



## CITY OF EMERYVILLE

Incorporated 1896

1333 PARK AVENUE

EMERYVILLE, CALIFORNIA 94608-3517

TEL: (510) 596-4300 FAX: (510) 596-4389

### EMERYVILLE HOUSING COMMITTEE

Ed Treuting, Chairperson  
 Lawrence Cardoza, Vice-Chairperson  
 Ruth Atkin, Councilmember  
 Joshua Simon, EUSD Boardmember  
 Ra Adcock  
 Elizabeth Altieri  
 Sarah Harper  
 Frank Jordan  
 Lamonte Mack  
 Kris Owens  
 Michael Roth  
 Vickie Jo Sowell

### EMERYVILLE HOUSING COMMITTEE

Regular Meeting of the Advisory Committee  
 Special Meeting of the Emeryville City Council  
 Emeryville Civic Center, 1333 Park Avenue  
 Garden Level, Emeryville, CA 94608

**Wednesday, May 1, 2013**

**6:00 p.m.**

### **AGENDA**

- I. Call to Order and Roll Call (6:00)
- II. Public Comment
- III. Approval of Minutes of February 6, 2013 Meeting (*Attachment*)
- IV. Action Items
  - a. Board Vacancy (attachments) (6:05-6:20)
  - b. Annual Housing Affordability Table (attachment) (6:20-6:30)
  - c. 3706 San Pablo-Star Intersection Short List Review Panel Selection (6:30-6:45)
- V. Information Items
  - a. AHSA Status Table (attachment) (6:45-6:50)
  - b. 3706 San Pablo-Star Intersection RFP Update (6:50-7:05)
- VI. Staff Comments (7:05 – 7:10)
- VII. Committee Member Comments (7:10 - 7:20)
- VIII. Adjournment (7:20)

All Advisory Committee meetings are noticed as Special City Council Meetings so that any or all of the City Council may attend and participate in the Advisory Committee's deliberations. However, actions taken by Advisory Committees are not official actions of the City Council but must be ratified at a regular City Council. All writings that

are public records and relate to an agenda item below which are distributed to a majority of the Emeryville Housing Committee (including writings distributed to a majority of the Emeryville Housing Committee less than 72 hours prior to the meeting noticed below) will be available at the Information Counter, 1333 Park Avenue, Emeryville, California during normal business hours (9am to 5pm, Monday through Friday, excluding legal holidays).

In compliance with the Americans with Disabilities Act, a person requiring an accommodation, auxiliary aid, or service to participate in this Committee meeting should contact the City Clerk's Office or the City's ADA Coordinator (510) 450-7800 as far in advance as possible, but no later than 72 hours before the scheduled event. The best effort to fulfill the request will be made. Assistive listening devices are available for anyone with hearing difficulty from the Advisory Committee Secretary prior to the meeting, and must be returned to the Committee Secretary at the end of the meeting.

**FURTHER INFORMATION** may be obtained by contacting Catherine Firpo, Committee Secretary, Housing Coordinator, Economic Development and Housing Department, at (510) 596-4354. The next regular meeting will be June 5, 2013.

**DATED:** April 24, 2013  
**Posting Date:** April 25, 2013  
**Post Until:** May 2, 2013

\_\_\_\_\_  
 KAREN HEMPHILL, CITY CLERK



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TEL: (510) 596-4300 FAX: (510) 596-4389

### Emeryville Housing Advisory Committee

Ed Treuting, Chairperson  
Lawrence Cardoza, Vice-Chairperson  
Ruth Atkin, Councilmember  
Joshua Simon, EUSD Boardmember  
Ra Adcock  
Elizabeth Altieri  
Sarah Harper  
Frank Jordan  
Lamonte Mack  
Kris Owens  
Michael Roth  
Vickie Jo Sowell

### Action Minutes

#### Emeryville Housing Advisory Committee Regular Meeting

#### Special Meeting of the Emeryville City Council

Emeryville Civic Center, 1333 Park Avenue  
Garden Level, Emeryville, CA 94608  
Wednesday, February 6, 2013, 6:00 p.m.

#### I. Call to Order and Roll Call:

The meeting was called to order at 6:04 p.m.

Members Present: Ed Treuting, Buzz Cardoza, Ruth Atkin, Elizabeth Altieri, Vickie Jo Sowell, Frank Jordan, Ra Adcock, Sarah Harper, Lamonte Mack, Michael Roth

Members Absent: none

Members Excused: Kris Owens and Joshua Simon

Staff Present: Catherine Firpo and Helen Bean

Citizens Present: None

Others Present: None

#### II. Public Comment – No members of the public were present

III. **Approval of December 5, 2012 Action Minutes** – A motion to approve minutes was made by Buzz Cardoza and seconded by Ra Adcock minutes were approved, on a voice vote with one abstention.

#### IV. Action Item

**a) Election of Officers**

Election of Officers: Staff facilitated the election of officers.

1. Ed Treuting was nominated for the Chair position by Frank Jordan and seconded by Ra Adcock. He was elected Chair on a voice vote with one abstention.
2. Buzz Cardoza was nominated for the Vice Chair position by Frank Jordan and seconded by Ed Treuting. He was elected Chair on a voice vote.

