

Developer Roundtable – February 16th, 2023

General Notes:

Developer Question: “Is the RFP process still viable / planning to be used in the future?”

City Response: Generally yes, but nothing in the works beyond Blocks 12/13 in the coming months.

Developer Comment Related to RFP: “Developers that have had success should be rewarded for their efforts to buy more property.”

Developer Comment Related to RFP: “I would hope that future RFPs factor in more (developer) qualifications (and ability to perform) versus (sales) price alone.”

Developer Comment Related to RFP: Criteria for RFP scoring known up front is critical for developers.

Developer Question: “Are different use types already permitted?”

City Response: Yes. Described in the specific plan and are intentionally very permissive. Allows intense uses for jobs, housing, retail & creating destinations for Alameda.

City Question: As a developer, when would you prefer to own vs prefer to lease?

Developer Response: “if significant investment is required we would prefer to own. Environmental concerns may trigger the desire to lease.”

Developer Response: “long term lease holders start to feel like owners over time (example of daycare @ bldg. #35 was raised).”

Developer Comment: As city mentioned, flexibility (in this policy) is key. Long standing vacant property should be considered for other uses (that may not have been originally planned, such as warehouse). Rehab cost can decrease value of property when taken to market. More visibility of property needed.

City Questions: Thoughts on our proposed mixed portfolio approach?

Developer Response: Generally makes sense but if the concern of retaining assets is to fund operations costs, there are likely other ways in doing this. (Building) xsales should be the primary focus while we understand that operations need to be funded somehow.

Developer Question: Is the City open to Infrastructure Financing District(s) (IFD)?

City Response: Yes/No – this raises a fiscal neutrality issue for us. CFDs are preferred because of this.

Developer Comment: CFDs make a lot of sense on for-sale product types, but are a challenge for multifamily (for-rent) developers.

Developer Comment: Lease (with a) purchase option format is preferable to smaller developers in order to prove cash flow to potential lenders. Shorter term leases make borrowing extremely difficult and a purchase option reduces risks significantly.

Developer Comment: Raised issue of impact fees and mentioned that a deferment does not significantly benefit projects due to many lenders requiring fees be guaranteed/secured by borrower regardless of when they are due. Would prefer a reduction or waiver if possible.

Developer Comment: Regarding Infrastructure Phasing, land sales by developer have to fund the infrastructure costs if not funded by equity, it is extremely challenging (in the current market) to purely finance these up-front costs.

Developer Comment: Important to “Keep Embers Together” to maintain momentum and bring a feeling of synergy across the entire Point. (avoid the shotgun approach).

Developer Comment: As mentioned in the presentation, city maintaining flexibility is key due to so many factors: market, demand, interest rates. City needs to remove/reduce as many of these that they control as possible.