



THE BAUER PLACE

Development Proposal

Bank of America Merrill Lynch Low-Income Housing Challenge

2018

UC Berkeley, Cal Community Builders Team:

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Development Partners: Bridge Housing, Oakland Housing Authority

Executive Summary

Project Summary

As Oakland stands poised for its biggest year of housing construction in decades, new development heralds the possibility of neighborhood revitalization and greater affordability. Despite this, many low-income Oaklanders are struggling under unprecedented housing costs. Cal Community Builders (CCB) seeks to provide some relief for these low-income residents with a 180-unit, 100% affordable rental development in the heart of downtown. Named after Catherine Bauer Wurster, a visionary for American public housing, Bauer Place seeks to make a similarly bold impact on affordable housing in downtown Oakland. Rising to a height of 185 feet, Bauer Place will employ the new hybrid 4%/9% tax credit structure to maximize the site’s potential. The project will serve low-income adults and families earning 50%-60% of the area median income (AMI), as well as 75 formerly homeless adults earning up to 30% of the AMI.

Project Goals/Mission

- Provide a key source of affordable housing in an increasingly expensive market.
- Fight homelessness in Oakland by providing permanent supportive housing for formerly homeless adults.
- Support the economic and community revitalization of downtown Oakland.

AMI Unit Mix			
	4% Portion	9% Portion	Total
Studio 30% AMI	30	45	75
1 Bedroom 50% AMI	14	7	21
2 Bedroom 50% AMI	15		15
3 Bedroom 50% AMI	15		15
1 Bedroom 60% AMI	15	7	22
2 Bedroom 60% AMI	15		15
3 Bedroom 60% AMI	15		15
Manager Units	1	1	2
Total	120	60	180

Project Details

- **Location:** 1440-1500 Harrison Street, Oakland
- **Site Area:** 30,000 square feet
- **Current Use:** Surface Parking Lot
- **Current Owner:** Oakland Housing Authority
- **Target Population:** Formerly homeless adults at 30% AMI and low-income adults and families at 50%-60% AMI.
- **Units:** 180
- **Total Gross Square Footage:** 188,530
 - **Residential Square Footage:** 131,352
 - **Non-Residential Square Footage:** 48,845
 - **Space for homeless supportive services:** 1,380
 - **Common/Open Space:** 12,200
 - **Nonprofit Retail Space:** 2,980

Location

Located at 1440-1500 Harrison Street in the heart of downtown Oakland, Bauer Place is ideally situated to take advantage of ample community services and transportation amenities located within walking distance of the site. Currently owned by the Oakland Housing Authority (OHA) and used as a public parking lot, our site is at the center of a bustling neighborhood that includes a plethora of local businesses and community-serving nonprofit organizations, including an increasing number of supportive services for the homeless. Furthermore, the site is less than a 10-minute walk of both downtown Oakland BART stations and a block away from the 14th Street AC Transit bus line travelling between East and West Oakland.

Area Need

Largely neglected during the second half of the 20th century and segregated from the wealthier parts of Oakland, downtown has historically been home to most of Oakland’s low-income residents. Recent market rate development threatens to displace this population. In particular, over half the households in the Lakeside neighborhood, where the Bauer Place is located, earn less than 50% of AMI and the majority of these households pay more than 30% of their income on rent. Homelessness has also grown substantially in Oakland in recent years, with a 26% increase between 2015 and 2017¹ alone. Much of this growth has centered around downtown, leading to increased political pressure to provide safe and affordable housing to this population.

Populations Served

To fight against these trends, Bauer Place will use the large majority of its units to serve low-to-moderate income adults and families at 50% and 60% AMI. The remaining units will serve formerly homeless adults with a maximum

1 2017 Alameda County Point-in-Time Count

income of 30% AMI. Bauer Place will implement a permanent supportive housing model utilizing the Housing First approach, in which people experiencing homelessness are connected to permanent housing with few to no preconditions or barriers. Bauer Place will accept income-qualified homeless individuals and offer them on-site supportive services, including case management, connection to nearby health centers, and workforce training programs. Sixty of the seventy-five units dedicated to the homeless individuals will specifically target individuals in need of mental health and substance abuse support.

Development Partners

CCB is proposing to partner with the Oakland Housing Authority (OHA) and BRIDGE Housing Corporation to develop and operate the site. OHA owns the land and will release a competitive RFP to select a development partner for the site. CCB will partner with BRIDGE Housing Corporation, an experienced nonprofit developer, to submit a response to the RFP. If selected, OHA will ground lease the site to the CCB and BRIDGE Housing Corporation team for 75 years, and contribute project-based section 8 vouchers and capital to develop the project. The development team would retain BRIDGE Property Management Company as the property manager and asset manager. CCB will partner with LifeLong Medical Care (LifeLong) to provide comprehensive supportive services for the formerly homeless and low-income families who live at Bauer Place. LifeLong has more than 35 years of experience providing high-quality health and supportive services. LifeLong is a Federally Qualified Health Center Program (“FQHC”) and operates their TRUST Health Center around the corner from our site, which is a clinic designed specifically to serve the unique needs of homeless adults living with symptoms of mental illness and substance use disorders. Additional service provider partnerships include Building Opportunities for Self-Sufficiency (BOSS) and Abode Services, which will provide nearby employment readiness programs and youth-oriented event programming respectively.

Project Financing

CCB will utilize a wide range of traditional debt, equity, government loans and grants to finance the project. The primary funding sources will include private equity through allocating tax credits under the Low-Income Housing Tax Credit (LIHTC) program, debt supported by project rents and project-based Section 8 vouchers, and public affordable housing funds from the City of Oakland and Alameda County. We have also designed a creative 4%/9% hybrid LIHTC approach to maximize the equity available to support the project. The details of this arrangement are explained in the financing section of this report. Furthermore, the Oakland Housing Authority (OHA) has agreed to provide 120 project-based Section 8 vouchers to support the project’s operations and a \$13 million 0% interest predevelopment and permanent residual receipts loan. Bauer Place’s focus on formerly homeless individuals in need of mental health and substance abuse supports also allow the project to take advantage of the California’s new No Place Like Home (NPLH) funding stream.

Permanent Source Summary			
	4% Portion	9% Portion	Total
City of Oakland Funds	5,061,730		5,061,730
Oakland Housing Authority Funds	13,000,000		13,000,000
Alameda County - A1 Bond	10,123,459		10,123,459
HCD AHSC	4,975,904		4,975,904
HCD NPLH	5,250,000	720,760	5,970,760
FHLB AHP	1,333,333	666,667	2,000,000
Tranche A Loan	2,532,445		2,532,445
Tranche B Loan	9,107,248	2,139,421	11,246,669
Tax Credit Investor Capital	34,675,215	24,900,659	59,575,875
Total	86,059,334	28,427,507	114,486,841

*Affordable Housing and Sustainable Communities program from the State of California’s Department of Housing and Community Development

**No Place Like Home program from the State of California’s Department of Housing and Community Development

***Affordable Housing Program from the Federal Home Loan Bank of San Francisco

Construction Sources Summary			
	4% Portion	9% Portion	Total
City of Oakland Funds	\$5,061,730		\$5,061,730
Oakland Housing Authority Funds	\$13,000,000		\$13,000,000
Alameda County - A1 Bond	\$10,123,459		\$10,123,459
HCD NPLH	\$5,250,000	\$720,760	\$5,970,760
FHLB AHP	\$1,333,333	\$666,667	\$2,000,000
Tax Credit Investor Capital	\$3,467,522	\$2,490,066	\$5,957,587
Construction Loan	\$46,057,277	\$23,667,008	\$69,724,286
Total	\$84,293,321	\$27,544,501	\$111,837,821

Permanent Uses Summary				
	4% Portion	9% Portion	Total	Per Unit
Site Acquisition	\$66,667	\$33,334	\$100,001	\$556
Hard costs	\$68,890,189	\$19,842,935	\$88,733,124	\$492,962
Soft Costs				0
Architecture and Engineering	\$3,257,771	\$1,628,885	\$4,886,656	\$27,148
Survey and Soils/Environmental Engineering	\$93,333	\$46,667	\$140,000	\$778
Financing Costs	\$4,658,861	\$2,329,430	\$6,988,291	\$38,824
Syndication Costs	\$53,333	\$26,667	\$80,000	\$444
Legal Costs	\$146,667	\$73,333	\$220,000	\$1,222
Reserves	\$877,486	\$438,743	\$1,316,229	\$7,312
Developer Costs	\$1,604,333	\$802,167	\$2,406,500	\$13,369
Other Soft Costs	6,410,694	3,205,347	9,616,040	\$53,422
Total Soft Costs	\$17,102,478	\$8,551,239	\$25,653,717	\$142,521
Total	\$86,059,334	\$28,427,507	\$114,486,841	\$636,038

Historical and Political Context

Bauer Place is located in the Lakeside neighborhood of downtown Oakland. The history of this neighborhood is intertwined with the complex history of the City of Oakland, characterized by checkered periods of rapid growth, neglect and segregation. Founded in 1852, Oakland grew in the late 19th and early 20th centuries as the terminus of the Transcontinental Railroad, quickly expanding to a population of nearly 300,000. Much of the activity centered around a dense downtown that served as a transportation hub for the East Bay². Despite these auspicious beginnings, after World War II downtown Oakland fell on hard times as federal highway building, white flight, and housing discrimination led to overall destruction, neglect, and population loss throughout the area. Both the Federal Housing Administration’s home loan insurance guidelines, as well as many private mortgage companies, designated the area as off-limits for safe-lending— a practice commonly known as “redlining”—due to its urban character and a growing number of black residents.

In the last few decades, political priorities have shifted to focus on downtown revitalization. In 1999, then-Mayor Jerry Brown set a goal of creating homes for 10,000 new residents downtown. Since then, the area has grown steadily by adding 8,813 units. The city’s most recent Housing Element of its General Plan reflects these goals by encouraging housing development near transit-oriented areas. The city has also increased support for affordable housing development through city financing, and explicitly calling for more homeless housing construction. Current Mayor Libby Schaaf has followed suit, prioritizing housing production at all income levels. After convening a housing cabinet of city leaders, she developed an “Oakland at Home” program that aims to expand the pipeline of new affordable housing. The program particularly seeks to leverage new city money from impact fees, A1 County Bond money and the state’s Affordable Housing and Sustainable Communities (AHSC) program. Bauer Place leverages all of these financing sources. In addition to city policies, the regional Association of Bay Area Governments (ABAG) has encouraged housing growth

² SPUR (2015) “A Downtown for Everyone: Shaping the Future of Downtown Oakland”. September 2015. http://www.spur.org/sites/default/files/publications_pdfs/SPUR_A_Downtown_for_Everyone.pdf

at all income levels by setting explicit housing production targets for Oakland. Over the period 2015-2023, ABAG set housing production targets of 14,765 new units, 2,059 of which should be reserved for very low-income individuals making less than 50% of the area median income. As of April 2017, the city had only built 771 new units, 98 of which were reserved for very low-income populations—about 5% of each respective goal. Bauer Place’s 180 units, 153 of which are for 50% AMI or less, represent a substantial contribution towards meeting these regional housing goals.

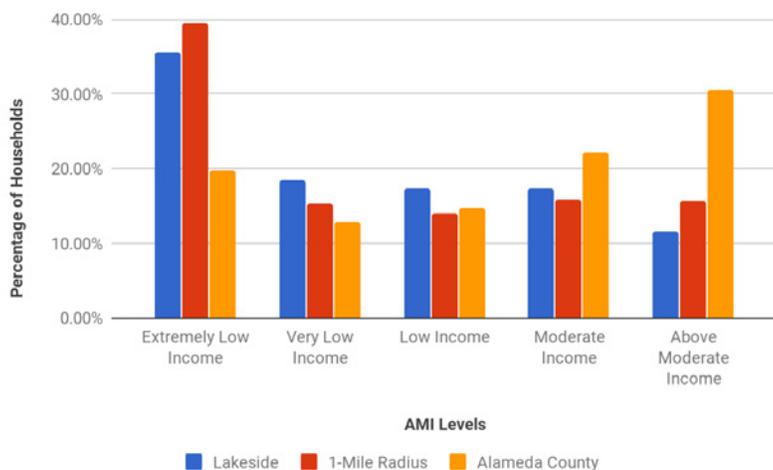
Market Demographics

Situated in the heart of downtown Oakland, we consider the high-density neighborhood of Lakeside to be the primary market area for Bauer Place³. In the figures and tables below, we also consider a one-mile radius around the proposed development site, which is approximately coterminous with downtown Oakland⁴. Both Lakeside and downtown Oakland are extremely dense areas and have been growing in population since 2011 (from 5,558 to 5,752 and from 36,745 to 40,937 respectively). Moreover, thousands of units are under construction downtown, a harbinger of dramatic population growth in the years to come. Yet, population growth has not been even throughout the population, as the majority of new construction in recent years have been market rate apartments catering to the very wealthy.

This trend has manifested itself in Lakeside’s household growth patterns. While the area predominantly consists of one-person households (62%), the recent pace of household growth has been strongest among larger two- to four-person households⁵. While this could be due to greater family formation, we instead hypothesize that the recent rise in housing costs has led to the consolidation of formerly separate single-person households to lessen the burden of housing costs. In fact, the city’s most recent Housing Element estimates that 12% of the city’s households live in overcrowded conditions (more than 1 person per bedroom), and this number could be particularly high in Lakeside, where renting is extremely common. Lakeside consists predominantly of young adults and young seniors, and the former may be particularly keen to pool resources and consolidate into shared units among friends⁶.

Lakeside also has a large number of low-income residents, with more than half of households earning less than 50% AMI. This is compared to less than a third of households in Alameda County as a whole⁷. These low-income households are significantly more rent-burdened, meaning they spend more than a third of their income on housing costs. Of all rent-burdened households in Lakeside, 75% earn less than \$35,000 per year. However, high housing costs are increasingly affecting moderate income households. Between 2011 and 2016, households earning between \$50,000 and \$75,000 per year and experiencing rent-burden increased by 18%⁸. Over this same time period, rents in Oakland rose over 40%.⁹

Figure 1. Income by AMI Levels



Note: 1-mile radius approximates Downtown Oakland. ACS 2011-2016 5-year estimates Summary table B19001.

3 Census tracts 4029 and 4034.
 4 Census tracts 4013, 4026, 4027, 4028, 4029, 4030, 4031, 4033, 4034, 4035.01, 4035.02, 4037.01, 4053.01, 4053.02
 5 ACS 2011-2016 5-year estimates Summary tables B11016.
 6 ACS 2011-2016 5-year estimates Summary table B01001.
 7 ACS 2011-2016 5-year estimates Summary table B19001.
 8 ACS 2011-2016 5-year estimates Summary table B25074.
 9 Zillow Median Estimated Rent Data for Oakland between 2011-2016, adjusted to 2018-dollars.

Although many in the area have low income and high rent burdens, Lakeside also has a high population (over 50%) with bachelor’s or post-graduate degrees. Despite this, there remains a substantial number of the population (37%) with only a high school-level diploma or less.¹⁰ This reflects a larger state of inequality in the area. We believe that greater affordable housing can help augment all aspects of life quality, including educational attainment, for the area’s lowest-income residents.

Both Lakeside area, downtown Oakland, and Alameda County as a whole reflect racial diversity as no single race composes more than $\frac{1}{3}$ of the population.¹¹ Lakeside has a plurality of White residents (33%), followed by Asian (27%) and Black (21%) residents. Despite this diversity and an increasing population overall, the area has lost some of its Asian and Hispanic population since 2011. Being located next to Oakland’s Chinatown, these populations represent some of the area’s longest residents as well as some of the most vulnerable to displacement due to rising rental costs, once again signalling the need for more affordable housing.

