Attachments to Downtown Center Executive Summary

Public Financing Opportunity for a Livermore Four-Star Hotel, Eden Housing, Arts & Science Center and Veterans Park

A public financing mechanism could allow the City to provide additional funding for a Four-Star Hotel in downtown Livermore, as well as for low-income housing, art groups that may lose their location at the Bothwell Arts Center, science organizations without publicly accessible galleries and a much needed Incubator Lab for startups. Livermore Area Recreation and Park District (LARPD) could adopt a parallel public financing mechanism so that it could work with the City on the design and construction of an extraordinary downtown Veterans Park.

Tax Increment Financing (TIF)

TIF freezes property tax revenues from a designated project area to the city, county, and special districts, such as LARPD, at the "base level" in the current year. Tax revenue above the base level in future years is diverted into a separate pool of money, to be used either to pay for improvements directly or to pay back bonds issued against anticipated TIF revenue.

Enhanced Infrastructure Financing Districts (EIFDs)

- Both the City and the LARPD have the statutory right under California law to form an enhanced infrastructure financing district (EIFD). In addition, they also have the ability to form a joint EIFD if both agencies agree to that process.
- EIFDs are governmental entities – public financing authorities (PFAs) – distinct from the city or park district, for the purpose of financing public facilities or other authorized projects using TIF.
- A community can form an EIFD after providing property owners in the EIFD boundaries with an infrastructure financing plan (IFP) containing certain required information.
- The PFA that governs the EIFD must hold two public hearings and comply with a detailed process before the IFP is ultimately approved.
- EIFDs may issue bonds secured by TIF revenues, borrow money from taxing entities, and enter into contracts with lenders and repay those obligations with TIF revenues. No vote is needed to authorize the sale of bonds.
- Moreover, an EIFD does not increase taxes. Annual property tax increases are limited by Proposition 13. What an EIFD does is assign a portion or all of the annual property tax increases allowed by law to the EIFD (rather than the other public agencies that normally would collect such increases).
- EIFDs can fund a wide range of projects, including parks and recreational facilities, affordable housing projects, non-profit health and social services facilities, and other uses.
- Notably, EIFDs can fund the construction of commercial structures by the small business occupant of such structures in order to ensure the long-term economic sustainability of the small business.
- "Small business" means "an independently owned and operated business that is not dominant in its field of operation, the principal office of which is located in California, the officers of which are

domiciled in California, and which, together with affiliates, has 100 or fewer employees, and average annual gross receipts of fifteen million dollars ($15,000,000) or less over the previous three years." (Gov. Code § 53398.52(b)(14)(B).)

- A hotel in downtown Livermore would not be expected to average annual gross receipts above $15,000,000, so it would likely qualify.
- In addition, the hotel is needed to foster recovery of Livermore's wine industry, as well as performance and visual arts organizations impacted by the expected closure of the Bothwell Arts Center. These organizations could be relocated to the downtown.
- Funds from the EIFD could also be used to support Eden Housing's project, as well as an Arts & Science Center that would replace the Bothwell Arts Center if it were officially planned to be closed and demolished.
- EIFDs can operate for a maximum of 45 years. However, pursuant to a discussion with a highly reputable EIFD consultant, bonds cannot be sold (borrowed against future property tax increases) until several years after EIFD formation.
    - That is because the bond market will want to see the property tax increases actually bear out compared to the EIFD's Integrated Financial Planning (IFP), which would estimate the total EIFD revenue during the life of the EIFD.
    - Further, bonds are usually sold in 3 to 5 year increments. Said differently, the bond market would not support a sale of bonds based on revenue estimated over a period greater than 5 years at a time because the risk is too high. Thus, only incremental revenues could be obtained.
    - The only exception to waiting several years for bonds to be sold is if the agency forming the EIFD (i.e., the City) were to borrow from its general fund, to be paid off with future bond proceeds when the bond sales are made years later. While this is an allowable method of obtaining early EIFD revenue, it is not common.
    - Ultimately, over the 45-year life of the EIFD, many tranches of bond sales could be conducted incrementally (i.e., in 3 to 5 year increments) to ensure that funds continue to flow to the projects that are identified for funding in the IFP.
- Assuming that each agency would form its own EIFD, below are some reasonable estimates of revenue that could result.
    - The ultimate calculation depends on the boundaries of the EIFD. The more property is included, the more revenue could be available.
    - For instance, for revenue to be at its maximum amount, the EIFD boundaries would need to match the boundaries of the agency (i.e., City or LARPD). If an EIFD has more limited boundaries, the revenue will not be as high (because only the properties within the boundaries are eligible for TIF).