**b) 2013 Meeting Schedule**

2013 Meeting dates were reviewed and were accepted by a motion by Michael Roth and seconded by Frank Jordan and approved without exception.

**c) Housing Element Report**

Staff presented the Calendar year 2012 Annual Housing Report and answered questions. A motion to approve the Draft 2012 Annual Housing Element and forward to the City Planning Commission was made by Micheal Roth and seconded by Frank Jordan. The motion passed without exception.

**d) Affordable Housing Nexus Study Consultant Recommendation**

A motion to approve the recommendation of Keyser Marsten Associates to conduct a Housing Nexus Study and forward to the City Council was made by Buzz Cardoza and seconded by Lamonte Mack and approved without exception.

**e) 3706 San Pablo-Star Intersection Short List Review Panel Selection.**

A subcommittee to review the short list of proposals and make a recommendation was chosen to include Frank Jordan, Vickie Jo Sowell and Buzz Cardoza by a motion introduced by Ra Adcock and seconded by Lamonte Mack and approved without exception.

In addition, the committee developed a set of ranking criteria and requested staff to conduct a community meeting in order to solicit input on the short list of proposals.

**V. Information Items**

**a) 3706 San Pablo-Star Intersection RFP Responses.**

Staff and the Committee reviewed the proposals. .

**VI. Staff Comments**

- Staff reminded the committee members that the Form 700 documents are due April 1<sup>st</sup> and staff will send forms with the March cancellation notice.

**VII. Member Comments**

- Member Cardoza asked for an update on the Pedestrian/Bike Bridge and staff discussed the funding situation
- Member Sowell discussed the issue of neighborhood safety and the changes in the neighborhood
- Member Roth stated that he appreciated the discussion that the Committee had been having.

**VIII. Next Meeting Date** – April 3, 2013

**IX. Adjournment** – The meeting was adjourned at 7:50 p.m.

Prepared by:

Approved by Committee:

\_\_\_\_\_  
Catherine Firpo  
Economic Development and Housing Department

\_\_\_\_\_

Tom Knight  
Housing Committee  
April 2013

Select the Board, Commission, or Committee applying for:: Housing Committee

Name:: Tom Knight

Sex:: Male

Applying as resident, employed in Emeryville, business representative, or special interest group representative?: Resident

If Special Interest Group Representative was checked please specify.:

Home Address:: 4 Captain Drive E404

Preferred Phone Number: 510-710-1458

Place of Employment: Berkeley Hills Realty

Business Address:: 1714 Solano Avenue

Business Phone Number:: 510-524-9888

Occupation:: Real Estate Broker

Email Address:: [tom@berkhills.com](mailto:tom@berkhills.com)

Length of Residency in City:: 7 years

Length of Working in City::

High School:: El Cerrito Senior High School, 1962

College:: UCSC, BA degree, Chico State, BA degree

Trade or Business School:: Merritt College, Certificate in Real Estate

Hobbies:: Hiking

Are you currently serving on other Boards, Commissions, or Committees?: No

Have you served on a Board, Commission, or Committee before?: Yes

If yes, which:: (Not Applicable)

Board, Commission, and/or Committee Memberships (past/current) outside of Emeryville  
:: Was Citizen Representative on City of Emeryville Fire Services Advisory Committee.

Please list organization memberships and positions held:: Vice President, Watergate  
HOA Board of Directors.

Relevant Work / Volunteer Experience : Berkeley Hills Realty contributes to a fund for  
low-income housing in the East Bay.

Why are you interested in serving on this Board, Commission, Committee?: I love living  
in Emeryville and support efforts to make it a better place to live and work.

Tito Young  
Housing Committee  
April 2013

Select the Board, Commission, or Committee applying for:: Housing Committee  
Name:: C. Tito Young  
Sex:: Male

Applying as resident, employed in Emeryville, business representative, or special interest group representative?: Resident

If Special Interest Group Representative was checked please specify:  
Home Address:: 5855 Horton Street #520, Emeryville, California 94608  
Preferred Phone Number: 510-967-8809  
Place of Employment:  
Business Address::  
Business Phone Number::  
Occupation:: Self Employed  
Email Address:: [tito@studiorezz.com](mailto:tito@studiorezz.com)

Length of Residency in City:: 10 Years  
Length of Working in City:: 10 Years  
High School::  
College::  
Trade or Business School::  
Hobbies::

Are you currently serving on other Boards, Commissions, or Committees?: No  
Have you served on a Board, Commission, or Committee before?: No  
If yes, which:: (Not Applicable)  
Board, Commission, and/or Committee Memberships (past/current) outside of Emeryville

Please list organization memberships and positions held:: American Institute of Architects - AIA Associate  
Porsche Club of America - Member  
R Gruppe Porsche - Member  
Early 911 - Member

Relevant Work / Volunteer Experience : Home, Renovation and Modification Designer  
Making Contact Radio Project / Event Staffing

Why are you interested in serving on this Board, Commission, Committee?: - feel very strongly about assisting the city  
- new experience, networking  
- being effective in procurement and development of initiated ideas  
- seeking balance for various ongoing City Projects  
- high degree of social media skills  
- ability to read, draw, develop, symbolize, sketch, and other similar graphic skills.

