

Dan Vanderprien
Redevelopment Director,

Claudia Cappio
Planning Director,

Clinton Killian
Commission President,

and

Members of the
Oakland Planning Commission

Re: 9th Avenue Terminal / Oak to Ninth EIS Reply

Dear Policymakers:

Why hasn't there been any examination of, or official interest in, how the 9th Avenue Terminal, as has been suggested many times, can be reused as a Torpedo Factory-like facility? In almost every meeting I've been in - and it's been well over fifty by now - either with or without the designated developer, this intriguing (and proven) concept has been brought up not only by me but by several others as well - certainly not the least of which is former Oakland City Councilmember, Judge John Sutter, now a Director of the East Bay Regional Parks System.

While it's easy to dismiss any of the rest of Oakland's rabble for daring to think that their meager contribution to this important public dialogue might have some merit, it's difficult to imagine that, having actually been to Alexandria and seen it for himself, that the Judge - an emeritus, after all, of the Estuary Plan Advisory Committee - might be indulging some kind of wistful fantasy.

The folks doing the Environmental Impact Study, if not yet swayed by the persistent staff infection stemming from the vestiges of a long-discredited, decades-old, dimbulb-view that Oakland's last vestige of Waterfront history ought to be razed, might be able to address this particular element of the 9th Avenue Terminal's reuse more intelligently (and, one would think, respectfully) if given specific instructions to think and act independently - lest some of us begin to think that the EIR process has become some kind of a rubberstamp Oakland joke.

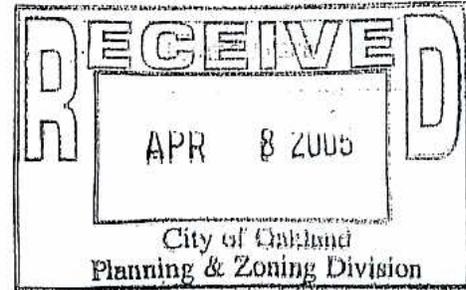
It is fast becoming questionable as to why we even need to go through the expense, angst and tomfoolery of having such a process in place at all - precisely the point, one supposes, the City has made in limiting EIS / EIR reporting last year. My fondest hope at this point is that the ongoing failure to satisfactorily address credible alternative reuse options for the 9th Avenue Terminal will become so obvious to the press, public and remaining EPAC members - yourselves notwithstanding - that legal action enough will eventuate to put the entire process on hold for at least ten to fifteen years or so until another developer is identified or until public frustration with such an exclusionary process results in a thoroughgoing change.

This is not to say that there's anything wrong with the current development entity which the Port has selected: Signature has arrived at its conclusions in a businesslike way, and no one thinks any the less of that firm for its rationale. However, it's really discouraging to think that the reuse process (which is, after all, supposed to work in the highest and best interests of the public) cannot be trusted, else why would there be such persistent criticism of it - most particularly with respect to this single aspect, clearly the most significant structure on the entire Oakland / Alameda Estuary?

I'm as much for good business and better development as anyone else in this town, but until there's some clear, forthright and, unquestionably responsible evidence that the 9th Avenue Terminal won't work - something, please, other than some long-since vanished Portly disdain for the building itself - any endorsement of its demolition should be steadfastly denied.

ATTACHMENT

Kiana Buss
Assemblymember Wilma Chan's Office
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0016
(f) 510-286-1888



Kip Lipper
President Pro Tem Don Perata's Office
State Capitol, Room 205
Sacramento, CA 95814
(f) 510-286-3885

April 4, 2005

Dear Ms. Buss and Mr. Lipper,

Recently, it has come to our attention that two toxic sites set for development in Oakland need a change in Lead Agency responsible for cleanup. **We are writing to ask you to request that Cal/EPA Secretary Dr. Alan C. Lloyd make a change of Lead Agency from the San Francisco Regional Water Quality Control Board (Water Board) to the Department of Toxic Substance Control (DTSC)**—a change necessary for both sites. Such an action would ensure that the health of people and the environment are protected.

Both the 16th and Wood Train Station development in West Oakland and the Oak to 9th development near the Eastlake and Lower San Antonio neighborhoods of Oakland are highly contaminated sites and will involve complex cleanup and mitigation procedures to ensure public health and safety. We represent two community coalitions formed to address the negative impacts as well as improve the benefits of these two developments for area residents and neighborhoods.

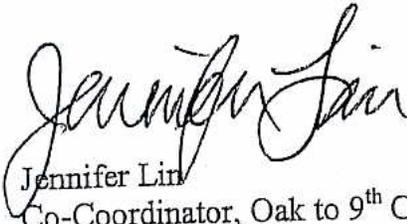
As you may know, the Water Board has an extremely poor record of toxic cleanup. Enclosed is one article from the Berkeley Planet documenting the Water Board's inept handling of the AstraZeneca site in Assemblymember Loni Hancock's district. As you will see, the Water Board's cleanup placed area residents and workers at extreme risk and toxic exposure that could have been avoided. In the end, the lead agency for the cleanup was switched from Water Board to DTSC.

Changing the Lead Agency responsible for cleanup would mean better protection of the health of area residents and mitigation workers, more public liaisons and public input into the cleanup process, and expert staff and public health liaisons to ensure the cleanup is done right—all of which would be absent if the Water Board retains Lead Agency status.

We urge you to immediately take the steps necessary to ensure the change of Lead Agency for both projects. We will be in contact with your office to follow-up on this request. If you have any questions in the meantime, you may contact Jennifer Lin at 510-834-8920, x. 309.

ATTACHMENT

Thank you for your time and attention on this important matter,



Jennifer Lin
Co-Coordinator, Oak to 9th Community Benefits Coalition
Asian Pacific Environmental Network



Margaret Gordon
Coordinating Team, West Oakland Environmental Indicators Project
Member, 16th and Wood Train Station Coalition



Tim Thomas
Coordinating Team, West Oakland Environmental Indicators Project

Cc: Jane Williams, California ^{Communities} Coalition Against Toxics
Councilmember Nancy Nadel
Margaret Stanzione, City of Oakland Planning and Zoning Department

April 6, 2005

Margaret Stanzione
City of Oakland
250 Frank Ogawa Plaza, Suite 3315
Oakland, CA 94612

Dear Ms. Stanzione:

Re: Oak to 9th Avenue Project

You invited comment about the Oak to 9th project. The views expressed in this letter are my own and do not represent adopted East Bay Regional Park District (EBRPD) Policy.

Why not follow the Estuary Policy Plan (EPP)? It was the product of a lengthy public process with hundreds of hours of meetings of the General Plan Congress, the EPP Advisory Committee, the Planning Commission, Port Commission and City Council. It was adopted by the City Council and incorporated in the General Plan in 1999. Why abandon its major vision for the Oak to 9th area? That vision was the following:

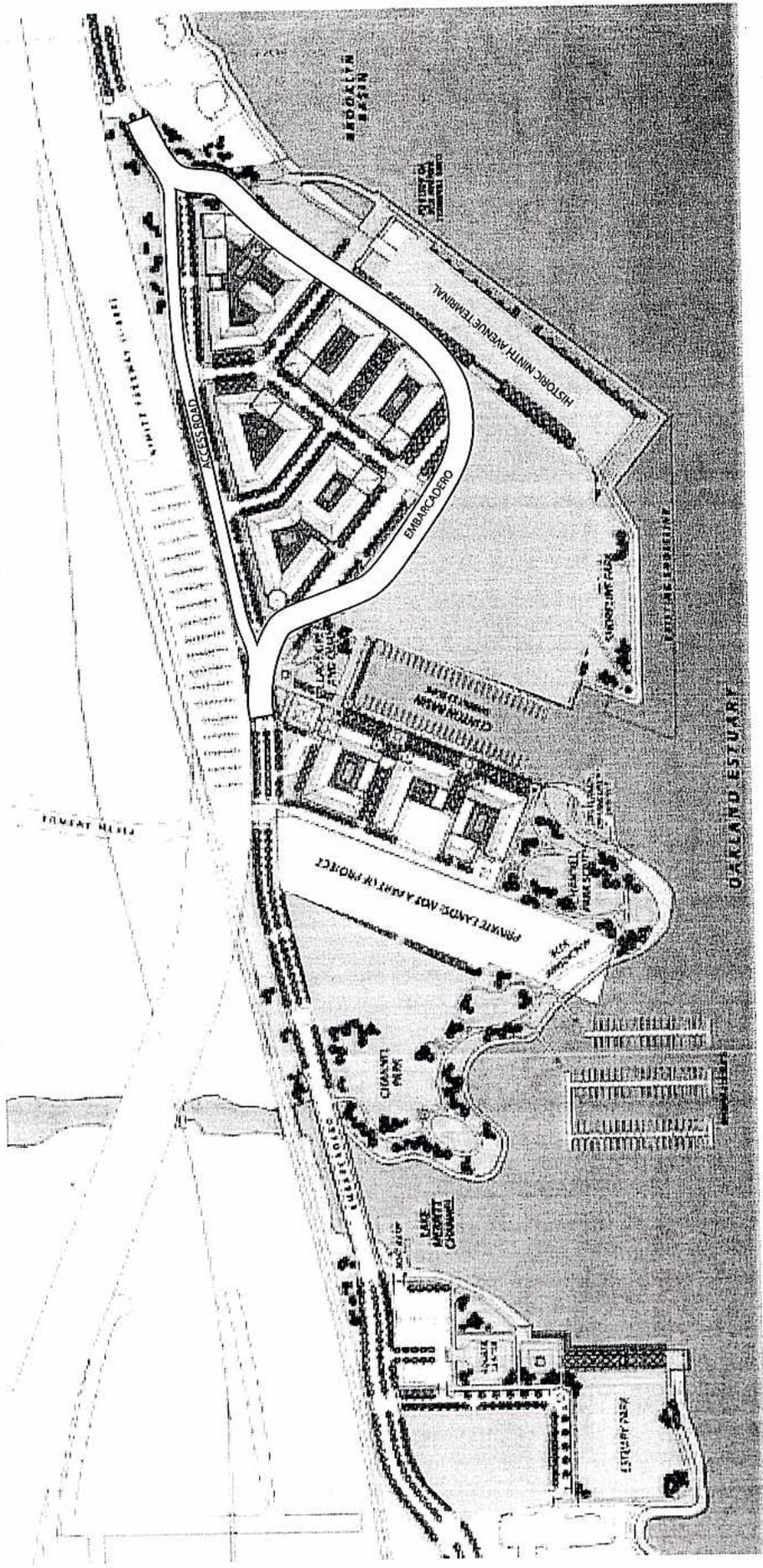
“Shoreline access and public space policies are intended to establish this area of the Estuary as the major recreational destination in the city. The Estuary Policy Plan recommends a series of large open spaces, intended to provide for a wide variety of recreational experiences. Developing a series of well-defined open spaces would change the entire nature of the waterfront in this area, transforming it from an industrial backwater into a recreational centerpiece of the city. In total, these sites would represent one of the most significant additions of urban parkland within the entire Bay Area. They would create both a regional and local asset of major proportions.”

Will the developer's plan create “the major recreational destination of the city”? I think not. Instead, open space is offered which will serve primarily as the front yard of expensive condos. Over one-third of the open space called for in the EPP disappears in the developer's plan.

Bear in mind that the EPP's planned open space was a result of compromise. There were Advisory Board Members who argued for significantly more open space, especially in the 9th Avenue area. So what we are now confronted with is a further compromise of a compromise. The public loses in the process.

Visibility of the water is blocked in vital locations in the developer's plan. The EPP would have opened up Estuary Park, now a “stealth” park, to public view from the Embarcadero by demolishing the Jetro Cash & Carry Building and replacing it with 5 acres of open space. The developer plans to build a 24 story tower there instead. Visibility, of course, is vital for parks. It encourages use. In a similar way, hiding parks behind buildings discourages use and can encourage crime. One reason Lake Merritt's Parks are so heavily used is because they are so visible. One sees them just driving by on major streets, and that is probably the only way many people enjoy them. The Estuary should be opened up in the same way.

ATTACHMENT
C3



ALTERNATIVE A

- Realign Embarcadero separating housing and park areas, provide views
- Retain all of Ninth Avenue Terminal (mixed use)
- Don't build on Estuary Park
- Don't build west of Fifth Ave. private area
- Build east of Fifth Ave. private area (organic development, small lots?)
- Include 25% affordable/low income housing
- Expand open space and parks to about 40 acres
- Provide approximately 1200 residential units.
- BART shuttle or subsidize AC Transit service

The EPP called for an 11-acre Crescent Park landward of the 9th Avenue Terminal. That vanishes in the developer's plan, replaced with an approximate 4-acre pier resulting from the demolition of the 9th Avenue Terminal. Thus a major proposed park, as well as a historic building, are lost.

Another significant loss is the area west of the 5th Avenue artists colony, shown as open space on the EPP, but as apartments or condos in the developer's plan. Such development at this location will severely limit the usefulness of the open space, especially for festivals. Any festival with music will result in numerous complaints from residents.

The building design, street design, and financing of the open space maintenance all tend to wall off this area from the public. The high-rise buildings, up to 24 stories, and the bulky 6 to 8 story buildings – all greatly exceeding the densities of the EPP - will block views of the water. The streets are designed with bends in them so that in most locations what is visible from The Embarcadero will be buildings – not water. Financing with an assessment district in which the owners pay for park maintenance encourages the residents to believe the open space is their private domain. It will lead to agitation for limiting public access, particularly any access causing noise or traffic. The argument will be, "This is our open space, we're paying for it."