<u>City EIFD</u>

- According to the most recent publicly available City documents, the last annual increase in property taxes (from FY 2024-25 to FY 2025-26) was $3.5 million. Future growth in annual tax increases could be possible with additional development and improvements (raising the tax base) as well as increased property values. However, determining that would require a detailed analysis by a consultant.

- If one were to assume that a citywide EIFD is established, and that property tax revenues grow at about $3.75 million annually over the first three to five years, this would total about $11.25m (three-year bond term) to $18.75m (five-year bond term) in potential initial revenue.
    - This could cover a portion of the necessary equity to construct a four-star hotel (the remainder of construction funds coming from a construction bank loan).
    - Future EIFD monies (through additional bond sales or regular EIFD revenue) could be used as a funding mechanism for annual hotel operations (post-construction) and return on investment, covering any potential operating deficits to ensure the hotel has a successful launch.
- EIFD revenue could also be used to support development of a new Arts & Science Center and/or to support Eden Housing's development of affordable housing.
    - This could occur through apportioning some of the initial revenue to such uses, or through future bond sales.
- If a smaller size EIFD is established — i.e., boundaries that do not match the city boundaries — then revenues would of course be lower. It is not possible to estimate what those revenues would be without a consultant's analysis.

LARPD EIFD

- According to the most recent publicly available LARPD documents, annual increases in property taxes collected by LARPD range from about $588,000 (from 2025-26 budget) to $367,000 (from 2026-27 budget). It is unclear why the most recent budget shows less of an increase from the prior year.
- If one were to assume that a LARPD-wide EIFD is established, and that property tax revenues grow at about $500,000 annually over the first three to five years, this would total about $1.5m (three-year bond term) to $2.5m (five-year bond term) in initial revenue.
    - This could certainly cover park improvements (note: the City of Livermore has already committed $5.5m to Veterans Park – in its current design).
    - LARPD EIFD funds could also contribute to other projects.
- As with the City EIFD, if a smaller size EIFD is established, revenues would be lower, but it is not possible to estimate those without an expert analysis.
- **Potential Consultant**. We have spoken with Joseph Dieguez at Kosmont Companies (https://www.kosmont.com/staff/joseph-dieguez/) about many of these EIFD issues. Joseph leads the EIFD team at Kosmont and is one of the best regarded experts on the subject. Joseph has expressed willingness to assist on these issues but has not been formally retained.

Parking Issues

Community Coalition believes that there is enough downtown parking available in its proposal to meet the needs of its four projects. The Coalition's proposal keeps or replaces parking elsewhere in the City's plan, except for the parking for Veterans Park and the Arts & Science Center. The other projects in the Coalition's proposal do not appear to need more parking spaces than the City would provide in its current plan.

A. Four-Star Hotel

In order for guests of the proposed Presidio Hotel on the SE corner of Livermore and Railroad Avenues to leave their cars or pick them up, valet parking was planned for the lot on the NW corner of K Street and Railroad Avenue. The City loaned Presidio (2205 Railroad Avenue LLC) $1,923,750 to buy that parcel.

If Presidio's guests did not desire valet parking, they would likely park in the I Street Parking Garage on Livermore Avenue, where they would have to walk with their luggage out the west side of the I Street Garage down a fairly steep hill about three-quarters of a block. Then they would cross heavily trafficked Railroad Avenue (five-lanes with a traffic signal), before they arrived at the hotel.

In contrast, the Coalition's proposed Four-Star Hotel on L Street is contiguous to the L Street Garage. Guests towing their bags could drop off and pick up their cars directly across Veterans Way, a two-lane, lightly traveled road running between the hotel and the garage.

