1,068,700	6.5%
Residential Structures	42,784	\$321	\$392,720	\$13,745,200	83.1%
ECAP/Services	3,624	\$260	\$26,920	\$942,200	5.7%
Contingency		\$17	\$22,509	\$787,800	4.8%
Total Directs		\$356	\$472,683	\$16,543,900	100.0%
III. Indirects					
A&E		\$20	\$25,997	\$909,900	5.5%
Local Permits & Fee		\$24	\$32,023	\$1,120,800	6.8%
Legal/Title/Marketing		\$3	\$4,286	\$150,000	0.9%
Reserves		\$3	\$3,943	\$138,000	0.8%
Developer Fee		\$43	\$57,143	\$2,000,000	12.1%
Other Soft Costs		\$11	\$14,286	\$500,000	3.0%
Total Indirects		\$104	\$137,677	\$4,818,700	29.1%
IV. Financing					
TCAC		\$1	\$674	\$23,600	0.1%
Construction Interest		\$17	\$22,534	\$788,700	4.8%
Financing & Syndication		\$6	\$8,194	\$286,800	1.7%
Total Financing		\$24	\$31,403	\$1,099,100	6.6%
V. Operating Reserve (30-yr)		\$0	\$0	\$0	0.0%
VI. Total Development Costs		\$529	\$701,220	\$24,542,700	148.3%

APPENDIX B. Table 3b
Family, 9% Tax Credits

Operating Income
3600-3620 San Pablo Mixed Use Project
City of Emeryville

	Units	%	Unit SF	Total SF	Gross Rent	Util Allnc	Net Rent	Annual Income
30% of AMI								
Studio	0	0%	475	0	\$512	(\$41)	\$471	\$0
1-Bedroom	0	0%	625	0	\$548	(\$49)	\$499	\$0
2-Bedroom	2	6%	825	1,650	\$658	(\$67)	\$591	\$14,184
3-Bedroom	2	6%	1,127	2,254	\$760	(\$82)	\$678	\$16,272
Subtotal	4	11%		3,904				\$30,456
40% of AMI								
Studio	0	0%	475	0	\$683	(\$41)	\$642	\$0
1-Bedroom	1	3%	625	625	\$731	(\$49)	\$682	\$8,184
2-Bedroom	6	17%	825	4,950	\$878	(\$67)	\$811	\$58,392
3-Bedroom	2	6%	1,127	2,254	\$1,014	(\$82)	\$932	\$22,368
Subtotal	9	26%		7,829				\$88,944
50% of AMI								
Studio	0	0%	475	0	\$853	(\$41)	\$812	\$0
1-Bedroom	2	6%	625	1,250	\$914	(\$49)	\$865	\$20,760
2-Bedroom	7	20%	825	5,775	\$1,097	(\$67)	\$1,030	\$86,520
3-Bedroom	5	14%	1,127	5,636	\$1,267	(\$82)	\$1,185	\$71,100
Subtotal	14	40%		12,661				\$178,380
60% of AMI								
Studio	0	0%	475	0	\$1,024	(\$41)	\$983	\$0
1-Bedroom	3	9%	625	1,875	\$1,097	(\$49)	\$1,048	\$37,728
2-Bedroom	2	6%	825	1,650	\$1,317	(\$67)	\$1,250	\$30,000
3-Bedroom	2	6%	1,127	2,254	\$1,521	(\$82)	\$1,439	\$34,536
Subtotal	7	20%		5,779				\$102,264
Manager's Unit (2BR)	1	3%	825	825			\$1,048	\$12,576
Total	35	100%	886	30,999			\$982	\$412,620
Other Income							\$15.00	\$6,300
(Less) Vacancy							5.0%	(\$20,946)
EGI								\$397,974
Operating Expenses								
Operating Expenses							\$5,500	\$192,500
Replacement Reserve							\$300	\$10,500
Property Taxes							\$0	\$0
Total							\$5,800	\$203,000
NOI							\$5,571	\$194,974

APPENDIX B. Table 3c***Family, 9% Tax Credits***

Feasibility Gap

3600-3620 San Pablo Mixed Use Project

City of Emeryville

	Per Unit	Total	% Total
	35		
<u>Permanent Sources of Funds</u>			
Permanent Loan	\$68,143	\$2,385,000	9.7%
Tax Credit Equity (9%)	\$305,429	\$10,690,000 ⁽¹⁾	43.6%
AHP	\$10,000	\$350,000	1.4%
Deferred Developer Fee/GP Equity	\$17,143	\$600,000	2.4%
State/County/Housing Authority	\$100,000	\$3,500,000	14.3%
Total	\$500,714	\$17,525,000	71.4%
 (Less) Development Costs	 (\$701,220)	 (\$24,542,700)	 -100.0%
Feasibility Gap (City Funded)	(\$200,506)	(\$7,017,700)	-28.6%

⁽¹⁾ Tax credit equity estimated based on recent tie-breaker scoring. Tax credit pricing estimated at \$0.95.

APPENDIX B. Table 4a**Family, 4% Tax Credits**

Development Costs
 3600-3620 San Pablo Mixed Use Project
 City of Emeryville

		Per GSF 46,408	Per Unit 35	Total	% Directs
I. Land					
Land Acquisition	\$121 /land sf	\$44	\$58,286	\$2,040,000	12.3%
Transaction Costs		\$1	\$1,171	\$41,000	0.2%
Total Land		\$45	\$59,457	\$2,081,000	12.6%
II. Directs (Prevailing Wages)					
Sitework & Remediation		\$23	\$30,534	\$1,068,700	6.5%
Residential Structures	42,784	\$321	\$392,720	\$13,745,200	83.1%
ECAP/Services	3,624	\$260	\$26,920	\$942,200	5.7%
Contingency		\$17	\$22,509	\$787,800	4.8%
Total Directs		\$356	\$472,683	\$16,543,900	100.0%
III. Indirects					
A&E		\$20	\$25,997	\$909,900	5.5%
Local Permits & Fee		\$24	\$32,023	\$1,120,800	6.8%
Legal/Title/Marketing		\$3	\$4,286	\$150,000	0.9%
Reserves		\$3	\$3,943	\$138,000	0.8%
Developer Fee		\$54	\$71,429	\$2,500,000	15.1%
Other Soft Costs		\$11	\$14,286	\$500,000	3.0%
Total Indirects		\$115	\$151,963	\$5,318,700	32.1%
IV. Financing					
TCAC		\$1	\$674	\$23,600	0.1%
Construction Interest		\$17	\$23,100	\$808,500	4.9%
Financing & Syndication		\$8	\$11,200	\$392,000	2.4%
Total Financing		\$26	\$34,974	\$1,224,100	7.4%
V. Operating Reserve (30-yrs)		\$0	\$0	\$0	0.0%
VI. Total Development Costs		\$542	\$719,077	\$25,167,700	152.1%

