



Ground Lease and Disposition Agreements for 100% affordable housing at 101 Ash Street

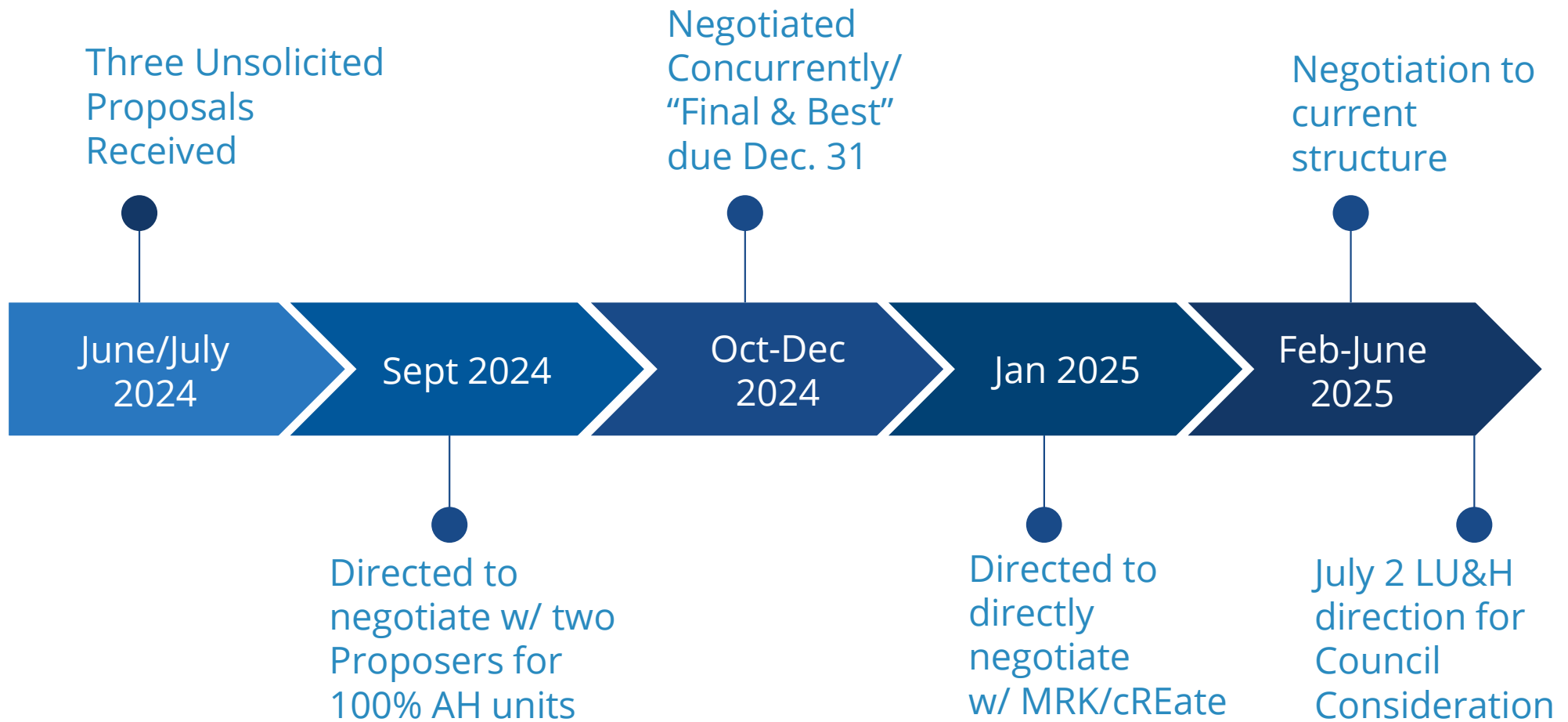
Summarized Actions

- Approve the Disposition Agreement for development of the Project on the Property and authorization of the agreements.
 - Make related findings of economic opportunity objectives consistent with Government Code section 52201.
 - Adopt a resolution declaring that the approval of the Ground Lease Disposition Agreement and Ground Lease Agreement is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332
 - Authorize the Chief Financial Officer to accept and deposit the residual receipt payments into General Fund number 100000
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Project Location: 101 Ash Street



Background and Proposal



Project Description

100% Affordable Housing

- Adaptive Reuse, office to residential conversion
- 250 units, incl. manager units
- Large family, transitional youth
- 30-80% Area Median Income
- 60% average affordability

On-Site Amenities

- On-site Childcare (0-5 yrs)
- Retail, Food or Grocery commercial space 25K sq. ft.
- 240 on-site parking spaces

