

MTC Grant Final Report
January 23, 2015
Housing Working Group Grant

1110 Jackson Street
East Bay Asian Local Development Corporation (EBALDC)

EBALDC is pleased to submit this final report for the 1110 Jackson Street development. Since applying for this MTC Grant almost two years ago in March 2013, our project has come a long way. While the economic conditions for development continue to improve, the need for increased affordable family housing around transit nodes has sharpened dramatically. According to Trulia.com, by mid-year 2014, Oakland had experienced the third fastest year-on-year rent inflation in the country at 14.4%. A large multifamily investment services firm estimates the Oakland/East Bay apartment vacancy rate at under 3% as of January 2015. The housing pressure on low and moderate income households (which never fully abated even in the depths of the Recession) has come back with a vengeance. The number of evictions tracked by the City of Oakland increased by 51% between 2007 and 2013, and showed signs of speeding up through the end of 2014. The 1110 Jackson Street development provides one small eddy of stability against the powerful economic currents that are surging through our City.

Project Profile

Project Name:	1110 Jackson Street
Lead and Partner Organizations:	East Bay Asian Development Corporation (EBALDC) Oakland Housing Authority (OHA)
Primary Contact Person:	Ener Chiu EBALDC echiu@ebaldc.org 1825 San Pablo Ave., #200 Oakland, CA 94612
Sub-grant Program:	Housing the Workforce
Project Type:	Pre-development Seed Funding
Total Grant Amount:	\$45,000
Total Match:	Project has secured approximately \$35 million in financing, including over \$3.1 million in pre-development seed funding.
Geographic Coverage of Project:	Oakland, Alameda County, Bay Area Urban Areas
Brief Description:	1110 Jackson Street is a transit oriented, mixed use development near Oakland Chinatown consisting of 71 affordable apartments and 4000 SF of commercial/retail space. Through this grant, the following objectives were targeted:

Redesign of 11th and Jackson to reduce construction costs and incorporate community benefit principles into the design and programming.

Creation of alternative financing plan (including possible mixed-income structure) to deal with the loss of Redevelopment .

Communication of the results of targeted investment along public transit corridors, and lessons learned about how mixed-use buildings with affordable housing can have positive externalities to the surrounding neighborhoods.

Images:



Project Description

Goals and Objectives:

The seed funding for this project supported 4 key goals: 1) It facilitated meaningful engagement from community stakeholders and our partner (OHA) in crafting programming for the site in a holistic Healthy Neighborhoods framework. 2) It embodies the community benefit that we have advocated over the past six years in our participation in the Lake Merritt BART Station Area Plan process. 3) We explored creative financing for affordable housing and commercial uses in the post-Redevelopment era. 4) It ensures that the TOD that occurs in Chinatown will have some affordable component, which will slow the pace of gentrification in the neighborhood.

Work Plan:

Below, this report outlines the deliverables that have been completed by following the outline of the Project Budget and Schedule in Attachment B of the Grant Agreement.

1. Grant Administration and Project Coordination
 - a. Invoices and Progress Reports. This Final Report and the invoices attached with this draw will serve as the update on this item.
2. Design Charrette and Community Meeting
 - a. Community and Stakeholder Outreach Plan. The Plan, which was submitted to MTC as part of our July 2014 progress report, summarized the key stakeholder groups that EBALDC had been working with on the Lake Merritt BART Station Area Plan process since 2009. EBALDC partnered with those organizations to bring out more than 50 participants to a design charrette in September 2013. We had a second meeting with community members on 23 October 2014 to brief stakeholders on how the comments they had made in the first meeting influenced the design of the building, and to get additional feedback on how we should market the commercial space in the building. A summary of that meeting is attached with this final report.
 - b. Outreach materials for Charrette and Community Meeting. We included outreach materials from the first community meeting in the July 2014 progress report. Because the follow-up nature of the second meeting, we limited the invitees to the second community meeting to stakeholders who had been invited to the first meeting. EBALDC hosted the second community meeting, and AHS and APEN brought back the members who had participated in the first meeting.
 - c. Agenda and materials for the October 2014 meeting are included in the deliverables attached to this final draw request. We originally developed the follow-up agenda in conjunction with our partner, Oakland Housing Authority.
 - d. Sign-in sheets and workshop summary for the October 2014 meeting are included in the deliverables attached to the final draw request.
 - e. The updated conceptual plans that incorporated input from the September 2013 event were included in our July 2014 progress report.
3. Cost Estimate and Financing Plan
 - a. The Memo on preliminary costs and sources was submitted as part of the Progress Report from July 2014.
 - b. The Financing Plan was submitted as part of the Progress Report from July 2014.

