

RESOLUTION NO. 25-28

Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Commit To A Permanent Financing Development Loan In An Amount Not To Exceed \$12,757,855 Between The City Of Emeryville And EAH Inc., A California Nonprofit Public Benefit Corporation, For The Development Of Affordable Housing At 4300 San Pablo Avenue And To Authorize The City Manager To Execute The Second Amendment To The Lease Disposition And Development Agreement By And Between The City Of Emeryville And EAH, Inc. For 4300 San Pablo Avenue (CEQA Determination: Exempt Pursuant To California Government Code Section 8698.4(a)(4) And State CEQA Guidelines Sections 15268(a), 15269(c), 15332, And 15061(b)(3))

WHEREAS, on September 6, 2022, the City Council of the City of Emeryville (“City”) adopted Ordinance No. 22-007 authorizing the City Manager to execute a Lease Disposition and Development Agreement (“Agreement”) and Ground Lease with EAH Inc. (“Developer”) to develop 4300 San Pablo Avenue (collectively herein referred to as the “Site”) and on October 26, 2022, the Agreement was executed; and

WHEREAS, the Developer requested that the zoning approvals be processed under Senate Bill (“SB”) 35, and on December 5, 2022, the Community Development Director approved the Developer’s application for a five-story building with 67 affordable residential units and one resident manager’s unit, with ground floor amenity space at the Site (the “Project”); and

WHEREAS, the Agreement restricts 67 units to households with incomes between 20% of the Area Median Income (“AMI”) and 60% AMI, with no more than 51% of the units serving households at 30% AMI; and

WHEREAS, on March 2, 2021, the City Council adopted Resolution No. 21-013, approving the Affordable Housing Bond Expenditure and Administration Plan, which committed \$2,519,198 the City’s allocation of Alameda County A-1 Bond funds to the Project, which funds require 20% of the units to serve households at 20% AMI; and

WHEREAS, Developer has been awaiting the release of Project Based Vouchers (“PBV”) to support the 20% AMI units for the past two years, and has been informed by the Housing Authority of Alameda County that PBV will not be available for a third year; and

WHEREAS, the inability to obtain PBV makes it infeasible for the project to serve households at 20% AMI thereby jeopardizing the ability to utilize the \$2,519,198 in Alameda County A-1 Bond funds; and

WHEREAS, changes in State funding guidelines and increasing project costs over the past two years have created a financing shortfall for the Project in the amount \$10,238,657; and

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WHEREAS, in consideration of the inability to use Alameda County A-1 Bond funds, the changes in State funding guidelines, and increasing project costs, the Project currently faces a total shortfall of \$12,757,588; and

WHEREAS, Developer is requesting a financial commitment of \$12,757,588 from the City in support of its application for Multifamily Housing Program funds under Round 3 of the California Multifamily Finance SuperNOFA Program, due April 15, 2025; now, therefore, be it


RESOLVED, that the City Council of the City of Emeryville hereby authorizes the City Manager to execute a commitment letter in an amount not to exceed \$12,757,855 to be used for the development of the Project, in substantial form attached hereto as Exhibit A, together with such further revisions as may be agreed to by the City Manager and City Attorney which do not materially increase the obligations of the City thereunder; and be it further

RESOLVED, that the City Council of the City of Emeryville hereby authorizes the City Manager to execute the Second Amendment of Lease Disposition and Development Agreement between the City and EAH, Inc. for 4300 San Pablo Avenue to amend the scope of development to restrict the units to households between 30% AMI and 60% AMI, with no more than 14 units serving households at 30% AMI, in substantial form as attached hereto as Exhibit B.