The Fifth Avenue design is a particular disappointment. Since it will be the major entry to the area from the rest of Oakland, it should present the Estuary to the visitor. But one driving down 5th Avenue toward the project will see buildings and maybe trees, but not the water.

These comments are not offered to suggest that there should be no project or no housing on the Estuary. But any project must be designed to invite, not exclude, the public from Oakland's waterfront. It should benefit all Oakland residents, not just those who live there.

A concern about your public meetings: While they are certainly needed, the public needs to be able to view alternatives. The only project offered is the developer's project. The developer, to its credit, presents a model. It would be useful to have a model showing what was planned under the EPP with its much lower densities.

There is no land use decision more important to Oakland than the redevelopment of its waterfront. We are a waterfront city, but many Oaklanders are hardly aware of that fact because so much of our waterfront has been off limits to the public for so long. The Oak to 9th area re-use gives us the opportunity to open the waterfront to people. It is really a historic opportunity about the legacy we will leave – or not leave – to our children and grandchildren. Oakland lost its waterfront to its rapacious first mayor in the 1850s and it took 60 years of litigation to get it back. Will we now lose it again? Will we maximize the public use of this unique public asset or privatize it for the lucky few who can afford expensive condos?

Let's get back to the EPP vision and create "the major recreational destination in the City" representing "one of the most significant additions to urban parkland within the entire Bay Area".

Sincerely,

JOHN SUTTER
Director, Ward 2
East Bay Regional Park District

May 4, 2005

Attached is a little PDF showing some alternatives we think might be worthy of study for the Ninth Ave. EIR, and for discussion in general. These represent an informal consensus among open space and historic preservation people, on what is worth reviewing.

Comments that have been made in connection with these are as follows:

Consider doing true neighborhood-scale development around Fifth Avenue. To this end, sell smaller lots for smaller developers.

Consider eliminating most of the retail, so that residents are encouraged to go up Fifth Avenue to the San Antonio instead of starting a new commercial center.

The Bay Trail could well go on the seaward edge of a retained Ninth Avenue Terminal. There is plenty of width, and it would provide a maritime-related experience.

Investigate the possibility of live/work art uses in the historic terminal, and see what proportions might be acceptable.

Consider retaining all of the 1920s portion of the terminal and keeping the roof to make an open pavilion for the 1950s portion of the terminal.

Embarcadero gets reconfigured as a broad but not fast avenue with direct views of park and water. The present route is contracted to a minimal access road, and configured to discourage through traffic.

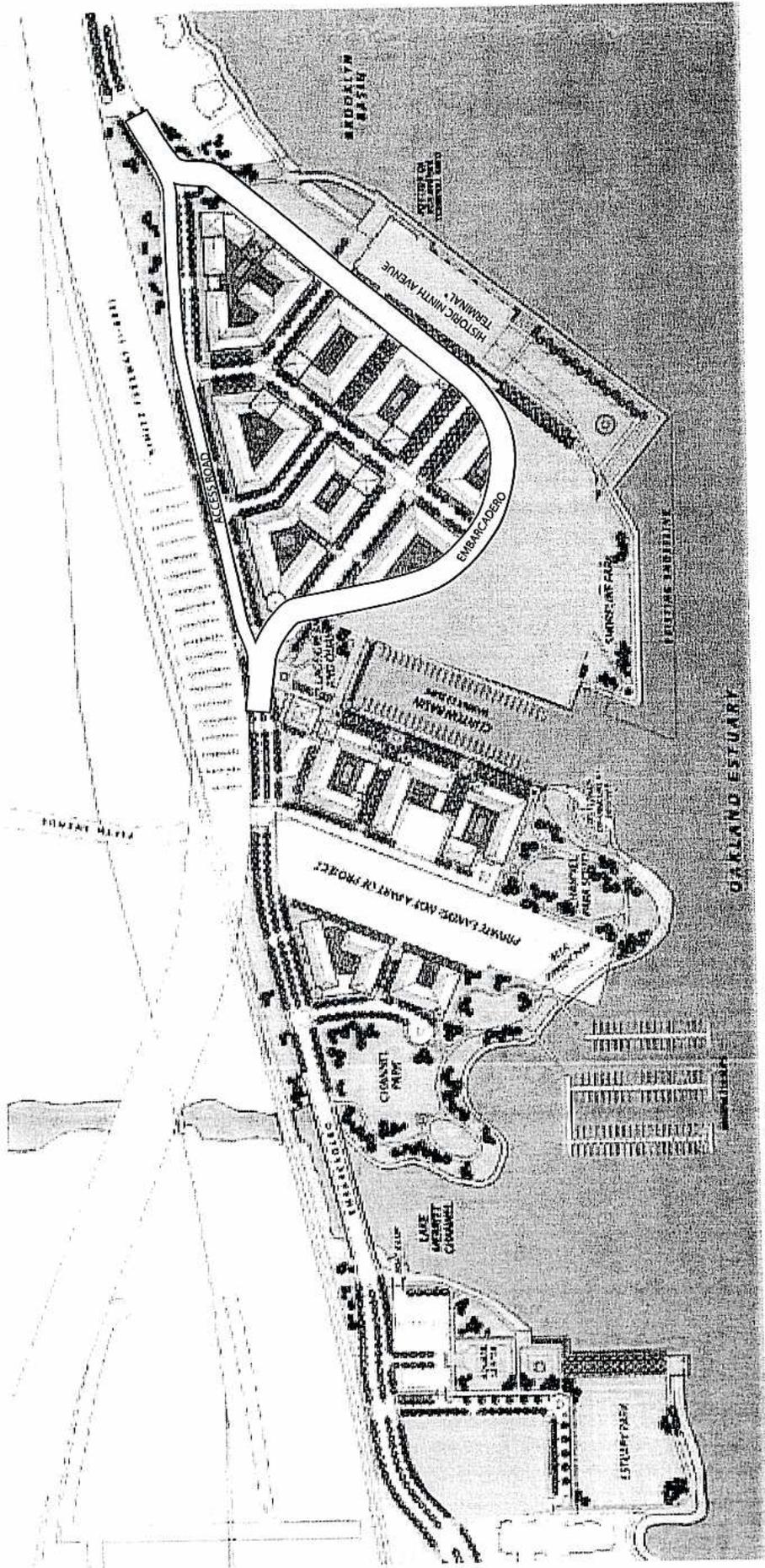
Consider whether a boat hoist around the terminal somewhere would facilitate access to the marina, and protect the ramp at the aquatic center from overuse.

--

Naomi Schiff
Seventeenth Street Studios
1761 Broadway
Oakland, CA 94612

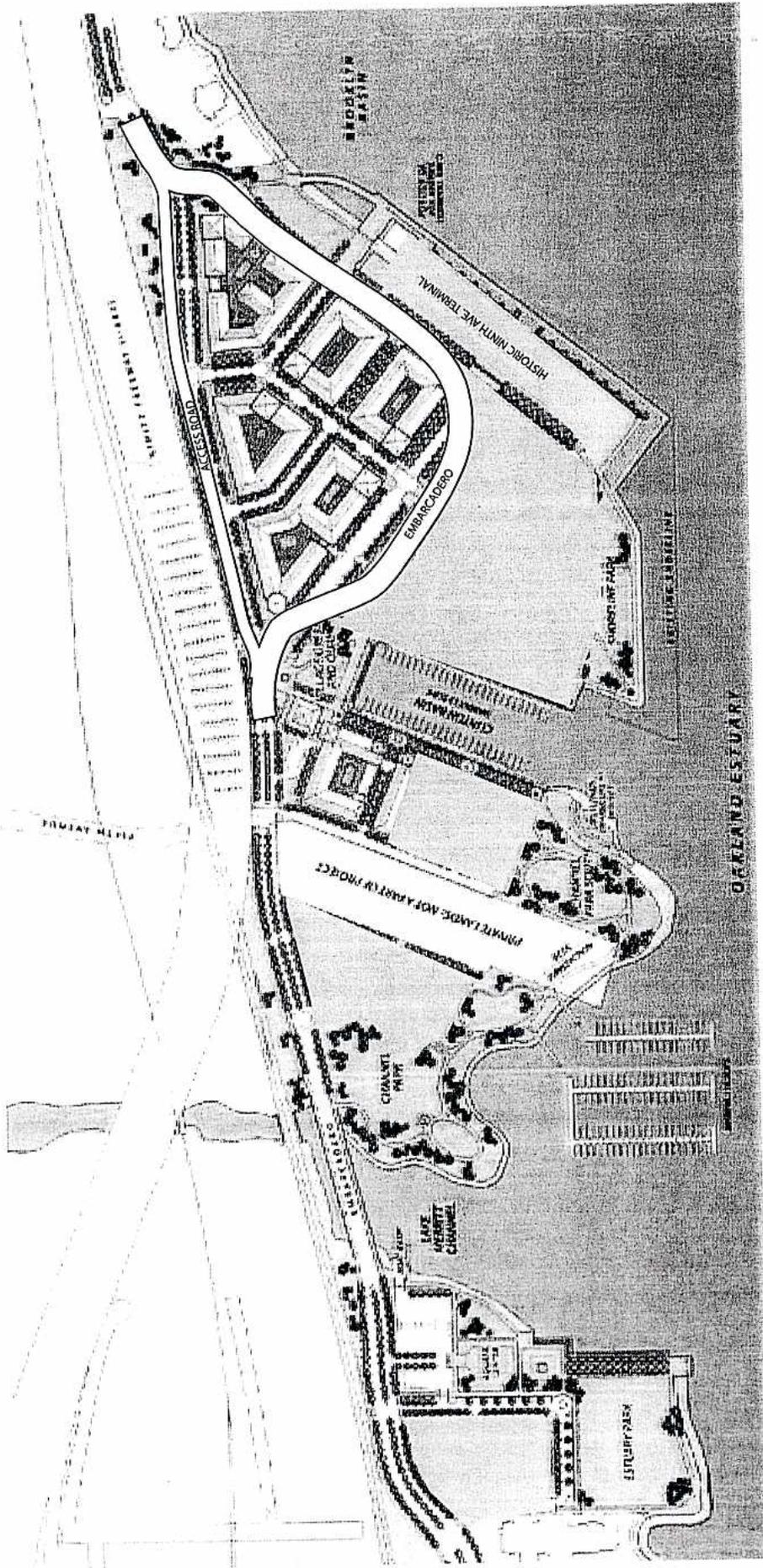
510-835-1717
fax: 510-835-1820

Visit www.17th.com



ALTERNATIVE B

- Realign Embarcadero separating housing and park areas, provide views
- Retain half of Ninth Avenue Terminal (mixed use)* Demolish 1950s part.
- Variation: Consider retaining roof structure on newer half, providing an open pavilion and public use space.
- Don't build on Estuary Park
- Build lower density, neighborhood scale around Fifth Ave. private area
- Include 25% affordable/low income housing
- Expand open space and parks to about 38 acres
- Provide approximately 1800 residential units.
- BART shuttle or subsidize AC Transit service



ALTERNATIVE C

- Realign Embarcadero separating housing and park areas, provide views
- Retain all of Ninth Avenue Terminal (mixed use)
- Don't build on Estuary Park
- Don't build west of Fifth Ave. private area
- Build less east of Fifth Ave. private area (organic development, small lots?)
- Include 25% affordable/low income housing
- Expand open space and parks to about 42 acres
- Provide approximately 1000 residential units.
- BART shuttle or subsidize AC Transit service

-----Original Message-----

From: RBishop747@aol.com [mailto:RBishop747@aol.com]

Sent: Friday, May 06, 2005 11:30 AM

To: ccappio@oaklandnet.com

Subject: Oak to 9th

Consider doing true neighborhood-scale development around Fifth Avenue and the majority if not all the site. To this end, sell smaller lots for smaller developers.

Consider eliminating most of the retail, so that residents are encouraged to go up Fifth Avenue to the San Antonio instead of starting a new commercial center.

The Bay Trail could go on the bay edge of a retained Ninth Avenue Terminal provided there is sufficient width, and it would provide a maritime-related experience.

Investigate the possibility of live/work art uses in the historic terminal, and see what proportions might be acceptable.

Consider retaining all of the 1920s portion of the terminal and keeping the roof to make an open pavilion for the 1950s portion of the terminal.

Embarcadero gets reconfigured to favor bicycle and pedestrian travel with direct views of park and water. The present route is contracted to a minimal access road, and should be configured to discourage through traffic.

Consider whether a boat hoist around the terminal somewhere would facilitate access to the marina, and protect the ramp at the aquatic center from overuse.

Ensure that the land set aside for park use can always be multi-use and a musical venue.

Sincerely,

Ron Bishop - Architect - AIA
Bicycle Safety Instructor - LCI

May 10, 2005

Margaret Stanzione
City of Oakland
250 Frank Ogawa Plaza, Suite 3315
Oakland CA 9412
mstanzione@oaklandnet.com

RE: Oak Street to 9th Avenue Project

Dear Ms. Stanzione:

I understand that you are in the process of determining options for consideration in the EIR. I suggest that one option should be the Estuary Policy Plan (EPP), but primarily with residential development rather than commercial development called for by the EPP. It should be at the same floor area ratio as in the EPP.