APPENDIX B. Table 4b
Family, 4% Tax Credits

Operating Income
3600-3620 San Pablo Mixed Use Project
City of Emeryville

	Units	%	Unit SF	Total SF	Gross Rent	Util Allnc	Net Rent	Annual Income
<u>30% of AMI</u>								
Studio	0	0%	475	0	\$512	(\$41)	\$471	\$0
1-Bedroom	0	0%	625	0	\$548	(\$49)	\$499	\$0
2-Bedroom	0	0%	825	0	\$658	(\$67)	\$591	\$0
3-Bedroom	0	0%	1,127	0	\$760	(\$82)	\$678	\$0
Subtotal	0	0%		0				\$0
<u>40% of AMI</u>								
Studio	0	0%	475	0	\$683	(\$41)	\$642	\$0
1-Bedroom	0	0%	625	0	\$731	(\$49)	\$682	\$0
2-Bedroom	0	0%	825	0	\$878	(\$67)	\$811	\$0
3-Bedroom	0	0%	1,127	0	\$1,014	(\$82)	\$932	\$0
Subtotal	0	0%		0				\$0
<u>50% of AMI</u>								
Studio	0	0%	475	0	\$853	(\$41)	\$812	\$0
1-Bedroom	3	9%	625	1,875	\$914	(\$49)	\$865	\$31,140
2-Bedroom	9	26%	825	7,425	\$1,097	(\$67)	\$1,030	\$111,240
3-Bedroom	5	14%	1,127	5,636	\$1,267	(\$82)	\$1,185	\$71,100
Subtotal	17	49%		14,936				\$213,480
<u>60% of AMI</u>								
Studio	0	0%	475	0	\$1,024	(\$41)	\$983	\$0
1-Bedroom	3	9%	625	1,875	\$1,097	(\$49)	\$1,048	\$37,728
2-Bedroom	8	23%	825	6,600	\$1,317	(\$67)	\$1,250	\$120,000
3-Bedroom	6	17%	1,127	6,763	\$1,521	(\$82)	\$1,439	\$103,608
Subtotal	17	49%		15,238				\$261,336
Manager's Unit (2BR)	1	3%	825	825			\$1,048	\$12,576
Total	35	100%	886	30,999			\$1,160	\$487,392
Other Income							\$15.00	\$6,300
(Less) Vacancy							5.0%	(\$24,685)
EGI								\$469,007
<u>Operating Expenses</u>								
Operating Expenses							\$5,500	\$192,500
Replacement Reserve							\$300	\$10,500
Property Taxes							\$0	\$0
Total							\$5,800	\$203,000
NOI							\$7,600	\$266,007

APPENDIX B. Table 4c***Family, 4% Tax Credits***

Feasibility Gap

3600-3620 San Pablo Mixed Use Project

City of Emeryville

	Per Unit	Total	% Total
	35		
<u>Permanent Sources of Funds</u>			
Permanent Loan	\$98,314	\$3,441,000	13.7%
Tax Credit Equity (4%)	\$246,400	\$8,624,000 ⁽¹⁾	34.3%
AHP	\$10,000	\$350,000	1.4%
Deferred Developer Fee/GP Equity	\$31,429	\$1,100,000	4.4%
State/County/Housing Authority	\$100,000	\$3,500,000	13.9%
Total	\$486,143	\$17,015,000	67.6%
 (Less) Development Costs	 (\$719,077)	 (\$25,167,700)	 -100.0%
 Feasibility Gap (City Funded)	 (\$232,934)	 (\$8,152,700)	 -32.4%

⁽¹⁾ Tax credit pricing estimated at \$0.95.

APPENDIX B. Table 5a**Family, Mixed, 4% Tax Credits**

Development Costs

3600-3620 San Pablo Mixed Use Project

City of Emeryville

		Per GSF	Per Unit	Total	% Directs
		46,408	35		
I. Land					
Land Acquisition	\$121 /land sf	\$44	\$58,286	\$2,040,000	12.3%
Transaction Costs		\$1	\$1,171	\$41,000	0.2%
Total Land		\$45	\$59,457	\$2,081,000	12.6%
II. Directs (Prevailing Wages)					
Sitework & Remediation		\$23	\$30,534	\$1,068,700	6.5%
Residential Structures	42,784	\$321	\$392,720	\$13,745,200	83.1%
ECAP/Services	3,624	\$260	\$26,920	\$942,200	5.7%
Contingency		\$17	\$22,509	\$787,800	4.8%
Total Directs		\$356	\$472,683	\$16,543,900	100.0%
III. Indirects					
A&E		\$20	\$25,997	\$909,900	5.5%
Local Permits & Fee		\$24	\$32,023	\$1,120,800	6.8%
Legal/Title/Marketing		\$3	\$4,286	\$150,000	0.9%
Reserves		\$3	\$3,943	\$138,000	0.8%
Developer Fee		\$54	\$71,429	\$2,500,000	15.1%
Other Soft Costs		\$11	\$14,286	\$500,000	3.0%
Total Indirects		\$115	\$151,963	\$5,318,700	32.1%
IV. Financing					
TCAC		\$1	\$674	\$23,600	0.1%
Construction Interest		\$17	\$23,100	\$808,500	4.9%
Financing & Syndication		\$8	\$11,200	\$392,000	2.4%
Total Financing		\$26	\$34,974	\$1,224,100	7.4%
V. Operating Reserve (30-yrs)		\$0	\$0	\$0	0.0%
VI. Total Development Costs		\$542	\$719,077	\$25,167,700	152.1%

APPENDIX B. Table 5b
Family, Mixed, 4% Tax Credits

Operating Income
3600-3620 San Pablo Mixed Use Project
City of Emeryville

	Units	%	Unit SF	Total SF	Gross Rent	Util Allnc	Net Rent	Annual Income
<u>30% of AMI</u>								
Studio	0	0%	475	0	\$512	(\$41)	\$471	\$0
1-Bedroom	0	0%	625	0	\$548	(\$49)	\$499	\$0
2-Bedroom	0	0%	825	0	\$658	(\$67)	\$591	\$0
3-Bedroom	0	0%	1,127	0	\$760	(\$82)	\$678	\$0
Subtotal	0	0%		0				\$0
<u>40% of AMI</u>								
Studio	0	0%	475	0	\$683	(\$41)	\$642	\$0
1-Bedroom	0	0%	625	0	\$731	(\$49)	\$682	\$0
2-Bedroom	0	0%	825	0	\$878	(\$67)	\$811	\$0
3-Bedroom	0	0%	1,127	0	\$1,014	(\$82)	\$932	\$0
Subtotal	0	0%		0				\$0
<u>50% of AMI</u>								
Studio	0	0%	475	0	\$853	(\$41)	\$812	\$0
1-Bedroom	2	6%	625	1,250	\$914	(\$49)	\$865	\$20,760
2-Bedroom	5	14%	825	4,125	\$1,097	(\$67)	\$1,030	\$61,800
3-Bedroom	2	6%	1,127	2,254	\$1,267	(\$82)	\$1,185	\$28,440
Subtotal	9	26%		7,629				\$111,000
<u>60% of AMI</u>								
Studio	0	0%	475	0	\$1,024	(\$41)	\$983	\$0
1-Bedroom	1	3%	625	625	\$1,097	(\$49)	\$1,048	\$12,576
2-Bedroom	4	11%	825	3,300	\$1,317	(\$67)	\$1,250	\$60,000
3-Bedroom	3	9%	1,127	3,382	\$1,521	(\$82)	\$1,439	\$51,804
Subtotal	8	23%		7,307				\$124,380
<u>Market Rate</u>								
Studio	0	0%	475	0			\$0	\$0
1-Bedroom	3	9%	625	1,875			\$2,440	\$87,840
2-Bedroom	8	23%	825	6,600			\$3,140	\$301,440
3-Bedroom	6	17%	1,127	6,763			\$4,060	\$292,320
Subtotal	17	49%		15,238				\$681,600
Manager's Unit (2BR)	1	3%	825	825			\$1,048	\$12,576
Total	35	100%	886	30,999			\$2,213	\$929,556
Other Income							\$63.57	\$26,700
(Less) Vacancy							5.0%	(\$47,813)
EGI								\$908,443
<u>Operating Expenses</u>								
Operating Expenses							\$5,500	\$192,500
Replacement Reserve							\$300	\$10,500
Property Taxes							\$2,866	\$100,300
Total							\$8,666	\$303,300
NOI							\$17,290	\$605,143