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ADOPTED, by the City Council of the City of Emeryville at a regular meeting held Tuesday, April 1, 2025, by the following vote:

AYES:	<u>5</u>	Mayor Mourra, Vice Mayor Kaur and Council Members Priforce, Solomon and Welch
NOES:	<u>0</u>	
ABSTAIN:	<u>0</u>	
ABSENT:	<u>0</u>	


Signed by:

DEB2006803FA400...
MAYOR

ATTEST:

Signed by:

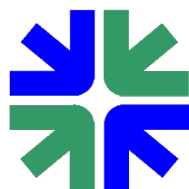
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CITY CLERK

APPROVED AS TO FORM:

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CITY ATTORNEY

ATTACHMENTS

- Exhibit A – Letter of Financing Commitment
- Exhibit B – Second Amendment to Land Disposition and Development Agreement



City of Emeryville

INCORPORATED 1896

1333 Park Avenue. Emeryville, CA 94608-3517
t (510) 596-4300 | f (510) 596-4389

Exhibit A

April 2, 2025

Welton Jordan
Chief Real Estate Development Officer
EAH, Inc.
22 Pelican Way
San Rafael, CA 94901

Re: 4300 San Pablo Avenue
Intergenerational Affordable Housing Development
City of Emeryville Commitment Dear

Mr. Welton:

The City of Emeryville ("City") is pleased to be able to assist EAH Inc., a California Nonprofit Public Benefit Corporation, or its Assignee ("Developer") in the construction of the 4300 San Pablo Avenue Intergenerational Affordable Housing Development ("Project") located at 4300 San Pablo Avenue, Emeryville, California, 94608 (APNs: 049-1079-014-01, -017-01).

The Project is a five-story apartment with 68 units and no less than 7,000 square feet of residential amenities serving space. All of the units, with the exception of one (1) manager unit, will be affordable to extremely low and low-income households (i.e. 30-60% Area Median Income). The development will serve Transitional Age Youth (TAY) and Senior populations, with a maximum of 20% of the units (14 units) set-aside for TAY, 80% for Seniors (54 units).

This letter confirms that, on April 1, 2025, the Emeryville City Council adopted Resolution No. 25-___, which authorizes a commitment to the Developer of a new permanent development loan in an amount not to exceed \$12,757,855 to be used towards the development of the Project. If Developer is successful in retaining the \$2,519,198 in Alameda County A-1 Bond funds for this Project, the City's financial commitment will be reduced to \$10,238,657. This financial commitment is contingent upon the Developer's successful award of Round 3 Multifamily Finance SuperNOFA for Multifamily Housing Program (MHP) funds from the California Department of Housing and Community Development.

City Commitment for 4300 San Pablo Avenue Intergeneration Housing Development

April 2, 2025

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The term of this loan is:

Borrower: EAH Inc., or its Assignee

Term: 55 years, unless required by other lenders to be 75 years .

Interest Rate: 3 percent simple interest; payments from City's pro-rata share
of project surplus cash flow

The City looks forward to continuing to work with Developer towards the project's successful completion. Please contact Valerie F. Bernardo, Economic Development & Housing Manager, with any questions at vbernardo@emeryville.org.

Sincerely,

LaTanya Bellow
City Manager

**SECOND AMENDMENT TO LEASE DISPOSITION AND DEVELOPMENT
AGREEMENT**

(4300 San Pablo Avenue)

THIS SECOND AMENDMENT TO LEASE DISPOSITION AND DEVELOPMENT AGREEMENT, is entered into as of this ____ day of April 2025, by and between the **CITY OF EMERYVILLE**, a municipal corporation, hereinafter referred to as “City,” and **EAH, Inc.**, a California nonprofit public benefit corporation, hereinafter known as the “Developer,” collectively referred to herein as the “Parties.”