Affordable Housing Supply

Available evidence suggests that the demand for affordable housing in Oakland far exceeds the capacity of currently available housing as well as the units in the pipeline. According to the city’s 2015-2023 Housing Element of the city’s General Plan, there are approximately 5,507 privately owned, publicly subsidized rental units across Oakland. Additionally, the Oakland Housing Authority manages 1,605 public housing units and 13,565 housing choice vouchers for low-income residents to seek housing through the private rental market. It is not nearly enough. Currently, over 9,300 households are on the waitlist for OHA’s Section 8 Voucher program and over 3,800 households are on the waitlist for Project Based Voucher units.¹²

This demand for affordable housing in Oakland becomes a clarion call when discussing the plight of homeless persons. According to the most recent Point-in-Time (PIT) count for Alameda County, the number of people experiencing homelessness in the county rose 40% between 2015 and 2017 from approximately 4,000 persons to over 5,500. Most reported living in Oakland, with downtown Oakland having among the highest concentrations of homeless persons in the county.¹³ As the summary of homelessness below discusses, there is a dramatic imbalance between the available homeless facilities and this homeless population.

In light of this significant demand for affordable housing, production of housing has not kept up. From 2007-2014, Oakland’s housing production fell short (meeting far less than 50%) of the regional targets, both for affordable and market-rate housing.¹⁴ However, there is considerable room for optimism. As of Spring 2018, Oakland stands poised on the cusp of a true development boom. There are currently over 3,500 housing units under construction—most around downtown Oakland—and approximately 18,000 units in the pipeline while many white, affluent residents are moving back to the central core of the city.¹⁵ Unfortunately, the affordable housing pipeline pales in comparison to the overall pipeline. Of the units in the pipeline, we estimate that less approximately 2,558, or 14%, will be income restricted.¹⁶ This difference becomes even more stark when considering housing development in downtown Oakland. Of the 7,300 units in the downtown pipeline, a mere 130 are slated to be income-restricted.¹⁷

The importance of adding more affordable housing to the pipeline is especially clear when considering the market rents for already-built rental units. Table 1 shows nearby affordable and market-rate comparable developments while Figure 2 illustrates the gap between overall market rents and proposed rents at the Bauer Place. The figure illustrates that Bauer Place’s affordable rents are dramatically lower than the market average—sometimes less than half. In Lakeside, the median income is between \$30,000-\$50,000 per year. Given the median market rents below and assuming the upper end of this income range (\$50k), the median household would need to pay approximately 64%, or \$32,4000, of their income in order to afford a market-rate 2-bedroom unit. This is over twice the federal

10 ACS 2011-2016 5-year estimates Summary table B15003.

11 ACS 2011-2016 5-year estimates Summary table B03002.

12 City of Oakland, General Plan Housing Element Update 2015-2023. Page 158

13 2017 Alameda Point-in-Time (PIT) Count. Pages 15-25.

14 City of Oakland, General Plan Housing Element Update 2015-2023. Page 3

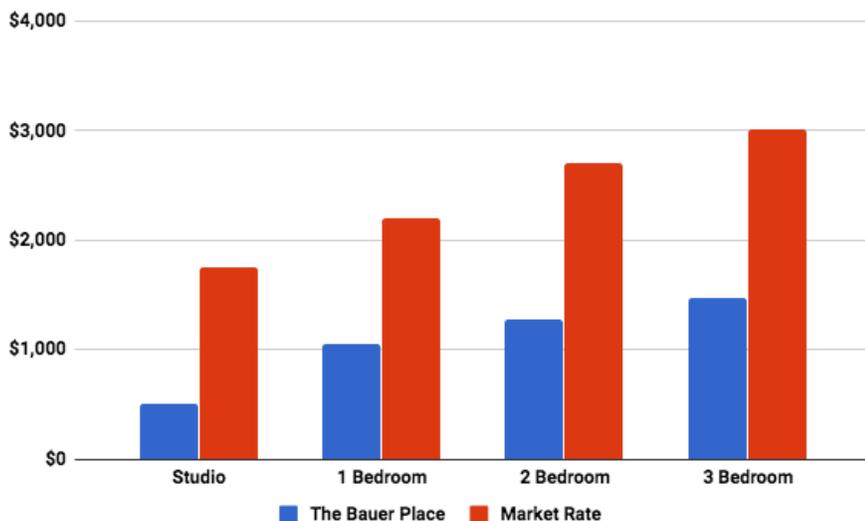
15 Ogilvie, Robert (2017). SPUR. “Keep Building Oakland”. June 2017. <http://www.spur.org/news/2017-06-15/keep-building-oakland>

16 Estimated from Planning Department’s website and manual review. Source: <http://www2.oaklandnet.com/government/o/PBN/OurOrganization/PlanningZoning/index.htm>

17 Downtown is here defined as south of Grand Avenue, east of I-980, and west of Lake Merritt.

guidelines for defining rent-burdenship. Furthermore, Table 1 shows that rents are even more expensive in the newest market-rate developments, whose rents are sometimes 3 or 4 times as much as comparable affordable developments. In sum, it is clear that the market is not yet meeting the needs of low-income residents. Bauer Place’s 180 units of affordable housing will help address these needs, as well units will be affordable for households earning 60% or less of AMI. As Figure 1 above illustrates, all of the rents for these units will be dramatically lower—about 50% lower—than median market rents. Moreover, the project will reserve 75 studios for formerly homeless individuals.

Figure 2. Oakland Median Rents versus the Bauer Place¹⁸



Note: Data on median rents comes from Zillow and is as of February 2018. Rents for the Bauer Place represent the weighted average rent of all units of each bedroom type.

Table 1. Comparable Developments

Street Address	City	Year Built	Units	Rents				Distance from Site
				Studio	1 Bedroom	2 Bedroom	3 Bedroom	
Affordable Developments								
1633 Harrison Street	Oakland	2012	73	NA	\$978	NA	NA	0.07
1507 2nd Avenue	Oakland	2014	91	NA	\$349-\$1,132	NA	NA	0.6
1110 Jackson Street	Oakland	2015	141	NA	\$493-\$971	\$570-\$1,165	\$655-\$1,343	0.22
365 Fulton Street	San Francisco	2011	120	\$691-\$1,152	NA	NA	NA	8.66
Market Rate Developments								
777 Broadway	Oakland	2018	50	NA	\$2,745-\$3,049	\$3,925-\$4,320	NA	0.47
2350 Valley Street	Oakland	2016	105	\$2,255	\$2,794-\$3,267	\$3,165	\$4,683	0.65
1801 Jefferson Street	Oakland	2017	80	\$2,650	\$3,605	\$4,000	NA	0.49
1389 Jefferson Street	Oakland	2011	264	\$2,459	\$2,602-\$3,455	\$3,547-\$3,919	\$5,791	0.47

Note: Distance from site is in miles.

Homelessness in Alameda County, Oakland

While there has always been a sizeable homeless population in Alameda County, the population has increased dramatically—nearly 40%—since 2015. In the latest surveys, the county counted 5,629 homeless individuals, the majority of which (nearly 4,000) were unsheltered. About half of these, or 2,761 (1,902 unsheltered), are in Oakland. The majority of these homeless individuals are between 25-60 years old, Black, and single.¹⁹ They are also most likely to be longtime Oakland residents and to have fallen into homelessness at least in part because of rising local rents. Many of them (52%) also report having at least one disabling condition that limits their ability to maintain work or housing. As a result of this, Cal Community Builders will include an extensive array of supportive services, such as case management, for the formerly homeless residents.

Recently, homelessness in Oakland has garnered considerable media attention due to the large, growing

18 Data on median rents from Zillow: <https://www.zillow.com/research/data/>

19 Alameda County Everyone Countys Point-In-Time Count (2017)

encampments on city sidewalks, underneath underpasses and BART tracks, and in public parks. Many residents of these encampments are in inhospitable conditions, lacking bathrooms and running water and are severely at risk of fire due to propane tanks used for cooking.



Note: Oakland homeless encampment underneath BART tracks.

Current county and city homelessness services focus on outreach to encampments; temporary housing, such as emergency homeless shelters; and permanent housing, either in newly-built permanent supportive housing or through rental assistance. Despite existing programs, there is not nearly enough housing for the growing homeless population. Alameda County has approximately 10 unsheltered individuals for every 1 emergency shelter bed available.²⁰ Moreover, vacancies are too low in the private market—particularly among affordable rental options—to make a large difference. Perhaps due to the lack of homeless housing facilities, the majority of recent increases in the homeless population have been among unsheltered individuals. In the most recent countywide homelessness survey, homeless individuals indicated rental assistance, employment assistance, and mental health assistance as among the top services that could have prevented their homelessness.

In order to address these issues, the Alameda County Plan to End Homelessness calls for 15,000 new units of housing for people who are homeless, living with HIV/AIDS, or mental illness. Similarly, the City of Oakland has created the Permanent Access to Housing (PATH) strategy, which focuses on building new permanent supportive housing under the Housing First model, which moves homeless individuals immediately into a permanent apartment, rather than through multiple levels of transitional housing and screening programs. In this spirit, Cal Community Builders seeks to contribute to the city's homelessness prevention efforts by providing 75 units of permanent supportive housing for formerly homeless individuals at Bauer Place.

Site Overview

Our proposed project site consists of three contiguous surface parking lots—1440 to 1500 Harrison Street. The combined site is about 30,000 square feet of space and, given the allowable density of the site's CBD-C zoning district, can easily accommodate the 180 units of Bauer Place. The Oakland Housing Authority (OHA) currently owns the site and is leasing it as public parking. Since purchasing the site nearly a decade ago, OHA has maintained an interest in redeveloping it into affordable housing. As a development partner on the project, OHA will pursue a long-term ground lease for a nominal fee with Cal Community Builders. In return for this and their involvement during the development process, OHA will also share in a portion of the developer fee for the project. OHA has indicated their support for this arrangement in a letter in the Appendix below.

The site is nearly flat with a small amount of shrubbery in front and a few small trees in the back of the lot. We do not anticipate the need for extensive infrastructure or utility upgrades due to the surrounding dense urban street network and large apartment buildings on three sides. Lastly, there is some contaminated groundwater at the site; however, OHA is confident that this groundwater is at least 22 feet deep and should not be a major issue unless we build underground (currently not proposed).



Note: Site facing northwest from Harrison Street.

Figures 3-5 below illustrate the site’s location within downtown Oakland and the surrounding uses. Large apartment buildings—a combination of market rate and affordable—border the site to the North, East, and West (across Harrison Street). Directly south of the site lies a vacant former gym, which Alameda County has purchased to build a non-profit incubator space. The residential buildings west of the site create a quiet residential neighborhood, while the west side has more bustling office and retail activity. The area is growing rapidly with thousands of units of residential housing currently under construction in the surrounding blocks. Many local businesses and community-serving organizations surround the site, including artist studios, a center for the arts, restaurants, a bookstore, barber shops, and a daycare, among others. Bauer Place’s position at the center of this growing neighborhood will give our residents access to an attractive array of community resources, both now and in the future.



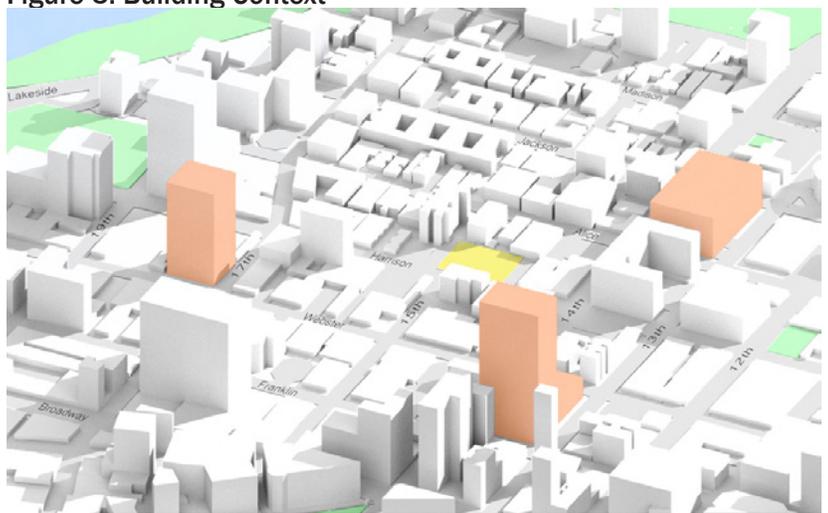
Figure 3. 1500 Harrison and Downtown Oakland

Figure 4. Site Map



Note: Figure produced in partnership with Matt Turlock, MArch '19

Figure 5. Building Context



Note: Figure produced in partnership with Matt Turlock, MArch '19.
Buildings highlighted in orange are currently under construction.

There are also an abundance of public amenities slightly further from the site's immediate surroundings. Oakland's Chinatown begins two blocks south and boasts an array of small shops, groceries, and restaurants. Meanwhile, the downtown office corridor and City Hall are just three blocks to the west. Lake Merritt and its 3.4 miles of public shoreline and recreational space begin three blocks east. Both the 12th Street and 19th Street BART stations are within a 10-minute walk and provide significant transit accessibility. The site is also located next to the 14th Street AC Transit bus line travelling between West and East Oakland and a multitude of AC transit bus lines along Broadway that provide access to North Oakland and Berkeley. Lastly, the neighborhood includes several nonprofits that offer homeless supportive services, such as mental health and counseling services, medical clinics, and employment readiness training. LifeLong Medical Services (LifeLong), the primary service provider for Bauer Place, has their newly constructed TRUST Health Center only two blocks from our site. This health center is designed specifically to serve the unique needs of homeless adults living with mental illness and substance use disorders.

Entitlements

Zoning & Permitted Uses

All three of the parcels that make up our site are located within Oakland’s Central Business District General Commercial Zone (CBD-C), which endows the site with an extremely large zoned capacity. In general, the CBD-C zone serves to revitalize the downtown area with mixed-use development, encouraging active ground floor uses with commercial, retail, or community-serving uses and residential or office uses on upper floors.

More specifically, the CBD-C zone allows a maximum building height of 400 feet and a maximum floor-to-area ratio of 17. It also has no private parking requirements, instead requiring a modest amount of bike parking spaces. There are no minimum setback requirements, only a maximum 5-foot front and side setbacks to foster active ground floors. Finally, design guidelines are extensive but not onerous. There are minimum ground floor height and basic facade standards geared towards stimulating interest from passersby. With these zoning allowances in mind, a major challenge of our project is to provide affordable housing on the site while also capitalizing on the allowable density, which requires high-quality, expensive construction materials. We do not expect the need for any variances from the zoning.

Expected Review Process

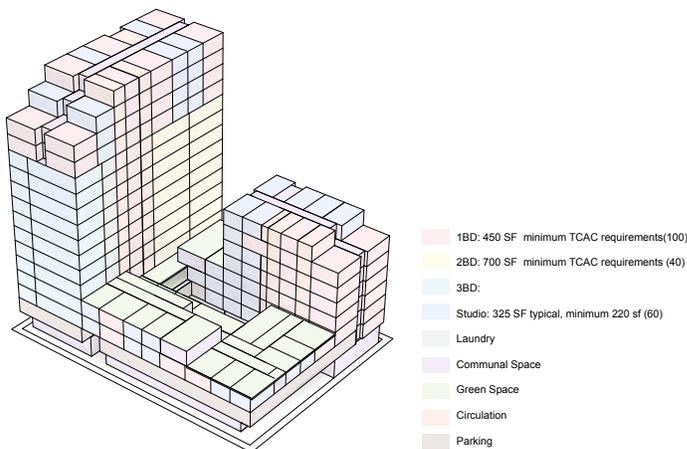
Overall, we are not anticipating a complicated approvals process because we are not seeking any zoning variances. However, because of the size of the project, we are anticipating some discretionary review by the Oakland Planning Department and a public hearing at the Oakland Planning Commission. Given the political goodwill behind a 100% affordable housing project, we are confident in a timely approval process (15 months).

