



TEAM 2022-4618

NARRATIVE SUMMARY

Design and Programming Narrative

Merge is a mixed-income, mixed-use community that integrates and draws inspiration from the surrounding neighborhoods of Chinatown, Old Oakland, West Oakland - Acorn, and Jack London. At the nexus of these vibrant communities, Merge serves as a (re)connection point for Oakland's downtown. By integrating diverse housing options, a mix of social infrastructure, and accessible employment opportunities, Merge puts community first.

Local Economic Development, Arts & Culture Keeping

The Seventh Street corridor in West Oakland was once a cultural and economic hub for Oakland's African-American community, and our urban design plan for Seventh Street draws inspiration from that legacy by creating a vibrant commercial main street with retail spaces at grade and a combination of residential and office units above. Our proposal includes streetscape improvements to create a lively and welcoming atmosphere all along this section of Seventh Street with street furnishings, improved lighting, landscaping, and public art.

Co-working spaces with shared services, live-work studios, and offices are integrated throughout the site to provide a variety of affordable and flexible workspaces for local non-profit organizations, community-serving entrepreneurs, artists, and other businesses. Our redevelopment process would seek to build meaningful relationships with a network of local organizations at the very start of the project in order to map community concerns and assets, and develop a shared vision for the ways that these new neighborhood spaces can effectively bridge gaps while building on local strengths. By implementing a social procurement strategy and establishing a strong Community Benefits Agreement with local hiring requirements, Merge can catalyze local economic development before the project even breaks ground.

Accessible & Age-Friendly

Chinatown is home to an aging population while West Oakland – Acorn has a high child and youth population. The Merge masterplan aims to provide spaces and services that meet the needs of residents from the youngest to the eldest. At the gateway to Chinatown on the western edge of the site, the plan includes a culturally-appropriate senior care center with supportive services for elders and their families and caregivers. At the eastern edge of the site, Jefferson Square Park includes refreshed recreational spaces that support youth to senior fitness, and enhanced public realm improvements that provide safe and welcoming spaces for families as well as Oakland's unhoused residents. A Community Center adjacent to Jefferson Square Park provides recreational and flexible multi-use community facilities to support both programmed and unprogrammed activities.

Welcoming (Re)connection

The Merge masterplan ultimately seeks to promote neighborhood (re)connection by improving accessibility, increasing mobility, and implementing universal design throughout the public realm and in the shared and private spaces of its architecture. An open and welcoming façade along Broadway draws residents and visitors into an interior east-west pedestrian walkway that weaves its way through the entire site. Reuniting Clay Street through a new walkway from Seventh Street to the south side of the I-880 underpass enlivened with light, art, and dynamic surface treatments, Merge provides an iconic physical symbol of the cultural, economic and social reconnections we are building throughout the project.

FINANCIAL SUMMARY

Executive Summary

Merge is a 2.8 million square-foot mixed-use, mixed-income Public-Private-Partnership development that will reignite Downtown Oakland and provide economic advancement opportunities to its diverse community. Through transitional and affordable housing, commercial space that emerging businesses can afford, supporting civic facilities, and vibrant pedestrian-friendly streets, Merge is poised to create a positive economic impact. Merge will provide shelter for over 3,000 homeless families and will create over 1,000 jobs.

Spanning 9.5 acres, Merge will provide 1.4 million square feet of mixed-income residences, composed of 1,246 market rate and senior apartments and 615 affordable housing units capped at 60% of the Area Median Income. Serving the local community's needs is at the very heart of Merge, so over 100,000 SF of civic space will include up to 170 units dedicated to transitional housing to support Oakland's unhoused residents and a community center to address a number of local needs and opportunities. Set-aside commercial space of 63,612 SF will foster emerging businesses. Office space will total 422,223 SF and retail space will total 170,000 SF inclusive of a larger retail space that could support a grocery store - which will serve growing neighborhood demand.

Merge will create an incremental value of \$958 million at the end of a 10-year period. The Public-Private-Partnership with the City of Oakland will be instrumental toward this benefit by contributing toward Merge's \$95 million land acquisition cost in exchange for partial financing of the planned Police Administration Facility.