APPENDIX B. Table 5c**Family, Mixed, 4% Tax Credits**

Feasibility Gap

3600-3620 San Pablo Mixed Use Project

City of Emeryville

	Per Unit 35	Total	% Total
<u>Permanent Sources of Funds</u>			
Permanent Loan	\$223,657	\$7,828,000	31.1%
Tax Credit Equity (4%)	\$120,057	\$4,202,000 ⁽¹⁾	16.7%
AHP	\$5,143	\$180,000	0.7%
Deferred Developer Fee/GP Equity	\$31,429	\$1,100,000	4.4%
State/County/Housing Authority	\$51,429	\$1,800,000	7.2%
Total	\$431,714	\$15,110,000	60.0%
 (Less) Development Costs	 (\$719,077)	 (\$25,167,700)	 -100.0%
 Feasibility Gap (City Funded)	 (\$287,363)	 (\$10,057,700)	 -40.0%

⁽¹⁾ Tax credit pricing estimated at \$0.95. Market rate units are not eligible for Tax Credit financing.

Properties for Sale

1 3600-3610-3620 San Pablo Ave, Emeryville, CA 94608



Property Details

Price	\$3,250,000
Lot Size	16,802 SF
Price/SF	\$193.43 /SF
Property Type	Land
Property Sub-type	Multifamily (land)
Zoning Description	Mixed Use Residential South
Features	Electricity/Power - PG&E Water Telephone Cable Gas/Propane
Status	Active

Property Notes

Lots

#	Price	Size	Price/Size	Description
1	\$3,250,000	16,802 SF	\$193.43 /SF	Three separate parcels located between 36th and 37th street on San Pablo Ave. level lots zoned for multi residential and commercial on the ground level.

Property Description

3600 San Pablo is a 1200 square feet building formerly a restaurant situated on a 5914 square feet of land. Total of 10 parking spaces. 3610 is leased to ECAP a community service organization. The site is 4847 square feet improved with approximately 2004 square feet of building including kitchen facilities. 3620 San Pablo is office warehouse of approximately 6041 square feet of building and land. Currently the front portion is leased to a locksmith and the warehouse space is owner user. All leases are on short term.

Location Description

The property is located between 36-37th Streets in the city of Emeryville. Close to major employment and schools. Great access to bridge and freeways. Just moments from Bay bridge and highway 24-80-580-980 and 680 less than one mile to BART station.

Highlights

Similar parcels recently sold average 125.16 Units per acre or approximately 48 units	16802 square feet of land currently zoned for Mixed Use with Residential	Less than 3.0 Miles to UC Berkeley
Just 10 miles from San Francisco's Financial district	FAR for the site 2-3	Height limitation 55-75 feet.

Emeryville is 1 of 13 cities in Alameda County (with at least 5 communities)

Rent ranking
for cities in Alameda County

City	Avg Rent
1. Berkeley	\$3,114
2. Oakland	\$2,927
3. Emeryville	\$2,897
4. Dublin	\$2,546
5. Pleasanton	\$2,449
6. Alameda	\$2,420
7. Newark	\$2,342
8. Fremont	\$2,321
9. Union City	\$2,265
10. Castro Valley	\$2,052
11. Livermore	\$2,041
12. Hayward	\$1,958
13. San Leandro	\$1,680

Occupancy ranking
for cities in Alameda County

City	Avg Occ.
1. Castro Valley	98.5%
2. San Leandro	98.4%
3. Hayward	97.8%
4. Newark	97.6%
5. Fremont	96.8%
6. Union City	96.4%
7. Livermore	96.3%
8. Alameda	96.2%
9. Oakland	96.1%
10. Emeryville	95.4%
11. Pleasanton	95.3%
12. Berkeley	94.4%
13. Dublin	92.1%

Rent growth % Rankings Yr. over Yr.
for cities in Alameda County

City	Avg Rent
1. Alameda	7.5%
2. Castro Valley	7.4%
3. San Leandro	6.3%
4. Hayward	5.1%
5. Berkeley	3.1%
6. Oakland	2.8%
7. Livermore	2.0%
8. Emeryville	2.0%
9. Union City	1.8%
10. Dublin	1.4%
11. Pleasanton	0.4%
12. Fremont	0.2%
13. Newark	-1.8%

Occupancy growth Rankings Yr. over Yr.
for cities in Alameda County

City	Avg Occ.
1. Newark	1.8%
2. Castro Valley	0.0%
3. Pleasanton	-0.1%
4. Hayward	-0.4%
5. San Leandro	-0.5%
6. Union City	-0.6%
7. Fremont	-0.6%
8. Livermore	-0.7%
9. Emeryville	-0.7%
10. Alameda	-1.1%
11. Oakland	-1.2%
12. Dublin	-3.4%
13. Berkeley	-3.8%

APPENDIX D



Market Overview

3Q2016

Alameda County is 1 of 5 counties in San Francisco-Oakland-Fremont CA MSA

Rent ranking
for counties in San Francisco-Oakland-Fremont
CA MSA

County	Avg Rent
1. San Francisco	\$3,499
2. San Mateo	\$2,913
3. Marin	\$2,656
4. Alameda	\$2,310
5. Contra Costa	\$1,946