First, most large projects in Oakland undergo a design review process, in which the Planning Department judges whether a project’s design “protect(s), preserve(s), or enhance(s) desirable neighborhood characteristics.” Although we do anticipate some back and forth in this process, we are confident in our design given that it meets the zoning code and activates Harrison Street along the ground floor. Second, we will need to propose a new tentative parcel map to the Planning Department. While this can take a few months, this is mainly administrative in nature and conversations with individuals on the planning commission have assured us this should not cause delays. Third, our project will possibly require environmental review under the California Environmental Quality Act (CEQA). Depending on the Oakland Planning Department’s interpretation of CEQA and their evaluation of the expected environmental effects of our project, we could qualify for a negative declaration (i.e. shortened review). However, due to the large size of our project, we have decided to include time for a full environmental impact report into our project timeline below. Via conversations with the Oakland Planning Commissioner, we believe that 15 months is a good estimate for the length of this process, within which we can also obtain approvals for the tentative map and design review. Finally, our project would require a public hearing and final vote at the Oakland Planning Commission for our design review elements and environmental review, which can be voted on for final approval in the same meeting.

Design Concept

Summary

Bauer Place is designed to encourage interaction between residents with its centralized open spaces and common areas that aim to break up the building’s density and to generate liveliness. Moreover, the design aims to integrate the formerly homeless population by mixing their studio apartments throughout the complex so that they can be direct neighbors with other low-income adults and families. The building strives to respond to the aesthetic of the Lakeside neighborhood through both its form and materiality. The warm wood and brick finishes of the podium engage with pedestrians and make the two-tower complex accessible for humans. A tall tower and mid-rise tower accommodate a mix of supportive units and 1-bedroom, 2-bedroom, and 3-bedroom units.





Units

Bauer Place will consist of two towers, one rising 16-stories and the other 8-stories with a shared, 4-story podium level between the two. The 185-foot, 16-story tower, located at the northern entrance of the building, includes 120 units and acts as a gateway to the site coming down 15th street from downtown’s Broadway corridor. The mid-rise, 8-story tower, houses 60 units and is located on the southeast side of the site. Meanwhile, the podium portion brings both towers together into a shared community through ample open spaces and gardens.

Bauer Place housing complex features:

- Type I: steel construction over Type I: concrete podium
- 16 stories: 15-stories of residential flats over ground floor that includes residential lobby, supportive services, and community/open space. Second floor that includes that includes podium parking.
- Space Allotment:
 - 90,200 SF Total Residential space
 - 2,980 SF Nonprofit Retail
 - 1,780 SF unit offices for Property Management Staff
 - 5 resident services offices
 - 950 SF Residential Lobby
 - 1,380 SF supportive services
 - 12,200 SF community/open space
 - Laundry facilities provided on each floor
 - Accessible trash chutes on each floor
 - Parking: 47 parking spaces with a lift that brings cars to the 2nd floor. Additional 45 bike spaces.
- Unit mix: Targeting 30-60% AMI: (right)

Unit Type	Unit Size (SF)	No. Units
Studio	330	75
1 Bedroom	550	45
2 Bedroom	800	30
3 Bedroom	960	30
Total		180

Floor Layout

In keeping with our strategy of a mixed, centralized community, all residents enter the complex through a mid-block, double-height entrance at the end of 15th Street in the middle of two nonprofit retail spaces. During the day, this entrance will be open to the street and will be locked at night, with residents needing key card access. Next to this entrance on the Harrison Street side of the building is a sizeable community room, which at 1,800 square feet should accommodate most community events. This room includes a kitchen and sliding glass door that allows it to

merge with the outdoor courtyard for shared events between the two spaces. There is also nonprofit retail space on the ground floor along Harrison Street.

As residents continue inside, they may access the building either through the front lobby area, where a 24-hour desk staff member will be stationed, or by swiping into a set of courtyard stairs. Behind the lobby are offices for the formerly homeless residents to meet their services workers as well as a computer lab. Continuing around into the base of the tall tower are the mailboxes and other community work spaces. Counselling offices and other services are located past the front desk beneath the mid-rise tower. The inner courtyard space public seating space, a playground, and a staircase that leads up to all floors of the podium. At the south end of the courtyard is a sanitary room primarily meant to exterminate bed bugs in possessions prior to a resident's entry.



The south end of the building exterior is heavier, reflecting its functionality that provides access by car and serves as a loading dock for any deliveries or movers. Parking and bicycle parking is located on the second floor, accessible by a car lift on the south end of the building. People can also move up to the second floor parking garage by three staircases and three elevators, located at the base of the tall tower and on the west wing of the building, off the courtyard.

Residential units begin on the second floor in the mid-rise tower and on the third floor for the rest of the building. All units receive natural light either through windows opening to the outside of the site or into the inner courtyard. The fourth floor has all four types of residential units mixed within the small tower, tall tower, and west wing of the complex. A large community space on the west wing opens up to a community garden run by residents. Two more community green spaces are located above the fourth floor, tiered back so as to allow light to the fourth-floor garden, which serves as a healthy food source for residents. Both residential towers have direct access to the fourth floor garden and each tower has access to their own separate green spaces on the fifth floor.



The floors above the 5th floor are completely separate from the podium level and are comprised of residential units of all unit types and laundry rooms. The taller tower is comprised of 10 floors of 2- and 3-bedroom units and 4 floors of studio and 1-bedroom units above the parking level. The mid-rise tower contains only studio and 1-bedroom units above this level.



1F

4F



2F

3F

5F



Unit Layouts

Each unit is designed as a balance between maximum space efficiency and livability. The intentional layout of units across each floor ensures that utilities share walls that are vertically aligned across all levels to maximize cost and design efficiencies. At the same time, each unit contains ample space for its own bathroom, kitchen, and sleeping space.

Property Management and Resident Services Space

In order to provide as much support and community-building space as possible for our residents, the complex includes 3,620 SF of indoor community space, 12,200 SF of outdoor community space, and 1,380 SF of office space for supportive services and 1,780 SF for property management. The central courtyard area is the primary open space for the residents and is designed to promote

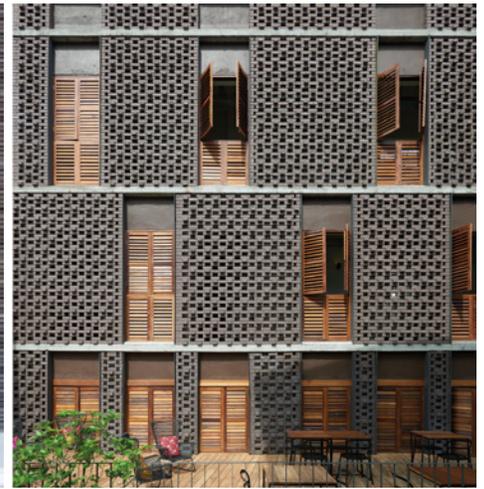


Site context

resident interaction, as well as social and physical wellness. Inside, there is enough office space for three permanent supportive services staff plus additional hotel office space for visiting service vendors. Aside from the retail space along Harrison Street, all other space in the podium and in the towers are limited to resident use only. The ground floor will be monitored by 24-hour front desk staff and security cameras in the courtyard and indoor common spaces.

Site Design in Context

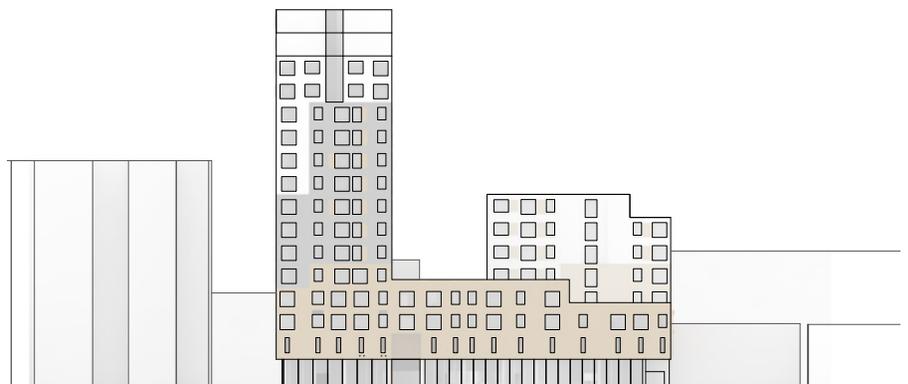
Bauer Place is a visionary project that aims to integrate within the larger fabric of a densely-populated, mixed-use, and growing community of Lakeside in downtown Oakland. While large for its immediate neighbors, the height is not out of place for the wider neighborhood, which includes several buildings over 200 feet. Moreover, the stepped massing and separate tower design of Bauer Place intends to break up the density of the site by reducing the scale of the building and enhancing the visual interest from the street. The building will use brick, wood paneling, and GRC on the exterior, which integrates well with the brick facades that are commonly found throughout the neighborhood.



Material inspiration



North elevation



West elevation

Resident Services and Community Engagement

Cal Community Builders believes that comprehensive on-site resident services that are responsive to the individual needs and goals of our residents is critical to the success of our project and essential for our residents to live independently and achieve personal, social, and economic self-sufficiency.

CCB understands that our residents will enter our project with a diverse set of needs and backgrounds. For our formerly homeless population in particular, we anticipate residents will have varying degrees of experiences with poverty, joblessness, contact with the criminal justice system, familial separation, and domestic violence. Many residents will have needs related to mental and physical disabilities, adult illiteracy, substance use, and chronic health conditions. For some it may be their first time living under a lease. CCB's resident services strategy is to meet our residents where they are at in terms of goals, needs, and self-sufficiency to ensure all of our residents remain stably housed and achieve personal success.

Wraparound Supportive Services: CCB intends to partner with LifeLong Medical Care (LifeLong) to provide on-site case management services for our formerly homeless residents as well as community building and referral services to the low-income residents residing in the affordable housing units. LifeLong has over 35 years of experience providing high-quality health and social services to underserved people of all ages, including the elderly, people with disabilities, and homeless individuals and families.

CCB will work with LifeLong to ensure every resident receives case management services at an appropriate level of intensity. LifeLong services staff will also be available to the individuals and families living in the affordable housing units to provide a light level of services including referrals to outside services organizations and community events in the property.

In order to provide these services on-site, CCB will provide customary office space, storage areas, and IT equipment for LifeLong case manager staff. Case managers will work in Bauer Place resident services offices 40 hours week. The cost of case management services from LifeLong will be paid out of the property's operating budget. CCB has budgeted approximately \$55,000 per case manager, plus an additional 28% for benefits and overhead. We anticipate an additional case manager will be funded by Alameda County as part of our project's use of California's new No Place Like Home ("NPLH") funding. This funding strategy supports a caseload level of 1:25 which we believe will allow our services staff to provide care with high fidelity. CCB will continue to work with LifeLong to refine building design and operational strategies to ensure that resident services are able to be as successful as possible in providing high-quality care to our residents.

Mental, Behavioral, and Physical Health Care Services: Bauer Place will have 75 units of housing set aside for the formerly homeless, with 60 of those units set aside for the target population of residents specified in California's new No Place Like Home ("NPLH") legislation. In addition to experiencing homelessness, these residents will be living with severe mental illness. In order to meet the critical needs of these residents and those with other forms of disability, CCB will partner with LifeLong to provide on-site and comprehensive case management as well as streamlined access to LifeLong's high-quality health care facilities. LifeLong Medical Care is a Federally Qualified Health Center (FQHC) program and operates over a dozen health care facilities. The recently opened LifeLong TRUST Health Center is located around the corner from Bauer Place and is designed to serve adults with disabling conditions and histories of homelessness, specifically those living with mental illness and substance use disorders. CCB anticipates most of our residents to be Medi-Cal eligible and that LifeLong will bill and be reimbursed through Medi-Cal for health care services provided to our residents. As part of our partnership with LifeLong, we intend to collaborate with the TRUST Health Center to create services strategies that will improve the lives of our residents by providing high-value health care with ease of access.

Workforce Training: In order to help our residents achieve financial self-sufficiency and success, CCB intends to partner with Building Opportunities for Self-Sufficiency (BOSS). BOSS is an award-winning organization with over 50 years of experience helping homeless individuals trapped in poverty gain access to employment opportunities that pay a livable wage. Services BOSS provides include education and employment programs, reentry initiatives, leadership development, and community organizing initiatives. BOSS also operates their Career Training and

Employment Center (CTEC) less than half a mile away from Bauer Place in downtown Oakland. The CTEC offers comprehensive employment services including job readiness training, soft skills development, and employment searches target toward homeless and low-income residents of Oakland. CCB intends to partner with BOSS to provide programming services through CTEC to residents of Bauer Place. We have currently allocated \$25,000 of our project's operating budget to be used in a partnership with BOSS, and intend to refine this amount as work with BOSS to define their scope of work. CCB additionally plans to create a state-of-the-art computer lab center within Bauer Place to provide residents with opportunities for on-site workforce development and computer skills training.

Youth and Family Services: Bauer Place will be home to a large number of low-income families, and CCB intends to provide services to children of these families through on-site youth programming and referral to off-site family and child care services. CCB plans to work with Abode Services (Abode) to create a services strategy for the provision of youth-oriented services programming and to connect our low-income families with organizations in the community to meet their family needs. Abode assists over 4,000 homeless and low-income adults and children each year in Alameda, Santa Clara, Santa Cruz, San Mateo, and Napa counties by connecting them with supportive services. We have budgeted \$25,000 from our project's operating budget to be used for contractual services with Abode and expect to adjust this number as conversations continue. Through this partnership with Abode, CCB intends to develop a services strategy to cater to the unique needs of families living with children in Bauer Place.

Property Management and Housing Retention: CCB believes a healthy and collaborative relationship between property management and resident services is essential for ensuring our residents remain stably housed. CCB will partner with BRIDGE Property Management Company to maintain a high-standard of living for our residents. BRIDGE Property Management Company manages over 9,000 rental and condominium homes and has over 30 years of experience working with resident services to provide a quality and safe living environment. CCB will clarify the roles and responsibilities for BRIDGE Property Management Company and Lifelong, our on-site resident services provider, to ensure clear communication and a collaborative work environment. These expectations will include weekly meetings between property management and resident services to discuss resident issues as they arise and develop strategies on both ends with the common goal of housing retention.

Integrated Supportive Housing: Bauer Place will blend 75 units of supportive housing for the formerly homeless within a property that provides an additional 105 units of housing affordable to individuals and families of low to moderate income levels. CCB believes an integrated housing strategy is essential to ensuring all residents within our community are treated with the respect and dignity they deserve. CCB also understands this integrated housing approach can create flashpoints of conflict among residents with differing tenancy skills and experiences. In order to address these issues, CCB will rely on a strategy of small and manageable service caseloads as well as a collaborative relationship between resident services and property management in order to ensure resident issues do not rise to the level of eviction and that we maintain a safe and peaceful living environment for all.

Community Engagement: The success of Bauer Place will rely both on residents receiving the support they need and our development receiving broad support from the surrounding community. Bauer Place is located adjacent to downtown Oakland which after decades of neglect is witnessing an urban renaissance. In order to ensure Bauer Place is in line with the vision of the City of Oakland, CCB has been in communication with William Gilchrist, the planning director of the City of Oakland. CCB also intends to solicit feedback and support from community stakeholders by meeting with nearby business associations within the local council district (District 3), such as Downtown Oakland Association, Lake Merritt/Uptown Association, and Koreatown Northgate. CCB aims to meet with affordable housing developers with projects nearby to learn from their experience what voices and organizations in the community need to be heard to ensure Bauer Place is responsive to the needs and hopes of the local community.

Overall Financing Strategy

CCB has crafted a plan that optimizes the use of all available funding sources to maximize the site's enormous potential. The centerpiece of the financing plan is a hybrid LIHTC structure that will combine 9% and 4% tax credits on the same site. This approach will harness the power of the 9% tax credit in a large project without losing equity due to the caps that exist in the 9% program. The financing plan also includes state and local funding sources

geared towards dense, transit oriented development and housing that serves special needs populations.

Although our current design and budget assumes on-site traditional type 1 construction, CCB is in the process of working with firms—such as RAD Urban and Sustainable Living Innovations—that are pioneering the use of innovative construction technologies to reduce the cost of building mid- and high-rise residential structures. Our team is evaluating the potential of panelized wall systems, off-site fabricated modular components, and structural steel exoskeletons that will increase the speed of construction and reduce reliance on expensive on-site construction labor. The design of Bauer Place will incorporate the design efficiencies, such as stacking similar unit types. We will continue to explore other strategies for reducing the cost of construction.

