

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
- C. Tito Young

EMERYVILLE HOUSING COMMITTEE

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

Wednesday, September 4, 2013

6:00 p.m.

AGENDA

- I. Call to Order and Roll Call (6:00)
- II. Public Comments
- III. Approval of Minutes of August 7, 2013 Meeting (*Attachment*)
- IV. Action Items
 - a. Developer Selection-3706 San Pablo Avenue (6:05 – 6:45) (*Attachment*)
- V. Staff Comments (6:45 – 6:50)
- VI. Committee Member Comments (6:50 – 7:00)
- VII. Adjournment (7:00)

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.

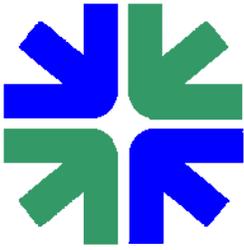
All Advisory Committee meetings are noticed as Special City Council Meetings so that any or all of the City Council may attend and participate in the Advisory Committee's deliberations. However, actions taken by Advisory Committees are not official actions of the City Council but must be ratified at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

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 October 2, 2013.

DATED: August 28, 2013
Posting Date: August 30, 2013
Post Until: September 8, 2013

KAREN HEMPHILL, CITY CLERK



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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, August 7, 2013, 6:00 p.m.

I. Call to Order and Roll Call:

The meeting was called to order at 6:10 p.m.

Members Present: Ed Treuting, Buzz Cardoza, Ruth Atkin, Kris Owens, Frank Jordan, Ra Adcock, Michael Roth, Joshua Simon

Members Absent: Elizabeth Altieri, Tito Young, Lamonte Mack and Vickie Jo Sowell

Members Excused: Sarah Harper

Staff Present: Sabrina Landreth, Michelle De Guzman, Catherine Firpo and Helen Bean

Citizens Present: None

Others Present: None

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

III. Approval of June 26, 2013 Action Minutes – A motion to approve minutes was made by Kris Owens and seconded by Frank Jordan minutes were approved, on a voice vote.

IV. Action Item

- a) Affordable Homeownership Program Revisions and Below Market Rate Ownership Program Guidelines: Michelle De Guzman presented the revisions to the programs and the new guidelines. Frank Jordan made a motion seconded by Ra Adcock to accept the changes to the foreclosure program and passed without exception. Frank Jordan made a motion seconded by Kris Owens to include all EUSD employees as eligible as first time homebuyers and passed without objections. Ra Adcock made a motion seconded by Frank Jordan to change the minimum occupancy limit at time of sale to one person per bedroom and passed unanimously.

V. Information Items:

- a) Foreclosure Report: Michelle De Guzman presented the most recent foreclosure report.

VI. Staff Comments

- Staff reminded the committee members to give comments on the four 3706 San Pablo proposals to the subcommittee
- Staff provided information and notices on the community meeting for 3706 San Pablo on August 15th at 6pm.
- Staff informed the Committee that the Ambassador project's priorities for housing assistance were challenged and have been suspended until further notice.

VII. Member Comments

- None

VIII. Next Meeting Date – September 4, 2013

IX. Adjournment – The meeting was adjourned at 7:08 p.m.

Prepared by:

Approved by Committee:

Catherine Firpo
Economic Development and Housing Department



CITY OF EMERYVILLE
HOUSING COMMITTEE

MEMORANDUM

DATE: September 4, 2013

TO: City of Emeryville Housing Committee

FROM: Catherine Firpo, Housing Committee Secretary

SUBJECT: Recommendation of the Housing Committee 3706 San Pablo Avenue Short List Subcommittee to Forward the Selection of EAH Housing as the First Choice Developer for the 3706 San Pablo Site with Satellite Affordable Housing Associates as the Second Choice Developer

STAFF RECOMMENDATION

Staff recommends that the Housing Committee approve and forward the Subcommittee's first and second choice developers for consideration by the full City Council. The Subcommittee recommends and staff concurs, that EAH Housing be the first choice with several requested changes including the following: move the entrance to all parking to 37th Street, remove some residential parking along West MacArthur and replace with townhomes, and increase the community space within the podium level to make room for all of the services discussed in the proposal. Staff recommends that Satellite Affordable Housing Associates (SAHA) be the second choice developer.