I also would urge alternatives using the proposals Alternate "A" and Alternate "C" provided by Naomi Schiff with these variations:

- Employ the circulation plan called for by the EPP (page 99) with the north south streets terminating at the alternate Embarcadero shown on the Schiff plan.
- An alternative providing for towers only with a few high rise buildings spaced far enough apart so as to maximize views, avoiding the bulky six- to eight-story buildings. This could be considered at various densities that of the EPP and perhaps 1,000 units and 1,500 units.

While these specifics have not been addressed by the Sierra Club, the Sierra Club's position is to 1) provide at least the open space of the EPP (42 acres), and 2) to provide streets with the maximum visibility of the Estuary.

John Sutter
Director, Ward 2
East Bay Regional Park District

cc: Naomi Schiff Naomi@17th.org

merge 029th

Michael
Willis
Architects



May 16, 2005

Oakland Planning Commission
Oakland City Council
1 Frank Ogawa Plaza
Suite 200
San Francisco, Ca. 94612



471 Ninth Street
Oakland, CA
94607

tel: (510) 287 9710
fax: (510) 287 9713

To the Commission, and
To the Council

I am a resident and I own a business in Oakland and I am writing this letter to voice my support for the Oak to Ninth project on the Oakland waterfront. I am in fact one of the architects for Oak to Ninth. That is not the only reason I support it. I want to make sure you are aware of the beneficial aspects of this project to Oakland. It is the kind of dynamic development that we need on our waterfront.

The project as proposed will provide a much-needed boost for the image of Oakland. It will bring needed housing that will help alleviate our housing crisis, but with Smart Growth principles that help to preserve our environment by building closer to jobs and services. The privately financed parks will be a boon to citizens and open up our long dormant waterfront. It will help me attract and retain good employees who can take pride in a city on the move. In addition, this project will bolster our tax revenues and allow the City to fund needed services and continue the renaissance that it has undergone over the last several years.

Please support this important project by voting in favor of it.

I would be happy as always to give you or your staff members any information we have that will help you in your deliberations

Sincerely,

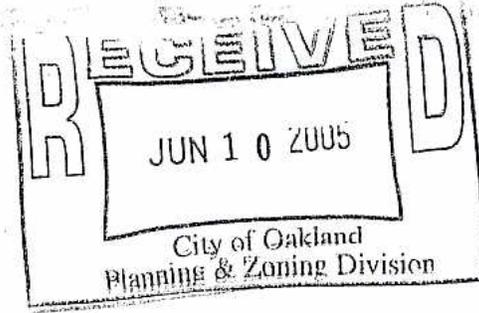
Michael E. Willis, FAIA
President



**MASON-McDUFFIE
FINANCIAL CORPORATION**

A Q10 CAPITAL LLC PARTNER

Marge S.



June 8, 2005
Oakland Planning Commission
Oakland City Council

Gentlepersons:

As a resident and business owner in Oakland I am writing this letter to voice my support for the Oak to Ninth project on the Oakland waterfront. The project as proposed will provide a much needed boost for the image of Oakland. It will bring needed housing that will help alleviate our housing crisis, but with "Smart Growth" principles that help to preserve our environment by building closer to jobs and services. The privately financed parks will be a boon to citizens and open up our long dormant waterfront. It will help me attract and retain good employees who can take pride in a city on the move. In addition, this project will bolster our tax revenues and allow the City to fund needed services and continue the renaissance that it has been undergoing over the last several years.

Further, the redevelopment of this site from an isolated "brownfield" into a project which provides the public with fully developed open space and allows access to and supports a revitalized and activated waterfront fits with my vision of Oakland.

I urge you to support this project that will be welcome investment into Oakland's future.

Sincerely,

Martell J. Glommen
Vice President & Secretary
mglommen@mmfc.com
Phone 510.622.8523

Oak to Ninth Project

Oakland Planning Commission
Oakland City Council

Dear Sir:

I own a property and business owner in Oakland and I am writing this letter to voice my support for the Oak to Ninth project on the Oakland waterfront. The project as proposed will provide a much needed boost for the image of Oakland. It will bring needed housing that will help alleviate our housing crisis, but with Smart Growth principles that help to preserve our environment by building closer to jobs and services. The privately financed parks will be a boon to citizens and open up our long dormant waterfront. It will help me attract and retain good employees who can take pride in a city on the move. In addition, this project will bolster our tax revenues and allow the City to fund needed services and continue the renaissance that it has undergone over the last several years.

We have waited long enough for more good projects like this to put us on the map. We should be thinking of going head to head in competing with San Francisco on a big scale project such as this one, and not wait for the left-overs and overflows. I have been driving by the area for years and years and wonder when are we going to wake up and develop a water front project that Oakland can be proud of. When this is combined with Jack London Square, we will have a real destination, that will attract tourist, entertaining money, and provide badly needed job for our own Oakland residents. We all know that if we can provide a health local economy many of our crime and youth violent will simply disappear.

What baffle the mind is that there will be people that will be oppose to this opportunity. What's the alternative, just leave it the way it is!! Just ask yourself, how many people actually go by this area and actually enjoy the garbage filled waste lands. To try and call a blocky ugly warehouse a historical building is a real insult to the common sense, and a real dis-service to the local resident who wants to live near a world-class community. If we were to squander another opportunity like this due to a few minority voices, the whole community will be yet again be the loser.

As I listen and talk to people of Oakland, I hear strong voice of approval for this project loud and clear. We need job, commerce, and civic pride in Oakland.

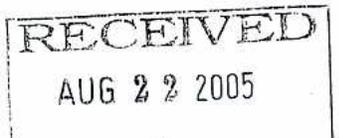
Please support this important project by voting in favor of it.

Sincerely,

 8/15/2005

Ed Kuo
The Grubb Co.
1960 Mountain Blvd.
Oakland, CA 94611

ATTACHMENT
C.9.



The GRUBB Co.
REALTORS

August 22, 2005

Oakland Planning Commission
Oakland City Council

I work for The Grubb Co., a business located in the City of Oakland and I am writing this letter to voice my support for the Oak to Ninth project on the Oakland waterfront. The project as proposed will provide a much needed boost for the image of Oakland. It will bring needed housing that will help alleviate our housing crisis, but with Smart Growth principles that help to preserve our environment by building closer to jobs and services. The privately financed parks will be a boon to citizens and open up our long dormant waterfront. It will help me attract and retain good employees who can take pride in a city on the move. In addition, this project will bolster our tax revenues and allow the City to fund needed services and continue the renaissance that it has undergone over the last several years.

Please support this important project by voting in favor of it. Please feel free to contact me at any time if need be. Thank you.

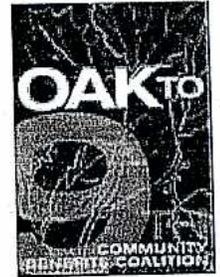
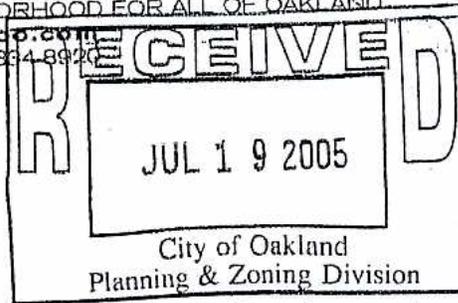
Sincerely,



Angela Wei Grubb, CRS.
The Grubb Co.
1960 Mountain Boulevard
Oakland, CA 94611
510.339.0400/202

ATTACHMENT
C.10.

MAKING A NEIGHBORHOOD FOR ALL OF OAKLAND
oak9communitycoalition@yahoo.com
672 13th Street, Oakland, CA 94612 510 463 2882 or 510 834 8920



July 15, 2005

Ms. Marge Stanzione
Planning and Zoning - Major Projects, Community and Economic Development
Department
250 Frank H. Ogawa Plaza
Ste. 3315
Oakland, CA 94612

Dear Ms. Stanzione,

Enclosed is a copy of the Oak to 9th Community Benefit Coalition's community report, *Making a Neighborhood for All of Oakland: A Community Proposal for Affordable Housing and Jobs for the Oak to 9th Development Site.*

Over the past year, local residents have convened to share their vision and goals for the Oak to 9th site, culminating in this detailed and responsible plan for what can be built on this 62-acre plot of land along Oakland's waterfront.

This community report outlines design and financing options for an on-site affordable housing proposal, and program components, cost, and monitoring for the local hiring and quality permanent jobs proposal.

We hope you will consider the local community's vision and plan enclosed. We look forward to discussing any questions you may have, and considering possibilities for implementation.

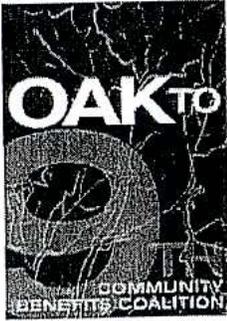
Sincerely,

Andy Nelsen
Urban Strategies Council
Coalition Co-coordinator
510-463-2882

Jennifer Lin
Asian Pacific Environmental Network
Coalition Co-coordinator
510-834-8920, x. 309

On behalf of the Oak to 9th Community Benefits Coalition Members:
Asian Pacific Environmental Network, Bay Area Construction Sector Intervention Collaborative, DataCenter, East Bay Asian Youth Center, Eastlake Merchants Association, Oakland Coalition of Congregations, Oakland Community Organizations, Oakland Green Party, East Bay Alliance for a Sustainable Economy, East Bay Asian Local Development Corporation, East Bay Housing Organizations, Just Cause Oakland, PolicyLink, SEIU 1877 Urban Habitat, Urban Strategies Council

ATTACHMENT



EXECUTIVE SUMMARY

Oakland today is at a crossroad regarding development. Industrial areas and public land in the city are being converted to housing and mixed use development at a rapid pace. Public spending and resources are at stake as public land is privatized, public policies are changed, and projects are subsidized with public dollars.

For existing residents, large-scale development in older urban areas like Oakland holds both promise and risk. While new capital investment is welcomed and encouraged in areas like Oakland's waterfront, *who benefits* from that investment is a critical question that developers, communities and City officials must address.

Within this context, the Oak to 9th development project—one of the largest waterfront developments in Oakland's history—will undoubtedly help set the tone for development for years to come. The developer, Signature Properties, is currently proposing up to 3,100 units of market-rate housing, 200,000 square foot of retail, and 27 acres of open space on public land along the Oakland Estuary.

The developer of Oak to 9th has already benefited from significant public financial support in the Oak to 9th project—without the typical obligations to give back to the community in which the project is being built. The public is currently bearing the costs of this development—by subsidizing the developer's purchase of land from the Port of Oakland at a discount of at least \$30 million dollars, by bearing the cost for additional affordable housing units that will need to be built under Redevelopment law, and by picking up the tab for lifting the public Tidelands Trust designation from the property. The cost of providing benefits to the community is small compared to the public financial support the developer is currently receiving, and may continue to receive.

For more than a year, the **Oak to 9th Community Benefits Coalition** has engaged in a comprehensive community planning process to develop a detailed vision and proposal for the Oak to 9th site. The Coalition met with residents and families at schools, churches, and in their own neighborhoods to discuss ways that the Oak to 9th development could *meet the local community's needs, benefit all Oakland residents, and work for the developer.*

The Coalition's proposals include the following components that help create a development for all of Oakland:

1. **AFFORDABLE HOUSING: Financially Feasible and Integrated into the Development**
 - 25% percent of the housing units built at Oak to 9th are affordable to families who earn approximately \$10,000 to \$50,000 a year. Most of the affordable units are 2, 3 and 4-bedrooms. The affordable housing is affordable for a minimum of 55 years to perpetuity.
 - To help meet these goals, the developer builds affordable units within the market-rate rental development and secures tax credits and favorable financing terms for the entire rental development by having 20% of the units affordable to households earning 50% of the Area Median Income (approximately \$50,000 for a family of 4).
 - The developer donates approximately 6 acres of land within the Oak to 9th site for affordable housing. The City conducts a selection process for a nonprofit developer to finance and build housing on that land that is affordable to households that earn

approximately \$10,000 to \$50,000 a year. Seed financing comes from the housing set-aside of the tax increment collected from the Oak to 9th project which, in turn, leverages other public and private financing.

- The nonprofit developments prioritize larger units, where a majority of the units are larger than 1-bedroom, and at least 30% of the units are 3 or 4-bedrooms to accommodate families. The affordable rental units within the market-rate development would likely be smaller studios and 1-bedroom units.

2. **GOOD JOBS FOR OAKLAND RESIDENTS: Filling a Gap for Adult Immigrant Populations and Promoting Family-Supporting Jobs**

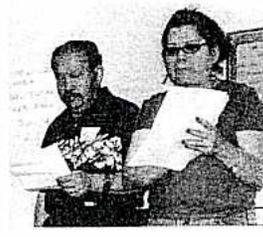
- A neighborhood-based pre-apprenticeship training program that targets adult immigrant populations is designed to include skills building, language training, GED instruction, and trainee stipend. The program is run by a qualified, existing provider and is funded through a developer contribution as well as public and nonprofit funding.
- The developer requires contractors to commit to hiring Oakland residents for 100% of new apprenticeship positions, using the following order: a) a primary pre-apprenticeship provider that best meets the training needs of the local, immigrant population, b) other pre-apprenticeship programs in Oakland, c) Oakland residents.
- To help meet these goals, the developer ensures successful hiring of 10 pre-apprenticeship graduates per 100 units of housing built, or commits to some other agreed upon benchmark that is tied to construction progress.
- Monitoring and enforcement of the local hire commitments is modeled on the Port of Oakland's Social Justice Committee, with participation of community, labor, construction and training program stakeholders.
- The developer requires any lessee of commercial properties or contractors of the developer to pay their employees compensation equivalent to that required by the Oakland Living Wage policy, and respects the rights of employees who provide cleaning, maintenance, security, retail, and other services at the development under all applicable laws.