Summary of Cash Sources - Permanent

Permanent Source Summary			
	4% Portion	9% Portion	Total
City of Oakland Funds	\$5,061,730		\$5,061,730
Oakland Housing Authority Funds	\$13,000,000		\$13,000,000
Alameda County - A1 Bond	\$10,123,459		\$10,123,459
HCD AHSC	\$4,975,904		\$4,975,904
HCD NPLH	\$5,250,000	\$720,760	\$5,970,760
FHLB AHP	\$1,333,333	\$666,667	\$2,000,000
Tranche A Loan	\$2,532,445		\$2,532,445
Tranche B Loan	\$9,107,248	\$2,139,421	\$11,246,669
Tax Credit Investor Capital	\$34,675,215	\$24,900,659	\$59,575,875
Total	\$86,059,334	\$28,427,507	\$114,486,841

4% and 9% Hybrid LIHTC: The 4% and 9% hybrid LIHTC approach will maximize the amount of equity available to support Bauer Place. In order to accommodate this approach, the project would be structured into two parcels and limited partnerships - one using the maximum permissible 9% credit and the other using 4% credits. The 9% credits would be used primarily to finance 45 special needs units serving formerly homeless adults and 15 family units in the smaller tower while the 4% credits would be used to finance the 30 special needs units and 90 family units in the larger tower, in addition to most of the shared space in the podium on the lower floors. The two projects would be split using an air rights subdivision or condominium structure and reciprocal easement agreements would be formed to establish exclusive and mutual use areas.

The structure outlined above is responsive to December 2017 revisions to the CTCAC Qualified Action Plan (QAP) that impact projects applying for tax credits as hybrids. In order to qualify as a hybrid, both the 4% and 9% sides of the project must be able to score full points on the 9% application for housing type, service and site amenities, and combined affordability. The 9% side of the project contains 75% special needs units serving households earning up to 30% AMI, along with extensive service amenities targeted towards this population. The 4% side of Bauer Place has been configured to include 30 three-bedrooms and 30 two-bedrooms so that it will qualify as a large family project. In addition, the affordability mix of the 4% project includes at least 10% of the units serving households earning up to 30% AMI and the remaining units at 50% and 60% AMI. Lastly, the services amenities have been designed to serve both family and the special needs populations.

The December 2017 QAP revisions also adjusted the methodology for calculating the tiebreaker score for hybrid projects in a way that will boost the competitiveness of hybrid projects. These revisions include:

- Units from the 4% project are allowed to be counted towards the 9% project’s size factor;
- The 9% project’s first tiebreaker utilizes leveraged soft financing resources from both the 4% and 9% projects;
- The 9% projects’s second tiebreaker utilizes the combined development costs across the 4% and 9% projects.

Our projected tiebreaker score is 78.18, which we anticipate will be competitive to secure a 9% allocation in the special needs set aside. Based on our research, recent 9% application rounds have required a tie-breaker score in

the low 60's to low 70's. CCB anticipates applying to TCAC for 9% credits in the special needs set aside in February 2021 after the project has achieved the necessary readiness requirements. The 4% applications to CDLAC and TCAC would occur at the same time as the 9% application. The tiebreaker calculation is included in Exhibit 1 below.

Federal Home Loan Bank Affordable Housing Program: CCB intends to apply for Affordable Housing Program (AHP) funds from the Federal Home Loan Bank of San Francisco (FHLBSF). These funds will provide a permanent source of funding for the project which we also anticipate will be available to pay for development costs during construction. The FHLB AHP funds would not need to be repaid provided that the project meets long term FHLB monitoring requirements.

Based on our initial scoring analysis we believe that the project would be eligible for the maximum AHP award of \$2M, or approximately \$11K per unit. With this request, we project that our AHP application score would be 73.5, which is very competitive based on the results from recent application rounds. We would apply for AHP funds in March 2020 after we've secured entitlements for the site. Our AHP scoring analysis is included as an Exhibit 2.

City of Oakland Funds: CCB anticipates applying for City of Oakland Housing Development Loan funds in the 2019 - 2021 NOFA cycle. We anticipate that the NOFA will become available in July 2019. The City of Oakland awarded \$13.5 million in Housing Development Loan Program funds in the 2017 - 2019 NOFA cycle with per unit awards up to \$60K per unit. We anticipate that the City of Oakland funds will be available during the construction period to help pay for construction costs. The City of Oakland funds will have a term of 55 years and an interest rate of 3%. The loan will be repaid out of surplus cash flow. To the extent surplus cash flow is not available to make loan repayments, payments will be deferred for the term of the loan. The underwriting standards for these funds are the same as those for Alameda County's A1 funds. Please find a letter of support from the Oakland Department of Housing and Community Development in the appendix.

Oakland Housing Authority Funds: The Oakland Housing Authority is willing to contribute approximately \$13M to the project in the form of a 0% interest predevelopment and permanent residual receipts loan with a 60 year term.

Alameda County A1 Bonds Funds: Measure A1 was approved by Alameda County voters in November 2016 and provided \$580M in bond funds to support affordable housing in the County. While Oakland has an earmarked portion of this fund, City staff has informed CCB that the majority of these funds have already been allocated. Therefore, we plan to apply to the "regional pool" of funds totaling \$89.3M that is still to be allocated. We have estimated an amount for our project that is realistic based on the total amount available in the regional pool and consistent with size of past awards within Oakland's earmarked funds, which have been between \$60,000 and \$140,000 per unit. The Measure A1 Implementation Policies identify the homeless as a target priority population, which we believe will increase the competitiveness of our proposal.

We will apply for Alameda County A1 Bond funds as soon as the NOFA is released, likely in 2018. We anticipate that the Alameda County A1 funds will be available to pay for a wide range of hard and soft project costs during the construction period. Based on the Alameda County Housing and Community Development Department Administrative Loan Terms, the Alameda County A1 loan will have a 55 year term and amortizations period and a 3% interest rate. The Administrative Loan Terms also allow loan payments to be deferred for special needs projects serving extremely low-income households as the Housing Director's discretion. Our 40 year cash flow assumes that CCB can demonstrate that loan payment deferral will be required in order to make the project feasible.

All A1 fund recipients are subject to their City's Housing and Community Development underwriting standards. Bauer Place meets and exceeds these guidelines in the City of Oakland, including meeting all the design requirements, including those for unit size, and balancing the operating budget (including all necessary fees and replacement reserves). Bauer Place also exceeds the occupancy requirements of 100% of the units funded with City of Oakland restricted as affordable at rents 10% below market rate for the neighborhood, with at least 15% of units set aside with rents affordable to renters 30% or below AMI. Oakland also requires a Debt Coverage Ratio of at least 1.1. Bauer Place has a DCR of 1.2. The total of city loan funds cannot exceed 50% of the total development cost of the affordable units. For Bauer Place, City funds comprise less than 12% of total project costs.

HCD Affordable Housing and Sustainable Communities Funds: This is a state funding stream for land-use, housing, transportation, and land preservation projects to support infill and compact development that reduce greenhouse

gas emissions. The estimated AHSC loan proceeds for Bauer Place were calculated based on the maximum AHSC loan limits for units in the 4% tax credit funded project, less a downward adjustment of 33% to account for the required investment in transit infrastructure. The 33% adjustment is a rough estimate of the required investment in transit infrastructure that BRIDGE Housing has experienced in recent projects that have utilized the funds. We have approached several local transit agencies to identify a partnership opportunity for this project and are working to establish a more concrete estimate of the proceeds that may be available.

The State of California requires applicants to meet the underwriting requirements detailed in the Uniform Multifamily Regulations starting with 25 CCR Section 8300 and including 8303, 8308-15. These outline basic requirements on site control, operating resources, replacement reserves, underwriting standards, developer fees, development costs, use of cash flow and subordination. This also includes a provision that the debt service coverage ratio of 1.15 or greater.. Bauer Place assumes a 1.2 DCR. Additionally, the state requires the use of TCAC rent limits, which CCB has incorporated.

HCD No Place Like Home (NPLH): We plan to apply for California Department of Housing and Community Development (HCD) No Place Like Home (NPLH) funds once Alameda County is able to secure an allocation from HCD. Although the NPLH program is still making its way through the court system, we anticipate that Alameda County will be able to secure an allocation in time to support this project. HCD filed a validation action for the bonds used to fund the program in State Superior Court in September 2017 and is expecting a lower court decision in Spring 2018. According to HCD’s website, the NOFA for the first round of NPLH funds is anticipated to be released in Summer 2018, pending the completion of the validation action. We anticipate securing an allocation from Alameda County by the second quarter of 2019.

The NPLH funds will be used to provide a construction and permanent loan for 75 units in the project serving persons that are in need of mental health services and experiencing homeless, chronically homeless, or at risk of homelessness. The amount of NPLH funds projected to be available for this project is based on the draft loan limits issued by HCD alongside the draft program guidelines. Bauer Place satisfies the mandatory integration requirement for NPLH projects by intentionally integrating special needs units with other tenants both by unit mix and by the design of social spaces. Additionally, Bauer Place expects to score between 150-155 out of 200 on NPLH’s competitive scoring criteria (see detail on NPLH’s scoring criteria in Exhibit 2).

According to the draft NPLH guidelines, the NPLH loan will come with a 55 year term and bear interest at 3%. Interest and principal payment are deferred for the term of the loan, but the project will be required to pay a monitoring fee of 0.42% of the outstanding loan balance out of its cash flow. NPLH requires the same underwriting standards of AHSC.

Tranche A and Tranche B Term Loans:

The Tranche A and Tranche B loans were calculated based on net operating income with debt coverage ratio (DCR) of 1.2. Based on CCB’s term sheet from Bank of America, the Tranche A loan will have a 30 year amortization period and the Tranche B loan will have a 15 year amortization period. The interest rate for both loans is anticipated to be fixed at 4.5%.

Summary of Cash Sources - Construction

Construction Sources Summary			
	4% Portion	9% Portion	Total
City of Oakland Funds	\$5,061,730		\$5,061,730
Oakland Housing Authority Funds	\$13,000,000		\$13,000,000
Alameda County - A1 Bond	\$10,123,459		\$10,123,459
HCD NPLH	\$5,250,000	\$720,760	\$5,970,760
FHLB AHP	\$1,333,333	\$666,667	\$2,000,000
Tax Credit Investor Capital	\$3,467,522	\$2,490,066	\$5,957,587
Construction Loan	\$46,057,277	\$23,667,008	\$69,724,286
Total	\$84,293,321	\$27,544,501	\$111,837,821

Construction Loan: CCB intends to obtain two separate construction loans from Bank of America - one for the 4% tax credit project and one for the 9% tax credit project. As stated in CCB’s term sheet from Bank of America, both

loans will have a floating rate of 30 day LIBOR + 1.8%, loan fees of 1%, and terms of 30 months. For the purposes of estimating construction loan interest, CCB has added a 1% cushion on top of the current effective rate.

AHP, City of Oakland, Alameda County A1, and No Place Like Home: In addition to the construction loan, we anticipate that AHP, City of Oakland funds, Oakland Housing Authority funds, Alameda County A1, and No Place Like Home will be available to pay for development costs during construction.

Permanent Uses Summary				
	4% Portion	9% Portion	Total	Per Unit
Site Acquisition	\$66,667	\$33,334	\$100,001	\$556
Hard costs	\$68,890,189	\$19,842,935	\$88,733,124	\$492,962
Soft Costs				
Architecture and Engineering	\$3,257,771	\$1,628,885	\$4,886,656	\$27,148
Survey and Soils/Environmental Engineering	\$93,333	\$46,667	\$140,000	\$778
Financing Costs	\$4,658,861	\$2,329,430	\$6,988,291	\$38,824
Syndication Costs	\$53,333	\$26,667	\$80,000	\$444
Legal Costs	\$146,667	\$73,333	\$220,000	\$1,222
Reserves	\$877,486	\$438,743	\$1,316,229	\$7,312
Developer Costs	\$1,604,333	\$802,167	\$2,406,500	\$13,369
Other Soft Costs	\$6,410,694	\$3,205,347	\$9,616,040	\$53,422
Total Soft Costs	\$17,102,478	\$8,551,239	\$25,653,717	\$142,521
Total	\$86,059,334	\$28,427,507	\$114,486,841	\$636,038

Site Acquisition: The Oakland Housing Authority will lease the land to CCB for 75 years in exchange for a one time rental payment of \$1. In return, the Oakland Housing Authority will receive half of the total developer fee for the project. We have added \$100k to account for legal, due diligence, escrow, and closing costs.

Hard Costs: Hard costs are estimated at \$88.7, which is approximately \$470 per square foot. CCB obtained pricing from Cahill Contractors based on our preliminary project design and recent comparables for Cahill projects in the East Bay. The pricing assumes payment of prevailing wages and a Project Labor Agreement, as required by Alameda County A1 funded projects over 80 units. The estimate also includes a 10% contingency, consistent with City of Oakland and Alameda County underwriting standards.

We hope to reduce this cost by working with partners that have refined innovative construction technologies for mid and high rise buildings. We have obtained a preliminary construction cost estimate of \$312 per square foot from RAD Urban, a Northern California based real estate development and construction company that’s pioneering the use of modular construction technologies in high rise buildings. We’re still in the process of evaluating cost estimate and understanding how we may apply innovative construction technologies to the project.

Hard costs have been prorated across the 9% and 4% tax credit projects based on gross square footage. The 9% hard costs include the smaller tower and the 4% hard costs include the larger tower and podium.

Soft Costs: Architecture and engineering costs were estimated at approximately \$4.9M, which is 5% of estimated hard costs. Financing costs are estimated at approximately \$7.1M, which includes costs associated with the predevelopment loan, construction loan, permanent loans, and bond issuance for the construction loan. Survey and soils/environmental engineering, syndication, legal, capitalized reserves, developer costs, and other soft costs are estimated at approximately \$13.8 M based on information collected from recent BRIDGE Housing and Community Housing Partnership projects, two 4%/9% hybrid projects, Celadon and Mission Bay South Block 9 (in predevelopment).

Operating Budget

Operating Budget				
	4% Portion	9% Portion	Total	Per Unit
Income				
Potential Tenant Rent	\$1,508,328	\$449,652	\$1,957,980	\$10,878
Less 5% Vacancy	(\$75,416)	(\$22,483)	(\$97,899)	(\$544)
Potential Section 8 Subsidy	\$1,056,048	\$535,680	\$1,591,728	\$8,843
Less 5% Vacancy	(\$52,802)	(\$26,784)	(\$79,586)	(\$442)
Total Rental Income:	\$2,436,157	\$936,065	\$3,372,223	\$18,735
Laundry & Miscel. Income	\$12,000	\$6,000	\$18,000	\$100
Total Income	\$2,448,157	\$942,065	\$3,390,223	\$18,835
Operating Expenses				
Administrative	\$79,067	\$39,533	\$118,600	\$659
Resident Supportive Services	\$76,320	\$114,480	\$190,800	\$1,060
Property Management Fee	\$107,453	\$53,726	\$161,179	\$895
Utilities	\$267,920	\$133,960	\$401,880	\$2,233
Payroll and Payroll Expenses	\$362,017	\$181,008	\$543,025	\$3,017
Insurance and Taxes	\$88,000	\$44,000	\$132,000	\$733
Maintenance and Repairs	\$110,667	\$55,333	\$166,000	\$922
Total Operating Expenses	\$1,091,443	\$622,041	\$1,713,484	\$9,519
Replacement Reserves	\$60,000	\$30,000	\$90,000	\$500
Monitoring Fees	\$108,695	\$54,347	\$163,042	\$906
Total Expenses	\$1,260,138	\$706,389	\$1,966,526	\$10,925
Net Operating Income	\$1,188,020	\$235,677	\$1,423,696	\$7,909

Tenant Rents: Tenant rents were calculated based on the maximum of TCAC, HUD, and HCD MTSP rent limits for 2017, less an allowance for tenant paid utilities set by the Oakland Housing Authority. We have assumed a 5% vacancy rate, although the actual vacancy rate will likely be lower due to the extreme need for affordable housing in Oakland. Please see appendix for detailed information on unit size, mix, and rents.