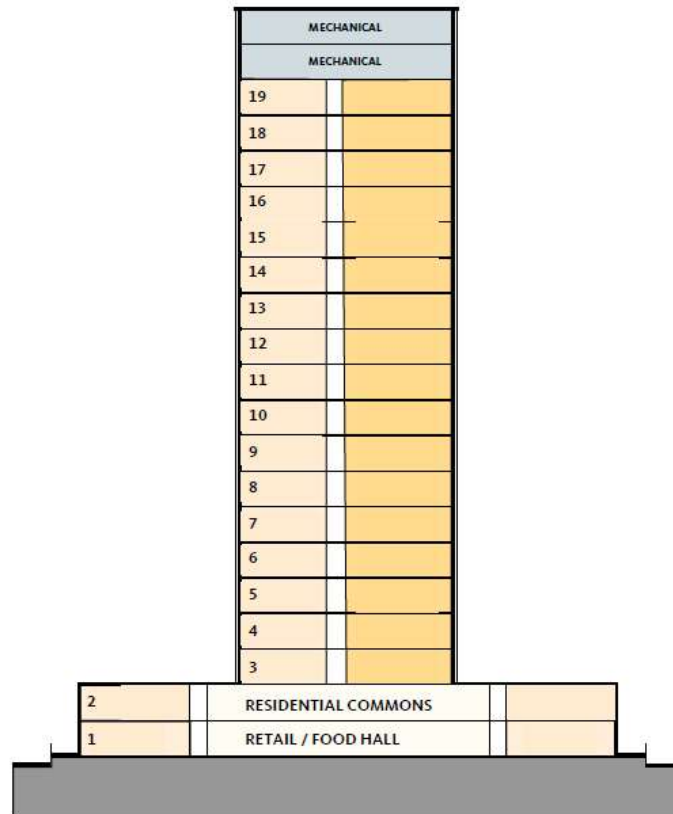
Project Description

Direct Construction Costs	\$157.3 MM \$629.5 K/Unit
Total Costs – Excluding Acquisition	\$221.9 MM \$888 K/Unit
Project Labor Agreement	<input checked="" type="checkbox"/>
Prevailing Wage	<input checked="" type="checkbox"/>

Affordability Mix

Extremely Low Income 30% AMI	25 Units	10%
Very Low Income 40%, 50% AMI	38 Units	15%
Low Income 60%, 70%, 80% AMI	184 Units	75%
Total Affordable Units Excluding Manager Units Average AMI	247 Units 60% AMI	100%



