

Alameda Point DDA 4th and 5th Amendments

City Council
October 2, 2018



Fourth Amendment

- DDA requires conveyance of Phase 2 by October 1, 2018
- APP has requested a one-year extension to October 1, 2019
 - 2nd amendment accelerated the Phase 2 take-down by four years
 - Phase 1 conveyance closed six months prior to required Phase 2 take-down date
 - APP working in good faith on Phase 1 backbone infrastructure
 - APP and AUSD have a LOI to construct 70-moderate income units for District employees as part of Phase 2

Fourth Amendment

- Under the DDA, APP can pay for an extension on a closing date:
 - If less than 50% of the Phase 1 infrastructure is completed payment = \$1.1M
 - If more than 50% of the Phase 1 infrastructure is completed payment = \$220,000
- APP is requesting that the extension payment use the formula that is applied when more than 50% of Phase 1 infrastructure is complete
 - Approved Public Improvement Agreement
 - Provided surety bonds for completion of Phase 1 work
 - Deposited into escrow \$3M for affordable housing
 - Completed site demolition
 - Commenced construction of infrastructure

Fourth Amendment

- APP has had unforeseen delays
 - Unknown active gas line
 - Delays in electrical relocation work
 - Delays due to Navy PERF review process
 - No redundant water system
 - Additional demolition work
- These delays have resulted in slower progress and expenditure of more construction contingency than anticipated

Fourth Amendment

- Staff recommends approval of the fourth amendment which allows APP to extend its conveyance date for one year based on an extension payment calculated as if more than 50% of the Phase 1 infrastructure is completed
 - Allows Phase 1 to move forward in a focused manner
 - Provides an opportunity for APP to pursue approval of additional housing units if need for Phase 2 feasibility
 - Provides additional time to secure funding for affordable housing required for Phases 1 and 2

Fifth Amendment

- DDA requires Eden Housing to secure financing for the senior and family projects by October 31, 2018
- Eden has notified the City that it will be unable to meet that deadline and has requested a two-year extension to the Affordable Housing Milestone Schedule
- The requested extension would require that Eden secure all of its funding for the family project by October 31, 2020

Fifth Amendment

- Eden Housing has a funding plan that will allow the 60-unit senior housing project to be under construction by March 2019
- Eden Housing has also prepared a funding plan for the 70-unit family housing project that is reasonable and attainable by October 31, 2019
- Staff recommends approval of the fifth amendment as it maximizes Eden's chances to build both the senior and family housing projects over the next three years