BACKGROUND

In a Special Meeting of the City of Emeryville Housing Committee on June 26, 2013, the Committee recommended that the City Council select Satellite Affordable Housing Associates (SAHA), East Bay Asian Local Development Corporation (EBALDC), LINC Housing Corporation (LINC), and EAH Housing (EAH) as the short list of developers for redevelopment of 3706 San Pablo Avenue as an affordable housing project.

On July 16, 2013, the City of Emeryville City Council accepted the Housing Committee recommendation and selected SAHA, EBALDC, LINC and EAH as the short list of developers for the site.

Summary of Proposals (in alphabetical order)

EAH: 86 units with an average unit size of 1,019 square feet and 2.29 bedrooms per unit. The development includes 7,000 square feet of commercial space. The total development costs are \$40,989,288 with a per unit cost of \$476,620 and a proposed tax credit request in the amount of \$22,971,177. There are four Housing Opportunities for Persons with Aids (HOPWA) units and a community center located at the corner of San Pablo Avenue and West MacArthur Blvd.

EBALDC: 88 units with an average unit size of 943 square feet and 2.30 bedrooms per unit. The development includes 7,000 square feet for a daycare, health clinic and multi-use space. The total development costs are \$39,235,428 with a per unit cost of \$445,857 and a proposed tax credit request in the amount of \$25,425,432. The project includes four artist's lofts.

LINC: 101 units with an average unit size of 1,028 square feet and 2.12 bedrooms per unit. The development includes no commercial space. The total development costs are \$33,710,030 with a per-unit cost of \$333,762 and a proposed tax credit request in the amount of \$20,007,100. The development includes a community room.

SAHA: 91 units with an average unit size of 969 square feet and 1.95 bedrooms per unit. The development includes 6,100 square feet of commercial space. The total development costs are \$38,074,013 with a per unit cost of \$418,397 and a proposed tax credit request in the amount of \$28,659,000. There are six HOPWA units.

COMMUNITY INPUT

The four developers were asked to provide boards which were on display in City Hall from August 12th through August 16th. Members of the public were asked to provide written comments and to come to a community meeting held on August 15, 2013. At the community meeting, developers made presentations on their proposals and the community asked questions and provided verbal and written comments. The following community comments were noted:

- The designs are not really family friendly because the units do not have private backyards
- The first floor podiums are alienating
- Parking should be offsite to encourage walking and increase pedestrians on San Pablo
- San Pablo Avenue is fast and parking and crossing is difficult
- Retail will fail if people cannot cross the street or park safely
- The corner should have a coffee shop space, an active place for people to meet
- It is not realistic to show kids selling books along San Pablo
- Make it easier for bikes to get out of the garage space
- The project should encourage artists
- A midblock walkway from 37th to MacArthur would not be safe, particularly at night.
- EBALDC's proposal is clear, community-oriented and has multiple outdoor spaces
- Three story buildings on MacArthur panhandle site will block noise from MacArthur without blocking light
- Retail on San Pablo is a bad idea
- LINC design looks like Walnut Creek
- Suggestion to have surface lids over the underground portion of West MacArthur to create space for parks, open space, art space and reduce noise
- Always offer homage to Native Americans, Early Settlers, Geological and Scientific
- Standard playgrounds are "usuals" and lack creativity, offer more

- No basketball as it is too loud
- More bikes
- Incorporate solar H2O panels, rain gardens, pedestrian walkway
- Create project that is community-based and environmentally sound
- What about solar electricity
- Can SAHA's ground level park be implemented with toxics on site
- How will EBALDC engage the community
- How will LINC develop the property if they are from Southern California
- How will EAH include Public Art in the building

SUBCOMMITTEE RANKING

On August 17, 2013 the Subcommittee met at City Hall and reviewed the public comments and ranked the four proposals on the basis of a set of criteria that reflects the City's development and policy objectives. The subcommittee established the following criteria, weighted through a point value as follows:

	Total Available
Quality of Floor Plans: Family Friendly unit layouts and development considerations	25
Quality of Open Space: Variety of ages, uses, parking, safety	15
Interior Community Space and Tenant Programming	15
Financing Plan	26
Commercial Space Viability: Amount, Location	10
Other Outstanding Consideration	9
Total	100

Rankings were based on the following:

- Quality of Floor Plans: family friendly unit layouts

The degree to which the proposals meet the City's objectives of providing family friendly housing as described in the detailed report, *Social and Physical Indicators of Successful Affordable Family Housing*. The criteria used to rank the proposals included separation of private space within the unit from the more "public" spaces such as the entry, the living and dining space, relationships of bedrooms and bathrooms in the unit, adequate size of living room and dining room as distinct from the kitchen, and provision of storage space.

- Quality of Open Space: Variety of ages, uses, maintenance, safety and bicycle storage and parking considerations

The criteria used to rank the proposals included the amount and quality of open space and the relation of open space to the community space inside the building;

the degree to which there was direct access from the units to the open space in the development; visual privacy between units; the presence, quality and size of activity areas for a range of ages; the presence of buffers between open space and unit entries as well as the street; and access to private open space for units. In addition, this category included the provision of parking in the building/s, the amount, the layout and the location of the parking entrances, the bicycle storage, and how easy it was to get a bicycle out of the building.

- Interior Community Space and Tenant Programming

The criteria used to rank the proposals included the amount, the location, and layout of the interior community space. In addition, it included, the services that would be provided, the social services staff resources, as well as space for that staff and proposed community programming.

- Financing Plan

Staff retained Seifel Consulting Inc. to assist with the process of ranking the financing plan of each of the proposals. Seifel Consulting prepared a summary memorandum which explains the ranking of each proposal in detail. After the Council selected the short list of developers, a request for additional information was made and the developers' responses were reviewed. Seifel Consulting prepared a reviewed the proposals (Attachment 1). Overall ranking considerations for this category were as follows:

- Residential development costs per building square foot (net of land)
- Project funding strategy including, tax credits per residential unit, land cost, other public funding sources, deferred developer fee, and completeness/soundness of the residential financial proposal
- Operating expenses/budget
- Residential cash flow including net cash flow and residual debt service cash flow in year 7
- Developer responses to additional financial information

- Commercial Space Viability: Amount, Location

- Reliance on commercial income for project feasibility and completeness/soundness of commercial financial proposal

- Outstanding Consideration

The Subcommittee included points for exceptional design of units and/or open space, provision of four bedroom units, and design of commercial space and parking and deliveries.

The Subcommittee's ranking for each criteria are presented in the table below:

	Total Available	SAHA	EBALDC	LINC	EAH
Quality of Floor Plans: Family Friendly unit layouts and development considerations	25	17	12	23	20
Quality Open Space: Variety of ages, uses, parking, safety	15	13	12	13	8
Interior Community Space and Tenant Programming	15	11	9	4	7
Financing Plan	26	17	20	13	23
Commercial Space Viability: Amount, location.	10	5	5	4	8
Other Outstanding Consideration	9	3	6	7	4
Total	100	66	64	64	70

The Subcommittee used another method to rank the proposals in which each category was ranked based on the points. The developer with the highest point in the category was given a 1, the second highest a 2, etc. In this ranking the lower the total point score, the better. This ranking is presented in the table below:

Ranking by line it (highest point gets a 1, second highest a 2, etc) Proposal with the lowest score ranks best.

	SAHA	EBALDC	LINC	EAH
Quality of Floor Plans: Family Friendly unit layouts and development considerations	3	4	1	2
Quality Open Space: Variety of ages, uses, parking, safety	1	2	1	3
Interior Community Space and Tenant Programming	1	2	4	3
Financing Plan	3	2	4	1
Commercial Space Viability: Amount, location.	2	2	3	1
Other Outstanding Consideration	4	2	1	3
	14	14	14	13

Specific issues discussed by the Subcommittee are listed below by project.