4. Final Project Report and Dissemination
 - a. This document serves as the Final Project Report.
 - b. A memo listing the venues where information on 1110 Jackson was shared has been attached to this Final Report. We have done a presentation for MTC Housing Working Group members, and we have presented findings to EBHO members, and internally to EBALDC staff.

Role of Lead and Partners

EBALDC is the Lead on this project. Its responsibilities include: development tasks, securing entitlements, hiring and managing design team and general contractor, securing private and public financing, community engagement, property management.

OHA was a partner and had the following responsibilities: Land owner, provide land to project at a de minimus cost, review all development programming and decisions, provide Section 8 vouchers for just under half of the units.

Challenges and Outcomes

When EBALDC and OHA acquired site control of this parcel in 2011, we had envisioned building a seven or eight story building with 99 residential apartments and up to 20,000 SF of medical clinic space, which would be built out in partnership with Asian Health Services (AHS), which had received a sizable grant from the US Department of Health and Human Services (HHS). Shortly thereafter, Governor Brown began the process of dissolving Redevelopment Agencies across the state, and we were left holding a site that would not be able to move forward in the new funding environment. At the same time HUD was considering suspension of different streams of new development funding to Housing Authorities throughout the country. As a result, our predevelopment for 1110 Jackson stalled, and AHS was forced to search for another site to locate their clinic expansion, in order to keep within the time frame of their HHS grant. We were left without a partner to tenant the large commercial portion of the building that had been contemplated. EBALDC and OHA focused our development energy on projects that were further along and had most of the financing in place, so that we could get those projects into construction before other commitments dried up.

The key outcomes for this grant period were to reconceptualize the development, create a project program that affordable to the local population but still financially feasible to construct without Redevelopment funding or additional support from OHA, and bring in ideas from the community to make this building even more of a neighborhood asset. We accomplished all of these goals, and it was a testament to the focus that this HUD/MTC grant catalyzed, at exactly the time when old streams of funding were being adapted in order to be able to be paired with highly competitive and increasingly leveraged 9% tax credit funds.

The fact that we have a fully entitled project, won four competitive rounds of financing (CA HCD Infill Infrastructure Grant, City of Oakland, County of Alameda HOPWA and the 9% TCAC award), with a projected construction closing date in March 2015 and a projected building opening of Fall 2016 is an enormous accomplishment. This run of successful financing applications was a literal sprint from Spring 2013 to Fall 2014, all while considering different affordability regimes (we considered the possibility of incorporating market-rate units into the building at one point), and incorporating community participation and tangible benefits was one of the most amazing re-births of a project that our staff have been a part of.

The beneficiaries of this grant included our development team of EBALDC and OHA, and also the groups and local and regional stakeholders that we were able to include in the design development of the project including: local residents and patients organized by Asian Pacific Environmental Network and Asian Health Services, as well as other neighbors and local landowners, local business representatives Lincoln Elementary School, local elected officials, AC Transit, ABAG, and others. These individuals and organizations were able to provide us feedback on our design and give us ideas for potential commercial tenants such that the building will more closely reflect the desires and hopes of the people who it will impact most in our neighborhood.