3. **COMMUNITY BENEFITS AGREEMENT (CBA)**

- The developer and a community coalition enter into a binding agreement that codifies the affordable housing, local hiring, and job training components as well as other community-defined benefits.
- A CBA ensures that residents and community-members can work in partnership with the developer and City to produce concrete benefits through this development for all of Oakland.

For more information on the Oak to 9th Community Benefits Coalition and this report, please contact the Coalition Co-Coordinators:

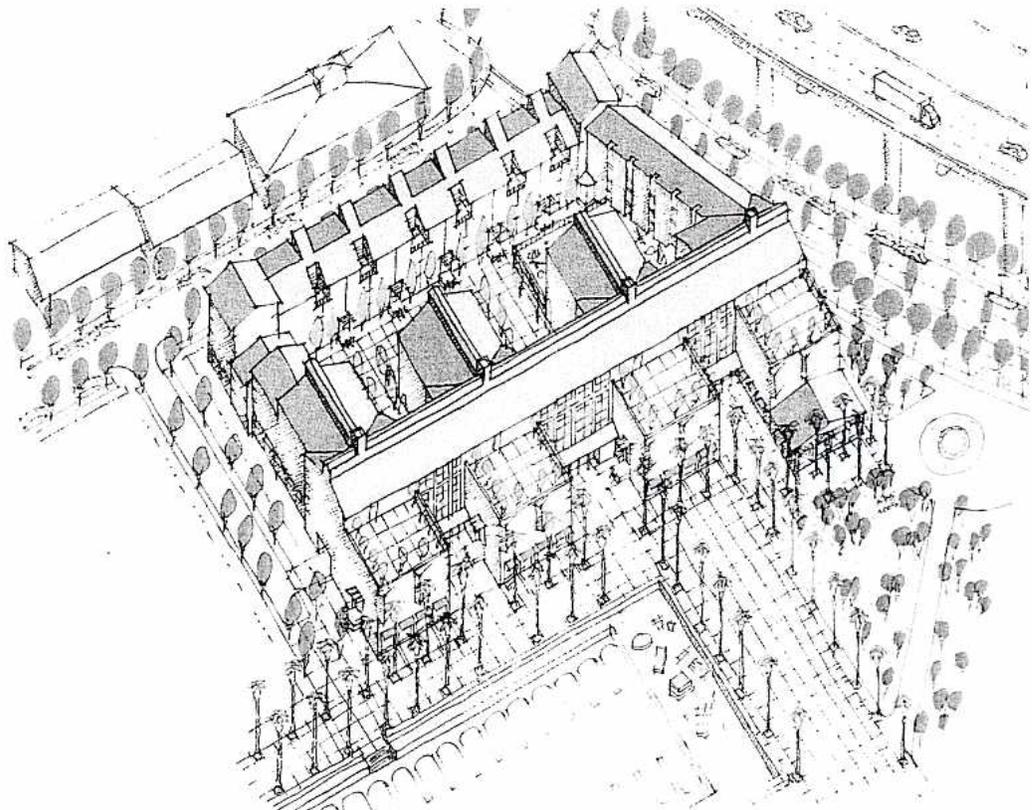
- **Andy Nelsen**, 510-463-2882, andyn@urbanstrategies.org
- **Jennifer Lin**, 510-834-8920, ext. 309, jenny@apen4ej.org

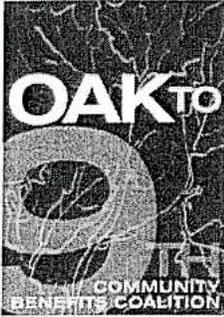


MAKING A NEIGHBORHOOD FOR ALL OF OAKLAND:

A COMMUNITY PROPOSAL FOR AFFORDABLE HOUSING AND JOBS IN THE OAK TO 9TH DEVELOPMENT SITE

Prepared by the Oak to 9th Community Benefits Coalition
July 2005





EXECUTIVE SUMMARY

Oakland today is at a crossroad regarding development. Industrial areas and public land in the city are being converted to housing and mixed use development at a rapid pace. Public spending and resources are at stake as public land is privatized, public policies are changed, and projects are subsidized with public dollars.

For existing residents, large-scale development in older urban areas like Oakland holds both promise and risk. While new capital investment is welcomed and encouraged in areas like Oakland's waterfront, *who benefits* from that investment is a critical question that developers, communities and City officials must address.

Within this context, the Oak to 9th development project—one of the largest waterfront developments in Oakland's history—will undoubtedly help set the tone for development for years to come. The developer, Signature Properties, is currently proposing up to 3,100 units of market-rate housing, 200,000 square foot of retail, and 27 acres of open space on public land along the Oakland Estuary.

The developer of Oak to 9th has already benefited from significant public financial support in the Oak to 9th project—without the typical obligations to give back to the community in which the project is being built. The public is currently bearing the costs of this development—by subsidizing the developer's purchase of land from the Port of Oakland at a discount of at least \$30 million dollars, by bearing the cost for additional affordable housing units that will need to be built under Redevelopment law, and by picking up the tab for lifting the public Tidelands Trust designation from the property. The cost of providing benefits to the community is small compared to the public financial support the developer is currently receiving, and may continue to receive.

For more than a year, the **Oak to 9th Community Benefits Coalition** has engaged in a comprehensive community planning process to develop a detailed vision and proposal for the Oak to 9th site. The Coalition met with residents and families at schools, churches, and in their own neighborhoods to discuss ways that the Oak to 9th development could *meet the local community's needs, benefit all Oakland residents, and work for the developer.*

The Coalition's proposals include the following components that help create a development for all of Oakland:

1. **AFFORDABLE HOUSING: Financially Feasible and Integrated into the Development**

- 25% percent of the housing units built at Oak to 9th are affordable to families who earn approximately \$10,000 to \$50,000 a year. Most of the affordable units are 2, 3 and 4-bedrooms. The affordable housing is affordable for a minimum of 55 years to perpetuity.
- To help meet these goals, the developer builds affordable units within the market-rate rental development and secures tax credits and favorable financing terms for the entire rental development by having 20% of the units affordable to households earning 50% of the Area Median Income (approximately \$50,000 for a family of 4).
- The developer donates approximately 6 acres of land within the Oak to 9th site for affordable housing. The City conducts a selection process for a nonprofit developer to finance and build housing on that land that is affordable to households that earn

approximately \$10,000 to \$50,000 a year. Seed financing comes from the housing set-aside of the tax increment collected from the Oak to 9th project which, in turn, leverages other public and private financing.

- The nonprofit developments prioritize larger units, where a majority of the units are larger than 1-bedroom, and at least 30% of the units are 3 or 4-bedrooms to accommodate families. The affordable rental units within the market-rate development would likely be smaller studios and 1-bedroom units.

2. GOOD JOBS FOR OAKLAND RESIDENTS: Filling a Gap for Adult Immigrant Populations and Promoting Family-Supporting Jobs

- A neighborhood-based pre-apprenticeship training program that targets adult immigrant populations is designed to include skills building, language training, GED instruction, and trainee stipend. The program is run by a qualified, existing provider and is funded through a developer contribution as well as public and nonprofit funding.
- The developer requires contractors to commit to hiring Oakland residents for 100% of new apprenticeship positions, using the following order: a) a primary pre-apprenticeship provider that best meets the training needs of the local, immigrant population, b) other pre-apprenticeship programs in Oakland, c) Oakland residents.
- To help meet these goals, the developer ensures successful hiring of 10 pre-apprenticeship graduates per 100 units of housing built, or commits to some other agreed upon benchmark that is tied to construction progress.
- Monitoring and enforcement of the local hire commitments is modeled on the Port of Oakland's Social Justice Committee, with participation of community, labor, construction and training program stakeholders.
- The developer requires any lessee of commercial properties or contractors of the developer to pay their employees compensation equivalent to that required by the Oakland Living Wage policy, and respects the rights of employees who provide cleaning, maintenance, security, retail, and other services at the development under all applicable laws.

3. COMMUNITY BENEFITS AGREEMENT (CBA)

- The developer and a community coalition enter into a binding agreement that codifies the affordable housing, local hiring, and job training components as well as other community-defined benefits.
- A CBA ensures that residents and community-members can work in partnership with the developer and City to produce concrete benefits through this development for all of Oakland.

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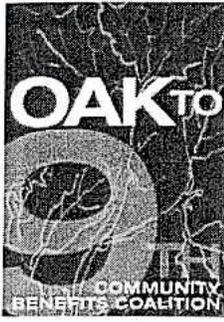


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Making a Neighborhood for All of Oakland:
A Community Proposal for Affordable Housing and Jobs
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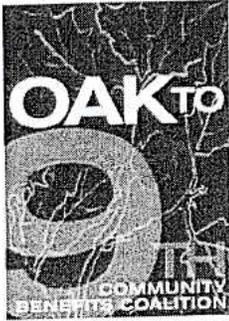
The following people contributed to this report for the Oak to 9th Community Benefits Coalition:

Affordable housing analysis, drawings, and proposal prepared by Collaborative for Development and Design (CDD). Cover drawing is for Site K of the Coalition's affordable housing proposal.

Jobs analysis and proposal prepared by Howard Greenwich, MPP and Research Director, East Bay Alliance for a Sustainable Economy (EBASE).

Public financial support research and analysis by Victor Rubin, PolicyLink.

Report design and layout by East Bay Housing Organization (EBHO).



INTRODUCTION

Approximately two years ago, the Port of Oakland entered into an agreement with developer Signature Properties to sell 62 acres of industrialized waterfront land known as Oak to 9th. Much of that land is public land being sold to a private developer, with significant public investment in the form of land cost support given current plans, changes to public policy, and potentially, public spending on infrastructure and other obligations triggered by the proposed project.

The Oak to 9th development project—one of the largest waterfront developments in Oakland's history—will undoubtedly set the tone for development for years to come. Signature Properties has developed seven sites in Oakland with several more in the pipeline, and is currently proposing on the Oak to 9th site up to 3,100 units of market-rate housing, 200,000 square foot of retail, and 27 acres of open space.

Since much of the site is public land, when local Oakland residents in the Eastlake, Lower San Antonio, and Chinatown neighborhoods began talking about the Oak to 9th development project, one common question emerged: **What is the local community's vision for Oak to 9th?**

For more than a year, the **Oak to 9th Community Benefits Coalition** has engaged in a comprehensive community planning process to develop a detailed vision and proposal for the Oak to 9th site. The Coalition met with residents and families at schools, churches, and in their own neighborhoods to discuss ways that the Oak to 9th development site could *meet the local community's needs, benefit all Oakland residents, and work for the developer*. The coalition of 16 member organizations represents the various faces and faiths of Oakland, working hand in hand with technical assistance, research, advocacy, union, small merchant, and other community-based organizations on a common-sense proposal for development of the Oak to 9th site.

Oak to 9th Community Benefit Coalition Members:

- Asian Pacific Environmental Network
- Bay Area Construction Sector Intervention Collaborative
- DataCenter
- East Bay Alliance for a Sustainable Economy
- East Bay Asian Local Development Corporation
- East Bay Asian Youth Center
- East Bay Housing Organizations
- Eastlake Merchants Association
- Just Cause Oakland
- Oakland Coalition of Congregations
- Oakland Community Organizations
- Oakland Green Party
- PolicyLink
- SEIU 1877
- Urban Habitat
- Urban Strategies Council

VISION AND GOALS FOR THE OAK TO 9TH DEVELOPMENT

Below are the Coalition's visions and goals for the Oak to 9th development:

- 1. Housing:** 25% percent of the housing units built at Oak to 9th are affordable to families who earn approximately \$10,000 to \$50,000 a year. Most of the affordable units are 2, 3 and 4-bedrooms. The affordable housing is affordable for a minimum of 55 years to perpetuity.
- 2. Jobs:** A multi-lingual job training program for construction—also known as a “pre-apprenticeship” training program—is established in the Lower San Antonio neighborhood. This program would be the first source to hire entry level construction workers for this project. All new apprenticeship hires by construction contractors are filled by Oakland residents. The developer also promises that businesses established at the Oak to 9th site after construction will provide quality living wage jobs and respect the rights of employees.
- 3. Open Space and Recreation:** The project's open space is visible from the Embarcadero. Working pedestrian and other links connect to the Oak to 9th site, and help provide recreational opportunities and access to the waterfront for Oakland's working families. The final project design is approved by Coalition members and other community partners.
- 4. Neighborhood Businesses:** The developer ensures that residents at Oak to 9th know about businesses in the Eastlake, Chinatown and Lower San Antonio. The property managers use local merchants as a first source for catering, printing and other services. Local merchants are the first ones offered opportunities to open businesses at Oak to 9th.
- 5. Community Benefits Agreement (CBA):** The community-defined benefits are included in a legally binding and enforceable contract negotiated between a developer and a community coalition. CBA's are attached or included in a Development Agreement between the developer and the City. The community agrees to support the project after the CBA is signed. CBAs have been successfully implemented at the Staples Center in Los Angeles and the Hunter's Point Shipyard Agreement in San Francisco, and are a good way to ensure that the community, the City, and the developer all benefit from new development.