Phase I: Community First

Merge will kick off by putting community first. This phase will provide the transitional housing facility, as well as market-rate and affordable housing units, office space, the community centre, and parking to accommodate increased density. Not only will these buildings serve as a catalyst for economic activity, but they will also serve to frame and begin to animate Jefferson Square Park. The existing parcels on this phase require the least demolition, enabling the construction to go vertical quicker than the other parcels. The development cost for Phase I will be funded with a blend of \$34 million from Low-Income Housing Tax Credits (LIHTC), \$2.8 million from a Community Development Block Grant (CDBG), \$10.4 million from Tax Increment Financing (TIF), \$201 million construction loan, and \$29 million in developer equity. The IRR for Phase I will be 9.7% unlevered and an equity multiple of 2.1x.

Phases II & III: Merging the Neighborhoods

The cost of Phases II and III draw an additional \$136 million from LIHTC, \$27 million from TIF, \$2.1 million from a CDBG, a \$442 million construction loan, and \$71 million in developer equity. Each phase of Merge is expected to stabilize within 24 months of commencement. Overall, Merge is expected to yield equity partners an unlevered IRR of 11.4% and a levered IRR of 22.1%.

Police Administration Facility (PAF)

We are proposing the following funding solutions for the PAF: 1) issue a General Obligation Bond to cover 60% of the cost, 2) create a Sales Tax Fund derived from Merge's commercial sales, 3) apply Merge's land acquisition cost, and 4) engage in a long-term land lease to minimize the upfront cash requirement.