Replicability and Dissemination

Whenever we plan for a new project, we strive to make the neighborhood around our site healthier and more inclusive than it was before we got involved. This approach means that we may bring different practices to different neighborhoods. In neighborhoods where there is less business activity or where the housing stock is dilapidated or blighted, we may seek to construct a building that seeks to work off the existing assets of the neighborhood and catalyze some small sparks of economic activity. In neighborhoods like Chinatown, where there are already large scale public and private investments in transit-rich corridors, the concern is that an area may gentrify too quickly and displace a lot of long-time residents. So our goal is to build strong enclaves of affordability. The lessons that we have learned regarding how to go about a development planning process that involves community and regional stakeholders can be applied more broadly. However, in modeling different affordability regimes, we found that a mid-size city with non-San Francisco rents does not lend itself to a mixed income 80/20 or 50/50 market-rate/affordable project, and that the only way to build this kind of project was to do it as a 9% tax credit project and to be ready for other gap financing to kick in. Thus, we did not uncover a new way of financing affordable housing. However, this is the first project that EBALDC has done where we have mixed 9% tax credits with State HCD funds, so there will be some lessons in how we go about closing the financial transaction.

Over the course of the grant period, we developed a new project proforma for the development, a memorandum that documented to our development partner the relative costs and benefits of high-rise vs. mid-rise development, as well as the financing strategies that made sense for this type of development. Doing this work allowed us to participate in discussions with City staff and stakeholders regarding the City's market studies, and their expectation for how developers might contribute community benefits and community design standards in future developments.

We shared information about the progress of 1110 Jackson at various community and development oriented meetings over the course of the grant period. Please see the summary of these events, including agendas or meeting minutes attached to this report. Locations/groups shared with include: Chinatown Coalition meetings, East Bay Housing Organizations – Oakland Committee meetings, City of Oakland Downtown Development Feasibility Panel in a joint presentation with AECOM and Strategic Economics, and at MTC for the Housing the Workforce Sub-committee.

EBALDC is happy to share our lessons learned with other groups interested in developing and advocating for affordable housing in transit rich neighborhoods. However, we prefer to share some of the information in a more selective fashion. For instance some of our development proformas are not necessarily appropriate to share with a wide audience. Upon reference though, we are happy to talk through numbers and assumptions that we made in developing a financial program that was feasible to build.

Recommendations and Next Steps

There are a host of lessons that we have learned over the course of the grant period. The most important were:

Increasing density in a neighborhood by a moderate amount is more cost effective and less risky for development, and results in better planned communities.

Mixing market-rate units in with affordable units results in a less feasible project in most mid-size markets with urban construction costs.

Well-designed buildings that meaningfully incorporate community concerns are less likely to provoke NIMBY reactions. However, the design charrettes cannot be an open forum for any kind of grievance. Questions put out by the developer for public input need to be specific, take into account local context and development constraints, and if design changes are proposed, the developer needs to account for their response to the request. Follow ups explaining what changes were incorporated and why other changes were not incorporated are a great opportunity to make participants feel heard and understood.

1110 Jackson is currently nearing the end of its pre-development stage. The project will start construction in April 2015 and is projected to be complete in Fall 2016. The project schedule is summarized below:

- Jan 2015: Arch complete construction drawings
- Feb 2015: Bidding Construction work
- Mar 2015: Construction permits received
- Mar 2015: Close construction financing
- Apr 2015: Start construction
- Early 2016: Commercial cold-shell complete
- Spring 2016: Start residential lease-up activities
- Fall 2016: Complete construction
- Late 2016: Complete residential lease-up