## MEMORANDUM

**DATE:** May 1, 2013

**TO:** City of Emeryville, Housing Committee

**FROM:** Economic Development and Housing Department

**SUBJECT:** **Resolution of the City Council of the City of Emeryville Adopting the 2013 Housing Affordability Table Pursuant to the Affordable Housing Set-Aside Program (Article 62 of Chapter 4 of Title 9 of the Emeryville Municipal Code).**

### RECOMMENDED ACTION

Staff recommends that the Housing Committee approve the 2013 Housing Affordability Table and recommend the City Council adopt the resolution accompanying this report which adopts the 2013 Housing Affordability Table Pursuant to the Affordable Housing Set Aside (AHSA) Program (Article 62 of Chapter 4 of Title 9 of the Emeryville Municipal Code).

### BACKGROUND

The City's Affordable Housing Set Aside (AHSA) Ordinance (the City's inclusionary housing ordinance) was adopted in 1990 and may be found at Article 62 of Chapter 4 of Title 9 of the Emeryville Municipal Code. The ordinance requires that new residential and live-work developments of thirty or more units (rental or for-sale) have a set-aside of Below Market Rate (BMR) units. In the case of for-sale developments, twenty percent of the units must be set aside at the moderate income level. In the case of rental developments, six percent of the units must be set aside at the very low income level and nine percent of the units must be set aside at the moderate income level. In both rental and ownership projects, the Ordinance allows the developer to apply to the City to provide low income units in lieu of all or some portion of their moderate income unit requirement. Currently, the number of BMR rental units is 452 and the number of BMR ownership units is 236. Please note that this does not include the units under construction at Ambassador, 64<sup>th</sup> and Christie and Parkside which total 118 affordable rental units.

<b>Tenure</b>	<b>Very Low Income</b>	<b>Low Income</b>	<b>Moderate income</b>	<b>Total</b>
Rental	279	83	90	<b>452</b>
Ownership	34	58	*144	<b>236</b>
<b>Total</b>	<b>313</b>	<b>141</b>	<b>234</b>	<b>688</b>

\* The Moderate may include some units restricted to Median incomes

In late 2009, the California Supreme Court upheld the Palmer/Sixth Street Properties v. City of Los Angeles case (Palmer Decision). Under this decision, Los Angeles' inclusionary housing ordinance was preempted by the Costa-Hawkins Rental Housing

Act, which allows landlords to set the initial rent for new units and whenever units become vacant. The Palmer Decision only applies to rental projects and not owner occupied for-sale developments. The Palmer Decision does not apply in cases where the owner has agreed to provide affordable units in exchange for a financial contribution or other incentive, such as a density bonus available under the state density bonus law, or the owner has agreed to provide affordable rental units in exchange for vested rights conferred under a development agreement. Emeryville's AHSA ordinance and the affordable housing rental limits presented in this staff report will apply to all rental projects, except those where application of the ordinance is precluded by the Palmer Decision and the Costa Hawkins Act.

The State of California releases the income limits for each county typically sometime between February and April of each year. This year, the State Housing and Community Development Department (HCD) released the income limits on Feb 25, 2013. A copy of the State's release is found in Attachment 1. After the State releases its annual income limits for Alameda County, staff updates the "Housing Affordability Table" which is used to provide the maximum sales prices and gross rent levels that are eligible under the AHSA Ordinance.

The Housing Committee reviewed and recommended that the City Council approve the proposed 2013 Housing Affordability Table at its May 1st meeting. The 2013 Housing Affordability Table is found as Exhibit A to the resolution.

## **DISCUSSION**

### **Alameda County Income Limits**

The median income limits for Alameda County set by the State of California did not change from the 2012 levels. This is because State of California has held income limits stable pursuant to a "Hold Harmless Policy", while income limits issued by the U. S. Department of Housing and Urban Development (HUD) declined.

Until 2009, the U. S. Department of Housing and Urban Development (HUD) implemented a Hold Harmless Policy but ceased due to changes in Federal Law. In response to the loss of the HUD Hold Harmless Policy, the State of California implemented a State Hold Harmless Policy which holds the State income Limits harmless from any decreases in household income levels. In the absence of a Hold Harmless Policy, a decrease in Area Median Income (AMI) results in decrease in unit rents and therefore threatens the financial viability of existing and future affordable housing projects. In addition, the risk of future decreases in rents may discourage private lenders from investing in properties whose rental income could be reduced by future downward adjustments to income limits, rendering it difficult to pay debt service.

The Alameda and Contra Costa County Area Median Income limits by household size are as follows:



1-person:	\$65,450
2-person:	\$74,800
3-person:	\$84,150
4-person:	\$93,500
5-person:	\$101,000

The chart below presents the annual percentage changes in median income at the four-person household size since 2002. Note that in the early part of the decade, there were some significant increases in Alameda County's median income; however, this has leveled off since mid-decade.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Alameda County Median Income (4 person HH)	\$76,600	\$82,200	\$82,200	\$83,800	\$83,800	\$86,100	\$89,300	\$90,300	\$92,300	\$93,500	\$93,500
% Increase	2.82%	7.31%	0.00%	1.95%	0.00%	2.74%	3.72%	1.12%	2.21%	1.30%	0.0%

### Affordable Housing Cost

Pursuant to the AHSA Ordinance, the maximum housing costs are calculated in compliance with the California Code of Regulations at Section 50052.5. The chart below shows, for owner-occupied and renter-occupied housing, the maximum amount that may be spent on total housing costs from a household's income.