TONNISHA PACE
*Oakland Community
Organizations*

My name is Tonnisha Pace and I am an OCO leader and part of the organizing committee here at Ascend School.

My parents raised me and my 5 siblings here in Oakland. Unfortunately a lot of children in Oakland today do not have back yards or access to clean, safe parks, which is why open space is so important. Open space for parks offers children a sense of place, self identity, and belonging.

All the residents of Oakland deserve to have equal access to the waterfront and quality open space, whether or not they live in the new Oak to 9th Housing development. Open space is not here for one generation to sell or rent, and the next generation to do without.

When I was a teenager, I never thought my parents and I would ever have anything in common, but we do. We each hope and pray for the same things—decent jobs, affordable housing, and space to let our children's imaginations soar.

Since residents and members of the Oak to 9th Coalition have identified affordable housing and jobs as their top priorities for this development, this report will focus on how to achieve these two aspects of the Coalition's proposal.

WHY IS THE COALITION PUTTING FORWARD OUR VISION AND GOALS?

Large-scale development in older urban areas like Oakland holds both promise and risk for existing residents. While new capital investment is welcomed and encouraged in areas like Oakland's waterfront, who benefits from that investment is a critical question that developers, communities and City officials must address. In answering this question for the Oak to 9th Project, the Coalition determined three key factors that called for the community's own vision for how the project can be successful for both the developer and the existing residents.

1. Local neighborhoods will be the most impacted.

The Coalition encompasses many neighborhood-based as well as city-wide organizations and residents that want to help make the Oak to 9th development a neighborhood for all of Oakland.

The Coalition defines the "local neighborhood" for the Oak to 9th project as including Chinatown, Eastlake, and Lower San Antonio—neighborhoods that are just miles from the Oak to 9th site and have the most to gain or lose from this development. This diverse, vibrant community has a thriving art and cultural scene, many neighborhood-serving businesses providing goods not available elsewhere, and an active civic culture with many community organizations committed to improving their neighborhoods. The organizations that are active in the Oak to 9th Community Benefits Coalition comprise over 700 residents and represent the broad diversity and creative spirit of this community.

2. Existing communities suffer from unstable housing conditions and the lack of family-supporting job opportunities. Consider the facts and conditions in the local neighborhood:

• HOUSING

- Over 6,000 of renter households are *cost burdened*, meaning they pay more than 30% of their household income on rent and utilities. The U.S. Department of Housing and Urban Development set 30% of household income as a general benchmark of housing affordability.
- Over 89% of households in the local neighborhood will be *priced out* of units in the development if they stay priced at market-rate, since the average household would need to earn over \$80,000 a year income in order to afford such units.
- According to the 2000 Census, the majority of units in the Oak to 9th local area are 0-bedroom studios to 1-bedroom units, while most households have over 3 people—resulting in *overcrowding*.

• JOBS AND EMPLOYMENT

- *Median household income* in the local area is \$33,100 (in 2003 dollars) compared to \$67,700 in the larger East Bay region (Alameda and Contra Costa Counties).
- Local area families are much more likely to be poor (54%) than other families in the region (21%).
- Like most of Oakland, *unemployment* in the local area (9%) is considerably higher than in the East Bay (5%).
- Workers who are employed are much more likely to hold *low-wage jobs*: 58% of local area residents hold lower-wage jobs, compared to Oakland (43%) and the East Bay (33%).

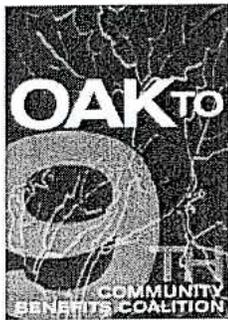
- *Immigrant families* struggle to make ends meet: the median wage for workers in immigrant families in the local area is \$12.27, which is 38% less than the median wage for all working families in the East Bay (\$19.37).
- Over two-thirds (69%) of the workers in immigrant families make less than the wage required to *make ends meet* in the Bay Area (\$16.88) for a family with two wage earners and two children.

3. The developer has benefited from significant public financial support in the Oak to 9th site and may benefit even more.

The site is publicly owned land being sold by the Port of Oakland to the developer for at least \$30 million dollars *less* than its value, based on current plans. This kind of financial assistance typically comes with obligations to give back to the community in which the project is being built.

Furthermore, under California's Community Redevelopment Law, this project will create an obligation for the Oakland Redevelopment Agency to build affordable housing within the larger Central City East Redevelopment Project Area. If the affordable housing is not built on the Oak to 9th site, it will cost taxpayers additional money and take longer to build.

Other potential costs that the public may bear include infrastructure costs and improvements, as well as costs associated with the lifting of the Public Trust from the Oak to 9th property. In the final analysis, the cost of providing community benefits on the site is small compared to the estimated \$1.24 billion revenue this development is expected to generate.



AFFORDABLE HOUSING PROPOSAL

As discussed earlier in the report, the neighborhoods surrounding the Oak to 9th site face unstable housing conditions and a lack of quality affordable housing. A high proportion of households face extreme cost burdens for housing. Incomes are not sufficient to keep up with housing cost, and overcrowding in the local neighborhood continues to cause concern. In order to address the existing housing crisis and need, our vision for a successful project includes truly mixed income housing that is accessible and affordable to the incomes of local residents as well as all Oakland residents.

The Coalition's Affordable Housing proposal consists of four integral components:

1. 25% of the total housing units are affordable (below market rate)
2. Affordable housing targets households that earn from approximately \$10,000 to \$50,000 a year
3. Family-sized units are a priority, where a majority of the units are larger than 1-bedroom, and 30% of the units are 3 and 4-bedroom units
4. The housing has long-term affordability, from 55 years to net neutrality



MARIA MA
*Power in Asians
Organizing project
of the Asian Pacific
Environmental
Network*

My name is Maria Ma, I am a PAO member, and I have lived in Chinatown for over 10 years. I have seen so many people having bad experiences of lack of affordable housing in Oakland. Wherever affordable housing applications are made available, there are long waiting lines.

Although over 3000 units will be built in the Oak to 9th Project, they are only for people whose yearly income is around \$80,000. To be honest, only one in 10 families in the local area can afford to live in one of those condos.

We need to set aside 25% as affordable units from the project to benefit ordinary people like us who earn under \$20,000 per year. That would help to solve Oakland's housing crisis a lot.

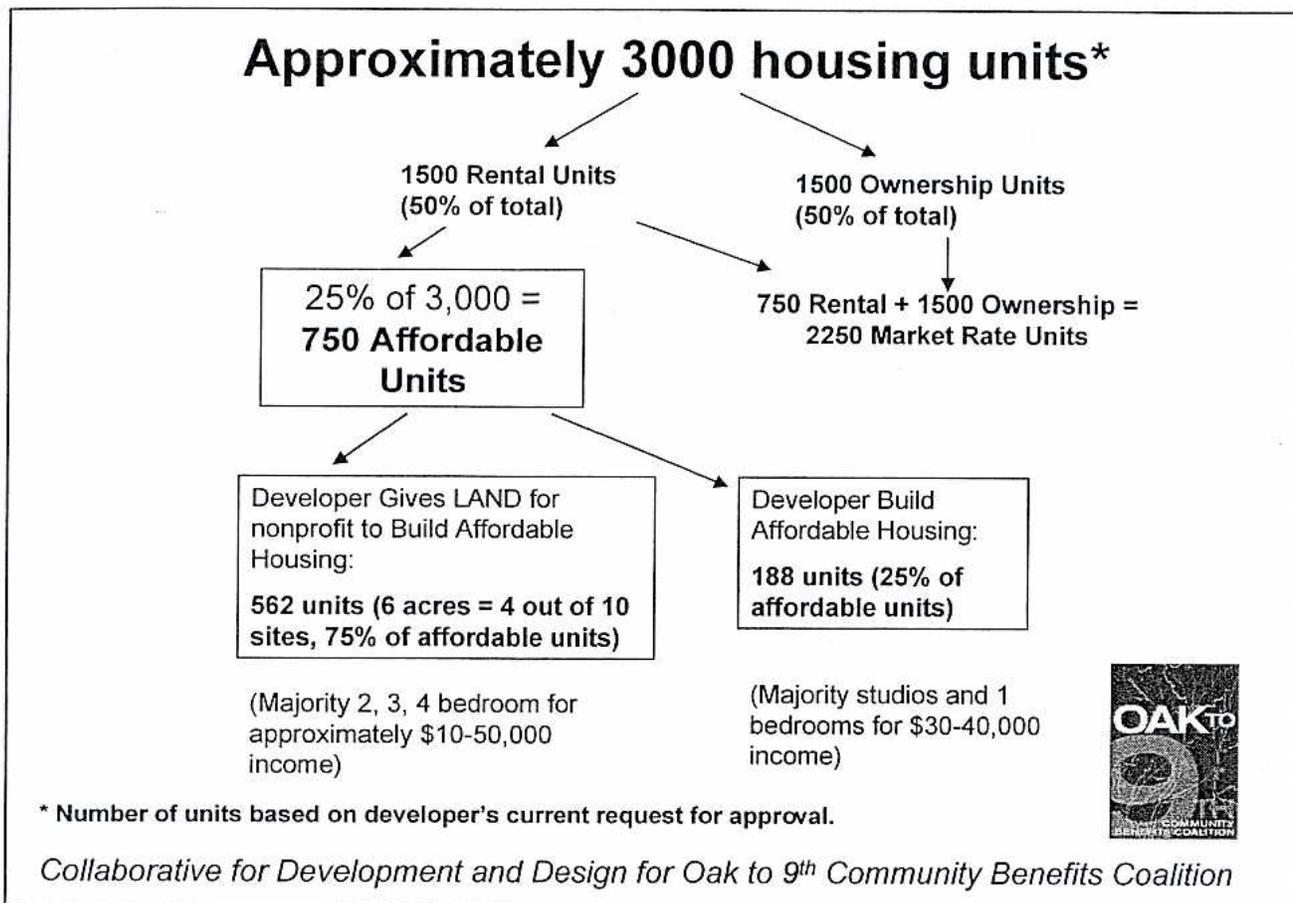
The concept of creating diverse communities by including housing affordable to low income households within new market-rate developments is not new. This proposal draws upon the work of previous affordable housing campaigns here in Oakland —namely, the Coalition for Workforce Housing/East Bay Housing Organizations' successful negotiation of a Cooperation Agreement with the City in 2004, calling for the inclusion of 27% affordable housing in the Uptown development.

The following proposal presents a design and financing model that is based on percentages and can be replicated and extrapolated as necessary. *While the model is based on the developer's plan to build up to approximately 3000 units of housing, it does not assume that this is the optimal density.*

As described in Figure 1 (please refer to the following page), the Oak to 9th development can meet these goals if:

- The developer creates affordable units within its market-rate development; and
- The developer donates approximately 6 acres of land so that a nonprofit developer, chosen through a competitive process, can build affordable housing.