Occupancy ranking
for counties in San Francisco-Oakland-Fremont CA
MSA

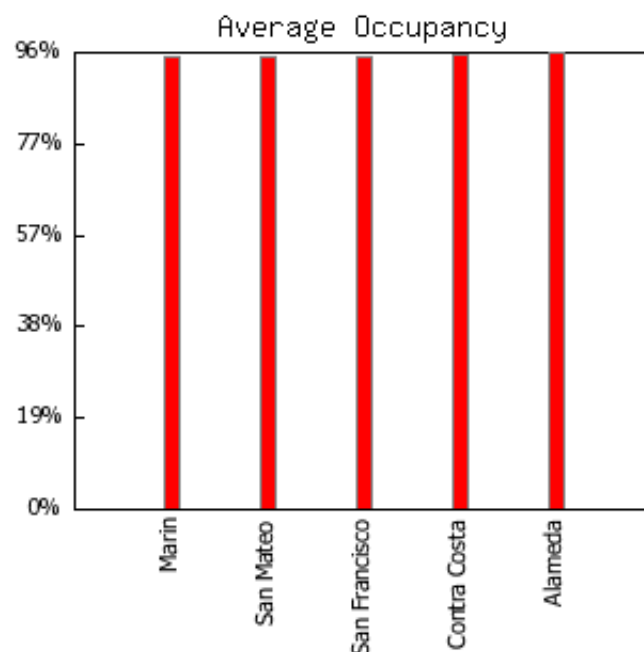
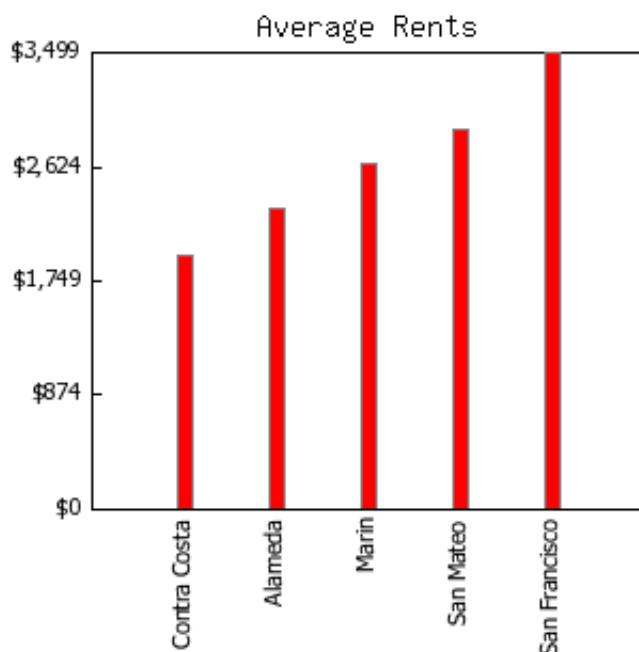
County	Avg Occ.
1. Alameda	96.4%
2. Contra Costa	96.1%
3. San Francisco	95.7%
4. San Mateo	95.6%
5. Marin	95.6%

Rent growth % Rankings Yr. over Yr.
for counties in San Francisco-Oakland-Fremont
CA MSA

County	Avg Rent
1. Contra Costa	4.6%
2. Marin	2.8%
3. Alameda	2.3%
4. San Mateo	1.5%
5. San Francisco	-3.4%

Occupancy growth Rankings Yr. over Yr.
for counties in San Francisco-Oakland-Fremont
CA MSA

County	Avg Occ.
1. San Mateo	0.2%
2. San Francisco	-0.2%
3. Marin	-0.3%
4. Contra Costa	-0.5%
5. Alameda	-0.8%



APPENDIX D



Market Overview

Inventory Analysis

Emeryville

3Q2016

Properties/Units	11 / 2,146	Average units per property	195
Class A	7 / 1,151	Average year built	2003
Class B	2 / 551	Size range (units)	53 - 331
Class C	2 / 444	Age range	1972 - 2014

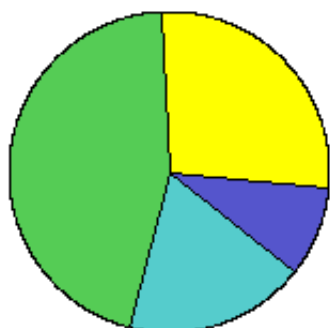
Unit Mix (all unit types appear in this report)

Totals	Units	% of Mix	Benchmark % of Mix	Average Sq. Ft	Benchmark Avg Sq Ft	Average Rent	Benchmark Avg. Rent	Avg. Rent Sq. Ft.	Benchmark Avg. Rent Sq. Ft.
All	2,146	100.0%	100.0%	844	849	\$2,897	\$2,090	\$3.43	\$2.46
Urban Loft	131	6.1%	0.1%	944	845	\$3,068	\$2,627	\$3.25	\$3.11
studio	268	12.5%	5.3%	514	488	\$2,127	\$1,952	\$4.14	\$4.00
jr 1bd	36	1.7%	1.6%	554	563	\$2,461	\$2,001	\$4.44	\$3.55
1bd 1bth	872	40.6%	39.3%	740	705	\$2,656	\$1,928	\$3.59	\$2.73
1bd 1.5bth	1	0.0%	0.1%	1,490	1,012	\$3,100	\$2,888	\$2.08	\$2.85
1bd TH									
2bd 1bth	110	5.1%	16.3%	908	862	\$3,296	\$1,736	\$3.63	\$2.01
2bd 1.5bth	3	0.1%	1.5%	1,160	930	\$3,280	\$1,905	\$2.83	\$2.05
2bd 2bth	628	29.3%	26.7%	1,047	1,022	\$3,322	\$2,406	\$3.17	\$2.35
2bd 2.5th									
2bd TH	28	1.3%	3.2%	1,179	1,079	\$4,028	\$2,380	\$3.42	\$2.21
3bd 1bth									
3bd 1.5bth									
3bd 2bth	69	3.2%	3.6%	1,288	1,247	\$3,871	\$2,590	\$3.01	\$2.08
3bd 3bth									
3bd TH									
4bd									
5bd 2bth									
5bd TH									

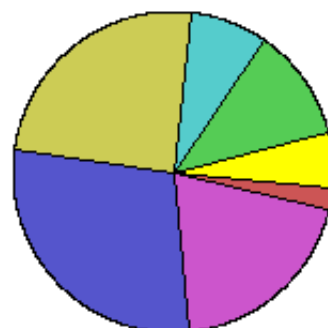
Age of Existing Inventory

Area: Emeryville

Benchmark: Nor Cal Region



Pre 1960s ()
 1960s ()
 1970s (1)
 1980s ()
 1990s (2)
 2000s (5)
 2010s (3)



Pre 1960s (42)
 1960s (389)
 1970s (564)
 1980s (485)
 1990s (154)
 2000s (224)
 2010s (110)