SITE PLAN



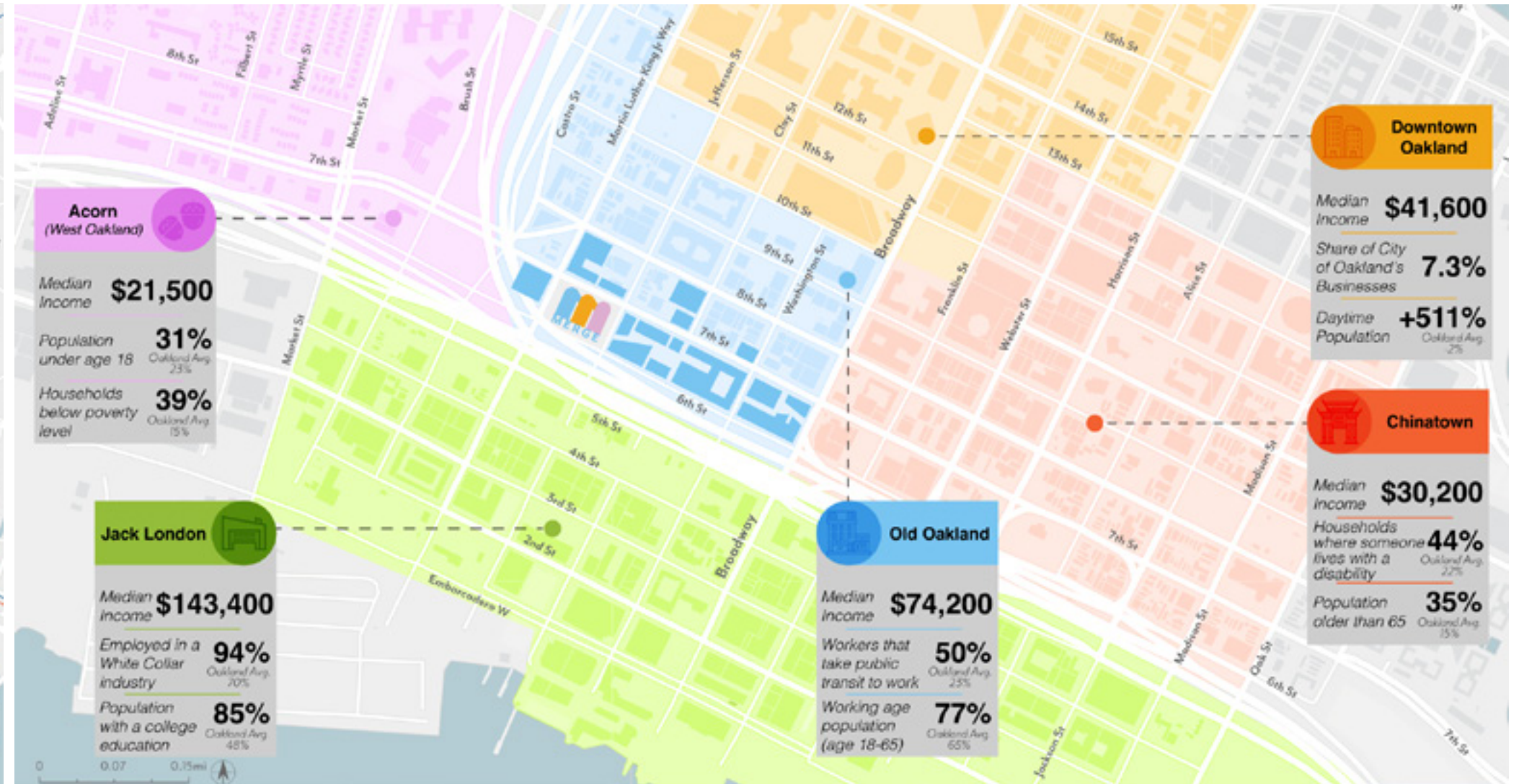
COMMUNITY BENEFITS

- **Jefferson Square Park Improvements:** As one of the original public squares in Oakland, Jefferson Square Park is a historic landmark for the city. Improvements are proposed to the park as part of the redevelopment to animate the space and create an inclusive and dynamic environment. The park is designed with dignity to promote a sense of belonging and ownership amongst Merge residents, people experiencing homelessness, youth, seniors, and visitors from across Oakland and beyond.
- **Supporting Oakland's Unhoused:** In tandem with Oakland's Permanent Access to Housing (PATH) Plan, Merge will support the unhoused residents of Oakland from acquisition to completion and beyond. After site acquisition, Merge will cultivate key partnerships to rapidly deliver temporary support for unhoused residents as a meanwhile use. This could include support such as portable sanitation facilities or temporary space for non-profits in existing buildings. In Phase I, Merge will include space for up to 170 units of low-barrier transitional housing. We will continue to work with the key partners to ensure the below-market commercial space in the same building will include service providers for culturally specific case management to connect folks to low-barrier exit resources, retraining resources, and employment services programs to invest in long-term exits from homelessness.
- **Seniors Living Campus:** A culturally appropriate seniors care centre is proposed adjacent to Chinatown. Partnering with senior's organizations in Chinatown, the facility will feature space for culturally specific programming and residential space.
- **Affordable Commercial Spaces and Live/Work Studios:** In Oakland, 25% of artists reported that they have been displaced within the last year or are facing imminent displacement (Mayor's Artist Housing and Workspace Task Force, 2016). Merge includes a variety of flexible and affordable commercial and live/work space, aiming to reduce displacement and allow artists to live and work in Oakland.
- **Improved Streetscapes and Bike Lanes:** Integrated with Oakland's 7th Street Connection Project and Oakland's Bike Plan, cycling infrastructure and spacious sidewalks are proposed along 7th street. Streetscape improvements along 7th Street will create an inviting commercial main street, seamlessly connecting to the existing boulevard on Broadway. The bike lanes and comfortable sidewalks will provide essential connections across the city while making sure that sustainable transportation choices are made easy.
- **Affordable units integrated throughout residential development:** Merge goes above and beyond to provide 33% affordable units interspersed across all residential development. In doing so, Merge aims to foster a diverse, mixed-income community that reduces displacement from the downtown core.
- **Community Spaces:** The first phase of development includes space for City services to service both Merge residents and those living in surrounding neighborhoods. This community space is positioned to support the families and youth in Acorn and includes space for a library, youth programs, sports facilities, and childcare centers. In collaboration with the Intertribal Friendship House, Merge plans to provide below-market space for indigenous groups in Oakland.
- **(Re)connecting across the I-980:** Merge proposes to animate the underpasses under the 980 and 880, to minimize the impact of the elevated freeway on pedestrians and cyclists of all ages by implementing specific recommendations from the City's Walk this Way project. The improvements include rotating art and gallery installations, improved lighting, materials to dampen noise impacts, and plantings where possible. The existing underpass parking will be largely retained and enclosed to reduce visual impacts.
- **Long Term Success:** Through a robust social procurement process, key partnerships with youth empowerment and restorative justice organizations, and space for retraining programs, Merge will support the community for long term success. Merge is based on an anti-displacement development process, and any current uses within the development will have right of first refusal to an equivalent space within Merge.
- **Diverse Engagement and Consultations:** Merge employs an engagement and consultation strategy that is just as diverse as Oakland is. In consultation with key partners, this may include tactics such as community workshops, working groups, collaborative site visits, focus groups, interviews and pop-up events, alongside traditional consultation techniques. Merge will ensure that all engagement and consultation is trauma informed and inclusive to ensure we hear from all of Oakland's residents, including those voices who are underserved and underrepresented. We plan to partner with local community organizations early in the development process to reduce barriers to participation in consultation, while laying the foundation for strong social connection within and across Merge.