EAH

Overall, this project was well-ranked on the unit designs. The Subcommittee felt that the deficiencies in the design could be addressed without substantially affecting the financing. The financing plan and EAH's thoughtful response to the supplemental questions were also factors in choosing this developer. Some specific Subcommittee comments on the design includes the following:

- The floor plans are well designed for families including storage, large bedrooms, separation of private and public spaces and well defined dining area one of the three-bedroom unit design
- There are 4 four-bedroom units
- The playground/courtyard is open to the West allowing for air circulation
- There is too much residential parking but adequate retail parking
- The two bedroom floor plan needs better defined space for the dining area
- The roof deck is minimal
- The parking entrances need to be moved to 37th Street
- The common space does not seem adequate for the programming discussed in the proposal
- The commercial space works well with parking and deliveries
- There will need to be a different use other than diagonal parking on West MacArthur

SAHA

Overall, this project ranked highest on design. The social services and tenant programming were well thought out with the inclusion of a full-time, on-site service coordinator and offices for on-site staff. The financing of the retail space was an issue in that the developer proposed to finance it with a fifteen year lease agreement. The parking access was on West MacArthur and because the courtyard is at ground level it would be a substantial change to the design to address this issue. Staff feels that if both the financing and parking access concerns are resolved, then SAHA's proposal would be on par with EAH's due to SAHA's strong design. Some specific Subcommittee comments on the design includes the following:

- The units are well designed and include a family flex space, dining area and relatively large bedrooms
- The courtyard is well designed and has good flow and layout as it relates to interior community spaces
- The commercial space works well with parking and deliveries
- Some of the townhomes have private backyards
- The design of both interior and exterior community spaces create spaces for different age groups
- The main entrance is through the courtyard on 37th Street
- Ground level courtyard allows for mature trees and is less prone to water intrusion issues

- The courtyard has five stories of building on two and a half sides while the southeast side of the courtyard has two story units allowing for additional light and openness
- The community garden is well thought out
- The dining space while adequate, could be more delineated
- There are not four bedroom units
- All the residential parking is stacked and could be a maintenance issue

EBALDC

Overall, this proposal created the most discussion on the design, but the Subcommittee felt that the single-loaded exterior corridors and two story units created sacrifices in building height and unit design that were undesirable. The idea of single-loaded corridors was well received but led to other issues such as the need to build five stories instead of four, and the need to create units in the courtyard. Five stories is an issue in that the current code may not allow five stories without substantial design changes which may create issues with the financing plan. In addition, the five stories created two deep courtyards, one of which was narrower than the building was tall. The exterior unconditioned walkways were well received but the idea that that walkways would be used for “big wheels” and potted plants was dismissed by the Subcommittee.

The unit design also generated a great deal of discussion. In particular, the two story unit design would create over 70 stairways in private units which was seen as a waste of resources. The unit sizes were small, and with the addition of interior staircases, all of the rooms were small including many of the bedrooms. Locating the dining area in the kitchen was well received but the space provided was too small for the family sizes to put a dining table and chairs. The tenant service plan referenced using resources from Avalon and the California Hotel which are different populations than this project. Finally, the financing plan called for funding the childcare and healthcare spaces with New Market Tax Credits in combination with other spaces in other buildings in the area. The Subcommittee felt that it would this financing strategy might delay the project. Some specific Subcommittee comments on the design includes the following:

- There are 3 four-bedroom units
- The single-loaded exterior walkways will save on energy costs and is more sustainable
- The bicycle parking situated for easy access to the street
- There is laundry on each floor with adjacent community space
- All the residential parking is stacked but the number of spaces seems adequate
- The units are small and the stairways take up too much room
- If the dining chairs were not pushed all the way under the table, there would be no room to walk in the kitchen. You cannot open the dishwasher and sit at the table.
- The smaller courtyard is too narrow for the height of the building
- The parking entrance is on West MacArthur and too close to San Pablo; cars might back up on to San Pablo waiting to enter, particularly if there is a delivery for the commercial space