Figure 1: Summary of Affordable Housing Unit Plan



ASSUMPTIONS

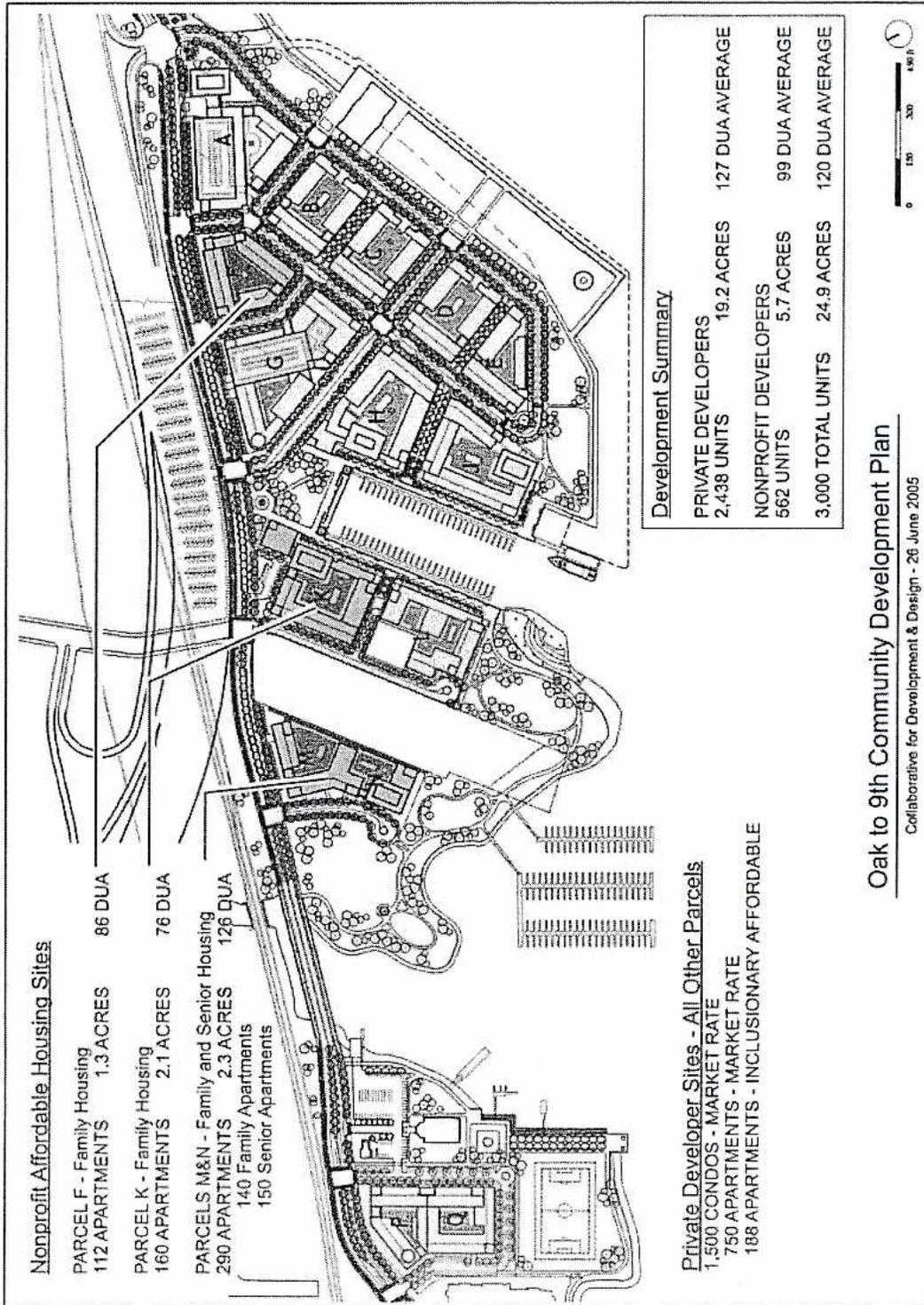
The Coalition's model represented here starts from the developer's current request for approval of 3,100 units of housing. This model assumes a 50:50 proportion of ownership to rental units, and designates 4 sites on approximately 6 acres that would achieve the Coalition's goal of 25% affordable housing units. While the 50:50 proportion allows our model to achieve 25% affordability, we acknowledge that the proportion of ownership to rental units may change depending on the real estate cycle.

The model design and financing for 2 out of the 4 sites are described here in detail: Site K, a 4-story family building (1-4 bedroom units) and Site N, an 8-story senior (0-2 bedroom) story building. The model also supports comprehensive space for services, retail stores, and shops on the ground floor, as well as provides access to the main thoroughfares of Embarcadero and 5th Avenue that connect to surrounding neighborhoods. Information from these 2 model sites has been extrapolated to determine the total cost for all 4 the affordable housing sites.

DESIGN AND PARCEL LAYOUT

The overall Oak to 9th Community Benefits Coalition Plan (Figure 2) shows the location of 4 sites (F, K, M and N) that the Coalition has focused on for 562 units of stand-alone affordable housing to be built by non-profit developers. Based on their proximity to 5th Avenue, Embarcadero, and the Eastlake neighborhood, as well as the lower land value due to the proximity of the freeway, these 4 sites are good candidates for locating affordable housing.

Figure 2: Sample Development Plan



In order to achieve the proposed number of affordable units, two strategies have been used:

- Sites F, K and most of M and N have been planned for affordable *family housing* in 4-story wood-frame over concrete podium construction;
- Site N is planned for a mid-rise mostly *senior* housing building.

The average density across the 5.7 acres of land for stand-alone affordable housing is approximately 100 dwelling units to the acre (DUA). As described in Figure 1, the remainder of the sites in the overall Oak to 9th development area would include 188 affordable units to be built by the developer. Overall this plan would create 750 affordable units at a wide range of incomes, equal to 25% of the overall 3,000 units of housing proposed by the private developers.

1. Site K – Model Site for Affordable Family Housing

The design, layout, and financing for Site K is replicable on Sites F and M. These 3 out of the 4 sites represent the family housing component of the Coalition’s affordable housing plan.

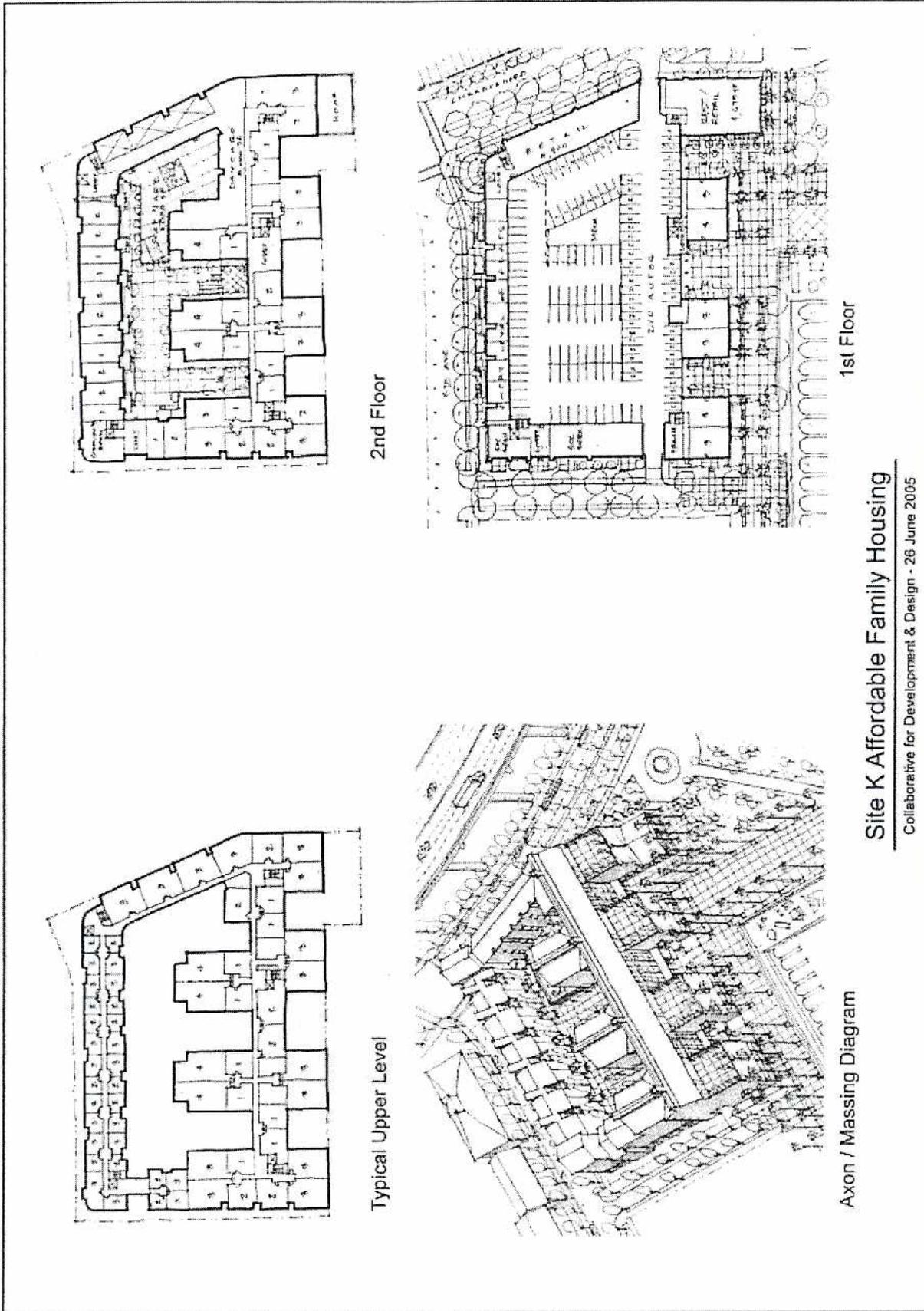
This mixed-use, 4-story wood-frame over concrete-podium building (Type V over Type I construction) contains 160 affordable family housing apartments (flats and town homes at 76 dwelling units per acre or DUA), social services, daycare, and restaurant/retail spaces. To create a vibrant urban edge, housing, social services and retail spaces are oriented toward the street and hide the parking at the interior of the block.

As depicted in Figure 3 (on the following page), approximately 210 autos can be accommodated by using parking lifts (2 cars per space). The building's massing is highest in the center (about 55 feet), and steps down to 45 feet along 5th Avenue and 40 feet along the docks area. At the interior of the block are both large and small courtyard spaces that provide a variety of play areas for children of all ages.

The urban edges of Site K's 2.1 acres are particularly important:

- Embarcadero (East): This most visible area of the site has been lined with 9,300 square foot neighborhood serving retail and/or restaurants, and also serves as the main entry for a 5,000 square foot daycare center.
- 5th Avenue (North): Along this more residential street are apartments (town homes and flats) with a set back of 10 feet to allow entry stoops and landscaped planting.
- The Alley (West): This road is a main access point for local residents to get to the docks. The main entry to the building is located here, as well as 3,900 square foot of space for non-profit run social services for the residents and the neighborhood.
- The Docks (South): Along this edge is a series of smaller, family housing courtyards, with apartments opening directly to the courts and/or oriented toward the docks. One option is to provide narrow "storefront" stalls (4 feet deep) to face the docks, which could allow for temporary artist markets during weekends and help buffer the residential courts from dock related activities.

Figure 3: Site K (Family Housing) Sample Design and Layout



Site K Affordable Family Housing
 Collaborative for Development & Design - 26 June 2005

2. Site M and N – Combined Affordable Family and Senior Housing

Figure 4 (on the following page) shows this combined site containing both family and senior housing. For the purposes of this study we looked closely at the *senior housing* portion of the site, which consists of a mid-rise tower (8 stories tall, Type I or Type II construction) with predominantly 1-bedroom apartments. In a mostly double loaded corridor configuration, the 0.76 acre area can hold about 150 units (200 dwelling units per acre) and still have ample open space at grade, on the podium, and as roof decks on the 8th floor. To create a vibrant urban edge, 5,200 square foot of social services and community spaces surround and help hide the parking at the interior of the block. Approximately 65 autos can be accommodated by using parking lifts (2 cars per space).

A key component of this design is the "Social Service" plaza located between the Senior and Family housing areas of the site, which allows for shared activities and helps create a lively, active and secure play and recreation area. The building's massing steps down to 6 stories along the plaza, and along the South side adjacent to the existing industrial buildings. The second floor podium courtyard is oriented to, and accessible from, the Social Service court.

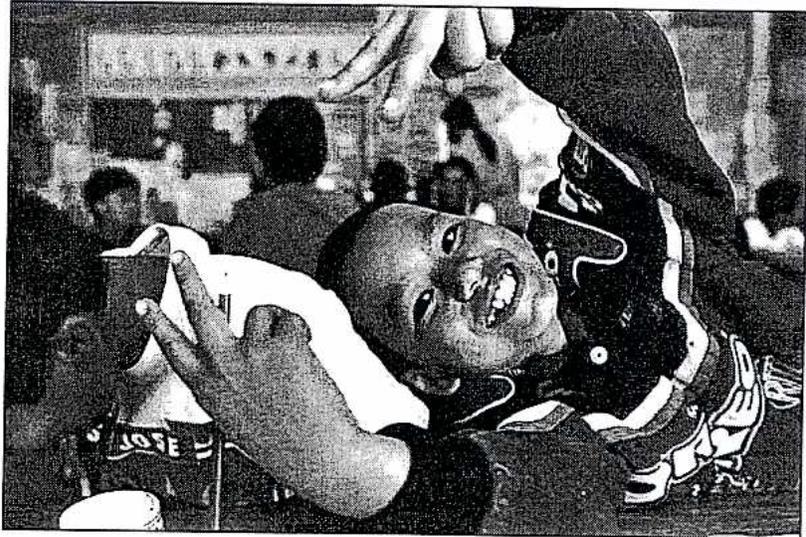
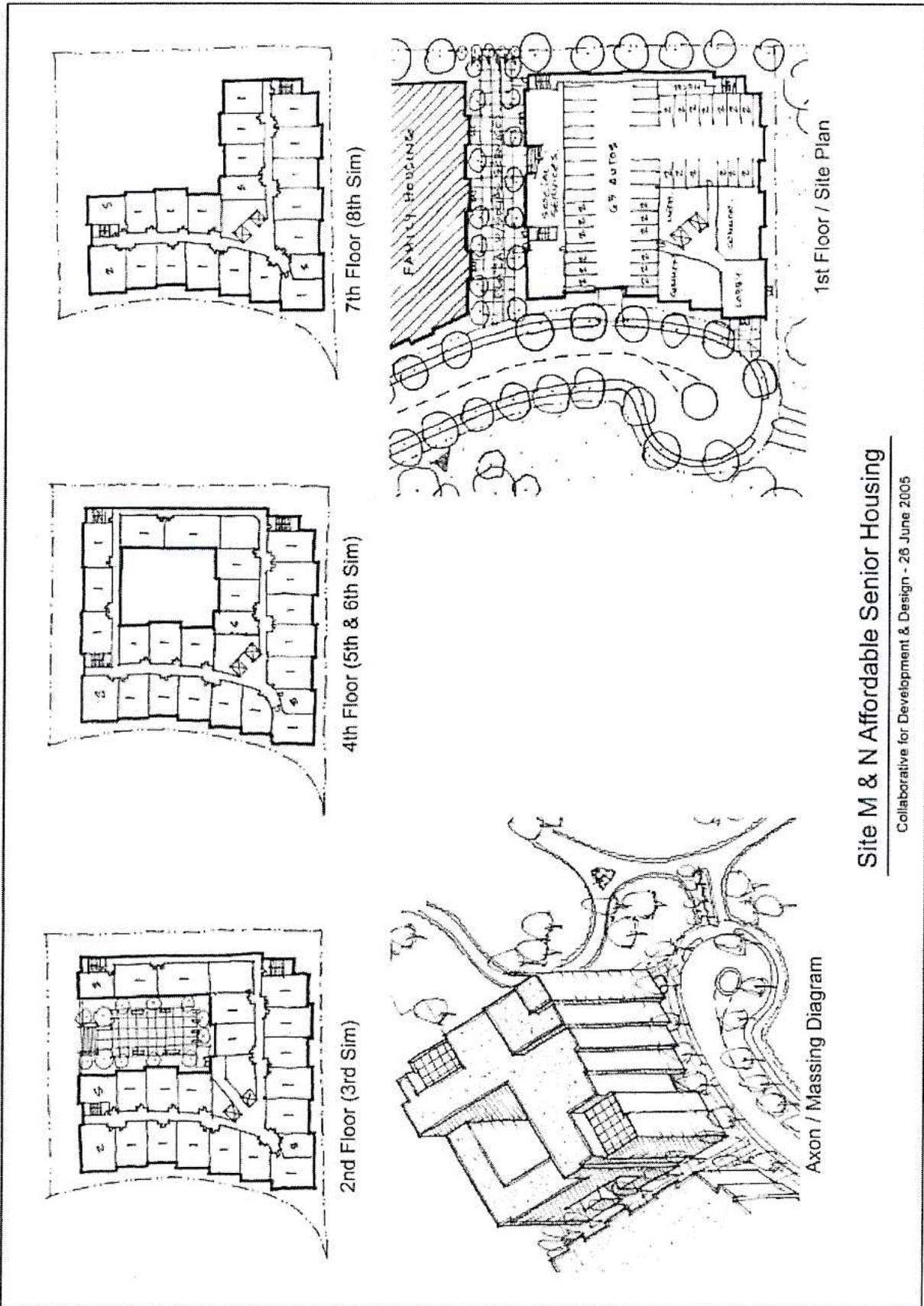