SITE CONTEXT ANALYSIS



Regional Context



Surrounding Neighbourhoods within Downtown and West Oakland

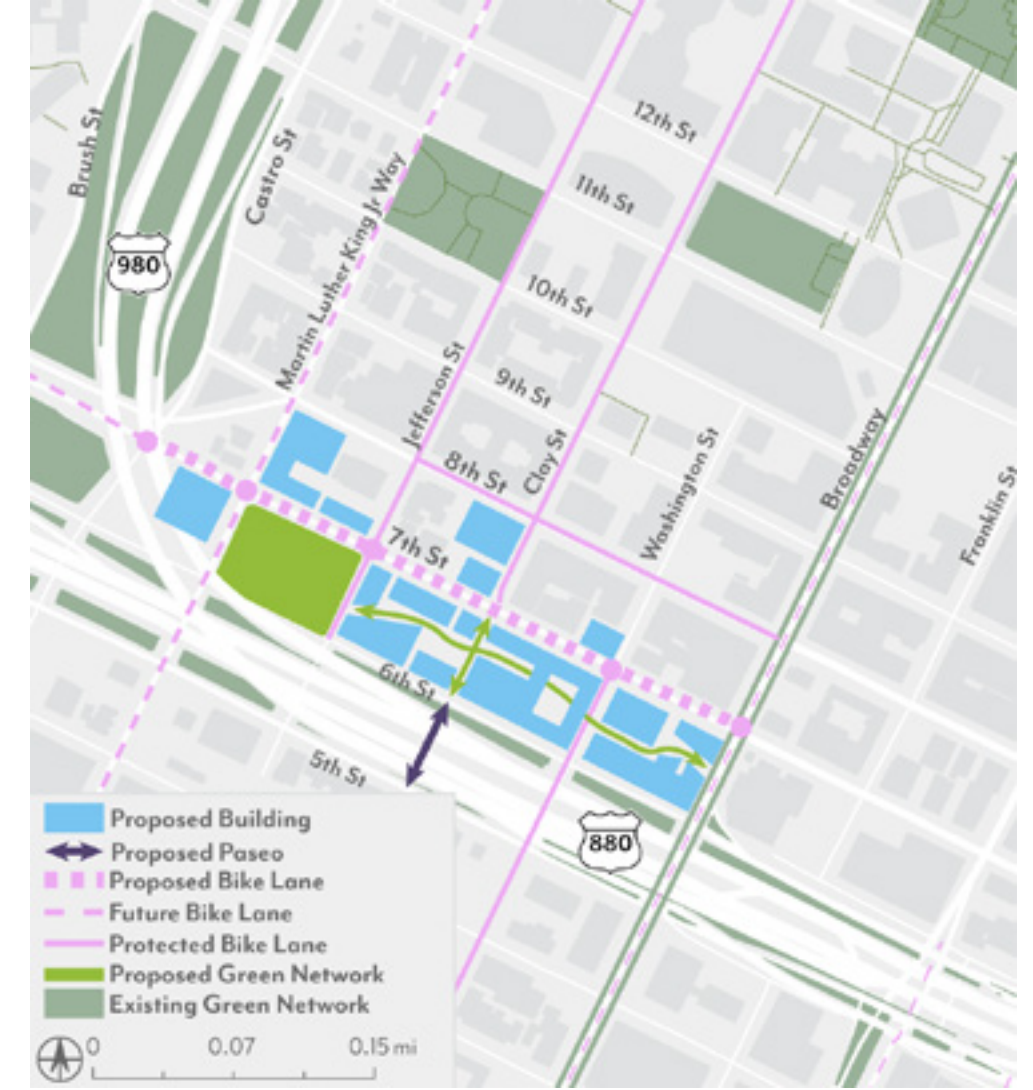
NEIGHBORHOOD CONTEXT



Road Network



Transit Network



Green and Pedestrian Network

EXPERIENCING MERGE

WORKING AT MERGE

Office space within Merge will enhance and support the local economy through economic development. Integrating offices throughout Merge creates a fully mixed-use development where you can work, shop, dine, play, and live.