Two California hoteliers, one from the Tri-Valley and the other outside the Bay Area, have said that hotel guest parking takes place mainly after 10 pm. As a result, guest parking would not overfill either the City's I Street Parking Garage nor the L Street Garage.

B. Downtown Parks and Arts & Science Center

The Coalition's Veterans Park is twice the size of the City's proposed park, and the expectation is that the Coalition's Arts & Science Center will need more parking than the City's SPARC and Quest facilities.

Offsetting the deficiency of parking for Veterans Park and the Arts & Science Center, Coalition's proposal provides 96 more stalls than the City does in its plan. An automated parking garage (discussed below) would include 88 more spaces than the underground garage that is currently proposed for Eden Housing's project. The Arts & Science Center adds 8 more spaces than the Presidio hotel does at the location west of the Bankhead Theater.

Added to the benefit of the 96 increased spaces, a professional experienced in the development of city parking has told the Community Coalition that autonomous and rideshare vehicles are already lowering the need for public parking in municipalities. Coalition has also heard that reduced office usage in cities can decrease the parking demand as well.

The extra stalls and the decline in city parking needs should meet any parking concerns. However, the City can study the future parking needs of the Coalition's proposal. If it believes more parking is required, there are appropriate sites that could be considered.

C. Eden Housing

Congestion caused by vehicles entering and exiting Eden Housing's proposed underground parking garage would be an ongoing frustration for Eden residents in the City's plan. Consultants Fehr & Peers, a well-known transportation firm, analyzed the traffic that would result from use of the underground garage in the current Eden plan. In an October 16, 2020 traffic analysis for Eden Housing, which was provided to the City, Fehr & Peers indicated that residents entering the one entrance to the underground garage on L Street, just north of Veterans Way, could only make a right turn into the garage driveway and a right turn coming out of it. The report noted that inbound and outbound left turn movements would cause vehicular conflicts with the southbound left turn lane at L Street and Veterans Way. Not being able to turn left whether incoming or outgoing would make access in and out of the garage inefficient. Significant congestion would be expected.

In contrast, as shown on the site plan, the Coalition proposes an automated garage north of Railroad Avenue to serve the new location of the Eden development. Automated parking garages use mechanical systems to transport cars to and from parking spaces to reduce space that might otherwise be needed in a conventional garage. This garage would contain enough space for 205 vehicles. Of these, 117 would be assigned to Eden's development, the same number planned for Eden's underground structure. Ingress and egress at the automated garage on lightly travelled K Street north of Railroad Avenue would be comfortable. In addition to turning right when leaving the garage, drivers could also turn left onto K Street and then right on Oak Street if they wished. Oak Street traffic would be negligible. The time to retrieve a car in an automated garage is said to be close to three minutes, far shorter than the experience at the planned underground garage. Also, cars are protected from thieves in an automated garage.

Legally, no parking is required for low-income housing, but Eden is allowed to develop parking for its residents.

Additional Financial Issues

Community Coalition looked at financial data and related information found in a variety of places, some from another community group a number of years ago. The material has been verified and updated by appropriate experts.

A. Four-Star Hotel

As detailed in the first attachment above, an Enhanced Infrastructure Financing District (EIFD) should be established to assist in the development of the hotel, and to defray costs and ensure the hotel can be built and operate successfully. The City should consider other project benefits for the Four-Star Hotel to attract the capital needed for this long-term investment, including a reduction in transit occupancy taxes (TOT) payable to the City, a reduction or elimination of permit fees, elimination of parking stall charges for hotel guests, acquisition of the land at little to no cost, and other incentives to ensure that the hotel is a success and helps support our region's wineries, theaters, and other businesses, including Livermore's burgeoning energy technology sector.