LINC

Overall, this project had the best unit design with large units and rooms within the units as well as well-defined dining rooms in the two and three bedroom units. This project also had sixteen four-bedroom units. However, the financing plan was problematic with very low development costs and the supplemental questions did not address all of the issues. In addition, the tenant services were vague and there was not discussion of where the services would be delivered. Some specific Subcommittee comments on the design includes the following:

- Large sized units with progressively larger common space and storage.
- 24 units face into the courtyard
- Large roof deck
- The tot lot is near the laundry room
- Parking is off of 37th Street
- Parking is adequate
- There is a lot of community garden space
- There is no commercial space
- The bicycle parking is not near an exit to the street

In conclusion, the Subcommittee decided that EAH presented a good design with the best financing and that most of the deficiencies in the proposal, including the, community space, parking, and the West MacArthur frontage could be easily redesigned without substantially changing the financing of the project. The SAHA proposal scored better than the EAH on design but the deficiencies such as moving the parking entrance to 37th street would be significantly harder to achieve.

Staff recommends that the Housing Committee approve and forward the Subcommittee's first and second choice developers for consideration by the full City Council. The Subcommittee recommends and staff concurs, that EAH Housing be the first choice and that SAHA be the second choice developer.

PREPARED BY: Catherine Firpo

APPROVED AND FORWARDED TO THE HOUSING COMMITTEE

Attachments:
Attachment 1: Seifel Memo

Emeryville Developer Response Review

Seifel Consulting Inc. has reviewed the four developers' responses to the City's questions regarding funding assumptions, QCT eligibility, deferred developer fees, and TCAC competitiveness. All four developers submitted responses to the City's questions. Of the four developers, EAH provided the most thorough and comprehensive responses.

Seifel has also performed a high level review of the developers' audited financial statements. All of the Auditors indicate that the statements fairly present the financial position of the developers. The financial statements are complex and vary due to differences in the developers' business and operational structures. As a result, Seifel has included general observations regarding the developers' financial capacity.

EAH

- Funding Assumptions
 - EAH contacted several public entities regarding potential funding availability. Based on these conversations, EAH outlined each of its funding sources, the proposal's competitiveness and applicability to the funding source, and the potential amount of funds that may be available.
 - EAH's land value assumption is higher than the \$2.0 million value from the 2009 appraisal, which EAH indicated is based on recent and historical transactions. EAH stated that it would seek a new appraisal to substantiate a higher land value, as this could improve competitiveness for 9% tax credits.
 - EAH assumes \$4.0 million from the HCD Infill Infrastructure Grant Program (HCD IIGP), which is the maximum grant amount for a NOFA.
- QCT Eligibility
 - EAH did not assume the 130% basis increase in its original TCAC assumptions. If the project is eligible, it would claim the QCT basis increase, reduce the amount of tax credits requested and increase its tie-breaker score.
- Deferred Developer Fees
 - EAH defers \$390,244 of its \$1.4 million developer fee. The deferred developer fee will be paid out from the project cash flow during the first six years of operation.
- TCAC Competitiveness
 - EAH revised its tie-breaker score to account for the changes in funding sources. Its 42.3% score is competitive with tie-breaker scores which qualified for funding in previous rounds. This score is contingent on having a higher appraised land value and receiving the maximum HCD IIGP.
- Financial Capacity
 - EAH's financial capacity appears strong, and its financial performance has remained relatively consistent between 2011 and 2012.
 - EAH increased its support from donations and decreased its total liabilities from 2011.
 - A portion of EAH's liabilities was transferred to related limited partners.
 - EAH's total support and revenues significantly exceeded expenses in 2012, which was primarily the result of increased support from donations.