Figure 4: Site M and N (Family and Senior Housing) Sample Design and Layout



Site M & N Affordable Senior Housing

Collaborative for Development & Design - 26 June 2005

FINANCIAL SUMMARY

The affordable housing to be developed on the Oak to 9th site would leverage donated land and Oakland Redevelopment Agency tax increment funds with conventional bank financing, equity from tax credit investors, the Federal Home Loan Bank's Affordable Housing Program (AHP), as well as resources from the Oakland Housing Authority. (See Figures 5-7.)

As stated, *Site K* is a family housing development of 160 units varying in size from 1-bedroom to 4-bedroom apartments. Rents are set at levels affordable to households earning 35% to 60% of area median income, as depicted in Figure 6. Section 8 and public housing resources from the Oakland Housing Authority provide some apartments affordable to even lower income households. The development therefore would serve households earning below \$57,600 a year (for a household of over 4 people).

Figure 5: Two Sample Sites to be Developed as 100% Affordable Housing

TOTAL AFFORDABLE RENTAL UNITS	SITE N SAMPLE SENIOR 8-STORY BUILDING 150		SITE K SAMPLE FAMILY (1-4 BEDROOM) BUILDING 160	
UNIT MIX	SITE N - SAMPLE SENIOR		SITE K - SAMPLE FAMILY	
	# of units	% of total	# of units	% of total
Studio	19	12.67%	0	0.00%
One - Bedroom	125	83.33%	39	24.38%
Two - Bedroom	6	4.00%	44	27.50%
Three - Bedroom	0		62	38.75%
Four - Bedroom	0		15	9.38%
TOTAL	150		160	
AFFORDABILITY	SITE N - SAMPLE SENIOR		SITE K - SAMPLE FAMILY	
	# of units	% of total	# of units	% of total
OHA units - estimate 20% median	0	0.00%	40	25.00%
Section 8 units - estimate 20% - 50% median	30	20.00%	20	12.50%
25% median	9	6.00%		
30% median	8	5.33%	0	0.00%
35% median	24	16.00%	12	7.50%
40% median	18	12.00%	26	16.25%
50% median	20	13.33%	15	9.38%
55% median	20	13.33%	26	16.25%
60% median	20	13.33%	20	12.50%
manager	1		1	
TOTAL	150		160	

Site N (a portion of the combined family and senior housing described above) is a 150-unit senior community in an 8-story midrise building, with mostly 1-bedroom apartments. Section 8 vouchers make some units affordable to extremely low income households. The remainder of the rents are affordable to households in the 30% to 60% median range, making the overall development available to seniors with incomes below \$37,000 a year.

1. Development Costs

Development costs are based on comparable developments in Oakland and elsewhere in the region. Most local affordable housing developments are similar to *Site K*—a four-story wood-frame building over a parking podium. The midrise 8-story building is less common because it is a more expensive construction type; however, there are similar buildings in downtown Oakland and it is common for senior housing in San Francisco. Including one building of this type within the affordable housing model provides the density necessary to accommodate the proposed affordable component with an efficient use of land. It also demonstrates that the affordable housing can blend in with the scale of the entire Oak to 9th development.

Figure 6: Development Budgets for 2 Model Sites

DEVELOPMENT BUDGETS	SITE N	SITE K
Land acquisition -- donated by developer	0	0
Offsite improvements - all infrastructure completed by dev.	0	0
Construction costs	29,033,200	38,526,650
Construction contingency	2,903,320	3,852,665
Financing	1,925,857	2,735,441
Other soft costs	4,163,500	5,181,105
Reserves	500,000	350,000
Developer fees	1,400,000	1,400,000
Syndication cost	85,000	85,000
TOTAL	40,010,877	52,130,861
Sources of Funds		
First Mortgage	2,096,800	3,065,500
Second Mortgage - Section 8	956,000	711,400
Commercial mortgage		1,046,800
AHP	750,000	960,000
OHA Subsidy	0	4,600,000
Redevelopment Agency funds	14,421,232	9,644,191
Tax Credit Investor Equity	21,386,845	31,702,970
Deferred developer fee	400,000	400,000
TOTAL SOURCES	40,010,877	52,130,861

PER UNIT CALCULATIONS	SITE N			SITE K		
	total	per unit	per bedroom	total	per unit	per bedroom
Total Development Cost	40,010,877	266,739	256,480	52,130,861	325,818	139,76
Oakland Redevelopment Agency	14,421,232	96,142	92,444	9,644,191	60,276	25,854

Figure 6 describes the sources of funds, which are anticipated as follows:

- Land/infrastructure donation: The land would be donated by the Oak to 9th developer, with infrastructure improvements completed as part of that overall development.
- Conventional bank financing: In both Site N and Site K, tenant rents support a conventional bank mortgage. In addition, the retail space in Site K supports a separate commercial mortgage.
- Tax credit equity: Both projects anticipate using the Low Income Housing Tax Credit program. A corporate investor would purchase the 9% tax credits, and provide equity representing 50%-60% of the total project cost.
- Oakland Housing Authority (OHA): Both developments anticipate using project-based Section 8 vouchers: 20 for Site K and 30 for Site N. These subsidies enable extremely low income households to pay only 30% of actual income for rent, and support an additional bank loan. Also, OHA is seeking large developments such as Oak to 9th in which to integrate public housing residents. OHA would provide capital funds to be used toward development, plus ongoing operating subsidies enabling extremely low income residents to pay 30% of income for rent. Site K includes 40 such units.
- Oakland Redevelopment Agency: The Redevelopment Agency will collect tax increment funds from the Oak to 9th project, of which 25% must be spent for low and moderate income housing. The Site N plus Site K models utilize approximately \$24 million of tax increment funds, or 26% of the total project costs.

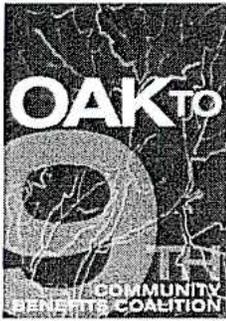
Figure 7: Development Budget for All 4 Affordable Housing Sites

ESTIMATED COSTS FOR 562 AFFORDABLE UNITS ON 4 SITES			
	total	per unit	per bedroom
Total Development Cost	174,247,844	310,050	156,070
Total Oakland Redevelopment Agency	39,255,024	69,849	35,160

2. Costs of Total Affordable Housing Component:

Figure 7 extrapolates from the Site N and Site K models to estimate the total costs of developing 562 affordable units in stand-alone buildings on the Oak to 9th site. These 562 units represent the majority of the affordable housing proposed by the Coalition. An additional 188 units would be included in the market-rate development, as the 20% affordable component of a tax-exempt bond financed project for which the developer would receive favorable financing terms.

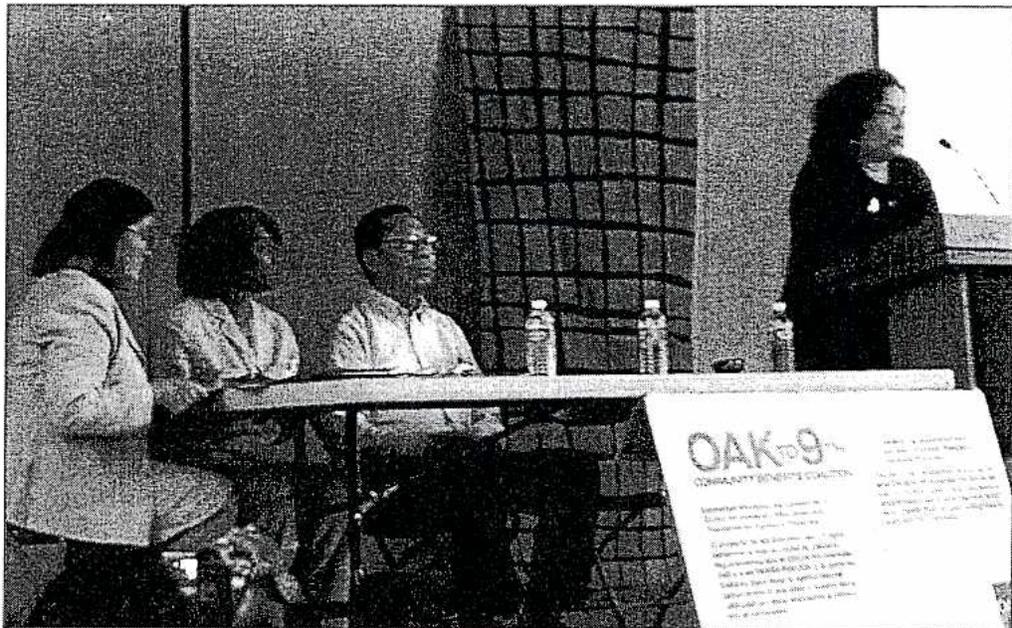
The total cost of developing 562 units would be approximately \$175 million, requiring a subsidy from the Redevelopment Agency of approximately \$40 million. This model anticipates using most of the housing portion of the tax increment generated by the market-rate Oak to 9th project, through the development period of this project, to create affordable housing integrated into the Oak to 9th community. The Agency subsidy would total approximately \$70,000 per affordable unit. Since the majority of the affordable apartments would be family housing, including a significant number of 3-bedroom and 4-bedroom units, it is relevant to point out that the Agency subsidy represents approximately \$35,000 per bedroom.



JOBS PROPOSAL

The Oak to 9th project offers both hope to an economically challenged community and potential disappointment. On the one hand, many new jobs will provide family-supporting wages and career opportunities (see sidebar) – but only if local residents can access those jobs. On the other hand, many new jobs may pay such low wages that workers cannot support families above the poverty threshold. Our vision for a successful project ensures that local residents, as well as all Oakland residents, can benefit from high-quality jobs.

As discussed earlier in the report, the neighborhoods surrounding the Oak to 9th site experiences extreme economic hardship. High poverty rates, low median incomes and low-wages indicate that residents have far fewer economic opportunities than other residents in



the East Bay region. The problem is exacerbated by the challenges that face the high proportion of immigrant residents (50%) in the area, including language barriers, education credentials not recognized in the U.S. and transportation limitations.

The Coalition's vision for a project responsive to the lack of opportunities includes a "pipeline" that moves adult immigrants in the Oak to 9th area from training to a job and, eventually, a career in the building trades. It also proposes that permanent jobs, available after the project is built, will offer living wages and preferences for hiring local residents.

While the Oak to 9th neighborhoods need the high-quality job opportunities offered by major construction activity, the developer of the site also needs a well-trained workforce to build a high-quality project. With these two goals in mind, we sought out the advice from many experts in the field of construction, job training, building trades and public contracting to craft a program that would create “win-win” results for the community and the developer.

The following proposal incorporates the best practices of the Port of Oakland Social Justice Committee, the City of Oakland’s local hire program, the building trades’ outreach to local communities and community-based job training programs. It emphasizes flexibility for the developer and the building trades in meeting local hiring goals, but also immediate results and a method of accountability for the community.

In addition to describing how a successful program can be crafted, we discuss both the costs of the program and who will bear those costs.