B. Eden Housing

Cost of Parking

A parking garage design firm with extensive experience in the Tri-Valley provided a comparison of the costs of an underground parking garage and an above ground automated garage. On October 1, 2025, the firm's representative explained that stalls in a conventional underground 117-stall parking facility would cost Eden in the range of $120K to $150K per stall, but only $90K to $100K per stall in an above ground automated garage. The automated parking equipment, as well as the structure enclosing it, are included in the company's cost estimate. The typical costs of the below-grade construction are driven by excavation and off-haul, waterproofing, soil remediation and spatial inefficiencies.

In the proposed 205-unit automated garage, if Eden only paid for 117 stalls – the number it is now expected to build in its underground garage – Eden's costs would be reduced between $3.5M and $5.9M. The City and Eden would negotiate who owns and funds the 88 stalls in excess of 117 in the automated garage.

Eden's Cost and Funding of Open Space Development

Looking at the expense of constructing Eden's open space, public records show that the City has committed $5.5M to Eden to enable it to pay for the development of Veterans Park, which includes public open space that City regulations require Eden to develop. Although the Council removed this $5.5M contribution to Eden in its most recent revision of the disposition, development and loan agreement between the City and Eden, City representatives have said publicly that they still are going to provide Eden with the funds.

The acreage that Eden must develop is based on the number of units Eden builds. In the City's plan, Eden's 130 units require it to provide 0.45 acres of public open space. In the Community Coalition's proposal, Eden would build 148 units and thus would need to create 0.51 acres of public open space, which would be included as part of the expanded 1.33-acre Veterans Park. The $5.5M from the City could pay for the development of Eden's required acreage, as well as the entire 1.33 acre Veterans Park.

LARPD now offers park maintenance services to pocket parks, such as Veterans Park. As a result, neither Eden nor the City would have to provide or pay for the maintenance of the downtown parks in either of the plans.

Land Cost Savings for Eden

If Eden were amenable to developing housing north of Railroad Avenue, the City would acquire the property needed for 130 units and an automated garage. The City appears to have sufficient money in its Low Income Housing Special Revenue Fund and Housing Successor Agency to pay for the acquisition of land north of Railroad Avenue, in addition to the demolition and relocation costs of existing buildings. Eden would not have to repay funds coming from either of these sources, funds that the City spent on land for Eden. They are dedicated to low-income housing and are not refundable by the developer of low-income housing.

In October 2022, Joseph J. Blake and Associates, Inc. submitted an appraisal to another organization for nine properties north of Railroad Avenue. Five of these properties could be acquired to provide enough land to accommodate 130 relocated Eden units and an automated garage. In October 2025, the acquisition costs of the parcels north of Railroad Avenue were updated for Community Coalition. The demolition/relocation costs of existing buildings were provided by an experienced realtor, but increased by a nearby parcel owner who was aware of specific issues involved in the relocation costs of one of the properties. Specialists will need to assess the true demolition and relocation costs for the properties.

2022 Appraisal and Demolition/Relocation Cost Summary

Name	***APN***	**Appraisal**	***Demolition / Relocation Costs***	**Total**
TVH Thrift Store	098-282-002-01	$1,425,000	$250,000	$1,675,000
Presidio surface lot	098-0282-009	$2,025,000	$0	$2,025,000
Towing service	098-0282-008	$1,790,000	$600,000	$2,390,000
Vacant Land	098-0281-009	$525,000	$0	$525,000
Vacant Land	098-0281-010	$525,000	$0	$525,000
Total				**$7,140,000**

The Joseph J. Blake and Associates, Inc. representative stated on October 17, 2025 that the property values have probably declined 15% since the October 10, 2022 appraisal, because of the increase in mortgage rates since then. This could reduce the properties' value to $5,346,500. Assuming, conservatively, its tear down and relocation costs have increased by 20%, the total would be $6,366,500.