- For owner-occupied housing, total housing costs include monthly mortgage principal and interest, property taxes and assessments, homeowners insurance, homeowner association fees where applicable, an allowance for utilities and property maintenance and repairs.
- For renter-occupied housing, total housing costs includes the monthly rent, and an allowance for utilities, fees or service charges charged to all tenants.

<u>Income Level</u>	<u>Ownership Housing</u>	<u>Rental Housing (gross rent)</u>
Moderate income	35% of 110% AMI	30% of 110% AMI
Low income	30% of 70% of AMI	30% of 60% of AMI
Very low income	30% of 50% of AMI	30% of 50% of AMI

### Process to Implement the AHSA

As part of a development's entitlement process, the City places conditions of approval on the project to direct its design and development. For projects of 30 or more units, the Planning Commission imposes a condition of approval relating to the AHSA Ordinance,

specifically, that the applicant must enter into an Affordability Agreement that is approved by the City Council before the project may pull its building permits.

The Affordability Agreement implements the requirements of the AHSA Ordinance, including the duration of the affordability covenants (45 years for for-sale projects and 55 years for rental projects), the developer's requirements for marketing the below market rate (BMR) units, the designation of the BMR units within the project, the required resale restriction documents (for for-sale projects), the required compliance documents (for rental projects), and the initial sales prices or rent levels for the set-aside units.

Staff determines the initial sales prices or rents on a project-by-project basis, applying the California Code definition of affordable housing cost, but applying the specific project's estimate for homeowner dues and/or maintenance and utility costs.

#### Annual Housing Affordability Table

While each project's sales or rent levels are set individually and contained as an exhibit within that project's Affordability Agreement, staff also produces the Housing Affordability Table in conjunction with the release of the income limits by State Department of Housing and Community Development (HCD).

This table is used for reference purposes and is distributed to developers who have projects subject to the AHSA Ordinance so that they may conduct project financial analyses. The calculations in the table are based on the State affordable housing cost definitions and the amounts are adjusted for family size. The table contains an assumption about the housing unit size that corresponds to a household size whereby one person plus one is assumed per bedroom. For example, the one-person household income limit is applied for studios, the two-person household income limit is applied for one-bedroom units, the three-person household income limit is applied for two-bedroom units, and so forth.

Actual sales and rent levels of BMR units may be less than the sales prices and rents in the table, which estimate the maximum sales price or rent that could be charged based on statutory requirements. As noted above, actual maximums will be based on project specific information such as condominium fees and utility and maintenance costs. Furthermore, BMR units may be priced below the maximum as the developer responds to market conditions.

A moderate income unit's sale price or rent level may be close to market. In this case, there may be little incentive for a household to buy or rent the unit, given the administrative burden on the household to qualify for a BMR unit. To sell the unit or rent the unit, the developer may further discount the price. Currently, market rents for some studio apartments are lower than the maximum moderate income rents allowed for BMR units under the ordinance. However, market rate one, two and three bedroom rents are higher than the maximum moderate income rents allowed for BMR units under the ordinance. As rents increase over time, as they are currently in Emeryville, BMR rent

restrictions will increasingly make apartments more affordable to very low, low and moderate income households. The same pattern is true in ownership units, the larger the unit, the more likely it is that the market price is higher than the maximum moderate income price allowed for BMR units under the ordinance. In addition, currently moderate income buyers have difficulty competing against all-cash offers for market rate units and are more likely to apply to purchase BMR units.

#### *Rental housing assumptions*

The Housing Affordability Table calculates *gross rents*. Developers are required to deduct from the gross rent any charges or fees paid by the tenants, and an allowance for utilities paid by tenants in accordance with the most recent utility allowances published by the Housing Authority of Alameda County.

#### *Ownership housing assumptions*

For ownership housing, it is necessary to make assumptions about several factors which influence the affordable sales price. These assumptions are the interest rate and term, the downpayment level, the homeowner association fees, and utilities and maintenance allowances.

In terms of interest rates, in the previous Housing Affordability Table, the interest rate was set at 6.5 percent based on what staff had observed in the market at the time. Since then, interest rates have continued to decline to historic lows. In the past year, some buyers have been able to access loans with interest rates as low as 4 percent, however, because moderate and low income households are often first-time purchasers and may not have as strong a credit history, they may be subject to higher interest rates on their first mortgages than what is seen on average in the market. In addition, interest rates are at a historic low and may increase throughout the coming year as the economy continues to recover. Based on these considerations, staff is assuming that 5.5 percent is a reasonable interest rate to apply in the affordability calculation for ownership housing for the coming year. Reducing the interest rate from last year's 6.5 percent to the current 5.5 increased the Affordable Sales Price by approximately eleven percent even as incomes have remained the same. Staff believes this is a realistic rate to apply in the coming year, but will continue to monitor rates in the market.

In previous years, the downpayment assumption was 15 percent with the assumption that the buyer would provide 5 percent downpayment (this is the amount that recent BMR homebuyers are typically able to afford for a downpayment) supplemented by downpayment assistance from the Redevelopment Agency. Due to the dissolution of Redevelopment, that support is no longer available, and buyers must provide the entire downpayment.