1110 Jackson Street Mixed Use TOD

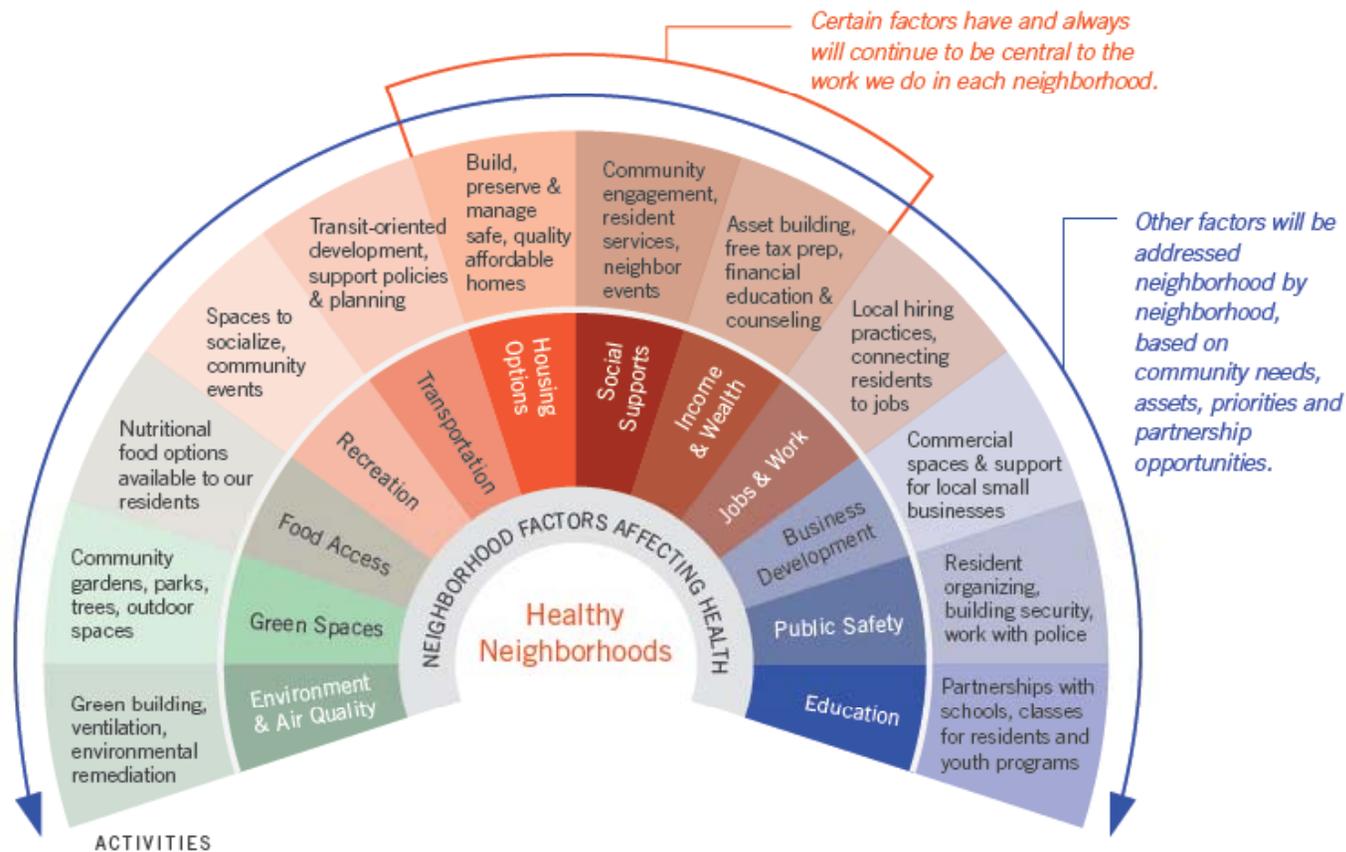
Reconceptualization and Financing



EAST BAY ASIAN LOCAL
DEVELOPMENT CORPORATION
www.ebaldc.org

Ener Chiu, Senior Project Manager

January 15, 2014



EBALDC – Healthy Neighborhoods Approach

Our buildings are not stand alone entities. They exist within a neighborhood context, and we have the opportunity to use them to impact multiple social determinants of health.



9 PRINCIPLES FOR THE LAKE MERRITT BART STATION AREA COMMUNITY

1. PUBLIC SAFETY:

Immediately implement pedestrian-scale street lighting along 8th, 9th, Jackson, and Alice Streets.



2. JOBS:

Ensure that any project with public funding is subject to the City's local hiring requirements.

3. HOUSING:

Protect current residents against displacement, and ensure that at least 30% of the housing in the project plan is affordable to families at or below 60% of Area Income, including extremely low and very low-income families.