APPENDIX D

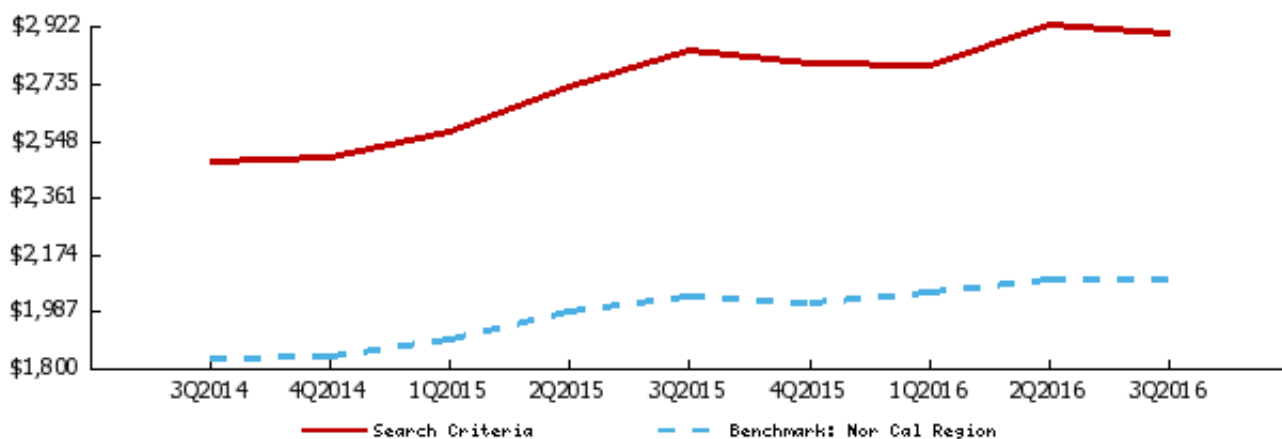


Market Overview

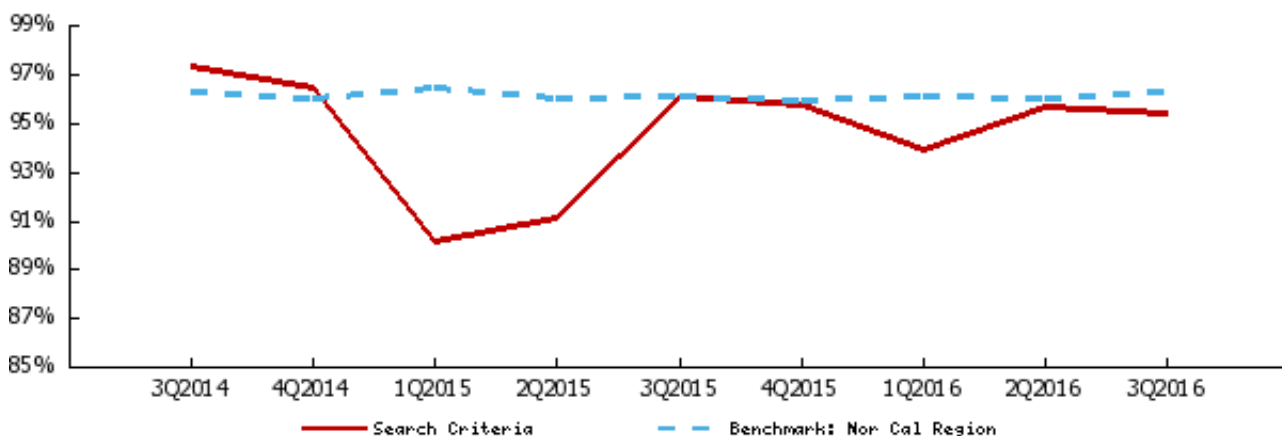
Rental Trends for City Emeryville

All Classes
Quarterly Trend

Average Asking Rent										
	3Q2014	4Q2014	1Q2015	2Q2015	3Q2015	4Q2015	1Q2016	2Q2016	3Q2016	1 Yr. Change
AVERAGE	\$2,478	\$2,490	\$2,573	\$2,719	\$2,841	\$2,802	\$2,791	\$2,922	\$2,897	2.0%
studio	\$1,794	\$1,867	\$1,883	\$2,065	\$2,117	\$2,118	\$2,118	\$2,146	\$2,127	0.4%
1bd 1bth	\$2,303	\$2,296	\$2,419	\$2,546	\$2,662	\$2,621	\$2,562	\$2,620	\$2,656	-0.2%
2bd 1bth	\$2,891	\$2,741	\$2,870	\$2,984	\$3,268	\$3,052	\$3,052	\$3,210	\$3,296	0.9%
2bd 2bth	\$2,811	\$2,787	\$2,890	\$3,081	\$3,198	\$3,169	\$3,215	\$3,515	\$3,322	3.9%
2bd TH	\$2,800	\$2,533	\$2,995	\$2,800	\$3,615	\$3,695	\$3,695	\$3,695	\$4,028	11.4%
3bd 2bth	\$2,870	\$3,320	\$3,452	\$3,780	\$3,785	\$3,741	\$3,760	\$3,938	\$3,871	2.2%
3bd TH										



Average Occupancy Rate										
	3Q2014	4Q2014	1Q2015	2Q2015	3Q2015	4Q2015	1Q2016	2Q2016	3Q2016	1 Yr. Change
AVERAGE	97.3%	96.4%	90.1%	91.1%	96.1%	95.7%	93.9%	95.6%	95.4%	-0.8%