Project Based Section 8: The Oakland Housing Authority has indicated that it would be willing to provide Project Based Section 8 vouchers (PBV) for up to approximately 120 units. We have assumed that all 70 special needs units will receive PBV, in addition to 50 of the family units. We have also assumed a 5% vacancy rate for the purpose of calculating PBV income.

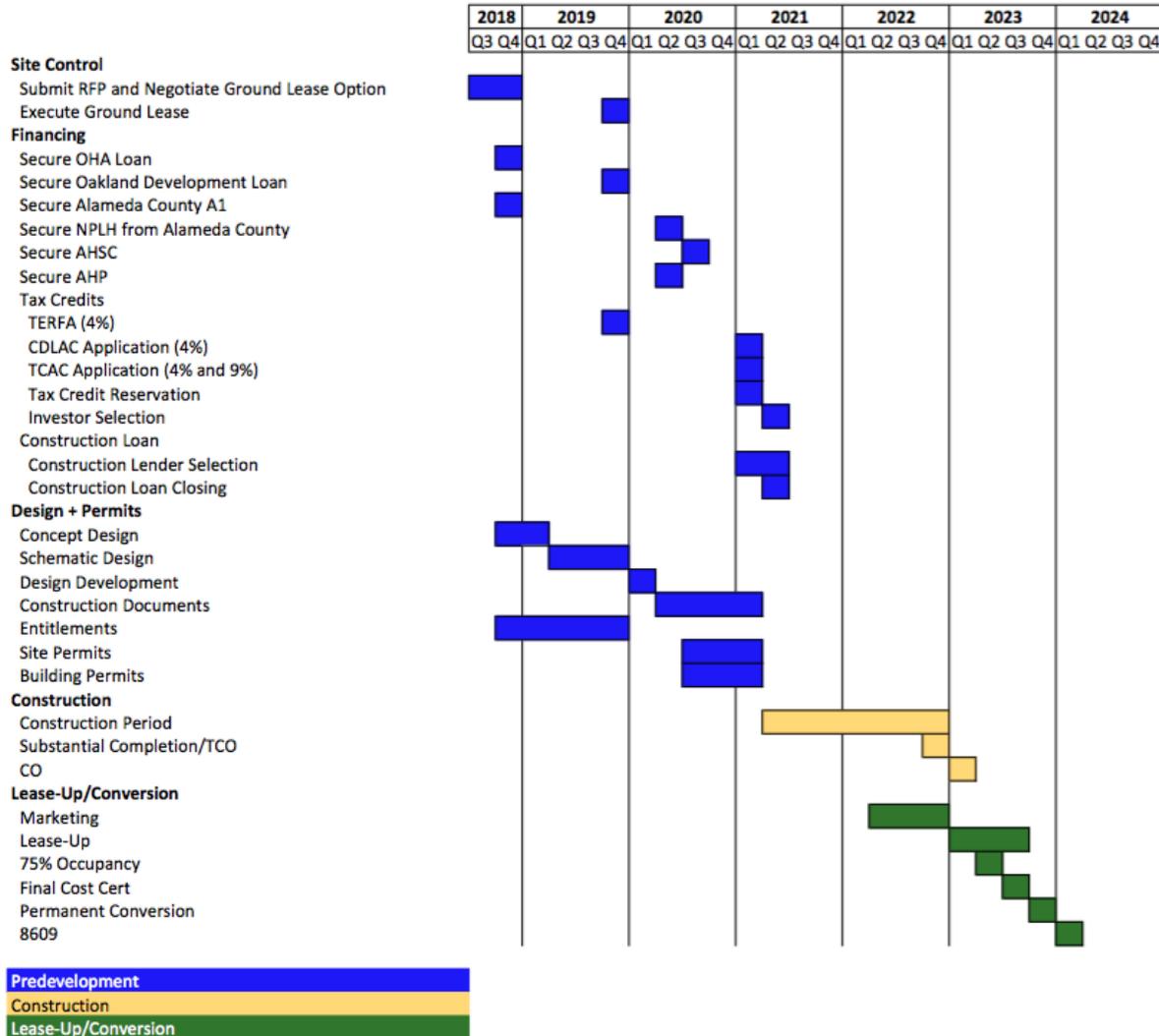
Commercial Space: Bauer Place includes 2,980 feet of mixed-use retail space, split across three smaller retail units. CCB plans to rent this space to local nonprofits and social enterprises for a significantly subsidized rate of \$1/sq ft each month. CCB plans to work with Toolworks, a local social enterprise focused on connecting disabled individuals to employment, as well as other local nonprofits to determine the best use for these spaces that align to Bauer place's goals.

Operating Cash Uses: CCB's operating budget includes operating expenses of approximately \$9.5K per unit before replacement reserves and loan monitoring fees, and approximately \$11K per unit inclusive of reserves and monitoring fees. The operating budget includes the salaries of two resident services staff members (\$140K) and resident services programming (\$50K) and 24 hour front desk staffing (\$131K).

Project Schedule

Based on the schedule outlined below, we anticipate that Bauer Place would be constructed and 75% occupied by the 2nd Quarter of 2023. We have assumed that the site will require a 15 month entitlement period and a 21 month construction period based on data collected for similar high rise residential projects in Oakland and a conversation with the Chair of the Oakland Planning Commission. The Oakland Housing Authority funds would fund the bulk of soft costs during predevelopment until construction financing become available. Other financing milestones have been sequenced based on the readiness requirements unique to each funding source and anticipated release dates of NOFA's.

Bauer Place Project Schedule



Development Capacity and Team Biographies

The Oakland Housing Authority (OHA) (from website) is Oakland's local housing authority that provides subsidized housing to nearly 16,500 families throughout the city. As the largest landlord in Oakland, OHA serves a diverse community in neighborhoods throughout the city. Within OHA, the Office of Real Estate Development (ORED) furthers the expansion of affordable housing within Oakland, primarily by partnering with nonprofit developers. OHA consistently works with nonprofit service providers and other local government agencies to deliver access to health, education, and social services that benefit Oakland residents and neighborhoods.

BRIDGE Housing is a mission-driven nonprofit that has participated in the development of more than 17,000 homes and apartments in California and the Pacific Northwest, with a total development cost of over \$3 billion. BRIDGE has extensive experience partnering with service providers to bring a growing slate of educational, health, and wellness

programs to residents, with more than 350 programs and services offered today. BRIDGE has received more than 180 local, national, and international awards, including five ULI Global Awards for Excellence.

Brian Goggin is a Master of City Planning candidate concentrating on Housing, Community, and Economic Development with an Interdisciplinary Graduate Certificate in Real Estate. After graduating, he is looking for opportunities to support the equitable growth of urban infill locations, either in a development or advocacy role. Previously, Brian has worked for the San Francisco Planning Department, where he created an interactive web application that explores the city's development pipeline. Brian is a member of the Berkeley Real Estate Club (BREC) and the Urban Land Institute (ULI). He has also worked as a research assistant for the Energy Policy Institute at the University of Chicago, where he did data analysis work for research papers on environmental economics. Brian received his Bachelor of Science in International Economics from Georgetown University.

Casey Alexander is a second-year Master of Architecture candidate in the College of Environmental Design, UC Berkeley. Prior to studying and working in architecture, she worked in ecology to assess and help mitigate human impact on the environment. From these experiences, she has learned the power physical space has to inspire community and social responsibility. She wants to work in urban areas to design places that address issues such as homelessness and environmental sustainability. She has worked at Atelier Ten, an environmental design consulting firm in San Francisco and LIVstudio Architecture and Interior Design in Denver. Casey received her Bachelor of Arts in Environmental Science from Colorado College.

Daniel Potter is a second year Master of Business Administration candidate student pursuing the Interdisciplinary Graduate Certificate in Real Estate. He currently works as a Project Manager for Community Housing Partnership (CHP) in San Francisco where he's responsible for overseeing the real estate development process for the new construction and rehabilitation of supportive housing. Prior to CHP, Daniel worked as a Project Manager for Habitat for Humanity East Bay/Silicon Valley in Oakland where he led the development of new subdivisions serving very low-, low-, and moderate-income households. Daniel received his Bachelor of Arts in Political Economy of Industrial Societies from UC Berkeley and currently serves as Vice President of Alumni in the Berkeley Real Estate Club.

James Conlon is a second-year Master of City and Regional student concentrating in affordable housing policy, financing and development. James is originally from Chicago, IL where he previously worked as the Grants and Information Manager for Mercy Housing Lakefront, one of the largest providers of affordable housing in the Midwest. While there he managed an extensive government grant portfolio and data management system that supported services programming for over 1,200 formerly homeless and disabled residents living in a dozen permanent supportive housing properties. In his studies at U.C. Berkeley, James is pursuing the Interdisciplinary Graduate Certificate in Real Estate (IGCRE) and upon graduation is looking forward to a career transition within affordable housing from resident services into real estate development. James received his Bachelors of Arts in Urban Studies from the University of Illinois at Chicago.

Melissa Sandoval is a first year Master of Architecture candidate in the two-year program at the College of Environmental Design, UC Berkeley. Melissa is also an alumni of UC Berkeley, where she received a dual degree Bachelor of Architecture and Bachelor of Art Practice, but worked in an architectural firm abroad for several years after, in both Copenhagen, Denmark and later in their branch office in Hong Kong. She specializes primarily in the design of cultural projects, primary schools, and theaters, in conceptual and schematic phases, focusing on design that contributes to the community, offers sustainable aspects, and is responsible to its context and users. She is enthusiastic to join her first housing project, in the hopes to both provide shelter and foster growth that addresses a great need in the Bay Area.

Michelle Boyd is a first year Masters in Business Administration candidate at Haas School of Business pursuing the the Interdisciplinary Graduate Certificate in Real Estate. After graduating, she will be looking for opportunities to support innovative solutions in finance and technology to increase racial equity in access to housing and homeownership. Previously, Michelle worked as a nonprofit strategy consultant with the Bridgespan Group where she supported nonprofits and foundations in designing comprehensive community develop strategies across the United States. At Haas, she serves as the Vice President of Housing in the Berkeley Real Estate Club and co-chairs Haas' Race Inclusion Initiative. She will be spending this summer with Landed, a startup providing share equity mortgages to teachers, supporting their financial

SOURCES AND USES

Percent allocation	100%		67%		33%			Predevelopm		Construction
	Total	Total	Total 4%	Total 4%	Total 4%	Total 9%	Total 9%	Total 9%		
Total Uses										
Site Acquisition										
Land Acquisition (Leasehold)	1	1	1		1	0		0	1	1
Legal, Due Diligence, Title, and Org Costs	100,000	100,000	66,667		66,667	33,333		33,333	100,000	100,000
Hard costs										
Off-Site Improvements	700,000	700,000	543,463	543,463	543,463	156,537	156,537	156,537		700,000
Site-Improvements	2,500,000	2,500,000	1,940,938	1,940,938	1,940,938	559,062	559,062	559,062		2,500,000
Construction - Affordable and Common Area	70,133,160	70,133,160	54,449,640	54,449,640	54,449,640	15,683,520	15,683,520	15,683,520		70,133,160
Supervision, Profit, Overhead, and General Conditions	7,333,316	7,333,316	5,693,404	5,693,404	5,693,404	1,639,912	1,639,912	1,639,912		7,333,316
Construction Contingency	8,066,648	8,066,648	6,262,744	6,262,744	6,262,744	1,803,903	1,803,903	1,803,903		8,066,648
Soft Costs										
Architecture and Engineering										
Design	4,436,656	4,436,656	2,957,771	2,957,771	2,957,771	1,478,885	1,478,885	1,478,885	4,214,823	4,436,656
Construction Administration	400,000	400,000	266,667	266,667	266,667	133,333	133,333	133,333		400,000
Printing	50,000	50,000	33,333	33,333	33,333	16,667	16,667	16,667	50,000	50,000
Survey and Soils/Environmental Engineering										
Survey	15,000	15,000	10,000	10,000	10,000	5,000	5,000	5,000	15,000	15,000
Geotechnical Studies	50,000	50,000	33,333	33,333	33,333	16,667	16,667	16,667	50,000	50,000
Phase I & II Reports	75,000	75,000	50,000	50,000	50,000	25,000	25,000	25,000	75,000	75,000
Financing Costs										
Predevelopment Financing Costs										
Predevelopment Loan Application	20,000	20,000	13,333	13,333	13,333	6,667	6,667	6,667	20,000	20,000
Predevelopment Loan Interest	0	0	0	0	0	0	0	0	0	0
Title & Recording	15,000	15,000	10,000	10,000	10,000	5,000	5,000	5,000	15,000	15,000
Construction Financing Costs										
Construction Loan Origination Fee	725,000	725,000	483,333	483,333	483,333	241,667	241,667	241,667	725,000	725,000
Construction Loan Interest	5,300,000	5,300,000	3,533,333	2,473,333	3,533,333	1,766,667	1,236,667	1,766,667	5,300,000	5,300,000
Title & Recording	15,000	15,000	10,000	10,000	10,000	5,000	5,000	5,000	15,000	15,000
Permanent Financing Costs										
Permanent Loan Origination Fee	137,791	137,791	91,861			45,930				
Credit Enhancement and Application Fee	50,000	50,000	33,333			16,667				
Title & Recording	15,000	15,000	10,000			5,000				
Bond Issuance Costs										
Bond/Borrower Counsel	80,000	80,000	53,333			26,667				80,000
Issuance Fees	200,000	200,000	133,333			66,667				200,000
Bond Lender Origination and Expenses	300,000	300,000	200,000			100,000				300,000
CDLAC Fee	3,500	3,500	2,333			1,167				3,500
Soft Loan Financing Costs										
City of Oakland	127,000	127,000	84,667	84,667	84,667	42,333	42,333	42,333		127,000
Syndication Costs										
Syndication Costs (Consultant)	80,000	80,000	53,333			26,667				80,000
Legal Costs										
Construction Lender Legal Paid by Applicant	30,000	30,000	20,000	20,000	20,000	10,000	10,000	10,000		30,000
Perm Lender Legal Paid by Applicant	30,000	30,000	20,000			10,000				
Investor Legal Paid by Applicant	30,000	30,000	20,000	20,000	20,000	10,000	10,000	10,000		30,000
Tax Credit Attorney	30,000	30,000	20,000	20,000	20,000	10,000	10,000	10,000		30,000
Developer Legal Counsel	100,000	100,000	66,667	66,667	66,667	33,333	33,333	33,333	75,000	100,000
Reserves										
Capitalized Operating Reserves	520,365	520,365	346,910			173,455				
Capitalized Replacement Reserves	0	0	0			0				
Section 8 Transition Reserve	795,864	795,864	530,576			265,288				
Developer Costs										
Developer Fee	2,200,000	2,200,000	1,466,667	1,466,667	733,333	733,333	733,333	366,667	440,000	1,100,000
Financial Consultant Fees	70,000	70,000	46,667	46,667	46,667	23,333	23,333	23,333	52,500	70,000
Construction Management Fee	105,000	105,000	70,000	70,000	70,000	35,000	35,000	35,000		105,000
Lender Construction Inspection	31,500	31,500	21,000	21,000	21,000	10,500	10,500	10,500		31,500
Other Soft Costs										
Appraisal	25,000	25,000	16,667	16,667	16,667	8,333	8,333	8,333	25,000	25,000
Property Taxes	50,000	50,000	33,333	33,333	33,333	16,667	16,667	16,667	50,000	50,000
Insurance	1,000,000	1,000,000	666,667	666,667	666,667	333,333	333,333	333,333	100,000	1,000,000
Relocation	0	0	0	0	0	0	0	0	0	0
TCAC Application/Monitoring Fees	515,000	515,000	343,333	343,333	343,333	171,667	171,667	171,667	4,000	515,000
Impact Fees	3,213,884	3,213,884	2,142,590	2,142,590	2,142,590	1,071,295	1,071,295	1,071,295		3,213,884
CEQA Environmental Review	50,000	50,000	33,333	33,333	33,333	16,667	16,667	16,667	50,000	50,000
Permit Processing Fees/Plan Review	1,410,000	1,410,000	940,000	940,000	940,000	470,000	470,000	470,000	1,269,000	1,410,000
Marketing/Rent-Up	500,000	500,000	333,333			166,667				500,000
Furnishings	450,000	450,000	300,000	300,000	300,000	150,000	150,000	150,000		450,000
Market Study	10,000	10,000	6,667	6,667	6,667	3,333	3,333	3,333	10,000	10,000
NEPA/106 Review	20,000	20,000	13,333	13,333	13,333	6,667	6,667	6,667	20,000	20,000
Audit/Cost Cert	40,000	40,000	26,667	26,667	26,667	13,333	13,333	13,333		40,000
Soft Cost Contingency (10%)	2,332,156	2,332,156	1,554,771			777,385			1,257,532	2,332,156
TOTAL USES	114,486,841	114,486,841	86,059,334	81,569,549	84,293,321	28,427,507	26,182,615	27,544,501	13,932,857	111,837,821
TOTAL UNITS		180	120	120	120	60	60	60		
TDC/UNIT =		636,038	717,161	679,746	702,444	473,792	436,377	459,075		
Total Sources										
City of Oakland Funds	5,061,730	5,061,730	5,061,730			5,061,730			932,857	5,061,730
Oakland Housing Authority Funds	13,000,000	13,000,000	13,000,000			13,000,000	0		13,000,000	13,000,000
Alameda County - A1 Bond	10,123,459	10,123,459	10,123,459			10,123,459				10,123,459
HCD AHSC	4,975,904	4,975,904	4,975,904						0	0
HCD NPLH	5,970,760	5,970,760	5,250,000			5,250,000	720,760	720,760		5,970,760
FHLB AHP	2,000,000	2,000,000	1,333,333			1,333,333	666,667	666,667		2,000,000
Tranche A Loan	2,532,445	2,532,445	2,532,445						0	0
Tranche B Loan	11,246,669	11,246,669	9,107,248				2,139,421		0	0
Tax Credit Investor Capital	59,575,875	59,575,875	34,675,215			3,467,522	24,900,659	2,490,066		59,575,875
Construction Loan						46,057,277		23,667,008		69,724,286
Total Sources	114,486,841	114,486,841	86,059,334		84,293,321	28,427,507		27,544,501	13,932,857	111,837,821
SURPLUS(GAP)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