EBALDC

- Funding Assumptions
 - EBALDC identified potential other sources of funds given the shift in funding, although the availability of these funds is uncertain. EBALDC included potential boomerang funds from Alameda County and the City of Emeryville. EBALDC also included several funding sources from Oakland including its new 25% affordable housing fund from its budget, its NOFA, returned funds from other developers, and Project Based Section 8 Vouchers from the Oakland Housing Authority.
 - The proposal currently does not include any special needs units, but their inclusion could increase access to financing sources.
- QCT Eligibility
 - EBALDC anticipates that the project will qualify for the 130% basis increase. If the site is not eligible, EBALDC proposes including state tax credits.
- Deferred Developer Fees
 - EBALDC does not anticipate deferring its developer fee.
- TCAC Competitiveness
 - EBALDC proposes to increase its TCAC competitiveness by increasing its total local funding.
 - EBALDC did not include an estimated tie-breaker score for its revised funding assumptions. The proposed increase in local funding sources would likely increase its original tie-breaker score of 30%.
- Financials
 - EBALDC's financial capacity appears strong, and its financial performance has remained relatively consistent between 2011 and 2012.
 - EBALDC's total assets and liabilities in 2012 both increased from 2011 by over 10%, but its net assets remained comparable for 2011 and 2012.
 - EBALDC's total support and revenues slightly exceeded expenses in 2012, which occurred as a result of a small decrease in revenues and increased expenditures.

LINC

- Funding Assumptions
 - LINC revised its funding sources to include funds from HOME, CHDO and MHSA and a deferred developer fee. LINC did not include an explanation for the amount of funding assumed for HOME, CHDO and MHSA. LINC did not include HCD IIFG funding due to the uncertainty of its availability but would apply if the funding is available.
- QCT Eligibility
 - LINC does not anticipate a change in its assumptions given the eligible basis and threshold basis limits.
- Deferred Developer Fees
 - LINC revised its financial proposal to defer \$508,204 of its developer fee, which will be dispersed from the net cash flow over the next six years after the project is placed in service.
- TCAC Competitiveness
 - LINC estimates its tie-breaker score will be between 32-35%, which is lower than the tie-breaker scores that have received funding in the most recent rounds. LINC anticipates that this score will be competitive when the application is filed due to the decreased availability of public funds statewide.
 - LINC estimates that its tie-breaker would increase to 45% if it receives a \$4 million HCD IIFG.
 - If LINC does not receive funding after at least two rounds, it would consider restructuring the project to include fewer units. This would increase the public subsidy per unit, which would increase the tie-breaker score.
- Financials
 - LINC's overall financial capacity appears strong, however, net income significantly declined in 2012.
 - LINC's total assets and liabilities both increased by over 20% from 2011, and its net assets increased over 30%.
 - Shifts in LINC's liabilities included repaying notes, entering into new notes and shifting notes to related limited partners.
 - LINC's income from support decreased from 2011 to 2012, and its expenses increased over 20%. As a result, LINC's expenses significantly exceeded its total support and revenue in 2012.

SAHA

- Funding Assumptions
 - SAHA revised its funding assumptions to increase the County HOME funds. SAHA did not include HCD IIFG funding due to the uncertainty of its availability but would apply if the funding is available.
- QCT Eligibility
 - SAHA anticipates that the project will qualify for the 130% basis increase. If the site is not eligible, SAHA proposes including state tax credits.
- Deferred Developer Fees
 - SAHA proposes to defer \$500,000 of its \$1.9 million developer fee. The \$1.4 million non-deferred fee payment is the maximum amount of fee that can be included in eligible basis for the purpose of calculating tax credits.
- TCAC Competitiveness
 - SAHA proposes to increase its TCAC competitiveness by increasing its total public subsidies and private grants and working with the City of Emeryville to maximize its amount of public investment.
 - SAHA did not include an estimated tie-breaker score for its revised funding assumptions. An increase in local funding sources would likely increase its original tie-breaker score of 21%.
- Financials
 - SAHA is a merged entity from Satellite and AHA. SAHA provided audited statements from the two firms, but consolidated financials were not available.
 - Satellite and AHA both had positive net assets and revenues that exceeded expenses prior to their merger.
 - As separate entities, Satellite and AHA did not have the financial strength of the other three developers.
 - In 2012, total support and revenues significantly exceeded expenses for both entities.