Another property cost issue is relevant. The City loaned $1,923,750 to Presidio's 2205 Railroad Avenue LLC for the purchase of the surface lot at the NW corner of the intersection of Railroad Avenue and K Street. As explained previously, the Presidio representative had expressed interest in using the parcel for valet parking. However, late 2025 or early 2026, Presidio engaged a consultant to evaluate the financial issues for its hotel proposed for Livermore Avenue, and in February 2026 information became available that Presidio had decided to try to sell the entitled Livermore Avenue property. If the property were sold to a hotel developer, it is possible that the valet parcel would no longer be needed for hotel parking, because the hotelier might be able to use the I Street Garage. The City could negotiate with Presidio to reacquire the Livermore Avenue property for $71,521, or a similar amount, as well as the parcel on the NW corner of Railroad/K Street, which would result in termination of that $1.923,750 loan. Of course, since the hotelier proposing the Four-Star Hotel off L Street has no interest in the Livermore Avenue site, again there would be no need for valet parking on the property at the NW corner of Railroad Avenue and K Street. As a result, the elimination of the cost of the Presidio surface lot assessed at $1,721.250 ($2,025,000 less 15%) would reduce the cost of the five parcels north of Railroad Avenue at K Street to $4,646,350.

Pursuant to last year's City's budget, the City appears to have low-income housing funds to cover this land cost. The FY 2026-27 Budget estimates the fund balance of Low Income Housing and the Housing Successor Agency a to be $47,148,680 and $9,028,282 respectively. The funds from both of these sources can be used to acquire property for low-income housing. The Eden Housing project can be prioritized in any year.

The property owner of one of the parcels north of Railroad Avenue that Eden would purchase has repeatedly expressed an interest in selling. There have been indications that the City could work with the other parcel owners efficiently as well. A variety of approaches are available. Obtaining the land is feasible.

Because Eden would no longer need its currently proposed site, the City would ask Eden to renegotiate the $7.8M deed of trust to Eden at a 3% interest rate over 55 years, a loan that had been intended for the purchase of the "Undivided Parcel". The Undivided Parcel is bounded by L Street, Railroad Avenue, the planned K Street fire lane and Veterans Way.

As mentioned, affordable housing funds are the source that the City would use to acquire the new Eden site north of Railroad Avenue. However, the City could still ask Eden for payment of the 7650sf of property south of Railroad Avenue that the Coalition proposes for part of the Eden development. This property represents 8.4% of the current 90,615sf of the "Undivided Parcel" that Eden has planned to purchase from the City for $7.8M. That means that the City could still require Eden to pay $658K (i.e. 8.4% of $7.8M) at 3% interest rate over 55 years. The net savings for Eden in regard to land cost would be approximately $7.1M.

Eden could then end up saving $3.5M to $5.9M by avoiding underground parking, plus approximately $7.1M for the land it no longer needs. Eden's total savings would range from $10.6M to $13.0M. Eden might also be provided with financial incentives from the City's EIFD finances to enable its land to become available for the benefit of the other three projects.

<u>Alameda County Affordable Housing Loan</u>

On another financial issue, Alameda County should be requested to retain Eden's $14.4M A1 Alameda County Affordable Housing loan. In 2021, the current County Housing Director stated that Eden Housing would lose its $14.4M loan if its project were relocated to another site. Her assessment of this issue did not consider the number of units that would be added to the Eden project, nor that Eden would maintain ownership of 18 units of affordable housing on the current site between L Street, Railroad Avenue, the extension of K Street and Veterans Way. In addition, Eden would provide its 0.51 acres of required public open space in the same area as the current plan in order to meet its open space requirement. This public open space would be located within 500 feet of all of Eden's units north of Railroad Avenue, as regulations specify. The information that Eden would provide additional units, as well as maintain some units on the original site, was not available to the County Housing Director when she made her statement.

The previous long term County Housing Director, who retired in March 2020, took a different approach in addressing this issue. She explained, "If the result of changes (to the Eden Housing project) were higher scores on ranking criteria and a larger number of affordable units, it is likely that the funds would remain with the project."

In summary, if parties agree to increase Eden's total number of units from 130 to 148, retain 18 Eden units on the original site and provide its required 0.51 acres of open space on that location, it is reasonable that the County would ensure that the project is still eligible for its A1 loan.

Income from Leases

Finally, to increase Eden's financial stability even more, a nonprofit that provides mental health and social security services could lease 10,000sf from Eden Housing on the first floor of the building along the north side of Railroad Avenue. In addition, the existing Tri Valley Thrift Store north of Railroad Avenue could be relocated to 6000sf in the same building. Eden could also lease 6000sf to a retailer or a nonprofit on the ground floor of the building south of Railroad Avenue.