Finally, the table makes assumptions about homeowner association fees, utilities and maintenance that are applied under all three income levels. These levels are based on staff's assessment of recent condominium projects that have been subject to the AHSA

Program. Again, when the City is preparing an Affordability Agreement for an individual project, staff will obtain the estimated homeowner association fees for that particular project and calculate the maximum sales prices for that project accordingly.

Summary of 2013 Housing Affordability Table

The chart below provides a summary of the maximum sales prices and rent levels for 2013, by unit size and income level. Under the Affordable Housing Set Aside Program, the sales prices are set at the moderate income level, and the rent levels would be set at moderate, low and very low income levels.

<b>2013 Maximum Sales Prices</b>				
	<b>Studio</b>	<b>One-Bedroom</b>	<b>Two-Bedroom</b>	<b>Three-Bedroom</b>
<b>Moderate</b>	<b>\$258,188</b>	<b>\$294,360</b>	<b>\$330,187</b>	<b>\$363,433</b>
<b>Low Income</b>	<b>\$108,911</b>	<b>\$123,757</b>	<b>\$138,259</b>	<b>\$150,180</b>
<b>Very Low Income</b>	<b>\$57,828</b>	<b>\$65,264</b>	<b>\$72,552</b>	<b>\$77,064</b>

<b>2013 Gross Monthly Rents</b>				
	<b>Studio</b>	<b>One-Bedroom</b>	<b>Two-Bedroom</b>	<b>Three-Bedroom</b>
<b>Moderate</b>	<b>\$1,800</b>	<b>\$2,057</b>	<b>\$2,314</b>	<b>\$2,571</b>
<b>Low Income</b>	<b>\$982</b>	<b>\$1,122</b>	<b>\$1,262</b>	<b>\$1,403</b>
<b>Very Low Income</b>	<b>\$818</b>	<b>\$935</b>	<b>\$1,052</b>	<b>\$1,169</b>

**LEGAL CONSIDERATIONS**

As noted in the body of this report, the AHSA Ordinance will only apply to new rental units in cases where the owner has agreed to provide affordable rents by contract in exchange for assistance in the development of the project.

## RESOLUTION NO.

### RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EMERYVILLE ADOPTING THE 2013 HOUSING AFFORDABILITY TABLE PURSUANT TO THE AFFORDABLE HOUSING SET-ASIDE PROGRAM (ARTICLE 62 OF CHAPTER 4 OF TITLE 9 OF THE EMERYVILLE MUNICIPAL CODE).

**WHEREAS**, under the City's Affordable Housing Set-Aside Program Ordinance ("AHSA Ordinance") found at Article 62 of the Emeryville Municipal Code, developers of new for-sale residential developments with thirty or more units are required to set aside twenty percent of units as affordable and restricted to moderate income households ("For-Sale Set Aside Units") ; and

**WHEREAS**, under the City's Affordable Housing Set-Aside Program Ordinance ("AHSA Ordinance") found at Article 62 of the Emeryville Municipal Code, developers of new rental residential developments with thirty or more units are required to set aside nine percent of units as affordable and restricted to moderate income households and six percent of units as affordable and restricted to low income households ("Rental Set Aside Units"); and

**WHEREAS**, pursuant to the decision in Palmer/Sixth Street Properties v. City of Los Angeles , developers of new rental residential developments with thirty or more units will only be required to provide Rental Set Aside Units if they receive some form of financial contribution from the City or assistance specified in the density bonus law (Government Code Section 65915 – which includes a wide variety of regulatory relief) and agrees by contract to restrict the rents; and

**WHEREAS**, developers of For-Sale Units and Rental Set Aside Units not exempted by application of the Palmer decision will be required to enter into Affordability Agreements with the City of Emeryville to execute the requirements of the AHSA Ordinance, including the duration of the affordability covenants, the developer's marketing requirements, the initial sales prices or rent levels as applicable, the designation of the Set Aside Units, and the required resale restriction documents; and

**WHEREAS**, the initial sales prices or rent levels for each project subject to the AHSA Ordinance are determined in accordance with the definition of affordable housing cost found in state law at Section 50052.5 of the California Code of Regulations (the "Code"); and

**WHEREAS**, to implement the affordable housing cost requirements of the AHSA Ordinance, the City has prepared the 2013 Housing Affordability Table in accordance with the requirements of Section 50052.5 of the Code; now, therefore, be it

**RESOLVED**, that the City Council of the City of Emeryville hereby adopts the 2013 Housing Affordability Table attached hereto as Exhibit A.

