

Redeveloping The CCA Campus: An interview with Site Developer Marc Babsin of Emerald Fund

— Interviewed by Stuart Flashman, RCPC Land Use Committee chair

This project has been in process for a while. Last month you announced major changes. Why?

We first presented the project to Rockridge Community Planning Council nearly three years ago, in September 2017. In 2018, after many more community meetings and discussions, we submitted an application to the City. At that point, the project involved 589 homes including a 19-story tower, a 1.5 acre public park, and several arts uses.

Over the next year we heard from many supporters and many critics — most notably about the tower. People also wanted the public park to be larger and less enclosed. Taking these comments to heart, we decided to eliminate the tower, reduce the maximum height from 190 ft. to 85 ft., expand the park from 1.5 to 1.85 acres, and remove a building that blocked views south from the park. We also reduced the project size to 462 homes.

Tell me about the challenges of the site’s historic buildings, did they help or hinder your plans? Could the City justify tearing any of them down?

They both help and hinder. There

are two buildings on the campus that are on the National Register of Historic Structures: Macky Hall and the Carriage House. Both are preserved in all our development options. The site also has other historic areas and structures, and the City deemed the entire site to be an historical Area of Primary Importance (API). Working with the City, we thoroughly analyzed trying to save more historic structures, but there was a trade-off. Preserving 10 of the 12 structures and converting them to usable office space would cost \$46 million.

Even if the office space fetched pre-COVID rents of about \$54 per square foot, the preservation component didn’t pencil out. Further, given the site’s designation as an API, we aren’t eligible for historic tax credits if any buildings are removed or density is added — and we need to do both if any housing can be built. The historic structures do make the site attractive, but the very high cost of conversion in comparison to the office rental revenue makes significant preservation component financially infeasible.

The Oakland City Council will ultimately need to decide how to balance the value of preserving three or

four additional buildings against the benefits of adding 130 to 150 more homes, 46 of which would be onsite affordable housing.

Your original plans called for making Clifton Hall into affordable artist housing. That’s gone now?

Unfortunately, yes. The original plan included converting the dormitory into 35 affordable artist units. Our agreement with CCA only gave us limited time to obtain entitlements, and that time ran out. CCA is seeking funds as construction of the San Francisco campus is well underway, so it’s selling off that building separately, and, without entitlements, we’re not in a position to buy it. However, we still intend to help with building affordable housing.

Our base scenario, with 462 homes, includes 10 percent onsite moderate-income units for the “missing middle.” This is an increase from the 6 percent of our original proposal. Under the two preservation options, while unable to subsidize onsite affordable housing, we would pay \$6.5 to \$7.4 million in Affordable Housing Fees that would allow for the creation of an estimated 26 to 30 affordable units elsewhere in the city.

Incidentally, as a show good faith, we have opened up our books and put our pricing and proformas up on the project website: www.5212broadway.com. We’ve never done that before, and we aren’t aware of any developer



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that has. We invite the community to have a look at the numbers and to share their thoughts and questions.

What about CCA? Did they bump up the land cost so they could build their San Francisco campus?

No. It's not unusual for a nonprofit to use their land to help finance their continued existence. In the current economic climate, that may not be much. At the moment, it's not clear if any development scenario pencils out. Irrespective of the entitlement process, CCA is completing construction of its San Francisco campus expansion and is planning on completing the move by the Spring of 2022.

With less homes, there may be less traffic, but there will also be office space added. Can you tell me anything about traffic impacts? What about emergency access?

That's going to be addressed in the Draft EIR, which we expect will come some time in November or December. In response to public comments, it will cover intersections north of the project on Broadway. As for emergency vehicle access, our engineers have designed an emergency access plan that we believe meets fire code and is currently under review by the Oakland Fire Dept.

One of the project's big selling points is the publicly accessible park area. How will long-term public access be guaranteed? Will there be any protections against a future developer coming back in and proposing a "Phase II" project that would build on that space?

We are committed to providing a permanent public park for the community's enjoyment. Along with providing affordable housing, we see the public park as perhaps the most important community benefit the project will provide. In fact, responding to the community's enthusiasm, the park in the new plans is more than 20 percent larger than in our original proposal.

We expect that the project approvals will come with restrictions guaranteeing public access and usage. The project will be bound by those conditions. If a future developer wanted to build on the park area, it would need to convince the City to rescind those restrictions. However, much of the park area is also protected by the historic designation of the view corridor from Broadway to Macky Hall. I don't think a developer would be able to gain the approvals needed to build on that area.

As you know, the "Shops at the Ridge" project lies south of the CCA campus. Phase 1 of that project is finished but Phase 2 stalled. Have you had any discussions with TRC, the developer, about coordinating plans? Will the EIR take into account traffic from a future Phase 2 in analyzing traffic impacts?

We don't know much about what's happening with Phase 2 other than that it doesn't appear to be moving forward. We've tried to reach out to the developer, but without success, so, no, there have not been discussions about coordinating plans. We expect the EIR's traffic analysis will take into account the traffic from a future Phase

2 under the current plans unless the approvals for Phase 2 expire.

One last question: COVID-19 has raised many questions about the economy and urban areas. Have you taken that into account in the new proposal? If demand for housing and office space drops, could this project, like Shops at the Ridge, disappear?

Yes, if both residential and office markets "go south," this project would not be financeable, and the site might end up vacant and fallow — the larger the renovated office component, the greater the risk. We're optimistic, however, that this site, with its Rockridge location and BART accessibility, will continue to be a compelling residential site, and we intend to be in this for the long haul. ■

Marc Babsin holds a bachelor's in accountancy from Univ. of Illinois, a law degree from Harvard, and a Masters in City and Regional Planning from U.C. Berkeley. He has been a principal of Emerald Fund for over 21 years.

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