4. HEALTH:

Create a pedestrian-friendly environment with open space that promotes public safety, walking, and exercise. Facilitate destination traffic to Chinatown while diverting Alameda, Oakland, and I-880 through traffic away from the area in order to improve air quality and community health.



5. COMMUNITY FACILITIES AND OPEN SPACE:

Improve Madison Park with physical programming and regular programming. Add a block of contiguous park space to the Chinatown core. Establish a Community/Youth Center that provides programs and services.



7. COMMUNITY ENGAGEMENT:

Ensure that community residents and organizations are involved in decision-making and monitoring of the neighborhood plan.



6. BUSINESS:

Encourage new grocery stores, farmers markets and healthy restaurants, attract new businesses, especially pharmacies, banks, and bookstores.



8. TRANSPORTATION:

Calm traffic on 7th Street, install pedestrian scramble systems at controlled intersections on 8th and 9th streets between Harrison and Jackson Streets, and convert 7th, 8th, 9th, 10th, Harrison, Webster, and Franklin streets into two-way streets.



9. CULTURAL PRESERVATION:

Celebrate Asian culture using streetscape improvements, public art, historical markers, and bilingual signage. Zone for active ground floor uses, especially along 8th Street and 9th Street. Rename the BART Station to Oakland Chinatown/Laney BART Station.