**ADOPTED** by the City Council of the City of Emeryville at a regular meeting held Tuesday, May 21, 2013 by the following vote:

**AYES:** \_\_\_\_\_

**NOES:** \_\_\_\_\_ **ABSENT:** \_\_\_\_\_

**EXCUSED:** \_\_\_\_\_ **ABSTAINED:** \_\_\_\_\_

**MAYOR:** \_\_\_\_\_

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**CITY CLERK**

\_\_\_\_\_  
**CITY ATTORNEY**

**Exhibit A**  
**CITY OF EMERYVILLE**  
**HOUSING AFFORDABILITY TABLE: MAXIMUM SALES PRICES AND RENTS\*\***  
**2013 Program Year (table updated on 5/7/13)**

**Pursuant to the City of Emeryville**  
**Affordable Housing Set Aside Program Ordinance**

*Requires Ownership projects of 30+ units to include 20% of project units at moderate income. Requires Rental projects of 30+ units to include 6% of project units at very low income and 9% at moderate income.*

<b>ASSUMPTIONS:</b>				
Interest Rate	5.50%	Annual		PMI not required to be included for purposes of calculating maximum allowable housing costs.
Monthly interest rate	0.46%	Monthly		
Mortgage Term	360	months		
Downpayment	5%			
			PMI rate:	0.0052

Area Median Income (AMI)	1 person	2 person	3 person	4 person
	\$65,450	\$74,800	\$84,150	\$93,500

**MODERATE INCOME HOUSEHOLDS: 120% Area Median Income**

HOUSEHOLD SIZE	1 person	2 person	3 person	4 person
UNIT SIZE	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Annual Income	\$78,550	\$89,750	\$101,000	\$112,200
Amount Available for Housing= 35% of 110% of AMI*				
	\$2,100	\$2,400	\$2,700	\$3,000
Mortgage	\$1,393	\$1,588	\$1,781	\$1,960
Prop.Tax 0.001	\$258	\$294	\$330	\$363
Condo Fee/Dues/Haz. Ins.	\$350	\$400	\$450	\$500
Utilities/Maint.	\$99	\$118	\$139	\$176
PMI 0.0052				
MORTGAGE	\$245,279	\$279,642	\$313,677	\$345,262
<b>AFFORDABLE SALES PRICE</b>	<b>\$258,188</b>	<b>\$294,360</b>	<b>\$330,187</b>	<b>\$363,433</b>
<b>GROSS AFFORDABLE RENT</b>	<b>\$1,800</b>	<b>\$2,057</b>	<b>\$2,314</b>	<b>\$2,571</b>

NOTE: Gross affordable rent is equal to 30% of 110% of AMI and includes the total of monthly payments for a rental including a reasonable allowance for utilities and any service charges or fees required of tenants. Utility allowance and charges/fees must be deducted from rents shown above.

**LOWER INCOME HOUSEHOLDS: 80% Area Median Income**

HOUSEHOLD SIZE	1 person	2 person	3 person	4 person
UNIT SIZE	Studio	1 bedroom	2 Bedroom	3 Bedroom
Annual Income	\$46,350	\$53,000	\$59,600	\$66,250
Amount Available for Housing= 30% of 70% of AMI*				
	\$1,145	\$1,309	\$1,473	\$1,636
Mortgage	\$587	\$668	\$746	\$810
Prop.Tax 0.001	\$109	\$124	\$138	\$150
Condo Fee/Dues/Haz. Ins.	\$350	\$400	\$450	\$500
Utilities/Maint.	\$99	\$118	\$139	\$176
PMI 0.0052				
MORTGAGE	\$103,465	\$117,569	\$131,346	\$142,671
<b>AFFORDABLE SALES PRICE</b>	<b>\$108,911</b>	<b>\$123,757</b>	<b>\$138,259</b>	<b>\$150,180</b>
<b>GROSS AFFORDABLE RENT</b>	<b>\$982</b>	<b>\$1,122</b>	<b>\$1,262</b>	<b>\$1,403</b>

NOTE: Gross affordable rent is equal to 30% of 60% of AMI and includes the total of monthly payments for a rental including a reasonable allowance for utilities and any service charges or fees required of tenants. Utility allowance and charges/fees must be deducted from rents shown above.

**VERY LOW INCOME HOUSEHOLDS: 50% Area Median Income**

HOUSEHOLD SIZE	1 person	2 person	3 person	4 person
UNIT SIZE	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Annual Income	\$32,750	\$37,400	\$42,100	\$46,750
Amount Available for Housing= = 30% of 50% of AMI*				
	\$819	\$935	\$1,053	\$1,169
Mortgage	\$312	\$352	\$391	\$416
Prop.Tax 0.001	\$58	\$65	\$73	\$77
Condo Fee/Dues/Haz. Ins.	\$350	\$400	\$450	\$500
Utilities/Maint.	\$99	\$118	\$139	\$176
PMI 0.0052	\$0	\$0	\$0	\$0
MORTGAGE	\$54,936	\$62,001	\$68,925	\$73,211
<b>AFFORDABLE SALES PRICE</b>	<b>\$57,828</b>	<b>\$65,264</b>	<b>\$72,552</b>	<b>\$77,064</b>
<b>GROSS AFFORDABLE RENT</b>	<b>\$818</b>	<b>\$935</b>	<b>\$1,052</b>	<b>\$1,169</b>

NOTE: Gross affordable rent is equal to 30% of 50% of AMI and includes the total of monthly payments for a rental including a reasonable allowance for utilities and any service charges or fees required of tenants. Utility allowance and charges/fees must be deducted from rents shown above.

\*\* The maximum sales prices and rents allowed pursuant to the City's Affordable Housing Set Aside Program are based on the housing affordability definitions found in the California Health and Safety Code at Section 50052.5. These are to be considered maximum amounts and do not take into account market conditions that may limit actual sales and rent values.