APPENDIX D

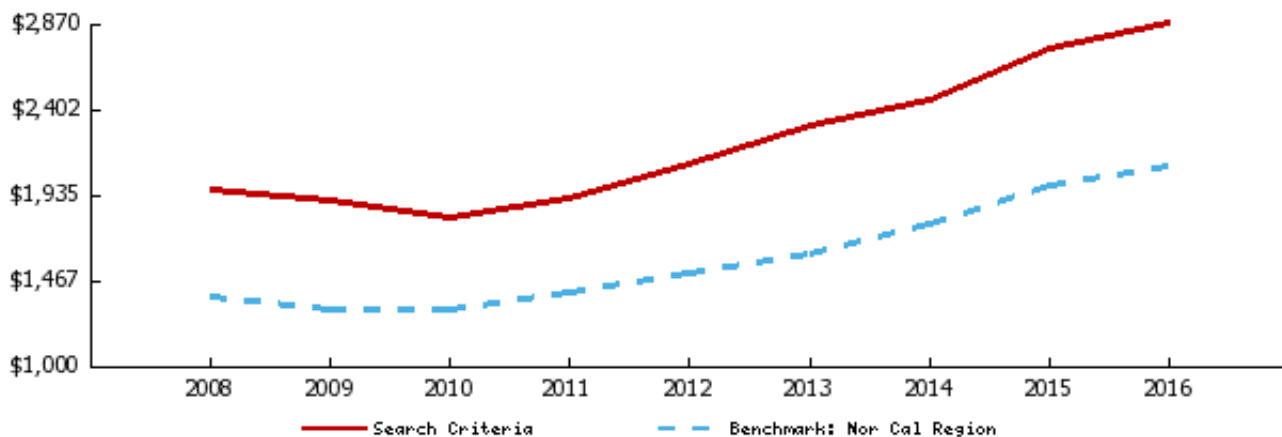


Market Overview

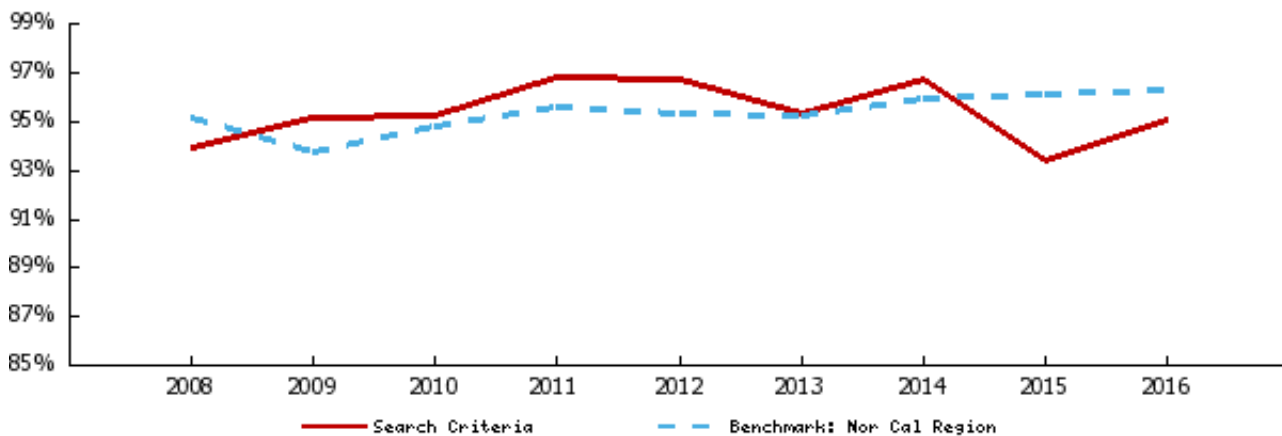
Rental Trends for City Emeryville

All Classes
Annual Trend

	Average Asking Rent									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	4 Yr. Change
AVERAGE	\$1,957	\$1,902	\$1,807	\$1,912	\$2,102	\$2,309	\$2,450	\$2,737	\$2,870	36.5%
studio	\$1,278	\$1,242	\$1,216	\$1,267	\$1,399	\$1,676	\$1,796	\$2,053	\$2,130	52.3%
1bd 1bth	\$1,759	\$1,695	\$1,601	\$1,710	\$1,919	\$2,101	\$2,232	\$2,564	\$2,612	36.2%
2bd 1bth	\$2,079	\$2,012	\$1,882	\$2,120	\$2,281	\$2,435	\$2,685	\$3,043	\$3,186	39.6%
2bd 2bth	\$2,302	\$2,283	\$2,146	\$2,224	\$2,431	\$2,637	\$2,817	\$3,091	\$3,351	37.8%
2bd TH	\$2,100	\$2,100	\$2,007	\$2,250	\$2,250	\$2,500	\$2,633	\$3,276	\$3,806	69.2%
3bd 2bth	\$2,452	\$2,265	\$2,287	\$2,757	\$2,779	\$3,008	\$3,118	\$3,695	\$3,856	38.7%
3bd TH										



	Average Occupancy Rate									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	4 Yr. Change
AVERAGE	93.9%	95.1%	95.2%	96.8%	96.7%	95.3%	96.7%	93.3%	95.0%	-1.8%



APPENDIX D



Market Overview

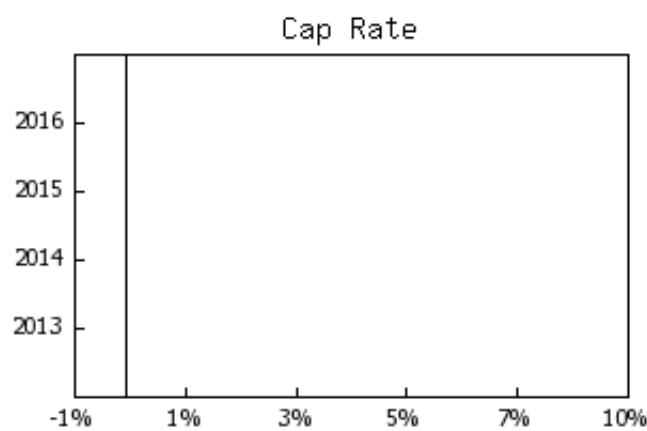
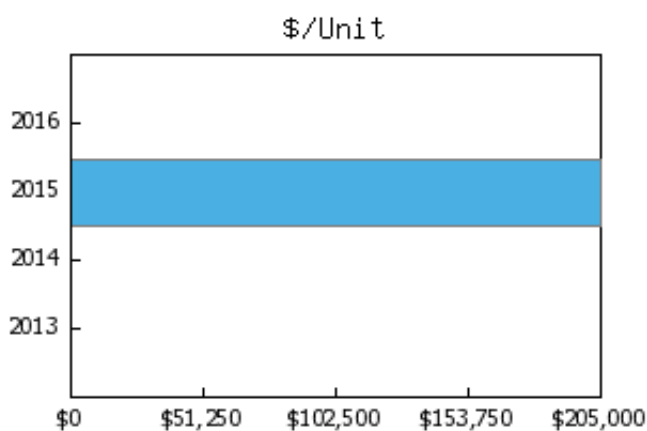
Sales Trends for City Emeryville

2013-2016 , All Classes

	2016	2015	2014	2013
Total Transactions	0	1	0	0
Total Dollar Value		\$45,100,000		
Total Square Feet		202,656		
Total Units		220		

Median Year Built	1998
Average Square Footage	202,656
Average Sale Price	\$45,100,000
Average Price Per Square Foot	\$222.54
Average CAP Rate	
Average GRM	
Average Units	220.0
Average Price Per Unit	\$205,000

	2016	2015	2014	2013
Average Rent/sf (All)	\$3.45	\$3.30	\$2.80	\$2.60
Class A	\$3.49	\$3.39	\$2.89	\$2.68
Class B	\$3.36	\$3.04	\$2.62	\$2.48
Class C	\$3.29	\$3.16	\$2.51	\$2.36
Average Occupancy (All)	94%	91%	96%	95%
Class A	94%	89%	95%	95%
Class B	91%	95%	97%	97%
Class C	98%	97%	99%	94%



APPENDIX D



Market Overview

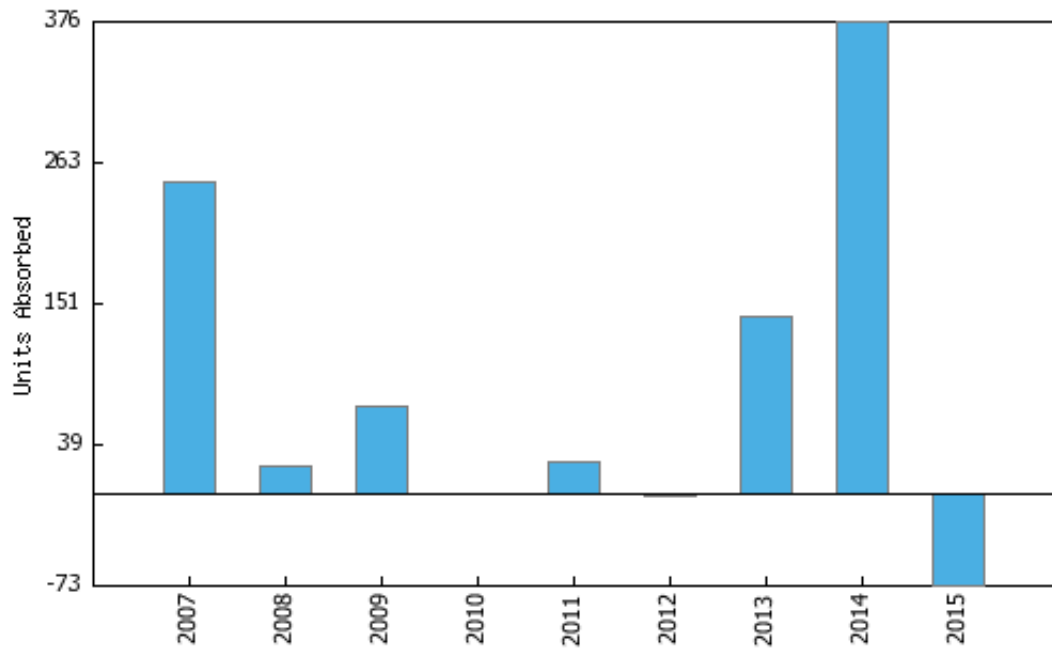
Absorption

Emeryville

3Q2016

Units Absorbed

	Units Built	Total Units	Occupancy Rate	Occupied Units	Units Absorbed
2006	284	1,279	93.1%	1,190	N/A
2007	279	1,558	92.4%	1,439	249
2008	0	1,558	93.9%	1,462	23
2009	53	1,611	95.1%	1,532	70
2010	0	1,611	95.2%	1,533	1
2011	0	1,611	96.8%	1,559	26
2012	0	1,611	96.7%	1,557	-2
2013	172	1,783	95.3%	1,699	142
2014	363	2,146	96.7%	2,075	376
2015	0	2,146	93.3%	2,002	-73



