



TRAMMELL CROW RESIDENTIAL
CYPRESS EQUITY INVESTMENTS • SRMERNST

March 20, 2019

Mr. Andrew Thomas
Assistant Community Development Director
Planning Department
2263 Santa Clara Avenue
Alameda, CA 94501

Re: Alameda Point Site A Development Agreement Annual Update

Dear Mr. Thomas,

The City of Alameda, a municipal corporation of the State of California (the “City”), and Alameda Point Partners, LLC, a Delaware limited liability company (“Developer” or “APP”) entered into that certain Development Agreement for the Alameda Point – Site A project dated August 31, 2015 (the “Development Agreement”). APP is submitting this annual review document in accordance with the Development Agreement and pursuant to the requirements of Government Code Section 65864 and Alameda Municipal Code Chapter XXX, Article VII, Code Sections 30-91 through 30-95. This letter will report on activities and developments taking place between April 16, 2018 and March 15, 2019 and contains a summary of the Developer’s good faith efforts toward compliance with the terms of the Development Agreement.

APP commenced infrastructure improvements in March 2018; building permits for the first vertical improvements in Phase 1 have been issued and first residents are expected in early 2020.

With Phase 1 underway, APP with its design team have commenced design on Phase 2 infrastructure and vertical improvements. Initial submittals are anticipated for mid-2019 with a targeted Phase 2 conveyance date of October 1, 2019. As part of Phase 2, the Developer is seeking an additional 80 residential units.

As part of the annual update, specific commentary is required on the DDA’s infrastructure construction requirements and the Major Alameda Point Amenities.

INFRASTRUCTURE:

APP has pulled the site and building demolition permits and backbone infrastructure improvement permits. Following land conveyance on March 15, 2018, construction mobilization and building

abatement commenced. To date, the following progress has been made on the Phase 1 Backbone Infrastructure:

- **Abatement and Demolition** - Complete
- **On-site Sanitary Sewer**: Complete
- **Storm System including Outfall** – Complete
- **Water System** – Isolation of the Site A water system is complete, and the installation of the new water lines has commenced

APP is targeting completion of the backbone improvements by the end of 2019.

PARKS AND OPEN SPACE:

The Site A Phase I Park Improvements include the Waterfront Park and the Neighborhood Park.

- The Phase I Waterfront Park consists of 2.63 acres along the northern edge of the Seaplane Lagoon and is part of the larger 7.2 acre park approved as part of the Site A Development Plan.
 - Per DDA Operating Memorandum 3, APP has additional time to develop and receive BCDC approval for the Phase I Waterfront Park. APP is currently developing updated plans for review and approval by the City and BCDC.
- The Neighborhood Park, approximately 1.35 acres on the northern edge of Phase I, spans the north side of Blocks 6, 7, 8 and 9.
 - The Planning Board approved the design on October 24, 2016.
 - The City approved the permit set on March 8, 2017.

Per DDA Operating Memorandum 3, the Block 10 Urban Park is excluded from the Phase I Park Improvements and will be developed with the Block 10 vertical improvements.

- The Block 10's privately owned publicly accessible urban landscape will consist of four retail buildings totaling approximately 46,609 square feet and 3.05 acres of publicly accessible privately owned open space.

VERTICAL:

Since March 2018, APP has continued progress on the vertical design for Blocks 6, 7, 8, 9, 10, and 11. This design process has included City staff, the Planning Board, the Department of Public Works, and the Building Department.

- **Block 6** – 64-unit townhome development - The City has issued building permits.
- **Block 7** – 60-unit townhome development - Building permit plans have been submitted to the City.
- **Block 8** – The 130 units on Block 8 are divided into two buildings – a 60-unit senior building and a 70-unit family building. The City has issued building permits for the senior building, and building permit plans for the family building have been submitted to the City.

- **Block 9** – The 200-unit multifamily development. Building permit plans have been submitted to the City.
- **Block 10** – Block 10 consists of four retail buildings, designed by BCV, totaling approximately 46,609 square feet. The Planning Board approved the Block 10 Design Review on June 27, 2016.
- **Block 11** – The 220-unit multifamily development design by BAR received a Certificate of Approval on March 3, 2016 from the Historic Advisory Board and Design Review approval from the Planning Board on March 14, 2016.

SUPPLEMENTAL APPROVALS:

The City conveyed land to the Developer on March 15, 2018. As a condition precedent to the conveyance of property from the City to the Developer, the Developer secured the following Phase 1 Supplemental Approvals:

- A tentative tract map or tentative parcel map
- Design review approval for the design of the parks, open spaces and waterfront improvements included in the applicable Phase
- Improvement Plans for the Backbone Infrastructure included in the Infrastructure Package for the applicable Phase
- Grading permit and demolition permit
- Public Improvement Agreement for the Backbone Infrastructure in the applicable Phase
- Will serve letters or other contracts from the utility companies providing utility services to the Property demonstrating that utility service is available for the applicable Phase
- Design review approval for the first Sub-Phase of Vertical Improvements to be constructed as part of the applicable Phase

AFFORDABLE HOUSING:

To comply with the Inclusionary Housing Ordinance, the Density Bonus Regulations and the Renewed Hope Settlement Agreement, twenty-five percent (25%) of all residential units at Alameda Point are required to be affordable units: 6% are required to be designated as very low, 10% as low and 9% as moderate income units. Of the 800 total residential units currently planned for Site A, a total of 200 units will be affordable units (48 very low, 80 low and 72 moderate income units).