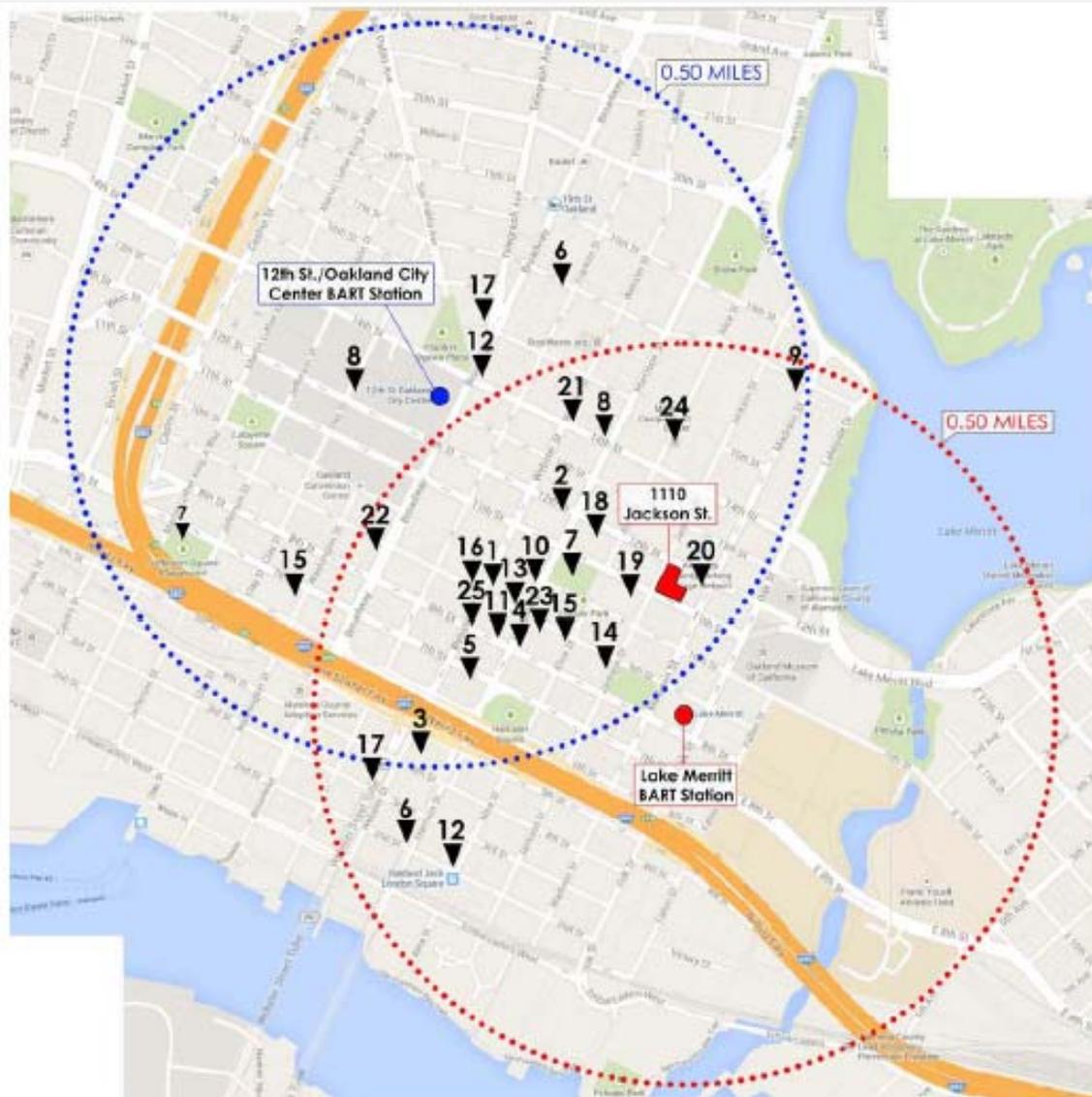


Neighborhood History



Overview of Lake Merritt Station construction showing the interface with completed subway structures, Oak Street detour, excavation and support, and extent of construction progress on the station structure. Contract 1K0071, Subway Structure, Lake Merritt Station.

1110 Jackson Neighborhood Context



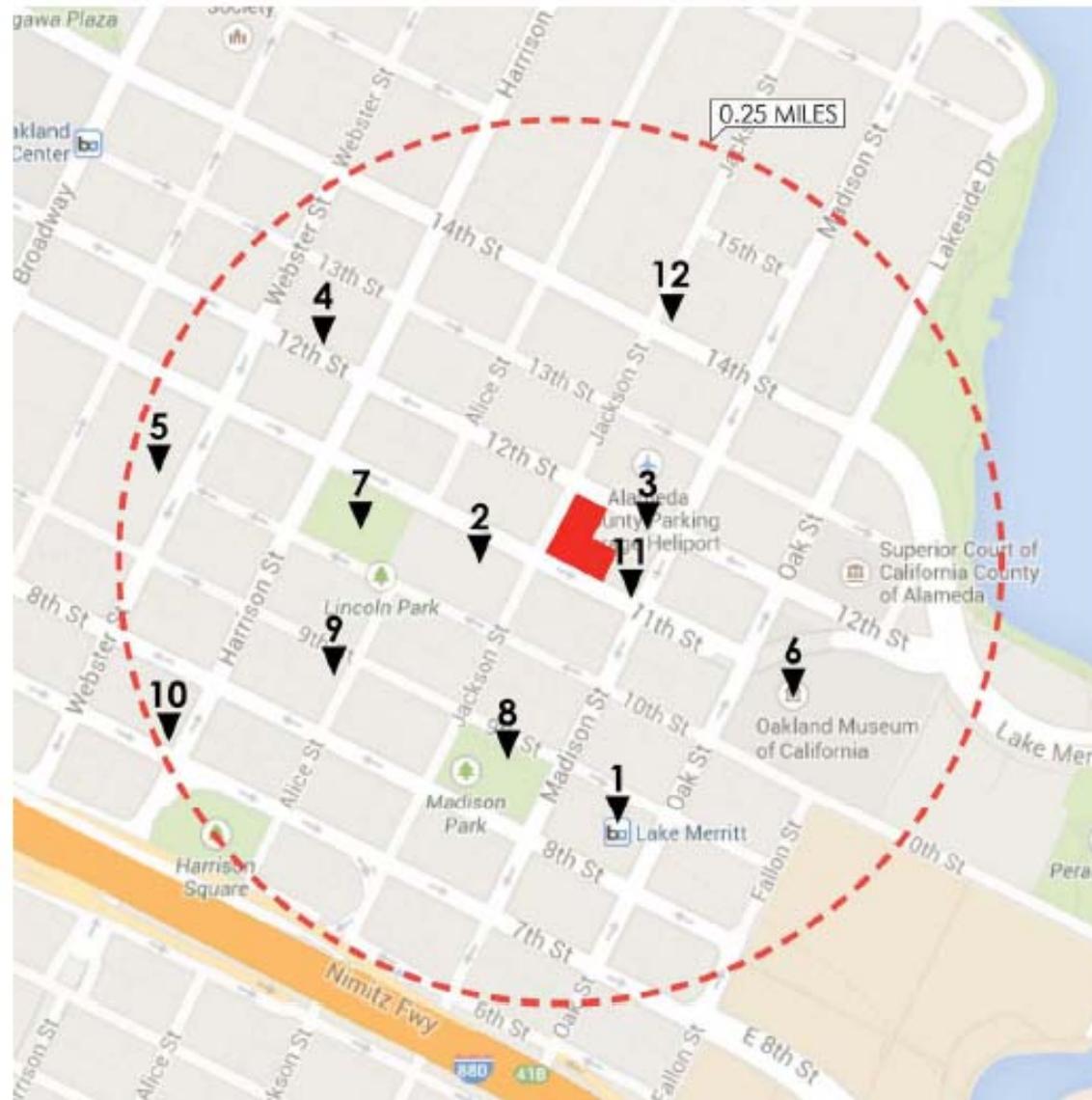
1110 JACKSON LOCATIONS OF NEIGHBORHOOD AMENITIES