1/23/2017

Data source: real Answers (415)884.2480. Data is deemed reliable but accuracy cannot be guaranteed.

APPENDIX D



Market Overview

Area Analysis

Emeryville

3Q2016

Zipcode	Communities	% of Total	Avg. Occupancy	Yr /Yr Change	Avg. Rent	Yr /Yr Change
94608	11	100.0%	95.4%	-0.7%	\$2,897	2.0%

1/23/2017

Data source: real Answers (415)884.2480. Data is deemed reliable but accuracy cannot be guaranteed.

APPENDIX E

Summary of Select 9% Tax Credit Projects - 2016 Allocations
3600-3620 San Pablo Mixed Use Project

Prior to conversion
to 4% TC

	3706 San Pablo, Emeryville			Del Monte Senior, Alameda			Second St. Studios, San Jose			PARC 55 Senior, Fremont		
Developer	EAH			Housing Authority (City)			First Community Housing			Eden		
Year of Tax Credit Allocation	2016			2016			2016			2016		
9% Tie Breaker	56.6%			73.1%			73.6%			66.4%		
Prevailing Wages	Yes			Yes			Yes			Yes		
Structured Parking	Yes			No			Yes			No		
Section 8 Contract/Vouchers	Yes			Yes			Yes			Yes		
Set-Aside	NA			NA			Special Needs			NA		
<u>Affordability Mix</u>												
30%	26	30%		9	29%		34	25%		26	29%	
40%	9	10%		0	0%		66	49%		0	0%	
45%	0	0%		9	29%		0	0%		17	19%	
50%	35	40%		7	23%		34	25%		46	51%	
60%	16	18%		5	16%		0	0%		0	0%	
Manager	1	1%		1	3%		1	1%		1	1%	
Total	87	100%		31	100%		135	100%		90	100%	
Average Affordability	44% of AMI			43% of AMI			40% of AMI			43% of AMI		
<u>Unit Mix</u>												
SRO/Studio	4	5%		0	0%		128	95%		0	0%	
1-Bedroom	8	9%		30	97%		6	4%		76	84%	
2-Bedroom	45	52%		1	3%		1	1%		14	16%	
3-Bedroom	23	26%		0	0%		0	0%		0	0%	
4-Bedroom	7	8%		0	0%		0	0%		0	0%	
Total	87	100%		31	100%		135	100%		90	100%	
Average Bedrooms	2.2 BR			1.0 BR			0.1 BR			1.2 BR		
<u>Permanent Sources</u>	\$/Unit	Total	% Total	\$/Unit	Total	% Total	\$/Unit	Total	% Total	\$/Unit	Total	% Total
Mortgage	\$30,753	\$2,675,539	5%	\$0	\$0	0%	\$0	\$0	0%	\$30,389	\$2,735,000	7%
Tranche B (Section 8)	\$50,145	\$4,362,591	9%	\$65,087	\$2,017,700	11%	\$51,401	\$6,939,128	13%	\$33,089	\$2,978,000	8%
Tax Credit Equity	\$264,007	\$22,968,651	46%	\$285,563	\$8,852,448	48%	\$183,690	\$24,798,109	45%	\$164,313	\$14,788,207	40%
Deferred Fee/GP Equity	\$4,647	\$404,296	1%	\$54	\$1,677	0%	\$0	\$0	0%	\$4,444	\$400,000	1%
AHP	\$9,885	\$860,000	2%	\$0	\$0	0%	\$9,926	\$1,340,000	2%	\$9,889	\$890,000	2%
State - Prop 1C funds	\$28,736	\$2,500,000	5%	\$0	\$0	0%	\$29,630	\$4,000,000	7%	\$0	\$0	0%
State - AHSC	\$62,069	\$5,400,000	11%	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
County	\$14,031	\$1,220,656	2%	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
City	\$112,069	\$9,750,000	19%	\$240,274	\$7,448,508	41%	\$113,941	\$15,382,000	28%	\$155,444	\$13,990,000	38%
Other	\$3,860	\$335,800	1%	\$1,965	\$60,901	0%	\$19,386	\$2,617,120	5%	\$11,128	\$1,001,491	3%
Total	\$580,202	\$50,477,533	100%	\$592,943	\$18,381,234	100%	\$407,973	\$55,076,357	100%	\$408,697	\$36,782,698	100%
Total State/County/Hsg Auth	\$154,980	\$13,483,247	27%	\$65,087	\$2,017,700	11%	\$81,031	\$10,939,128	20%	\$33,089	\$2,978,000	8%
*Specific Funding Sources	- HOME/CDBG - Infill Infrastructure Grant (IIG) - Land Donation - Section 8			- Land Donation - Section 8			- Infill Infrastructure Grant (IIG) - Fee Waivers - Section 8			- HOME - Land Donation - Section 8		

Source: California Tax Credit Allocation Committee

APPENDIX E

Summary of Select 9% Tax Credit Projects - 2015 & earlier Allocations
3600-3620 San Pablo Mixed Use Project