C. Arts & Science Center

Each of the five Arts & Science Center project spaces would be individually owned as non-residential condominiums, typically by the project's organization. Alternatively, an organization could turn to a separate entity to own or manage its condominium.

On August 12, 2025, construction and related costs for the Arts & Science Center (41,835 sf) were estimated at $55.1M, based on industry standards. These costs, including common area expenses, were allocated appropriately to each of the site owners. Common areas include lobbies, circulation, kitchen and prep area. Ongoing energy costs, such as heating and cooling, could be reduced by the adoption of designs that lower the carbon footprint.

The City would be asked to provide the land and construction costs with a portion of its EIFD funds.

Unlike the hotel, the Arts & Science Center does not need to be contiguous to parking. Additional parking costs for the Center are not expected.

Condominium management costs are estimated to be $600 a month. The fee would be paid to the management team chosen to run the Arts & Science Center by the condominium owners or their lessors. Naming rights given to donors for their large contribution to organizations in the Arts & Science Center could be remarkable. Some donors have said that in order to make their contributions, they would need to feel comfortable with the City's Downtown Development plan. Community Coalition will work to have the downtown plan embraced by all sides.

Theater & Assembly Hall

Costs, other than construction expenses, include $730,000 for 250 retractable seats, equipment for sound, lighting and video, as well as other required event-oriented features.

In addition to performing companies, those needing rehearsal space as well as event sponsors could use the flat open floor when the retractable seats are withdrawn. Renters of the space for a variety of uses are expected to be numerous. For example, a cinema business owner who could show classic movies has said he would consider the opportunity.

Science Gallery

Lawrence Livermore National Laboratory exhibits could be featured regularly with an appropriate contribution. Sandia National Laboratories should be interested as well.

Interactive science classes for both adults and youth could be offered. Inertia Enterprises, Inc., Pacific Fusion Quest Science Center and other organizations involved in science could be asked if they would like to join the Science Gallery.

Livermore Heritage Guild

Leaders of the organization that celebrates Livermore's history have expressed a strong interest in raising the money to secure the proposed display area, which would be more available to the public than their current location in the Carnegie Library.

Art Studios

Livermore Valley Arts would be asked to continue to manage the visual arts spaces as they have at the Bothwell Arts Center.

Incubator Labs – $17.2M

I-GATE, Daybreak Labs and the City of Livermore have been looking for additional lab space for startups. This location could meet their needs. Las Positas College may be interested in partnering with them. Students looking for careers in cutting-edge technology are expected to be attracted to the laboratories.

Those involved have said that the City believes that this facility would strengthen Livermore's economy.

D. Downtown Parks

In September 2025 a professional with experience estimating the cost of the creation of public parks reviewed the Coalition's proposed 1.33-acre Veterans Park. The park is shown extending from a new Four-Star Hotel to Stockmen's Park, bordered by the hotel's northern wing and Eden's 18-unit apartment on the north, and the hotel's southern wing and Veterans Way on the south. The park professional noted that if the park were one acre, it would cost roughly $2,300,000, plus a row of bathrooms that can range from $500,000 to $800,000, in addition to a 20% contingency fund. After increasing the park cost by a third to cover the proposed 1.33-acre Veterans Park in the Coalition's proposal, the total cost would be $4,947,600 ($5.0M), if $800,000 were used for the base cost of the bathrooms.

The park expenses would include lighting, hardscape, site improvements, a playground, shade structures, drinking fountains, garbage cans, plantings, irrigation, and fencing, etc.

The Veterans Park between the two Eden buildings in the current City plan from L Street to the extension of K Street shows 0.63 acres.