LEGEND

- 1 Bank
- 2 Childcare
- 3 Community Center
- 4 Convenience Store
- 5 Haircare
- 6 Hardware Store
- 7 Playground/Pocket Park
- 8 Health/Recreation Facility
- 9 Laundry
- 10 Library
- 11 Medical Center
- 12 Bicycle Shop
- 13 Pharmacy
- 14 Place of Worship
- 15 Police/Fire Station
- 16 Restaurant
- 17 Coffee Shop
- 18 Bakery/Deli
- 19 School
- 20 Senior Care
- 21 Shoe Repair Shop
- 22 Grocery
- 23 Social Service Facility
- 24 Theater
- 25 Postal/Mailing Center



1110 Jackson Neighborhood Context



1110 JACKSON LOCATIONS OF NEIGHBORHOOD AMENITIES

LEGEND

- 1 Lake Merritt BART Station
- 2 Lincoln Elementary
- 3 AIPS II Charter School
- 4 Oakland Charter High School
- 5 Asian Branch Library
- 6 Oakland Museum of California
- 7 Lincoln Park + Recreation Center
- 8 Madison Park
- 9 Asian Health Services
- 10 Lake Merritt Childcare
- 11 Family Bridges Senior Care
- 12 Nature's Best Grocery Store



1110 Jackson Site Plan



- 1 U.S. Postal Service
- 2 Alco Park
- 3 Alameda County administration building
- 4 NPS Pacific West regional offices

- 5 Wells Fargo Bank/American Indian Public Chapter
- 6 Family Bridges
- 7 Alameda County Recorder
- 8 Lincoln elementary school

PROJECT INFORMATION

BUILDING DATA	
LEVELS	
ONE BEDROOM (190 SF)	27 24%
TWO BEDROOM (370 SF)	29 41%
THREE BEDROOM (1,000 SF)	20 25%
TOTAL PROPOSED UNITS ON SITE	76 UNITS
BUILDING AREA (S.F.)	
BASEMENT	- S.F.
FLOOR 1	
RETAIL	3,000 S.F.
RESIDENT LOBBY / OFFICE	2,130 S.F.
PARKING GARAGE / LOADING	20,120 S.F.
UTILITY	1,330 S.F.
FLOOR 2	21,300 S.F.
FLOOR 3	21,300 S.F.
FLOOR 4	21,300 S.F.
FLOOR 5	20,800 S.F.
TOTAL GROSS AREA	113,900 S.F.
OPEN SPACE	
OPEN SPACE / UNIT	
REQUIRED	70 S.F. / UNIT
TOTAL PROVIDED	9,000 S.F.
PROVIDED GROUP OPEN SPACE	
MAIN COURTYARD	6,700 S.F.
OPEN FLOOR TERRACE	200 S.F.
TOTAL GROUP OPEN SPACE PROVIDED	6,900 S.F.
PARKING / LOADING	
PARKING PROVIDED	
BIKEWAYS	
BIKELOCK STALLS	24
HC STALLS	3
INTERMODALS / COMPACT	36
TOTAL PROVIDED	63 STALLS
NETO PROVIDED	675 STALLS/UNIT
RETAIL PARKING	
TRANSFORM REGULAR STALLS	8 STALLS
TOTAL PARKING PROVIDED	71 STALLS