OPERATING BUDGET							
Number of Units	120		60		180		
	1	12	1	12	1	12	
	4% portion		9% portion		Total		
	Monthly	Annually	Monthly	Annually	Monthly	Annually	
Rental Income							
Potential Tenant Rent	125,694	1,508,328	37,471	449,652	163,165	1,957,980	
Less 5% Vacancy	(6,285)	(75,416)	(1,874)	(22,483)	(8,158)	(97,899)	
Potential Section 8 Subsidy	88,004	1,056,048	44,640	535,680	132,644	1,591,728	
Less 5% Vacancy	(4,400)	(52,802)	(2,232)	(26,784)	(6,632)	(79,586)	
Total Rental Income:	203,013	2,436,157	78,005	936,065	281,019	3,372,223	
Laundry & Miscel. Income	1,000	12,000	500	6,000	1,500	18,000	
Income from retail	0	0			0	0	
Total Income	\$204,013	\$2,448,157	\$78,505	\$942,065	\$282,519	\$3,390,223	
Operating Expenses							
Administrative							
Computer Expense	278	3,333	139	1,667	417	5,000	
Telephone, Bank chgs, credit cks, misc offic	222	2,667	111	1,333	333	4,000	
Legal	556	6,667	278	3,333	833	10,000	
Accounting/Audit	1,833	22,000	917	11,000	2,750	33,000	
Office Expense	2,389	28,667	1,194	14,333	3,583	43,000	
Training	467	5,600	233	2,800	700	8,400	
Marketing	444	5,333	222	2,667	667	8,000	
Security	400	4,800	200	2,400	600	7,200	
	6,589	79,067	3,294	39,533	9,883	118,600	
Resident Supportive Services	6,360	76,320	9,540	114,480	15,900	190,800	
Property Management Fee	8,954	107,453	4,477	53,726	\$13,432	\$161,179	
Utilities							
Cable TV/Internet	200	2,400	100	1,200	300	3,600	
Electricity	833	10,000	417	5,000	1,250	15,000	
Gas	2,160	25,920	1,080	12,960	3,240	38,880	
Garbage/Recycling Removal	4,920	59,040	2,460	29,520	7,380	88,560	
Water	8,880	106,560	4,440	53,280	13,320	159,840	
Sewer	5,333	64,000	2,667	32,000	8,000	96,000	
	22,327	267,920	11,163	133,960	33,490	401,880	
Payroll and Payroll Expenses							
Manager + Assistant Salary	5,347	64,167	2,674	32,083	8,021	96,250	
Front Desk Staff	7,292	87,500	3,646	43,750	10,938	131,250	
Janitorial (1)	2,333	28,000	1,167	14,000	3,500	42,000	
Maintenance Personnel (2)	5,833	70,000	2,917	35,000	8,750	105,000	
Med insurance / Benefits	5,201	62,417	2,601	31,208	7,802	93,625	
Payroll Taxes / Bond	4,161	49,933	2,081	24,967	6,242	74,900	
	30,168	362,017	15,084	181,008	45,252	543,025	
Insurance and Taxes							
Property & Liability Insurance	5,000	60,000	2,500	30,000	7,500	90,000	
Taxes Lic. And Permits	333	4,000	167	2,000	500	6,000	
Worker's Comp	1,722	20,667	861	10,333	2,583	31,000	
Real Estate Taxes (local assessments)	278	3,333	139	1,667	417	5,000	
	7,333	88,000	3,667	44,000	11,000	132,000	
Maintenance and Repairs							
Painting	500	6,000	250	3,000	750	9,000	
Repairs and Supplies	4,444	53,333	2,222	26,667	6,667	80,000	
Exterminating/Contract Services	2,285	27,417	1,142	13,708	3,427	41,125	
Grounds	1,167	14,000	583	7,000	1,750	21,000	
Elevator	533	6,400	267	3,200	800	9,600	
Other (alarm monitoring)	293	3,517	147	1,758	440	5,275	
	9,222	110,667	4,611	55,333	13,833	166,000	
Total Operating Expenses	90,954	1,091,443	51,837	622,041	142,790	1,713,484	
Replacement Reserves	5,000	60,000	2,500	30,000	7,500	90,000	
NPLH Monitoring Fee	1,925	23,100	963	11,550	2,888	34,650	
AHSC Monitoring Fee	1,733	20,795	866	10,397	2,599	31,192	
AC Monitoring Fee	3,000	36,000	1,500	18,000	4,500	54,000	
Oakland Monitoring Fee	1,400	16,800	700	8,400	2,100	25,200	
Asset Monitoring Fee	1,000	12,000	500	6,000	1,500	18,000	
Total Monthly Residential Expenses	105,011	1,260,138	58,866	706,389	163,877	1,966,526	
NOI Before Section 8 Subsidy	15,398	184,774	(22,768)	(273,219)	(7,370)	(88,445)	
Section 8 Subsidy	\$83,604	\$1,003,246	\$42,408	\$508,896	\$126,012	\$1,512,142	
Net Operating Income	\$99,002	\$1,188,020	\$19,640	\$235,677	\$118,641	\$1,423,696	
<i>NOI Before Section 8 Subsidy (w/o retail)</i>	15,398	184,774	(22,768)	(273,219)	(7,370)	(88,445)	
<i>Net Operating Income (w/o retail)</i>	99,002	1,188,020	19,640	235,677	118,641	1,423,696	
MONTHLY DEBT SERVICE - TRANCHI	12,832	153,978	0	0	12,832	153,978	
MONTHLY DEBT SERVICE - TRANCHI	69,670	836,038	16,366	196,397	86,036	1,032,435	
CASH FLOW	\$16,500	\$198,003	\$3,273	\$39,279	\$19,774	\$237,283	
Price per unit (operating)	758	9,095	864	10,367	793	9,519	
Price per unit (operating + reserves and fee)	875	10,501	981	11,773	910	10,925	
Price per unit (operating w/o services)	705	8,459	705	8,459	705	8,459	
Maximum Loan	Debt Supported 4%		Debt Supported 9%		Total Debt Supported		
ANCHE A (TCAC RENTS) LOAN	\$2,532,445		\$0		\$2,532,445		
RANCHE B (SECTION 8) LOAN	\$9,107,248		\$2,139,421		\$11,246,669		

15 YEAR CASH FLOW ANALYSIS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Year															
Potential Gross Income from rents	3,549,708	3,638,451	3,729,412	3,822,647	3,918,213	4,016,169	4,116,573	4,219,487	4,324,975	4,433,099	4,543,926	4,657,525	4,773,963	4,893,312	5,015,644
Less: Vacancy @ 5%	(177,485)	(181,923)	(186,471)	(191,132)	(195,911)	(200,808)	(205,829)	(210,974)	(216,249)	(221,655)	(227,196)	(232,876)	(238,698)	(244,666)	(250,782)
Net Rental Income	3,372,223	3,456,528	3,542,941	3,631,515	3,722,303	3,815,360	3,910,744	4,008,513	4,108,726	4,211,444	4,316,730	4,424,648	4,535,264	4,648,646	4,764,862
Miscellaneous Income	18,000	18,450	18,911	19,384	19,869	20,365	20,874	21,396	21,931	22,480	23,042	23,618	24,208	24,813	25,434
Effective Gross Income	3,390,223	3,474,978	3,561,853	3,650,899	3,742,171	3,835,726	3,931,619	4,029,909	4,130,657	4,233,923	4,339,772	4,448,266	4,559,472	4,673,459	4,790,296
Annual Operating Expenses	(1,713,484)	(1,773,456)	(1,835,527)	(1,899,771)	(1,966,262)	(2,035,082)	(2,106,310)	(2,180,030)	(2,256,331)	(2,335,303)	(2,417,039)	(2,501,635)	(2,589,192)	(2,679,814)	(2,773,607)
Replacement Reserve Deposit	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
Net Annual Operating Income	1,586,738	1,611,522	1,636,326	1,661,128	1,685,909	1,710,644	1,735,309	1,759,879	1,784,326	1,808,620	1,832,733	1,856,631	1,880,280	1,903,645	1,926,688
Debt Service - Tranche A	(153,978)	(153,978)	(153,978)	(153,978)	(153,978)	(153,978)	(153,978)	(153,978)	(153,978)	(153,978)	(153,978)	(153,978)	(153,978)	(153,978)	(153,978)
Debt Service - Tranche B	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)	(1,032,435)
DCR	1.34	1.36	1.38	1.40	1.42	1.44	1.46	1.48	1.50	1.52	1.54	1.56	1.58	1.60	1.62
Cash Flow after Debt Coverage	400,325	425,109	449,912	474,715	499,495	524,231	548,896	573,465	597,912	622,207	646,319	670,217	693,867	717,232	740,275
Uses of/Residual Cash Flow:															
Investor Services Fee (Limited Partner)	5,000	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053	7,300	7,555	7,820	8,093
Deferred Developer Fee	189,051	189,051	189,051	189,051	189,051	189,051	189,051	189,051	189,051	189,051	189,051	189,051	189,051	189,051	189,051
City of Oakland Repayment	181,274	205,008	216,667	216,667	216,667	216,667	216,667	216,667	216,667	216,667	216,667	216,667	216,667	216,667	216,667
Oakland Housing Authority Repayment	0	0	12,058	35,736	59,352	82,882	106,301	129,579	152,690	175,602	198,284	220,701	242,817	264,596	285,996
Alameda County A1 Repayment	25,000	25,875	26,781	27,718	28,688	29,692	30,731	31,807	32,920	34,072	35,265	36,499	37,777	39,099	40,467
GP Partnership Management Fee															
GP Incentive Fee															
Net Distributable Cash	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 3: Detail on rents unit mix

	4% portion		9% portion		Total	
Type	# Units	Rent	# Units	Rent	# Units	Rent
Studio		\$0		\$0	0	\$0
1 BR		\$0		\$0	0	\$0
2 BR		\$0		\$0	0	\$0
3 BR		\$0		\$0	0	\$0
Studio	30	\$15,330	45	\$22,995	75	\$38,325
1 BR		\$0		\$0	0	\$0
2 BR		\$0		\$0	0	\$0
3 BR		\$0		\$0	0	\$0
Studio		\$0		\$0	0	\$0
1 BR		\$0		\$0	0	\$0
2 BR		\$0		\$0	0	\$0
3 BR		\$0		\$0	0	\$0
Studio		\$0		\$0	0	\$0
1 BR	14	\$13,104	7	\$6,552	21	\$19,656
2 BR	15	\$16,875		\$0	15	\$16,875
3 BR	15	\$19,470		\$0	15	\$19,470
Studio		\$0		\$0	0	\$0
1 BR	15	\$16,980	7	\$7,924	22	\$24,904
2 BR	15	\$20,400		\$0	15	\$20,400
3 BR	15	\$23,535		\$0	15	\$23,535
0	1	0	1	0	2	0
		\$125,694		\$37,471		\$163,165
	120		60		180	

Table 4: Details on OHA vouchers

Section 8 PBV Increment											
TYPE	# 4% units	# 9% units	Net FMR	Tenant Rent	Increment	4% units		9% units		Total	
						Increment (mo.)	Increment (yr.)	Increment (mo.)	Increment (yr.)	Increment (mo.)	Increment (yr.)
Studio (20%)			\$1,540	\$365	\$1,175	\$0	\$0	\$0	\$0	\$0	\$0
Studio (30%)	30	45	\$1,540	\$548	\$992	\$29,760	\$357,120	\$44,640	\$535,680	\$74,400	\$892,800
Studio (35%)			\$1,540	\$639	\$901	\$0	\$0	\$0	\$0	\$0	\$0
Studio (50%)			\$1,540	\$913	\$627	\$0	\$0	\$0	\$0	\$0	\$0
Studio (60%)			\$1,540	\$1,096	\$444	\$0	\$0	\$0	\$0	0	0
1 Bdr (20%)			\$1,855	\$391	\$1,464	\$0	\$0	\$0	\$0	0	0
1 BR (30%)			\$1,855	\$587	\$1,268	\$0	\$0	\$0	\$0	\$0	\$0
1 Bdr (35%)			\$1,855	\$685	\$1,170	\$0	\$0	\$0	\$0	0	0
1 Bdr (50%)	14		\$1,855	\$978	\$877	\$12,278	\$147,336	\$0	\$0	\$12,278	\$147,336
1 Bdr (60%)	1		\$1,855	\$1,174	\$681	\$681	\$8,172	\$0	\$0	\$681	\$8,172
2 Bdr (20%)			\$2,329	\$469	\$1,860	\$0	\$0	\$0	\$0	0	0
2 Bdr (30%)			\$2,329	\$704	\$1,625	\$0	\$0	\$0	\$0	\$0	\$0
2 Bdr (35%)			\$2,329	\$821	\$1,508	\$0	\$0	\$0	\$0	\$0	\$0
2 Bdr (50%)	15		\$2,329	\$1,173	\$1,156	\$17,340	\$208,080	\$0	\$0	\$17,340	\$208,080
2 Bdr (60%)			\$2,329	\$1,408	\$921	\$0	\$0	\$0	\$0	\$0	\$0
3 Bdr (20%)			\$3,219	\$542	\$2,677	\$0	\$0	\$0	\$0	\$0	\$0
3 Bdr (30%)			\$3,219	\$813	\$2,406	\$0	\$0	\$0	\$0	\$0	\$0
3 Bdr (35%)			\$3,219	\$949	\$2,270	\$0	\$0	\$0	\$0	\$0	\$0
3 Bdr (50%)	15		\$3,219	\$1,356	\$1,863	\$27,945	\$335,340	\$0	\$0	\$27,945	\$335,340
3 Bdr (60%)			\$3,219	\$1,627	\$1,592	\$0	\$0	\$0	\$0	\$0	\$0
TOTALS	75	45				\$88,004		\$44,640	\$535,680	\$132,644	\$1,591,728