The Coalition’s Construction Jobs Program proposal consists of three integral components:

1. A neighborhood-based, multilingual pre-apprenticeship training program that begins before construction starts
2. A commitment from the developer to help connect residents with training and real job opportunities in the construction trades
3. Support, monitoring and enforcement systems and mechanisms to ensure success.

Each piece is described in detail on the following page.

Construction Jobs at Oak to 9th Offer Family-Supporting Economic Opportunities

- Over the entire construction cycle of seven to ten years, we estimate that about 5,100 people will eventually work on the site.
- We estimate that approximately 1,000 union apprentices will be hired.
- The developer has signed a “Project Labor Agreement” with the Alameda County Building Trades Council, which guarantees that nearly all of the construction work will be done by union workers or pay prevailing wage rates.
- The quality of the construction jobs will be high. In Alameda County, construction workers make an entry level wage of \$14.10 and a median wage of \$24.31 an hour. Union workers make even higher wages.
- Union construction workers are far more likely to be covered by health insurance and have pension benefits than non-union construction workers or service workers.

1. Program Components

1A. Pre-apprentice training

A primary goal of the Coalition's proposal is to create a training and support program that not only enables local residents to get hired into construction work through the Oak to 9th project, but also to succeed as apprentices in the building trades. However, no existing pre-apprenticeship programs in Oakland are designed to comprehensively address the barriers facing adult immigrants, such as limited education, limited English speaking proficiency and/or limited transportation options. We propose that a primary training and support program for this target population of residents be started and administered by a community-based workforce development organization. The organization should have experience with training immigrants and should be located in the neighborhood.

The training program consists of the following components:

- **Hands-on skills building:** Trainees receive general construction skills training and will participate in hand-on construction work. If possible, trainees work on an actual construction site as part of the training.
- **Language Training:** Trainees improve their general English skills as well as become trained in trade-specific, work-site vocabulary.
- **Education & Education Credentials:** Trainees needing a high school degree and credentials receive GED instruction or Laney College classes to meet any requirements of the building trades.
- **Case Management:** To assure that trainees have competitive soft skills, they have support throughout the training, job search and work-site periods with case management.
- **Stipend:** Trainees receive a \$10/hour stipend and benefits when participating in the program.
- **Transportation:** Trainees are assisted in finding transportation options to work-sites other than the Oak to 9th project.
- **Job Networking:** The program provider networks closely with contractors and the building trades to proactively identify new hire opportunities.



PEDRO ORTIZ
*East Bay Asian Youth
Center*

My name is Pedro Ortiz. I live on 1020 E. 12th Street. I am married and have 4 children. Three attend Roosevelt Middle School, and one stays at home with me.

I work hard and I know how to do a lot of things. I want to be trained to be a carpenter or a plumber. I want a good paying job with health benefits so I can support my family with security and dignity. I have many friends and neighbors who want to participate in a construction training program right here in our neighborhood.

The Oak to 9th housing development should provide jobs and affordable housing to Oakland's working families. Oak to 9th must benefit all of Oakland, not just a few.

The program begins as soon as funding is available and the developer has committed to the local hiring goals.

1B. Local Hire Commitment

With the beginning of the pipeline in place for local residents in place, jobs for program graduates are needed at the end of the training. Thus we are proposing two overall local hire commitments that will benefit those graduates as well as all Oakland residents:

- The developer ensures that 100% of all *new apprenticeship* hires by construction contractors are Oakland residents.
- The developer agrees that 10 local residents that have completed the primary pre-apprenticeship program are hired for every 100 units of housing constructed (or another mutually agreed upon benchmark that relates to the progress of the full build-out.)

Before construction begins, the developer receives credit towards overall hiring goals for every graduate of the primary pre-apprenticeship program that is successfully hired by *any* union contractor. The developer encourages current and past contractors to hire graduates as soon as the first class graduates. The Coalition works with the community, the building trades, and the provider to recruit residents into the program as rapidly as possible. With this flexible component, it is possible that the developer receives credit for 30 to 90 local hires before construction even starts.

During construction, the local hiring occurs through a “first-source” protocol. The developer requires contractors to seek new apprentices from the following sources, in order:

- a. A primary pre-apprenticeship provider that best meets the training needs of the local, immigrant population
- b. Graduates of other pre-apprenticeship programs based in Oakland
- c. Oakland residents at large

The developer receives 50% credit towards the overall goals for any local, pre-apprenticeship graduate that is successfully hired by the developers’ contractors on other job sites in the area during the construction phase. This reflects the reality that contractors move construction workers around to different job sites and that a successfully hired worker may not even start at the Oak to 9th site.

In addition to the new hire requirement of the contractors, the developer ensures that 10 local, pre-apprenticeship program graduates will be successfully hired into the trades per 100 units of housing built (or some other ratio tied to progress toward full build-out). If all 3,100 units of housing are built over time, 310 local residents that have graduated from a program will enter into the trades out of the 5,100 workers that are employed by Oak to 9th contractors.

1C. Monitoring and Enforcement

The developer agrees to participate in a “Local Hire Committee” that meets on a regular basis to examine progress towards local hire goals and the performance of specific contractors. The committee is facilitated by a community organization with experience in bringing together stakeholders in the construction and local hire process, and will be modeled on the Port of Oakland’s Social Justice Committee, which plays a similar role for the Port’s Project Labor Agreement (PLA). By bringing together a group similar in composition to the Social Justice Committee, we can capitalize on their experience and minimize extra meetings. In addition to the community-organization facilitator, membership will include:

- Community groups from the Eastlake, Chinatown, and Lower San Antonio neighborhoods
- Alameda County Building Trades Council
- Primary pre-apprenticeship program provider
- Other public official representatives and agency staff as is appropriate.

The developer assigns a *staff liaison* who monitors and enforces the local hire requirements among contactors and subcontractors, requires contractors and subcontractors to submit tracking information which will be made available to the Local Hire Committee, and facilitates the Local Hire Committee's enforcement of hiring requirements by creating real consequences for contractors that are out of compliance.

2. Program Costs

2A. Pre-Apprenticeship Program

The key to the local hire program is creating a high-quality pre-apprenticeship training program. Below, the components of the program are itemized and costs estimated. The total amount is \$11,000 per trainee. Over the course of the project (seven to ten years), the total cost of the program will be \$3.4 million. These estimates have been generously provided by the Youth Employment Partnership in Lower San Antonio, a job-training provider with extensive experience in preparing immigrants and the children of immigrants for the region's workforce.

Figure 8: Estimated Program Cost per 10 Trainees

Component	Calculation	Cost/10 Trainees
Trainee Compensation	300 hours x \$10/hour x 10 trainees + 35% benefits	\$40,500
Training Fees for Lead Abatement, Asbestos Abatement, Certifications	average of \$300 per trainee	\$3,000
Laney College and GED	\$200/month for 6 months per trainee	\$12,000
Case Management	\$2,000/month for 6 months	\$12,000
Construction Site Trainer	360 hours x 2 Trainers x \$23/hour x 1.3% benefits	\$21,528
Facilities (Insurance, Rent, Utilities, Janitorial)	\$1,000/month	\$6,000
Training Supplies	\$550 per trainee	\$5,500
Administration	9% of total costs	\$9,472
TOTAL		\$110,000

2B. Transportation

Providing transportation options to trainees costs an additional amount of funding. The options have not been determined so the costs are not estimated at this time.

2C. Monitoring and Enforcement

The community organizations participating in the Local Hire Committee donate staff time and resources to make it successful. The cost of the developer's liaison is linked to the intensity of construction activity. It will likely require a half-time staff person at full construction intensity, but much less when activity decreases. We estimate this cost, on average, will be \$30,000 per year.

3. Program Funding –Who Pays for What?

3A. Pre-Apprenticeship Training

The Coalition proposes that the developer contribute a portion of funding for the job training program before construction begins and during construction.

Before Construction: By providing funds before construction, the primary training provider can leverage the developer's contribution to attract other sources, including Federal, State and local grants.

During construction: The developer provides an amount for training tied to progression of the full project build-out. The funding should be dispersed over the construction period in order to ensure continuity of the pre-apprenticeship program. Again, the primary training provide can use the developer's seed funding to leverage other grants.

The developer should also consider providing gap financing to build community-based housing where pre-apprenticeship trainees can participate in actual work-site training.

3B. Transportation

The primary training provider and the Coalition work with the developer to find creative solutions to transportation barriers as well as seek funding to help pay for those solutions.

3C. Monitoring and Enforcement

The developer pays for the Local Hire Committee Liaison. The developer or the City of Oakland pays for the electronic payroll tracking system administration. Depending on how it is implemented, the cost of analyzing the data is born by the primary training provider, a community organization, the developer or the City.

PERMANENT JOBS

The approximately 250 jobs created after the project is built (under the currently proposed 110,000 square feet of commercial space) have the advantage of requiring fewer skills than construction jobs and considerably less training. (See the sidebar for details.) However, low wages and fewer benefits mean that without standards, these jobs will not be responsive to community needs for better economic opportunities. Furthermore, this class of jobs available Oak to 9th is most frequently subject to abuse of existing labor laws by employers, whether intentional or not.

The Coalition seeks an agreement that the developer require any lessee of commercial property or contractors of the developer to:

1. Pay their employees compensation equivalent to that required by the Oakland Living Wage policy, and
2. Respect the rights of employees who provide cleaning, maintenance, security, retail, and other services at the development under all applicable laws.

Permanent Jobs at Oak to 9th Likely to Pay Low-Wages and Provide Few Benefits

- The currently proposed 110,000 square feet of retail and restaurant commercial space will create approximately 244 jobs.
- Most of the nearly 250 retail jobs created by the project will require very low skills and compensate workers at the bottom end of the wage scale.
- One out of five jobs will pay less than \$8 an hour. Three-fourths of all jobs will pay less than \$12 an hour.
- How much do these wages compare to living standards? Over two-thirds of the new permanent jobs will pay less than the Oakland living wage and 87% will pay less than what a family needs to just make ends meet in the Bay Area without government assistance.
- Only 45% of these jobs are likely to include employer provided insurance. Higher wage employees will be more likely to receive such health insurance.
- The project will require building and grounds maintenance workers and security guards; however, the range of workers is difficult to estimate due to many unknowns. At this time, we estimate these workers will number 50 and that the characteristics of these jobs will be similar to the retail jobs.

For more information on the Oak to 9th Community Benefits Coalition and this report, please contact the Coalition Co-Coordinators:

- **Andy Nelsen**, 510-463-2882, andyn@urbanstrategies.org
- **Jennifer Lin**, 510-834-8920, ext. 309, jenny@apen4ej.org

The Oak to 9th Community Benefits Coalition is supported by:

Walter and Elise Haas Sr. Fund

The Akonadi Foundation

Evelyn and Walter Haas Jr. Fund

Rosenberg Foundation

The Penny Family Fund

Errata

Figure 5 on page 15 should appear as follows:

	SITE N SAMPLE SENIOR 8-STORY BUILDING 150		SITE K SAMPLE FAMILY (1-4 BEDROOM) BUILDING 160	
TOTAL AFFORDABLE RENTAL UNITS				
UNIT MIX	SITE N - SAMPLE SENIOR		SITE K - SAMPLE FAMILY	
	# of units	% of total	# of units	% of total
Studio	19	12.67%	0	0.00%
One - Bedroom	125	83.33%	39	24.38%
Two - Bedroom	6	4.00%	44	27.50%
Three - Bedroom	0		62	38.75%
Four - Bedroom	0		15	9.38%
TOTAL	150		160	
AFFORDABILITY	SITE N - SAMPLE SENIOR		SITE K - SAMPLE FAMILY	
	# of units	% of total	# of units	% of total
OHA units - estimate 20% median	0	0.00%	40	25.00%
Section 8 units - estimate 20% - 50% median	30	20.00%	20	12.50%
25% median	9	6.00%		
30% median	8	5.33%	0	0.00%
35% median	24	16.00%	12	7.50%
40% median	18	12.00%	26	16.25%
50% median	20	13.33%	15	9.38%
55% median	20	13.33%	26	16.25%
60% median	20	13.33%	20	12.50%
manager	1		1	
TOTAL	150		160	

Figure 6 on page 16 should appear as follows:

DEVELOPMENT BUDGETS	SITE N	SITE K
Land acquisition -- donated by developer	0	0
Offsite improvements - all infrastructure completed by developer	0	0
Construction costs	29,033,200	38,526,650
Construction contingency	2,903,320	3,852,665
Financing	1,925,857	2,735,441
Other soft costs	4,163,500	5,181,105
Reserves	500,000	350,000
Developer fees	1,400,000	1,400,000
Syndication cost	85,000	85,000
TOTAL	40,010,877	52,130,861
Sources of Funds		
First Mortgage	2,096,800	3,065,500
Second Mortgage - Section 8	956,000	711,400
Commercial mortgage		1,046,800
AHP	750,000	960,000
OHA Subsidy	0	4,600,000
Redevelopment Agency funds	14,421,232	9,644,191
Tax Credit Investor Equity	21,386,845	31,702,970
Deferred developer fee	400,000	400,000
TOTAL SOURCES	40,010,877	52,130,861



Figure 7 on page 17 should appear as follows

	total	per unit	per bedroom
Total Development Cost	174,247,844	310,050	156,070
Total Oakland Redevelopment Agency	39,255,024	69,849	35,160