**Affordable Housing Set Aside Ordinance Project and  
Affordable Housing Development Status Table**

Updated: April 2013

<b><u>Project Name</u></b>	<b><u>BMR Unit Status and Project Status</u></b>
<p><u>3706 San Pablo Avenue Site (Golden Gate Key Property)</u></p>	<p>Acquired by the Redevelopment Agency on December 15, 2010 for \$1.5 million. This property is a .66-acre (37,657 square feet), three-parcel site, at 3706 San Pablo Avenue and 1066-72 37<sup>th</sup> Street in Emeryville. The site has been vacant since 2005 when it was purchased by a condominium developer. The condominium development did not move forward, due to the recession and the property was foreclosed. The property contained two one-story brick buildings that include a total of 18,175 square-foot that front San Pablo Avenue and MacArthur Boulevard. Along the 37<sup>th</sup> Street frontage is a fenced lot.</p> <p>The subject properties had previously been occupied by a variety of uses, including retail, a locksmith shop, automotive services, and machine shops that have left environmental contamination. Evidence of volatile organic compounds and chlorinated solvents have been found on the site. Remediation will involve further site testing, excavation and disposal of the source-area material, groundwater remediation, and monitoring. The estimated cost of remediation is \$240,000. Staff has submitted a grant application to the U.S. Environmental Protection Agency to fund remediation. The project has been awarded \$200,000 in grants for the cleanup and the City will match \$40,000 as an enforceable obligation.</p> <p>The Agency purchased two additional parcels from the original condominium proposal. 1025 West MacArthur Blvd was purchased on June 3, 2011 for \$550,000.</p> <p>The Planning Commission recommended and, on August 16, 2011, the City Council approved demolition of the buildings on the site, finding that demolition is in the best interest of the public, health, welfare and safety. A report on lead and asbestos</p>

*Table includes those projects that have received Planning Commission approvals and which are subject to the Affordable Housing Set Aside Program Ordinance (30 or more units) as well as Redevelopment-Agency-assisted affordable housing developments.*



**Affordable Housing Set Aside Ordinance Project and  
Affordable Housing Development Status Table**

Updated: April 2013

<b><u>Project Name</u></b>	<b><u>BMR Unit Status and Project Status</u></b>
	<p>removal requirements was completed in November and the demolition contract was put out to bid and awarded to Evans Construction. Demolition began in March.</p> <p>Demolition of the two buildings was completed in May 2012. The site has been completely fenced as part of the demolition contract. Site maintenance is ongoing. The graffiti has been less of an issue but taggers have found places to graffiti.</p> <p>A new site maintenance contract will be negotiated in the new budget year.</p> <p>The RFP was issued September 27 2012. Developer proposals were due January 14, 2013 and the City received nine proposals. Staff is reviewing proposals and presented an overview to the Housing Committee on February 5, 2013. To assist with the review, staff has contracted with Seifel Consulting to provide a financial analysis of the proposals. Staff will schedule a community meeting in June to get input on the short list of proposals.</p> <p>The Housing Authority of the County of Alameda (HACA) is issuing an RFP for 40 family housing Project Based Rental Vouchers targeted to Emeryville concurrently with the RFP.</p>

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**Affordable Housing Set Aside Ordinance Project and  
Affordable Housing Development Status Table**

Updated: April 2013

<b><u>Project Name</u></b>	<b><u>BMR Unit Status and Project Status</u></b>
<u>1025 West MacArthur</u>	Acquired by the Redevelopment Agency on June 3, 2011 for \$550,000, this property is a 0.256-acre (11,136 square feet), two parcel site located adjacent to the 3706 San Pablo Avenue site. It will be combined with 3706 San Pablo to form a larger 1.12 acre site. The property is improved with a vacant warehouse. The building was demolished along with the demolition of 3706 San Pablo Avenue in May 2012. Site maintenance is ongoing.
<u>39<sup>th</sup> and Adeline Residential Project (Madison Park Financial Corporation)</u> 3900 Adeline Street 110 total units – rental 80 Emeryville units 12 BMRs (5 very low income and 7 moderate income)	Planning Commission study session held September 28, 2006. City Council study session held October 17, 2006. EIR contract approved by City Council on May 1, 2007. Scoping session held by Planning Commission on September 27, 2007. Planning Commission hearing on DEIR on June 26, 2008 canceled due to lack of a quorum; deadline for written comments was July 7, 2008. Final EIR published on November 21, 2008. Oakland City Planning Commission approved on December 3, 2008. Emeryville Planning Commission voted to recommend approval on December 11, 2008. City Council approved January 20, 2009; approval valid for two years. City Council approved two-year extension on November 16, 2010 with proviso that 20 studio units be converted to 1-bedroom. Second extension approved by City Council on December 18, 2012, based on increase in number of two- and three-bedroom units.
5890-5900 Christie Avenue	Acquired by the Redevelopment Agency on November 7, 2011 for \$9.64 million The property totals 70,681 square feet (net of easements) and is presently improved with single story commercial buildings. The property is located directly south of 6150 Christie Avenue and is adjacent to the Emeryville Marketplace. The two buildings located on the property are vacant. Fire suppression systems need work. EBMUD has required backflow devices on the water systems. Staff is working on both of

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**Affordable Housing Set Aside Ordinance Project and  
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Updated: April 2013

