

City of Oakland
Department of Housing and Community Development
Wood Street RFP
Amendment 2: Updates to RFP (June 27, 2018)

I. Submittal Deadline

Due to the City's delay in responding to questions, the submittal deadline has been extended by one week. **The new submittal deadline is Monday, July 23rd, at 4:00 p.m.**

II. Questions Regarding RFP

Q: Would buyers be eligible to receive down payment assistance through the first-time homebuyer program?

A: No. Because we are providing assistance to the project in the form of a subsidized ground lease, it is our expectation that any homeownership units be affordable without additional homebuyer assistance. As is the case with other City-subsidized affordable homeownership development, buyers of any affordable homeownership units at the Wood Street site will not be eligible to receive funding through the City's Mortgage Assistance Program. Should additional funding be required to ensure project feasibility, we expect that funding to be secured via a request for funding to the City's Notice of Funding Availability (NOFA).

Q: Does the City have down payment assistance funds earmarked for this parcel? If so, how much funding is estimated to be devoted to this site? Would the City be open to allocating these funds as a contribution toward a project's homeownership-side construction costs?

A: No, the City does not have down payment assistance funds earmarked for this parcel. (See above answer for explanation.) The follow-up questions are not applicable.

Q: The RFP states that if Tax Credits are not utilized, the maximum developer fee is \$300,000. Is there any flexibility on this?

A: If Tax Credits are not utilized, the maximum developer fee for this project is \$10,000 per unit, with a maximum Total Developer fee of \$1,400,000. Please disregard any references to different amounts in the RFP or addenda.

Q: What is the maximum award amount on the 2017-2019 NOFA?

A: As noted in the Financing Guidelines section of the 2017-2019 NOFA, for rental units there is an award limit of 40% of total residential development Cost of the project's affordable units (those units subject to long-term affordability restrictions). For ownership projects, the

maximum City loan amount is 50% of the total residential development cost of the project's affordable units. City subsidy would include the value of the land. In 2017, funding awards ranged from \$500,000 (for a project that had a previous award of \$700,000) to \$5,229,000 for the 163-unit Fruitvale Transit Village IIB development.

Q: Can you provide a chart of maximum sale prices for Affordable Homeownership units?

A: Affordable Homeownership Sales prices must take into account a variety of factors, including utility costs, HOA fees, and average affordability for the entire project. Due to the complexity and number of variables involved, we cannot provide a standard chart of sales prices for homeownership units. Please see Addendum #2, which contains information on how to calculate maximum sales prices.

Q: Can you please provide copies of all of the site's environmental documents as detailed on page 7, section III.C. of the RFP?

A: The following files are available on the City's website, at <https://www.oaklandca.gov/services/request-for-proposal-for-development>:

- Geotechnical Data Report – Central Station Project (2002)
- Geomatrix letter of proposed remediation plans (2003)
- Regional Water Quality Control Board letter of revised remediation levels (2004)
- Public Participation Plan – Wood Street Zoning District (2005)
- Geomatrix draft remediation plan (2007)

Please note that these reports are all more than ten years old and the environmental conditions may have changed since their release.

Q: What is the City's logic with regard to wanting to retain ownership of the project and only provide a 66 (or now 99?) year ground lease on the Property? This does not seem to be consistent with the intent of the RFP to have a significant portion of the Project be homeownership units, as these homes would not have fee simple title to the land associated with their units.

A: For affordable homeownership projects, when the land is conveyed, affordability restrictions will be enforced through a Regulatory Agreement or Declaration of Resale Restrictions recorded against the property in perpetuity. Affordable homeownership units must be permanently affordable.

In addition, on November 25, 2014, the Oakland City Council adopted Resolution No. 85324 C.M.S. establishing a general policy to lease rather than to sell City owned property. The City has determined that it is in the best interest of the City to retain as much City owned property as feasible for the benefit of the public. When the City finds it necessary to transfer City owned property, it shall be the general policy of the City to lease rather than sell. The City retains the power to make exceptions to this policy on a case by case basis. Prior to selling City

property staff shall make a recommendation to sell such property and provide the rationale for selling instead of leasing. The City Council shall make a finding by resolution that selling the property is in the best interest of the City.

Relating to the Wood Street RFP, if a ground lease is not applicable for a proposed homeownership project/component, the development team must provide a rationale for seeking a waiver of the City's ground lease policy to make the case for negotiating a Disposition & Development Agreement (DDA) instead of a Lease Disposition & Development Agreement (LDDA).

Q: We have reviewed the information in the preliminary title report, but are still having trouble figuring out the gross acreage vs. developable acreage. Does the City have a plot plan or some other exhibit showing how the developable 1.9 acres was calculated?

A: Please find the following documents attached and available at the City's website, at <https://www.oaklandca.gov/services/request-for-proposal-for-development>:

- The 18th Street Right-Of-Way dedication.
- Sandis Engineering depiction of the 18th Street Right-Of-Way and rear access road.

Q: Previous resolutions by City agencies originally planned for 141 units of affordable homeownership. How will the targets set by previous staff reports & ordinances (i.e. Redevelopment Agency Resolution 2007-0082 and associated staff report) relate to this RFP and have the city's (and/or the community's) priorities changed for this site?

A: The correct number is 125 affordable units (home or rental). This parcel is part of a Planned Unit Development (P.U.D.) which has a requirement of 15% affordable. The P.U.D. will not be built out to its maximum capacity, so 125 will amount to 15% or more of the total P.U.D.

Q: Does the City have any plans for the 18th Street easement?

A: This depends on the order of development with neighboring parcels; however, the right of way should be developed in accordance with the Wood Street Zoning District design and development standards, which are referenced in the RFP and can be directly accessed here: <http://www2.oaklandnet.com/oakca1/groups/ceda/documents/report/oak046606.pdf>. HCD staff is in discussion with Public Works and Planning staff regarding the status of neighboring developments.

Q: For the fair share improvements associated with the project, please provide:

- A list of the remaining fair share improvements to be completed.
- An accounting of the costs of completed improvements the selected applicant will be asked to contribute.

A: This question is still being researched. We will send a follow-up email with information about fair share improvements as soon as possible.