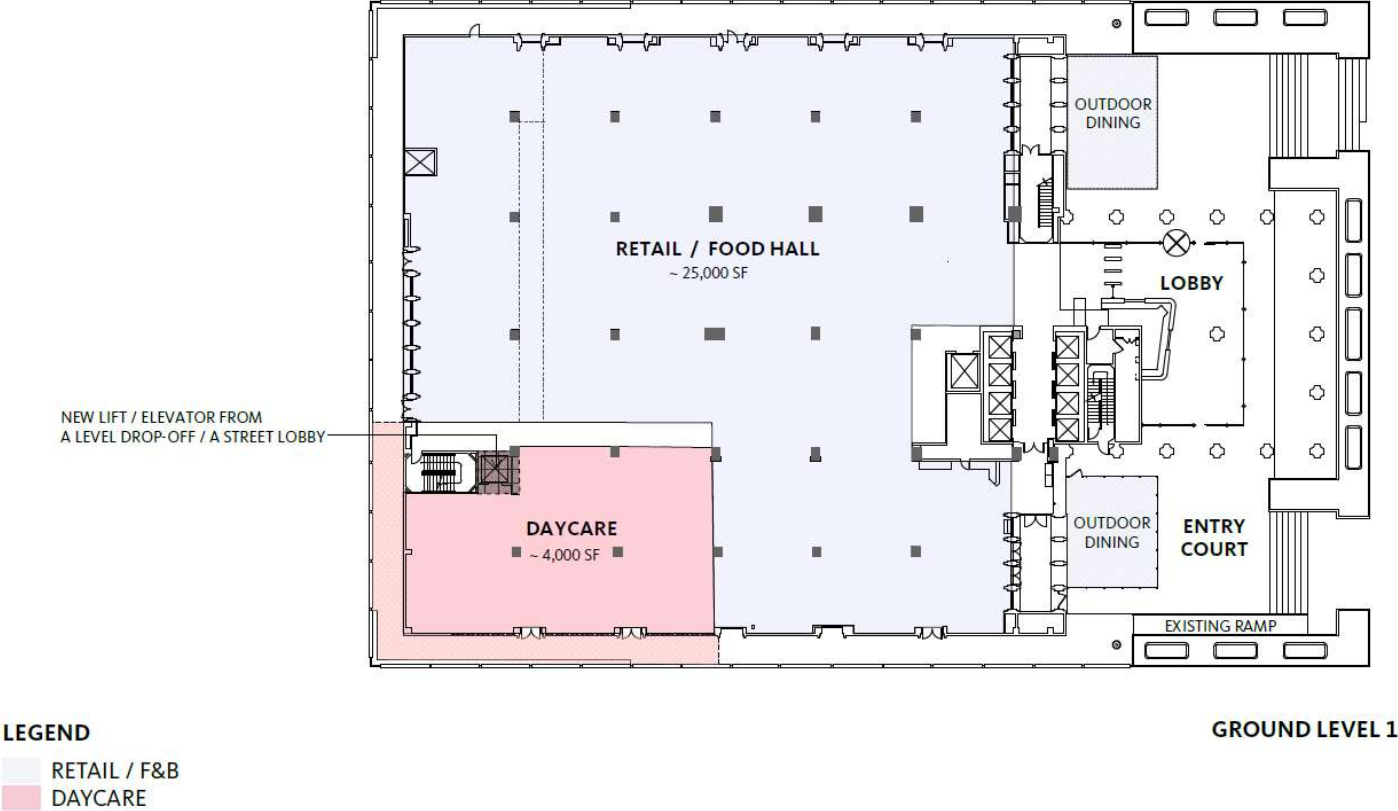


19 occupied floors (of 21 total floors)
30-80% AMI (avg 60% AMI)

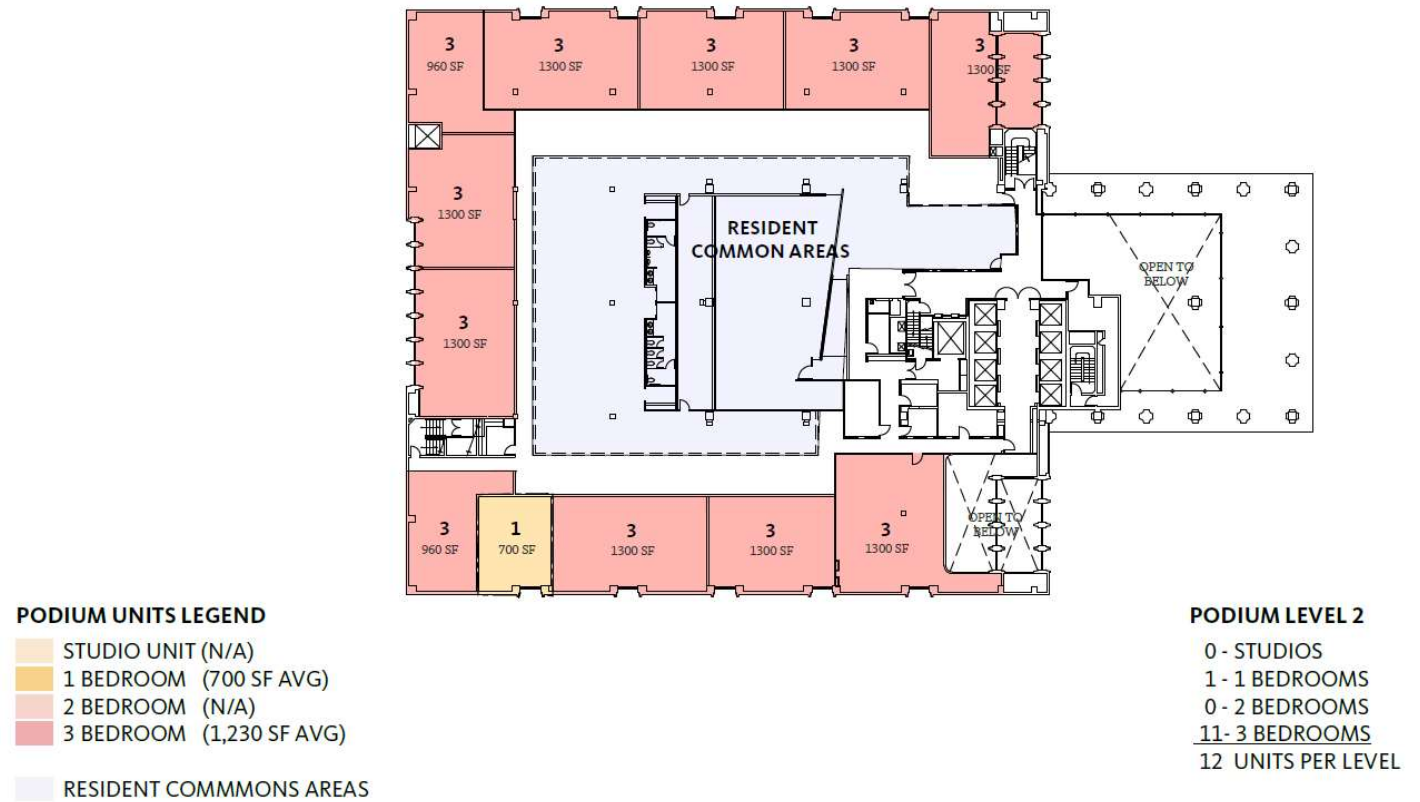
Unit Mix:

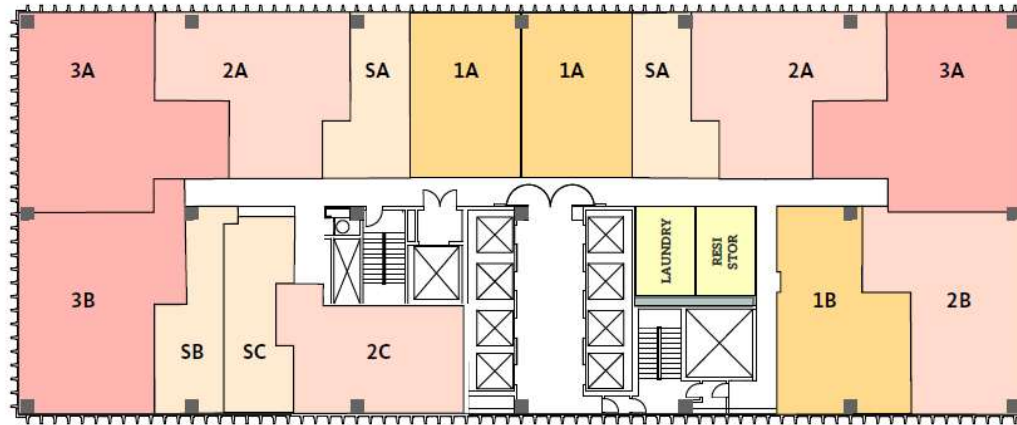
Studio	68 units
One Bedroom	52 units
Two Bedroom	68 units
Three Bedroom	62 units
(Incl. Manager	3 units)
Total	250 units

PROGRAM PLANS



PROGRAM PLANS





TOWER UNIT LEGEND

- STUDIO UNIT (381 SF AVG)
- 1 BEDROOM (668 SF AVG)
- 2 BEDROOM (813 SF AVG)
- 3 BEDROOM (1081 SF AVG)

**TYPICAL TOWER LEVEL
LEVELS 03-21 (QTY: 19)**

- 4 STUDIOS
- 3 1 BEDROOMS
- 4 2 BEDROOMS
- 3 3 BEDROOMS
- 14 UNITS PER LEVEL

Terms and Financing

Proposed Price and Terms

Transaction Type	Ground Lease 60-Year Term
City Cash Contribution	\$0
Seller Note – Paid via Residual Receipts	\$45.6 MM 4% Simple Interest City to receive 50% share of annual cash flow
Additional Value to City	<ul style="list-style-type: none">• 2.0% Capital Event Payment• Reversion value at Year 60

Proposed Price and Terms

Escrow Closing	24 months
Non-Refundable Deposit	\$100,000
Property Condition	"As-Is" (without warranty or offset from City, including with regard to environmental conditions)
Operations and Maintenance	Tenant shall be responsible for all project maintenance and management

Compensation to City from Developer

	Total Future Dollars	Net Present Value <small>(assuming 10% discount rate)</small>
Mandatory Ground Rent Pmts.	\$2,277,000	\$210,000
Residual Receipts Pmts.	\$86,383,000	\$2,944,000
Year 15 Capital Event Pmt.	\$1,559,000	\$411,000
Total Compensation	\$90,219,000	\$3,565,000

Developer Fee

Upfront Developer Fee	\$3,782,000 (\$15,000 per unit)
Deferred Developer Fee	\$28,901,260
Total	\$32,683,054

Sources of Funds

First Mortgage (Tax-Exempt Bond)	<input checked="" type="checkbox"/>
Low Income Housing Tax Credits	<input checked="" type="checkbox"/>
Acquisition Basis	<input checked="" type="checkbox"/>
Rehabilitation Basis	<input checked="" type="checkbox"/>
Historic Tax Credits	<input checked="" type="checkbox"/>
Subordinate B Bond	<input checked="" type="checkbox"/>
Deferred Developer Fee	<input checked="" type="checkbox"/>
Seller Note	<input checked="" type="checkbox"/>

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Questions?