WITNESSETH THAT

WHEREAS, on September 6, 2022, the City Council of the City of Emeryville adopted Ordinance No. 22-007 which authorized the execution of the Lease Disposition and Development Agreement (“Agreement”) and Ground Lease;

WHEREAS, the City entered into the Agreement on October 26, 2022, (“Effective Date”) with Developer to provide for the development of 68 intergenerational multifamily rental housing affordable to tenants whose incomes are no greater than 80% AMI, located at 4300-4310 San Pablo Avenue, Emeryville, CA; and

WHEREAS, the City entered into a First Amendment to the Agreement on November 18, 2024, with the Developer to extend the Term of the Agreement as well as the date for execution of the ground Lease and recordation of the Memorandum of Ground Lease until four years after the Effective Date, so the Developer can continue to seek project financing and meet the conditions precedents to close; and

WHEREAS, pursuant to Exhibit C (Scope of Development) of the Agreement, the project will serve households between 20% and 60% of Area Median Income (AMI), with no less than 51% of the units (35 units) serving Extremely Low-Income (ELI) households; and

WHEREAS, the City and Developer wish to modify the Scope of Development so that the project would serve household between 30% and 60% of AMI, with no less than fourteen (14) units serving ELI , since Project Based Vouchers (PBV) are not currently available, so the project is financially feasible and the Developer can continue to seek project financing and meet the conditions precedents to close.

NOW, THEREFORE, do the Parties mutually agree to the following changes to the Agreement:

1. Exhibit C shall be replaced in its entirety with the amended Exhibit B, attached hereto.
2. Unless otherwise amended herein, all provisions of the Agreement shall remain in full force and effect. In the event of any conflict between this First Amendment and the

Agreement, this First Amendment shall control. Unless otherwise defined in this First Amendment, all defined terms shall have the meaning set forth in the Agreement.

IN WITNESS WHEREOF the City and Developer have executed this First Amendment effective as of the date when the First Amendment has been signed by the City.

DEVELOPER:

EAH, a California nonprofit
Corporation

DATED: 03/27/2025

DocuSigned by:

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WELTON JORDAN III
ASSISTANT SECRETARY


CITY:

City of Emeryville, a municipal
corporation

DATED: _____

LATANYA BELLOW
CITY MANAGER

APPROVED AS TO FORM:

DocuSigned by:

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CITY ATTORNEY

AMENDED EXHIBIT C
SCOPE OF DEVELOPMENT

APNs 049-1079-014-01 and 049-1079-17-01, commonly known as 4300 San Pablo Avenue in Emeryville, California, is a +/- .47 acre development site (the “Site”). The Site currently contains temporary buildings that has previously served as office space and a temporary homeless shelter and will be relocated by Developer prior to the start of construction.

The Development is a 5-story, Type IIIA building with an outdoor courtyard on Level 2. Along the San Pablo Avenue frontage are residential services and amenities with a single level of parking behind. The Development will contain 68 affordable apartment units and residential amenities serving space on both the ground floor and podium levels. The units will be a mix of studios, one-bedroom and two-bedroom units, with no fewer than eight two-bedroom units. There will be no less than 7,000 square feet of residential amenities serving space, and no fewer than 17 (a .25 per-unit parking ratio) and no more than 34 parking spaces (a .5 per-unit parking ratio). The building will be built to meet a minimum of LEED Silver standards or a minimum of 100 “Green Point Rated” points. The building will be designed as an all-electric building. The Site will be developed making every effort to include utilization of mass timber in the construction of the ground floor to minimize embodied carbon. If mass timber proves financially infeasible, Developer will make best efforts to include the use of low carbon concrete mixes, limiting carbon-intensive materials, and prioritizing lower carbon alternatives.

The Development will serve Transitional Age Youth (TAY) and Senior populations, with a maximum of 20% of the units (14 units) set-aside for TAY, 80% for Seniors (54 units), and one manager unit. The units will serve households between 30% and 60% of Area Median Income (AMI), with no less than fourteen (14) of the units serving Extremely Low-Income (ELI) households. If the Developer is able to secure Project Based Vouchers (PBV), the Developer should make a good faith effort to increase the number of units serving ELI households so that at least 20% of the units serve households at 20% AMI.

The Development includes the installation of publicly accessible art at a cost of at least one half of one percent (0.5%) of the project development costs.

The attached plans dated July 1 , 2022, are hereby incorporated into this Scope of Development by this reference.