	Civic Center 14 TOD, Oakland			94th & International, Oakland			Harper Crossing, Berkeley			Stargell Commons, Alameda			1701 MLK, Oakland		
Developer	Meta			Related			Satellite			Housing Authority/RCD			RCD		
Year of Tax Credit Allocation	2015			2015			2015			2015			2013		
9% Tie Breaker	54.4%			58.9%			63.8%			62.2%			43.0%		
Prevailing Wages	Yes			Yes			Yes			Yes			Yes		
Structured Parking	Yes			No			Yes			No			Yes		
Section 8 Contract/Vouchers	Yes			Yes			No			Yes			Yes		
Set-Aside	NA			NA			NA			NA			Non-Profit Homeless Assistance		
<u>Affordability Mix</u>															
30%	12	30%		24	41%		5	12%		8	25%		14	54%	
40%	4	10%		0	0%		9	21%		4	13%		0	0%	
45%	6	15%		0	0%		0	0%		13	41%		0	0%	
50%	4	10%		34	58%		17	40%		6	19%		11	42%	
60%	13	33%		0	0%		10	24%		0	0%		0	0%	
Manager	1	3%		1	2%		1	2%		1	3%		1	4%	
Total	40	100%		59	100%		42	100%		32	100%		26	100%	
Average Affordability	44% of AMI			41% of AMI			47% of AMI			40% of AMI			37% of AMI		
<u>Unit Mix</u>															
SRO/Studio	12	30%		0	0%		0	0%		0	0%		5	19%	
1-Bedroom	12	30%		18	31%		41	98%		5	16%		20	77%	
2-Bedroom	0	0%		23	39%		1	2%		16	50%		1	4%	
3-Bedroom	16	40%		18	31%		0	0%		11	34%		0	0%	
4-Bedroom	0	0%		0	0%		0	0%		0	0%		0	0%	
Total	40	100%		59	100%		42	100%		32	100%		26	100%	
Average Bedrooms	1.5 BR			2.0 BR			1.0 BR			2.2 BR			0.8 BR		
<u>Permanent Sources</u>	\$/Unit	Total	% Total	\$/Unit	Total	% Total	\$/Unit	Total	% Total	\$/Unit	Total	% Total	\$/Unit	Total	% Total
Mortgage	\$10,913	\$436,520	2%	\$14,847	\$876,000	3%	\$14,441	\$606,503	3%	\$23,306	\$745,794	4%	\$0	\$0	0%
Tranche B (Section 8)	\$21,158	\$846,308	4%	\$17,220	\$1,016,000	3%	\$0	\$0	0%	\$27,673	\$885,541	4%	\$0	\$0	0%
Tax Credit Equity	\$326,918	\$13,076,719	58%	\$266,651	\$15,732,412	51%	\$203,574	\$8,550,090	49%	\$332,268	\$10,632,575	51%	\$359,080	\$9,336,068	74%
Deferred Fee/GP Equity	\$2,808	\$112,330	1%	\$0	\$0	0%	\$8,000	\$336,000	2%	\$5,469	\$175,000	1%	\$2,064	\$53,671	0%
AHP	\$11,700	\$468,000	2%	\$0	\$0	0%	\$14,643	\$615,000	4%	\$0	\$0	0%	\$0	\$0	0%
State - Prop 1C funds	\$71,168	\$2,846,704	13%	\$0	\$0	0%	\$72,526	\$3,046,072	17%	\$0	\$0	0%	\$0	\$0	0%
State - AHSC	\$31,250	\$1,250,000	6%	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%	\$0	\$0	0%
County	\$20,625	\$825,000	4%	\$0	\$0	0%	\$11,905	\$500,000	3%	\$52,208	\$1,670,664	8%	\$46,154	\$1,200,000	10%
City	\$64,375	\$2,575,000	11%	\$199,102	\$11,747,000	38%	\$90,107	\$3,784,500	22%	\$205,897	\$6,588,705	32%	\$75,385	\$1,960,000	16%
Other	\$0	\$0	0%	\$23,220	\$1,370,000	4%	\$595	\$25,000	0%	\$0	\$0	0%	\$0	\$0	0%
Total	\$560,915	\$22,436,581	100%	\$521,041	\$30,741,412	100%	\$415,790	\$17,463,165	100%	\$646,821	\$20,698,279	100%	\$482,682	\$12,549,739	100%
Total State/County/Hsg Auth	\$144,200	\$5,768,012	26%	\$17,220	\$1,016,000	3%	\$84,430	\$3,546,072	20%	\$79,881	\$2,556,205	12%	\$46,154	\$1,200,000	10%

*Specific Funding Sources
- Infill Infrastructure Grant (IIG)
- HCD TOD

- Section 8
- Land Donation

- HOME/CDBG
- HOPWA
- Infill Infrastructure Grant (IIG)
- HCD TOD
- Land Donation

- HOME
- Fee Waivers
- Section 8
- Land Donation

- HOME
- HOPWA
- Section 8

Source: California Tax Credit Allocation Committee

APPENDIX E

Summary of Select 4% Tax Credit Projects
3600-3620 San Pablo Mixed Use Project

	3706 San Pablo, Emeryville			Miraflores, Richmond			Summary of All Projects		
Developer	EAH			Eden					
Year of Tax Credit Allocation	2016			2016					
Prevailing Wages	Yes			Yes					
Structured Parking	Yes			No					
Section 8 Contract/Vouchers	Yes			Yes					
<u>Affordability Mix</u>									
30%	26	30%		16	20%		200	28%	
40%	9	10%		23	29%		124	17%	
45%	0	0%		40	50%		85	12%	
50%	35	40%		0	0%		229	32%	
60%	16	18%		0	0%		60	8%	
Manager	1	1%		1	1%		11	2%	
Total	87	100%		80	100%		709	100%	
Average Affordability	44% of AMI			40% of AMI			42% of AMI		
<u>Unit Mix</u>									
SRO/Studio	4	5%		0	0%		153	22%	
1-Bedroom	8	9%		79	99%		303	43%	
2-Bedroom	45	52%		1	1%		148	21%	
3-Bedroom	23	26%		0	0%		91	13%	
4-Bedroom	7	8%		0	0%		14	2%	
Total	87	100%		80	100%		709	100%	
Average Bedrooms	2.2 BR			1.0 BR			1.3 BR		
<u>Permanent Sources</u>	\$/Unit	Total	% Total	\$/Unit	Total	% Total	\$/Unit	Total	% Total
Mortgage	\$30,028	\$2,612,400	4%	\$3,163	\$253,000	1%	\$11,437	\$8,108,546	3%
Tranche B (Section 8)	\$86,808	\$7,552,300	12%	\$94,450	\$7,556,000	20%	\$27,118	\$19,226,526	7%
Tax Credit Equity	\$304,848	\$26,521,745	42%	\$180,860	\$14,468,789	38%	\$182,258	\$129,220,987	49%
Deferred Fee/GP Equity	\$40,230	\$3,500,000	6%	\$30,103	\$2,408,216	6%	\$2,191	\$1,553,307	1%
AHP	\$9,885	\$860,000	1%	\$0	\$0	0%	\$5,900	\$4,182,885	2%
State - Prop 1C funds	\$28,736	\$2,500,000	4%	\$33,778	\$2,702,225	7%	\$17,567	\$12,455,289	5%
State - AHSC	\$62,069	\$5,400,000	9%	\$50,308	\$4,024,606	11%	\$9,538	\$6,762,377	3%
County	\$29,750	\$2,588,251	4%	\$0	\$0	0%	\$7,681	\$5,446,070	2%
City	\$125,567	\$10,924,303	17%	\$79,991	\$6,399,258	17%	\$103,570	\$73,431,270	28%
Other	\$0	\$0	0%	\$0	\$0	0%	\$7,631	\$5,410,312	2%
Total	\$717,920	\$62,458,999	100%	\$472,651	\$37,812,094	100%	\$374,891	\$265,797,569	100%
Total State/County/Hsg Auth	\$207,363	\$18,040,551	29%	\$178,535	\$14,282,831	38%	\$106,950	\$75,827,746	29%

*Specific Funding Sources

- HOME/CDBG
- Infill Infrastructure Grant (IIG)
- Land Donation
- Section 8

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- Land Donation
- Section 8

Source: EAH pro forma, TCAC