<b><u>Project Name</u></b>	<b><u>BMR Unit Status and Project Status</u></b>
	<p>these issues. Site maintenance is ongoing.</p> <p>This project has been challenged by the Department of Finance.</p>
6150 Christie Avenue	<p>The Redevelopment Agency received an Order of Possession for this property on March 9, 2011. This .61-acre site is located on Christie Avenue, directly south of Christie Avenue Park. The site is currently vacant with a partially completed foundation.</p> <p>In September 2011 City Council approved the allocation of funds for the \$380,277 from Housing Capital Fund 482 for additional acquisition costs, fencing and maintenance and authorized the City Manager to execute a PSA with Peralta Service Corporation for maintenance of the property.</p> <p>Staff has researched interim uses of the site. An analysis of the current infrastructure value has been completed and was presented to Council in December 2011. The temporary sidewalk has been installed as well as a new fence with screening.</p>
<u>64<sup>th</sup> and Christie Project</u>	<p>The 64<sup>th</sup> and Christie Housing Project is a 193 unit, 5 story building and is part of the larger Marketplace Redevelopment Planned Unit Development. This project received a land and development subsidy through a Owner Participation Agreement for 29 units of very low income housing and will be subject to the Affordable Housing Set Aside Ordinance.</p> <p>Ownership interest in the 64<sup>th</sup> and Christie Project has been transferred from Rockwood Christie to Essex. Essex is a real estate investment trust that is engaged in ownership, operation, management acquisition development and redevelopment of apartment communities including over 30,000 units on the West Coast.</p>

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**Affordable Housing Set Aside Ordinance Project and  
Affordable Housing Development Status Table**

Updated: April 2013

<b><u>Project Name</u></b>	<b><u>BMR Unit Status and Project Status</u></b>
	<p>The Affordable Housing Agreement was signed and recorded April 25, 2012.</p> <p>The Groundbreaking was held during the May 2012 Affordable Housing Week. Demolition of the buildings has been completed and construction has begun.</p>

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**Affordable Housing Set Aside Ordinance Project and  
Affordable Housing Development Status Table**

Updated: April 2013

<b><u>Project Name</u></b>	<b><u>BMR Unit Status and Project Status</u></b>
<p><u>Ambassador Apartments (RCD)</u> 1168 36th Street 69-unit multi-family affordable rental development with 68 restricted units and one unrestricted manager's unit. Units affordable to households at 50% of Area Median Income (very low); five of which proposed to be restricted to households living with AIDS/HIV.</p>	<p>The ERN was executed on July 7, 2009 and a First Amendment was approved by the Agency on January 19<sup>th</sup> extending to June 30, 2010. June 15, 2010, the Agency approved a Second Amendment to extend the negotiating period to December 31, 2010. The DDA was approved and executed in February 2011.</p> <p>In April 2010, RCD was recommended approval for \$1,055,000 in County HOME funds. This project received environmental clearance from HUD. HCD staff recommended that the Ambassador development receive the full \$500,000 request in Housing Opportunities for People With Aids (HOPWA) funds. HOPWA recommendations are reviewed jointly by HCD and the City of Oakland. The City of Oakland provided its approval in July.</p> <p>In March 2011, the Developer completed and submitted the Tax Credit application but the project was not awarded the funding due to competition from higher ranking projects in Oakland (the California Hotel) and Alameda (the Islander).</p> <p>Ambassador submitted a second tax credit application July 13, 2011 and on September 28, 2011 received notification that the project received its tax credit award. It was anticipated that with the award would raise \$11.5 million in funding.</p> <p>The project and began construction in March 2012, held its Groundbreaking during May's Affordable Housing Week. The project has had rain delays, but is scheduled to complete construction September 2013.</p>
<p><u>Parkside (formerly Papermill Project - Archstone)</u> Block bounded by Powell, Hollis, and Doyle Streets and Stanford Avenue</p>	<p>Project was approved by City Council on November 18, 2008 and the approvals expire on November 18, 2010. On March 16, 2010, the Council approved the first reading of an interim ordinance to give the</p>

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Updated: April 2013

<b><u>Project Name</u></b>	<b><u>BMR Unit Status and Project Status</u></b>
<p>168 residential rental units and 5 live-work units 21 BMRS (13 moderate income and 8 very low income)</p>	<p>Planning Commission and Council the discretion to extend planning approvals for projects to a total of five years rather than three, if findings can be made to do so, on a case-by-case basis. A two year extension was approved by Council on December 21, 2010.</p> <p>The project has submitted for building permits. This project received a density bonus for affordable housing and will be subject to the Affordable Housing Set Aside Ordinance. The Affordable Housing Agreement has been signed and recorded in May 2012.</p> <p>Construction has begun and is expected to be completed in early 2014</p>
<p>3800 San Pablo Avenue Mixed Use Project (Maz)</p>	<p>Renovation of former "Maz" building for 21,640 square feet of retail use, and construction of a new 65', 5-story, 100-unit residential structure on the east portion of the lot over three levels of parking (one level below grade).</p> <p>Eastern 25% of lot is in Oakland. Oakland signed letter ceding jurisdiction for planning and building permits to Emeryville on December 28, 2012. Preliminary plans for study session submitted on January 24, 2013. Community meeting held February 26, 2013. Planning Commission study session held February 28, 2013. Planning Commission public hearing tentatively scheduled for August 22, 2013.</p>

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