Site Plan / Project Data
September 30, 2013

11TH & JACKSON
EBALDC / OHA



1110 Jackson Initial Project Programming

- 99 affordable family apartments
- 20,000 SF clinic space

Total Dev Cost: \$51.7 M



First Floor Plan (+0'-0'')

- | | |
|---|------------------------------|
| 1 Health clinic | 7 Double car stacker |
| 2 Elevator for health clinic use | 8 Housing parking (61) |
| 3 Health clinic and housing emergency stair | 9 Health clinic parking (49) |
| 4 Entry courtyard w/ gate | 10 Loading space |
| 5 Housing lobby from parking and outside | 11 Mechanical/electrical |
| 6 Triple car stacker | 12 Trash room |

HKIT ARCHITECTS

First Floor
October 28, 2010



Second Floor Plan (+19'-0''), 12 units

- | | |
|---|-----------|
| 1 One bedroom apartment | (4 Units) |
| 2 Two bedroom apartment | (5 Units) |
| 3 Three bedroom apartment | (3 Units) |
| 4 Residential elevators | |
| 5 Health clinic elevator | |
| 6 Health clinic and housing emergency stair | |
| 7 Lower patio w/ play area | |
| 8 Trash room | |

HKIT ARCHITECTS

Floor Plans
October 28, 2010



1110 Jackson Reconceptualization

- What can we afford?
- Most economical construction type: wood frame
- Financing type: 9% tax credits
- 5 stories, 65 – 80 units
- Considered mixing in market rate housing

1110 Jackson Revised Project Programming

- 71 affordable family apartments
- 5,000 SF commercial space
- Total Dev Cost: \$38.2 M



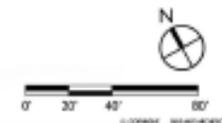
First Floor Plan (+0'-0'')

- | | |
|---------------------------|--------------------------------------|
| 1 Retail: 5,000 s.f. | 7 Housing parking (54 stalls) |
| 2 Residential lobby | 8 Retail parking - tandem (8 stalls) |
| 3 Resident elevators | 9 Loading space |
| 4 Property manager office | 10 Mechanical/electrical |
| 5 Bicycle parking | Trash room |
| 6 Utility | |



Second Floor Plan (+16'-0'')

- | | |
|-------------------------------------|----------------|
| 1 One bedroom apartment (3 units) | 7 Kitchen |
| 2 Two bedroom apartment (7 units) | 8 Storage |
| 3 Three bedroom apartment (6 units) | 9 Toilets |
| 4 Resident lounge | 10 Trash chute |
| 5 Service staff / computer room | Courtyard |
| 6 Common room | |



1110 Jackson – Community Design Input Meeting

- September 2013 – Charrette with 50 participants
- Key questions to solicit input:
 - Streetscape: how should the building interact with the sidewalk and the street?
 - What should be programmed into the common area and community space?
 - What should be programmed into the commercial space?
 - How can this building improve public safety?
- Set the example to public officials about how developers should build locally sensitive projects.



1110 Jackson – Community Design Input Meeting

- Key Feedback:
 - Building exterior lighting should augment street lighting
 - Study street seating
 - Tree species should account for nesting habits of birds
 - Propose scramble street crossing
 - Entries should be designed to minimize hiding places
 - Trash pickup on 11th Street, not 12th
 - Prefer bay windows to balconies