The City has previously committed $5.5M in city funds to develop its 0.63-acre Veterans Park. Eden's project requires the development of 0.45 acres of public open space, so the City's commitment would fund a larger park than is required by Eden's project. In addition, the revised Eden project proposed by the Coalition would require 0.51 acres of public open space, and the $5.5M would certainly cover a park of that size. Indeed, as explained above, the expanded 1.33-acre park proposed by the Coalition – which would include the 0.51 acres required for Eden's revised project – could be constructed for

$5.0M, leaving $500,000 to cover tables and benches, and an abundance of paths and trees. In addition, kiosks would showcase the history of our stockmen and veterans, whose care for our open lands and protection of our freedoms would be honored. LARPD could be asked to create an EEIFD to cover any expanded costs.

LARPD now pays for the ongoing costs of maintaining pocket parks in Livermore, which would include Veterans Park.

II. Positives for City of Livermore

As mentioned earlier, neither today's Livermore mayor nor any of the currently seated Livermore council members were serving on the City Council when the City approved entitlements for Eden Housing's project in 2021. Livermore's City Manager and City Attorney also were not employed by the City at that time. The City's current site plan reflects the City's 2021 entitlements and subsequent 2022 disposition and development agreement with Eden.

If the City and Eden Housing agree that Eden is better off with 130 units and a parking garage moved north of Railroad Avenue, the City and Eden could renegotiate the $7.8Mdeed of trust put on the Undivided Parcel for Eden's purchase of that parcel.

It might be more advantageous to use low-income funds for Eden's land, rather than being repaid $7.8M over 55 years at 3% interest. Other than a $500,000 predevelopment loan, the City does not appear to have actually loaned Eden any money to purchase the Undivided Parcel. Instead, it put a deed of trust on the property requiring Eden to pay $7.8M to the City over 55 years. Replacing the deed of trust with $4.5M in low income housing funds for land north of Railroad Avenue, plus a new $700K deed of trust for 18 Eden units south of Railroad Avenue will be a net benefit for the City.

Also, the city would avoid much of the expense of contamination removal in Eden's underground garage area, somewhat less than $4.3M.

Financial Conclusion

Likely, no financial issues exist that would harm the projects that are involved in the Coalition proposal. In fact, the projects now in a difficult position would be much stronger. Also, the Four-Star Hotel, Veterans and Stockmen's Parks, Arts & Science Center and Eden Housing would draw an increasing number of visitors to the downtown. Making the center of town more vibrant would benefit the whole community.

In addition, the rising taxes for the City and LARPD are likely to be very strong for years to come.

Legal Questions

Eden Housing, Four-Star Hotel and Arts & Science Center

To allow the Four-Star Hotel and Arts & Science Center to be built on their proposed sites, the City Council would need to amend the Downtown Specific Plan (Subarea 4, Special Condition Sub-District D). Relocating the Eden Housing project would be allowed under restrictions that apply to the Parcel. In 2009, in connection with the City obtaining a CalHFA RDLP loan, a Notice of Affordability Restriction was recorded on the current Eden Housing project site. It states:

> *"Owner may propose a change of use only in the event that the Property is no longer needed for the purpose specified in this Notice & Declaration and the Property will be used to benefit individuals or families whose incomes do not exceed 120 percent of median income for the area."*

The current Eden site would not be needed if an alternative site were found for Eden's proposed 130 units. This provision enables any number of them to be moved across Railroad Avenue to the north. However, the Downtown Specific Plan (Subarea 4, Special Condition Sub-District C) would have to be amended to allow the 18-unit Eden building south of Railroad Avenue.

The City would enter into an agreement with the hotel and Arts & Science Center enabling the Four-Star Hotel to be located on the east side of L Street between Railroad Avenue and Veterans Way, and the Arts & Science Center to be located at the SE intersection of Livermore Avenue and Railroad Avenue. The area between the Four-Star Hotel and Stockmen's Park would be transformed into a 1.33-acre Veterans Park, with unique amenities. Eden's tenants, both north and south of Railroad Avenue, could use the park for their recreation. They would also benefit from the classes and entertainment at the Arts & Science Center, many of which would be free for low-income residents when space is available.

If there were a consensus on the approach, although many complex legal issues will need to be addressed and correctly documented, they should not prevent the new plan from moving forward.

To provide comments to Community Coalition or ask questions, please contact Safia Hasan at safia-hasan@berkeley.edu .