Fulfillment of Affordable Housing Requirements (Distribution of AH Units)

- 130 affordable units will be provided through the development of a family building (70 units) and a senior building (60 units) on Block 8. Block 8 will provide 48 very low, 80 low and 2 moderate income units
- The remaining 70 moderate income units will be allocated to Phase 2

Funding

Affordable housing at Alameda Point Block 8 will be financed from a variety of sources.

The senior building has been fully capitalized and commenced construction on March 5, 2019. The anticipated completion date is July 1, 2020.

Alameda Point Senior Development
 (in millions)

Funding Source	Status	Amount
Contribution from Master Developer	Closed	\$1.5
Alameda County Housing Bond A1 Funds	Closed	\$3.0
Permanent Mortgage Debt	Closed	\$5.0
Federal Home Loan Bank	Closed	\$0.6
Veterans Housing and Homelessness Prevention	Closed	\$3.1
Tax Credit Equity	Closed	\$23.0
Total		\$36.2

Funding Use	Amount
Construction Hard Costs	\$27.7
Architecture & Engineering	\$1.2
Soft Costs	\$5.4
Operating Reserves	\$0.5
Gross Developer Fee in Project Costs	\$1.4
Total	\$36.2

Eden Housing is continuing to capitalize the family building. Eden is targeting to start construction in March 2020 with completion in July 2021.

**Alameda Point Family Development
 (in millions)**

Funding Source	Status	Amount
Contribution from Master Developer	Closed	\$1.5
Alameda County Housing Bond A1 Funds (Base City)	Committed	\$2.0
Alameda County Housing Bond A1 Funds (Regional Pool)	Committed	\$9.2
Permanent Mortgage Debt	Committed	\$3.2
No Place Like Home - Competitive	Application Submitted	\$2.0
No Place Like Home - Non Competitive	Pending	\$2.3
Federal Home Loan Bank	Committed	\$0.7
Affordable Housing & Sustainable Communities	Application Submitted	\$5.7
Development Fees Deferred and Re-Contributed	Committed	\$3.2
Tax Credit Equity	Planned	\$20.6
Total		\$50.4

Funding Use	Amount
Construction Hard Costs	\$36.3
Architecture & Engineering	\$1.3
Soft Costs	\$7.7
Operating Reserves	\$0.5
Gross Developer Fee in Project Costs	\$4.6
Total	\$50.4

FERRY:

DDA section 5.2 (b) requires that APP “cooperate with the City in the construction of a permitted and operating ferry terminal at Seaplane Lagoon including any necessary parking improvements.”

On September 6, 2018, the City approved an updated Ferry Terminal Plan, which provided updates to the schedule and budget.

Design / Permitting

The Planning Board and the Historical Advisory Board approvals have approved the design. The City, WETA and the Developer have made significant progress on obtaining final design and permitting approvals required by outside regulatory agencies, including BCDC.

Funding

The estimated cost for the ferry terminal is \$22.2 million, which is being funded through the following sources:

Alameda Point Seaplane Lagoon Ferry Terminal
(in millions)

Funding Source	Status	Amount
Contribution from Master Developer	Committed	\$10.0
ACTC	Committed	\$8.2
City	Committed	\$2.0
WETA	Committed	\$2.0
Total		\$22.2

Funding Use	Amount
Waterside Improvements	\$12.7
Landside Improvements	\$4.0
Soft Costs	\$3.9
Contingency	\$1.6
Total	\$22.2

APP is obligated to pay \$10 million towards the costs incurred for the permitting, design and construction of the Seaplane Lagoon Ferry Terminal, the acquisition of vessels or operations.

- To date, APP has funded approximately \$1.7 million.

Schedule

The City and APP are targeting the 2019 construction window, allowing operations to commence in the beginning of 2020. The float, the long-lead time item, has been ordered.

PHASE 0:

Phase 0 activities were designed to attract a regional audience. Events included the Sperry Farm Pumpkin Patch, the MLK Shoreline Cleanup, the Clay Harding Skate Tournament, and the Point of Transition Art Show. In anticipation of land conveyance and construction start, the last event was held in November 2017.

TRANSPORTATION DEMAND MANAGEMENT (TDM) PLAN:

Per the DDA, the project is required to join a Transportation Management Association (TMA) and implement much of its Transportation Demand Management (TDM) Program prior to receiving an occupancy permit for the first building. Measures to be implemented 'Day One' include:

- Providing a weekday, peak-period shuttle service from the project site to 12th Street BART at 15-minute headways
- Providing AC Transit EasyPasses to all project residents and employees
- Establishing a Parking Pricing program

With delivery of the first building anticipated in 2020, none of the specific measures of the TDM Program have been implemented at this time.

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As part of this initiative, the Developer joined the Alameda TMA, which encompasses multiple projects across the City. As part of membership in the TMA, the project will be required to pay an annual per unit and per square foot assessment.

The Developer and the City have begun conversations with AC Transit regarding Bus Rapid Transit service at the Site A development to meet peak hour service requirements.

OTHER INFORMATION:

The Developer has met regularly with City staff to ensure that the Development Agreement and all subsequent approvals were being implemented in a timely fashion.

Please let us know if you require additional information regarding the Annual Review.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Bruce Dorfman', with a stylized flourish extending to the right.

Bruce Dorfman

Vice President

Alameda Point Partners, LLC

cc: Debbie Potter