Appendix: Application Scoring and Letters of Support

Exhibit 1: TCAC Tiebreaker for Hybrid

<i>TCAC TIEBREAKER FOR 9%</i>		
Comm. Public Funds		\$41,131,852
TCAC Section 8 Loan		\$9,107,248
Subtotal		\$50,239,100
Size Factor	150%	\$61,697,778
Total Resid. Costs		\$114,486,841
RATIO 1		53.89%
Requested Basis		\$21,282,615
Total Residential Costs		\$114,486,841
Ratio		27.14%
Inverse/3		24.29%
RATIO 2		24.29%
TOTAL TIEBREAKER		78.18%

Exhibit 2: AHP Scoring Analysis

<i>Bauer Place AHP Scoring</i>		
	Points Possible	Bauer Place Score
I. Use of Donated or Conveyed Government-owned or Other Properties	5	5
II. Sponsorship By a Not-For-Profit Organization or Government Entity	7	7
III. Targeting	20	20
IV. Housing for Homeless Households	6	3.8
V. Promotion of Empowerment	6	6
VI. First District Priority		
Special Needs	5	2.1
Rural	5	0
First Time Homebuyers	6	0
VII. Second District Priority	10	7
VIII. Subsidy Per Unit	12	11.6
IX. Community Stability		
1. Revitalizing Neighborhoods	5	3
2. Community Planning and Development Initiatives	2	0
3. Proximity to Transit and Amenities	4	4
4. Sustainable Developments	3	3
5. Homeownership and Economic Integration	1	0
6. Preventing Household Displacement	1	1
Total	98	73.5

Table 1: No Place Like Home Scoring Criteria

Criteria	Detail	Notes on Bauer Place	Possible points	Project-ed points
% of Total Project Units Restricted to Target Population	Sliding scale of allotment, with max points allocated for 30% or more of units dedicated to target population	Bauer Place as a whole has 60 of its total 180 units set aside for the target population (33%), and 45 of the 60 9% unites (75%)	30	30
Use of specific services	Allocated if applicant commits to use a coordinated entry system CES to fill NPLH units	CCB Plans to use a coordinated Entry System to source residents	35	35
Leverage of Development Funding	Scored based on ratio of permanent development funding attributable to NPLH Assisted Units from sources other than the Competitive NPLH Allocation, not including any capitalized operating reserves. For Projects utilizing nine percent LIHTC, 0.08 points will be awarded for each percentage point of leveraged funds. For other Projects, approximately 0.13 points will be awarded for each percentage point of leveraged funds	CCB plans to apply to NPLH after completing the applications for A1, AHSC, AHP and some City Funds. CCB will also start applying for the LIHTC program. Combined, these programs represent 300%+ of the amount requested from NPLH	20	20
Leverage of Rental or Operating Subsidies	Applications will be scored based on the percentage of NPLH Assisted Units that have committed non-HCD Project-based or sponsor-based rental subsidies with commitment terms substantially similar in terms to project-based housing choice vouchers	Bauer Place plans to receive Section 8 rental subsidies. These do not qualify as non-HCD	35	0
Readiness to Proceed	<ul style="list-style-type: none"> Obtaining enforceable commitments or other enforceable reservations of funds for all needed construction financing, not including tax-exempt bonds and LIHTC (10 points) Obtaining enforceable commitments or other enforceable reservations of funds for all deferred-payment permanent financing, grants, and subsidies, not including tax exempt bonds and LIHTC (Projects utilizing 9% credits may receive up to 5 points, all other projects may receive up to 15 points) Completion of necessary environmental clearances, and completion of a Phase I Environmental Site Assessment and Phase II environmental studies, if necessary (10 points) Obtaining necessary and discretionary public land use approvals except building permits and other ministerial approvals, obtaining local design review approval to extent approval is required (15 points) 	<ul style="list-style-type: none"> CCB will apply to NPLH after securing A1, AHSC, AHP, and some city Funds, and expects full points on the first two sections, minus the 10 points available to only 4% projects. CCB will also apply during the final phases of the environmental review process, and expects partial points on this section CCB will apply to NPLH after securing the initial rounds of municipal and permitting approvals 	50	35-40
Extent of On-Site and Off-Site Supportive Services	<ul style="list-style-type: none"> Case management services provided onsite (5 points) Implementing evidence-based practices to engage and assist tenants in addressing behaviors that could lead to eviction or to assist in accessing other housing (up to 5 points) Any services listed in Section 203 d of the NPLH guidelines (2 points per service, up to 8 points) Resident involvement (2 points) 	<ul style="list-style-type: none"> CCB plans to offer case management and support in developing behaviors to prevent eviction in partnership with Lifelong Medical (10 points) CCB Plans to offer the following services from section 203d: services for persons with co-occurring mental and substance use disorders, recreational and social activities, employment services (off-site through Abode), access to additional off-site services through case management (8 points) CCB plans to have social activities constituting as resident involvement (2 points) 	20	20
Past History of Evidence Based Practices	Up to ten points will be awarded to Projects where the County, developer, lead service provider, if not the County, or property manager can document past experience with implementing evidence-based best practices that have led to a reduction of the number of Chronically Homeless or At-Risk of Chronic Homelessness individuals within the Target Population	CCB is partnering with Lifelong Medical Services, which has experience providing evidence-based practices to homeless individuals, including: motivational interviewing and trauma-informed care.	10	10
Total			200	150-155

April 6, 2018

Daniel Potter

Re: Bauer Place, Oakland, CA

Dear Mr. Potter:

This letter will serve as a preliminary outline of the terms under which Bank of America (the "Bank") would consider a loan request and equity investment on the above referenced project. **This letter does not represent an offer or commitment by the Bank for the proposed financing, nor does it define all the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by the Bank is subject to, among other things, the completion of the following items, and approval of the loan request under the Bank's internal approval process. The Bank may decline to approve the loan request. Upon your response to this letter and after providing any additional information which may be necessary, the Bank will proceed with the necessary due diligence to submit the loan request. The proposed terms and conditions are as follows:**

Project: To be constructed 180-unit apartment complex located at Oakland, CA.

Borrower: A to-be-determined special purpose entity - form and substance of Borrower must be acceptable to the Bank.

Reporting Requirements: Annually: Borrower and Guarantors' financial statements and covenant compliance.

Monthly: Property operating statements and rental summary report.

Know Your Customer: Within five (5) business days of opening an account with Bank, Borrower shall have delivered to Bank all due diligence materials necessary and relevant to verifying Borrower's identity and background information, as deemed necessary by Bank in its sole and absolute discretion.

Other Requirements: All of the following to be acceptable to the Bank: documentation and submissions that are standard for loans of this type including, but not limited to, appraisal, ESA, legal documentation, title/survey, proposed standard lease form, front-end cost and document reviews and acceptance of final budget (includes adequate contingency, interest carry/operating deficit reserve, etc.), review of plans/specs, condition of markets/submarkets, revenue/expenses pro-formas, financial review of Borrower, Guarantor, and general contractor, management agreement and subordination; and (as applicable), proof of tax credit award, equity investor and

pay-in schedule, proof of tax-exempt status with respect to ad valorem taxes and other terms and conditions as may be required.

Confidentiality: This term sheet is strictly confidential and may not be shared with anyone else other than the owners of Borrower.

Construction Loan

**Construction
Loan Amount:**

Information obtained by the Bank is so far insufficient to establish a loan amount. Based on our general underwriting parameters for what we believe to be similar transactions, the construction loan amount in this transaction would be the lesser of:

- 1) \$46,057,277 for the 4% project, \$23,667,008 for the 9% project
- 2) 85% LTC based on final Bank approved construction budget or
- 3) 80% LTV based on an appraisal in form and substance acceptable to the Bank.

**Construction
Interest Rate:**

30-Day LIBOR + 1.80%, floating. Term Loan Interest Rate as further described below.

**Construction
Loan Term:**

30 months from the loan closing.

**Construction
Loan
Amortization:**

Interest only for 30 months

**Construction
Loan Fee:**

1.0% of the total Loan Commitment, payable at closing.

**Construction
Renewal Options:**

One six-month extension options subject to the following:

- a) No less than 30 but no more than 90 day written notice of intention to exercise the option;
- b) No event of default having occurred or potential default occurring;
- c) Performance hurdles have been met, including but not limited to, lien-free construction completion and lease up hurdles;
- d) The loan is in balance, including sufficient interest reserve;
- e) Project must demonstrate the ability to be able to convert/payoff Bank's loan within the extension period;
- f) All co-construction loans mature or are extended concurrent or past the Bank's extension date;
- g) All takeout commitments expire or are extended concurrent or past the Bank's extension date;
- h) All investor commitments include terms or are modified to be consistent with the extension of the Bank's loan;
- i) No material adverse change in the financial condition of the Project, Borrower, and Guarantor;
- j) Payment of 0.50% renewal fee based on the committed Loan amount; and
- k) Rate adjustment or fee payment, as appropriate, to cover the cost of revising the forward rate lock, if any.

Payment and Performance Guaranty:

100 % guarantee of completion, performance and repayment to be provided by guarantor acceptable to Bank. The guarantors shall be required to meet to-be-determined liquidity, leverage, and net-worth covenants.

For borrowers that are single-asset entities, principal(s) with general liability or guarantor(s) acceptable to the Bank must be jointly and severally liable for completion of the project and repayment of the financing, including interest and costs.

Collateral:

- 1) First Lien Deed of Trust on land and improvements constructed thereon.
- 2) UCC filing on furniture, fixtures and equipment.
- 3) Assignment of rents/leases and management/construction/architectural contracts, etc.
- 4) Assignment of interest rate hedge agreement, if any.

General Contractor: To be acceptable to Bank.

Term Loan:

Term Loan Amount:

Least of 1) \$2,532,445.00. 2) 80% LTV based on an appraisal in form and substance acceptable to the Bank, or 3) the principal amount based on debt service payments sufficient to achieve a 1:1.20 DSCR for the Tranche A loan for the 4% project.

Least of 1) \$9,107,248.00. 2) 80% LTV based on an appraisal in form and substance acceptable to the Bank, or 3) the principal amount based on debt service payments sufficient to achieve a 1:1.20 DSCR for the Tranche B loan for the 4% project.

Least of 1) \$2,139,421.00. 2) 80% LTV based on an appraisal in form and substance acceptable to the Bank, or 3) the principal amount based on debt service payments sufficient to achieve a 1:1.20 DSCR for the Tranche B loan for the 9% project.

Term Loan Interest Rate:

Fixed rate for the life of the financing. Note rate will be fixed immediately prior to construction closing based upon then applicable market rates for like tenor and character loans. The Bank estimates that, were the Note rate fixed as of the date of this letter, the rate would be approximately 4.50%. THIS RATE IS INDICATIVE ONLY AND THE ACTUAL NOTE RATE MAY DIFFER.

The interest rate will be forward locked for a period of 30 months.

Month 25 of the construction loan term will be at the Term Loan Interest Rate on an interest-only basis. Amortization listed below will commence upon Month 30.

Forward rate lock extension for one six-month period will be available, subject to a fee of 0.25% if the Loan does not convert within the first ninety (90) days of the extension. Fee to be paid at the earliest of the conversion or expiration of the extension.

Replacement

Reserves: \$600/unit/year

Operating Reserve: 6 months of operating reserves and debt service funded at or prior to conversion

Subsidy Transition Reserve: \$TBD funded at or prior to conversion

Term Loan Maturity: 15 year for the Tranche B debt and 17 years for the Tranche A debt from the term loan conversion and closing.

Amortization: 15 years for the Tranche B debt and 30 years for the Tranche A

Term Loan Fees: 0.0% of the Term Loan Amount, payable at closing.

Conversion Terms:

- 1) Lien free completion.
- 2) Property has stabilized over the prior three consecutive months as evidenced by 93% or greater physical and economic occupancy for each of the three months and achievement of 1:1.20 DSCR for that period.
- 3) Pay-off of the construction loan.

Guaranty: Non-recourse exclusions from key principals relating to fraudulent acts, in form and substance acceptable to Bank.

Financial condition of key principals will be subject to Bank review and approval.

Equity:

Partnership: General Partner will own a 0.01% interest in the Partnership; Bank (the "Investor") will own a 99.99% interest in the Partnership.

Capital Contributions: Bank will make a total Capital Contribution of \$1.00 for each \$1.00 off Tax Credits to which it will be entitled as a limited partner for a total Capital Contribution of \$34,675,215 for the 4% project and \$24,900,659 for the 9% project to be paid as follows:

Milestone	Conditions to be satisfied prior to payment	% Equity	\$ Equity
Initial Capital Contribution	(i) closing of the Partnership (ii) closing and initial funding of all construction financing for the Project (iii) receipt of commitments for all permanent financing on the Project with the interest rate fixed for at least 15 years (iv) evidence of either acquisition of, or a long-term leasehold interest in, the land and building for the Project (v) evidence the Partnership has received an allocation from the Credit Agency of 4% & 9% credits in an amount equal to the Projected Federal Credits (vi) receipt by the Investor of a tax opinion prepared by special tax counsel for the Partnership in a form which is acceptable to the Investor (vii) satisfactory completion of Investor's due diligence	10%	

<p>Conversion and Stabilization Capital Contribution</p>	<p>(i) the Project then has achieved at least three consecutive calendar months of a minimum of 1.15 to 1 debt service coverage on the Permanent Loans (which period must include the last day of the most recent calendar month), (ii) the Project is then at least 90% occupied (iii) all tax credit units have been leased to qualified tenants at least one time (v) permanent certificates of occupancy have been issued for each building (vi) all reserves have funded or will fund concurrent with this payment</p> <p>This contribution will occur no earlier than 30 months from closing.</p>	<p>85%</p>	
<p>Final Capital Contribution (The balance of the unpaid Total Capital Contribution)</p>	<p>(i) the Credit Agency has issued a Form 8609 for each building (ii) a cost certification by a qualified accountant has been received in a form acceptable to Investor (iii) a copy of the recorded Extended Use Agreement has been received (iv) a copy of the compliance audit of the initial tenant files has been received (v) calculations of final adjusters have been prepared and agreed to</p> <p>This contribution will occur no earlier than 30 months from closing.</p>	<p>5%</p>	

Operating Deficit Guaranty.

General Partner and guarantors will agree to loan to the Partnership any amounts required to fund operating deficits. The Operating Deficit Guaranty will terminate upon the later of 60 months after the later of (i) the expiration of the Completion and Development Deficit Guaranty, or (ii) the Project's achievement of 1.20 to 1 debt service coverage ratio on the Permanent Loans calculated over a period of 12 consecutive months. In addition, in order for the Operating Deficit Guaranty to terminate, the Project must average a 1.20 to 1 debt service coverage ratio for the last 12 months of the 60 month period or any subsequent 12 month period and the Operating Reserve must be replenished to its originally required balance.

Credit Adjuster.

To the extent such final projected amount of Low-Income Housing Tax Credits varies from the Original Projected Credits, Investor's capital contribution will be adjusted by \$0.95 per federal credit on such variance in the delivery of actual credits to Original Project Credit (as reflected in cost certifications or Form 8609).

Timing Adjuster.

Investor's federal credit capital contribution will be adjusted to reflect the later or earlier than projected delivery of federal credits with respect to the first year and, if applicable, the second year, of the credit period, based on a reduction in price of 75 cents for every federal credit dollar deferred, or an increase based on 75% of the price per credit established in Section 6 above for every federal credit dollar accelerated.

Distribution of Operating Cash Flow.

Operating cash flow will be utilized as follows:

- (i) payment of debt service on the Permanent Loans and other operating expenses;
- (ii) additions to a funded capital replacement reserve as provided in the Partnership Agreement;

- (iii) payment of the Asset Management Fee (\$25,000 per year increasing 3% per year) to the Special Limited Partner, which fee will accrue if not paid;
- (iv) payment of the Deferred Developer Fee,
- (v) payment of the Partnership Management Fee (\$25,000 per year increasing 3% per year) to the General Partner, which fee will accrue if not paid;
- (vi) repayment of any Operating Deficit Loans made by General Partner;
- (vii) replenishment of the Operating Reserve Account;
- (viii) payment of an incentive management fee, not to exceed 80% of cash flow;
- (ix) then to the partners in accordance with the Percentage Interests.

2. Right of First Refusal. At the end of the 15 year tax credit compliance period, the General Partner will have a right of first refusal to purchase the Property for an amount equal to the greater of (a) fair market value of the Property, or (b) outstanding debt plus taxes payable as a result of the sale.

General Provisions:

Fees and Expenses:

Borrower will pay all reasonable costs incurred by the Bank in connection with the loans including, but not limited to, legal, environmental, front end costs and document review/inspections, physical needs assessment (for existing projects only) and appraisal. Borrower acknowledges that Bank may receive a benefit, including, without limitation, a discount, credit or other accommodation, from outside counsel based on the fees such counsel may receive on account of their relationship with Bank including, without limitation, fees paid pursuant hereto.

Material Adverse Change:

Bank of America's obligations hereunder shall terminate if, prior to closing, Bank of America determines, in its sole judgment, that there shall exist any conditions regarding the property, or the operations, business, assets, liabilities or condition (financial or otherwise, including credit rating) of Borrower or Guarantor, or there shall have occurred a material adverse change in, or there shall exist any material adverse conditions in, the market for syndicated bank credit facilities or the financial, banking, credit or debt capital markets generally, that could be expected to cause the loan to become delinquent or prevent any guarantor from performing its obligations under any guaranty or to materially and adversely affect the value or marketability of the loan or the property or Bank of America's ability to syndicate the loan or the viability of obtaining permanent financing for the Project.

Assumptions made:

The terms discussed herein are presented, based on the credit conditions in the potential transaction as known by Bank of America. Should additional facts come to light that positively or negatively impact the situation, prices or other requirements quoted here may be adjusted.

Expiration:

This term sheet will expire at 5:00 p.m. Pacific time on that date which is five (5) business days from the date hereof unless you execute this term sheet and return it to us prior to that time, which may be by facsimile transmission. Please understand that this term sheet does not represent an offer or commitment by

Bank of America, or any of its affiliated entities, for the proposed new financing, nor does it define all of the terms and conditions of a loan commitment, but is a framework upon which a loan request may be submitted. Issuance of a commitment by Bank of America is subject to, among other things, the approval of your loan request under the Bank's approval process. If Bank of America issues a financing commitment in this transaction, it will in all respects supersede this letter.

The undersigned acknowledges and agrees that: (i) the transaction contemplated by this Term Sheet is an arm's length, commercial transaction between you and Bank in which Bank is acting solely as a principal and for its own interest; (ii) Bank is not acting as a municipal advisor or financial advisor to you; (iii) Bank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether Bank has provided other services or is currently providing other services to you on other matters); (iv) the only obligations Bank has to you with respect to the transaction contemplated hereby expressly are set forth in this Term Sheet; and (v) Bank is not recommending that you take an action with respect to the transaction contemplated by this Term Sheet, and before taking any action with respect to the contemplated transaction, you should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity. This Term Sheet is provided to you pursuant to and in reliance upon the "bank exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq.

Please review the above terms and conditions and feel free to call me with any questions or comments you may have. If you find the above terms and conditions to be acceptable, please indicate so by signing below and returning a faxed copy to my attention by the date which is five days from the date of this letter along with a good-faith deposit of \$30,000.00. Upon receipt of the letter and the good-faith deposit, the Bank will proceed with the necessary due diligence to prepare and submit your loan request, provided, however that in any event, this term sheet will finally expire at 5:00 p.m. Pacific time on that date which is sixty (60) days from the date hereof. Your deposit is refundable, less the Bank's out of pocket expenses incurred, should the Bank decline the financing opportunity discussed herein. I look forward to hearing from you and working with you on this and other transactions.

Sincerely,



Andrea Ursillo
Bank of America Merrill Lynch
Community Development Banking

Please submit a loan application as outlined above:

Name: _____
Title: _____
Date: _____



Oakland Housing
Authority

OFFICE OF REAL ESTATE DEVELOPMENT
Real Estate Development Division
1801 Harrison Street, 2nd Floor
Oakland, CA 94612
(510) 587-2141
FAX: (510) 587-2145

April 9, 2018

Cal Community Builders
College of Environmental Design
University of California at Berkeley
Wurster Hall
Berkeley, CA 94270

Re: Oakland Housing Authority Site at 1440 – 1500 Harrison

Dear Cal Community Builders,

The Oakland Housing Authority is pleased to be working with Cal Community Builders (CCB) to explore the feasibility of developing affordable housing at 1440 – 1500 Harrison Street for the purposes of the 2018 Bank of America Affordable Housing Challenge. We have provided guidance to CCB on the Authority's requirements for developing the site and believe that their proposal is in substantial conformance with the Authority's goals.

CCB is aware that the Authority will select a development partner, property manager, and resident services provider for 1440 – 1500 Harrison Street through a competitive Request for Proposals (RFP) process. Under CCB's envisioned structure, the Authority would provide a long-term ground lease with the selected development partner, a \$13 million project gap loan (under our standard terms of 0% interest, 55 year term, repaid on a deferred, residual receipts basis), and contribute Project Based Section 8 vouchers to subsidize rents on a portion of the units that are constructed. In return, the Authority would share in a portion of the developer fee for the project.

We believe there is tremendous potential in CCB's proposal to leverage 9% and 4% tax credits in addition to state and local funds to develop the site with a combination of housing and community serving retail. Furthermore, we support CCB's plan to combine family units and special needs units serving the formerly homeless under the same roof, accompanied by robust resident services and property management. CCB's development proposal would provide critically needed affordable housing and additional community development benefits to the City of Oakland. We are pleased to support the framework they have established for redeveloping this property.

Sincerely,

Deni Adaniya
Senior Development Program Manager



BUILDING SUSTAINING LEADING

April 11, 2018

Cal Community Builders
c/o College of Environmental Design
University of California Berkeley
Berkeley, CA 94720

BRIDGE HOUSING
CORPORATION

BRIDGE PROPERTY
MANAGEMENT COMPANY

BAY AREA SENIOR SERVICES, INC.

BRIDGE ECONOMIC
DEVELOPMENT CORPORATION

RE: Support for Bauer Place

BAML Low Income Housing Challenge Judges:

On behalf of BRIDGE Housing Corporation, I offer this letter of support for the Bauer Place development proposal at 1500 Harrison Street in Oakland. The project is quite ambitious, combining a 60 unit 9% tax credit project and a 120 unit 4% tax credit project in a coordinated execution on a single site. The property will serve a wide range of incomes from formerly homeless individuals to low and moderate income families. Both these populations are priorities in the City of Oakland as outlined in the City's Housing Element, and are in alignment with the mission and entrepreneurial approach of the Oakland Housing Authority, the site's land owner and joint venture partner in the development.

I have reviewed various iterations of of this project as it has evolved and believe it is financially feasible, well designed and responds to community needs while effectively leveraging local, county and state funding sources. Maximizing leverage and structuring for competitiveness in pursuit of multiple sources is a complex challenge, one that appears to have been met with this proposal. Cost control is also key to keeping a project feasible over the years it takes to corral local approvals and various funding sources. The current housing crisis is exacerbated by significant construction cost increases that threaten the budgets of every affordable housing proposal. The Cal Community Builders team has explored a defensive strategy by maintaining the option to utilize off site construction techniques as mitigation to the perpetual construction cost increases our industry faces.

The design of Bauer Place shows restraint, is forward looking in its architecture while also striving to create a meaningful presence in the neighborhood, at the street and in the community spaces for the residents. This thoughtful approach to place making will help insure Bauer Place is a long term asset for the City of Oakland.



This letter of support also expresses initial interest by BRIDGE Property Management Company (BPMC), to provide property and asset management services to CCB's Bauer Place. BPMC manages over 8,500 affordable apartments including thousands in Oakland, a market we have been operating in for over 25 years. Based on our current wait lists in Oakland, and the response at our recently opened Ave Vista Apartments nearby, we believe there is almost unlimited demand for both populations Bauer Place proposes to serve.

BPMC also has expertise in the management of similar high-rise affordable developments including Celadon, a 17 story, 250 unit building that includes multiple set-asides including formerly homeless adults, transition aged youth and frail seniors served via the PACE program.

Based on our experience and industry best practices, the inclusion of formerly homeless adults and low income families in the same building require unique design and operational responses, specifically;

- A twenty-four-hour front desk attendant
- Delivery of appropriate services for the formerly homeless
- Blending each population seamlessly throughout the property
- Access to all amenities for all residents

Our review of Bauer Place confirms all of these issues appear to be adequately addressed.

We have reviewed the operating expenses for each component of the project and find that the projections are in accordance with expenses of comparable buildings under BPMC's management. At this preliminary stage we would expect this project's costs to be in line with the operating expenses included in the proposal.

We are pleased to affiliate ourselves with Cal Community Builders and the Oakland Housing Authority in this ambitious proposal and offer our unqualified support.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Wiblin", with a long horizontal stroke extending to the right.

Brad Wiblin
Executive Vice President
BRIDGE Housing Corporation

LifeLong Medical Care



Health Services For All Ages
a californiah^{health}center

Leading the Way to a Healthier Community

LifeLong Over 60 Health Center • LifeLong Ashby Health Center • LifeLong Downtown Oakland
LifeLong East Oakland • LifeLong West Berkeley • LifeLong Howard Daniel Clinic • LifeLong Dental Care
LifeLong TRUST Health Center • LifeLong Eastmont Health Center • LifeLong Immediate Care Berkeley
LifeLong Brookside Richmond • LifeLong Brookside San Pablo • LifeLong Brookside Dental Care
LifeLong Richmond Health Center • LifeLong William Jenkins Health Center • LifeLong Urgent Care San Pablo
LifeLong Marin Adult Day Health Center • LifeLong Pinole Health Center • LifeLong Rodeo Health Center
LifeLong School-Based Health Services

April 11, 2018

Cal Community Builders
College of Environmental Design
University of California, Berkeley
Wurster Hall
Berkeley, CA 94720

Subject: Support for 1440 – 1500 Harrison Street Development

Dear Cal Community Builders,

LifeLong Medical Care is pleased to offer this letter of support for the project being developed by Cal Community Builders (CCB) at 1440 – 1500 Harrison Street. We believe this project provides much needed affordable and supportive housing for low-income families and homeless individuals residing in the community. LifeLong Medical Care is excited to partner with CCB on this space and to design a resident services strategy to meet the diverse needs of the project's population. W

LifeLong Medical Care has more than 35 years of experience providing high-quality health and social services to underserved people of all ages, including people with disabilities, the elderly, and homeless individuals and families. LifeLong Medical Care is a Federally Qualified Health Center Program (FQHC) and operates a number of health care facilities throughout the Bay Area, including the LifeLong TRUST Health Center within blocks of the project development site. This clinic, as well as the 10 Permanent Supportive Housing sites served by LifeLong, are designed specifically to serve the unique needs of homeless adults, those living with symptoms of mental illness and people with substance use disorders.

LifeLong Medical Care welcomes the opportunity to partner with CCB to provide on-site, comprehensive case management services to residents of the property as well as access to nearby LifeLong Medical Care Health Center facilities. We are confident that CCB shares our mission of providing the best opportunities for low income communities to achieve health and that they embrace design and operating strategies to promote wellness and equity. We look forward to our ongoing relationship with CCB and offer our enthusiastic support for the project.

Sincerely,

Brenda Goldstein, MPH
Psychosocial Services Director
Director, Supportive Housing Program



For Educational Purposes Only

Cal Community Builders
College of Environmental Design
University of California, Berkeley
Wurster Hall
Berkeley, CA 94720

Subject: Support for 1440 – 1500 Harrison Street Development

Dear Cal Community Builders,

On behalf of Abode Services, I offer this letter of support for 1440 – 1500 Harrison street, a large affordable housing development in downtown Oakland serving low-income families and formerly homeless adults. We believe this project by Cal Community Builders (CCB) is a tremendous opportunity to serve some of the most vulnerable residents of the Oakland community.

Abode Services, founded in Alameda County in 1989, is an agency dedicated to ending homelessness by connecting low-income homeless families and individuals to quality housing and providing wraparound supportive services to ensure residents remain stably housed. Abode Services assists over 4,000 adults and children each year in Alameda, Santa Clara, Santa Cruz, San Mateo, and Napa counties.

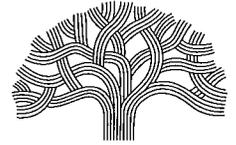
Abode Services will work with CCB to support a resident services strategy that meets the diverse needs of the formerly homeless tenants and low-income families residing in the property. We believe this development proposal will provide much needed housing for homeless adults and low-income families in the community. We look forward to an ongoing partnership with CCB and offer our strong support for the project.

Sincerely,

A handwritten signature in black ink, appearing to read "Sherice Youngblood", is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Sherice Youngblood, L.C.S.W.
Director of Social Services
Abode Services

CITY OF OAKLAND



DALZIEL BUILDING • 250 FRANK H. OGAWA PLAZA, SUITE 5313 • OAKLAND, CALIFORNIA 94612-2034

Community and Economic Development Agency
Housing and Community Development Division

(510) 238-3501
FAX (510) 238-3691
TDD (510) 238-3254

Cal Community Builders
College of Environmental Design
University of California, Berkeley
Wurster Hall
Berkeley, CA 94270

April 6, 2018

Re: 15th & Harrison Affordable Housing Proposal (For Educational Purposes Only)

Dear Cal Community Builders,

We are pleased to offer this letter in support of the project being developed by your team (“Cal Community Builders”) at 1440-1500 Harrison Street, Oakland, CA 94612 (“The Bauer Place”). The City of Oakland (the “City”) Housing and Community Development Department welcomes this quality affordable housing project, which comes at a time of unprecedented need for affordable housing in our city. Cal Community Builder’s plan to build 180 units of affordable housing for low-income families and formerly homeless individuals is in agreement with city, county, and regional housing policies aimed at increasing the supply of affordable housing for the most vulnerable populations in our community.

First, the Bauer Place works to achieve Mayor Libby Schaaf’s vision of increasing the supply of affordable housing in Oakland. A major component of the Mayor’s housing cabinet’s “Oakland at Home” plan aims to increase this supply by leveraging Alameda County bond money and the state’s Affordable Housing and Sustainable Communities Program, which the Bauer Place aims to do. Furthermore, this project is directly in line with the Alameda County EveryOne Home Plan to combat homelessness, which identifies the need for 15,000 additional units of housing for people who are homeless, living with HIV/AIDS, or mental illness over the next 15 years. Finally, the Bauer Place conforms with regional housing goals, such as Plan Bay Area, which aims to prioritize future housing development in transit-oriented areas like downtown Oakland. The project also contributes substantially to the Regional Housing Needs Allocation target of building 2,075 units of very low-income housing in Oakland between 2014-2022.

Finally, Cal Community Builder’s proposal is in agreement with the City’s funding goals per the 2017-2019 Housing Development NOFA. The project exceeds the City’s affordability requirements that at least 20% of units be targeted at households earning 30% or less of the area median income (AMI). Furthermore, the project meets a number of other criteria that align with NOFA priorities, such as leveraging large amounts of outside funding, being located near public transportation, having a large number of family-sized units, including permanent supportive

housing for the formerly homeless, and having an experienced development team (Oakland Housing Authority and Bridge Housing).

In sum, the Bauer Place represents a fantastic contribution to affordable housing and neighborhood revitalization in Oakland, and the City looks forward to its development.

Sincerely,

A handwritten signature in black ink, reading "Antoinette Pietras". The signature is written in a cursive style with a large initial 'A' and a long, sweeping tail.

Antoinette Pietras,
Housing Development Coordinator