SUSTAINABILITY

Green roofs are proposed as part of all buildings to promote retention of stormwater on-site. Paved surfaces throughout the site will use permeable pavement to further promote infiltration and reduce runoff. Sustainable building fixtures will reduce water and electricity use long term.

FLEXIBLE WORKSPACES

In Phase II, Merge includes a selection of flexible workspaces to allow entrepreneurs, non-profits, artists, and all others to find a space to suit their needs.

JEFFERSON SQUARE PARK

As one of the original public squares in Oakland, Jefferson Square Park is a historic landmark for the city. Improvements are proposed to the park as part of the redevelopment to animate the space and create an inclusive and dynamic environment.

SENIOR CARE CENTRE

A culturally appropriate senior care center is proposed within Merge adjacent to the Chinatown neighborhood to the east.

MULTIMODAL MOBILITY

Integrated with Oakland's 7th Street Connection Project and Oakland's Bike Plan, cycling infrastructure and spacious sidewalks are proposed along 7th street.

(RE)CONNECTION

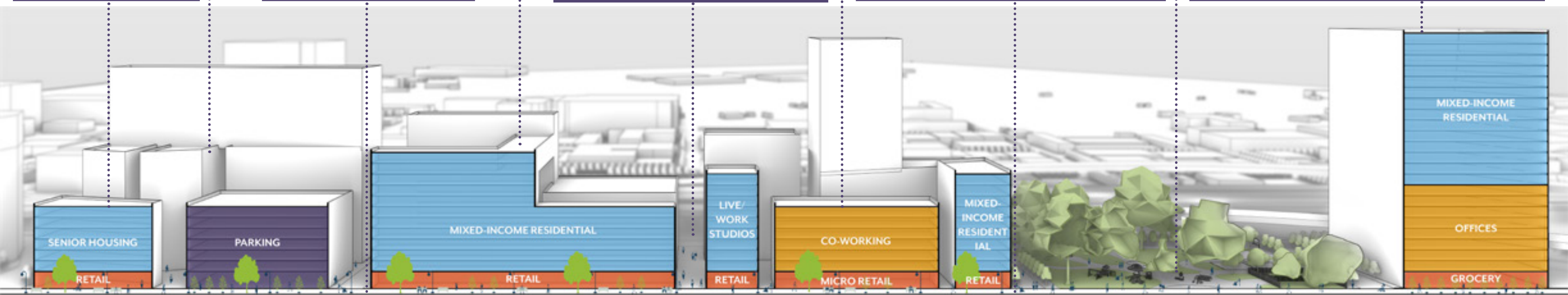
Rotating art and gallery installations, improved lighting, noise-dampening material, and plantings will animate the underpasses under the 980 and 880 to (re)connect Downtown, West Oakland, and the Waterfront.

VIBRANT PUBLIC REALM

Merge will showcase local arts and culture organizations through key partnerships to create a vibrant public realm. Active ground floors will promote pedestrian activity, ultimately leading to the improved Jefferson Square Park where folks can play, relax, and

CALLING MERGE HOME

In addition to market rate rental housing, Merge goes above and beyond to provide 30% affordable units interspersed across all residential development. In doing so, Merge aims to foster a diverse, mixed-income community that reduces displacement from the downtown core.



NEIGHBORHOOD COURTYARD

Looking west towards Jefferson Square Park



The neighborhood courtyard by the Clay Street pedestrian walkway features shade tolerant plantings, graphic surface treatments, and animated ground level retail and cafes.

STREETSCAPE IMPROVEMENTS ON 7TH STREET



Proposed cross section of 7th Street with improved cycling infrastructure, street furniture, transit facilities and comfortable sidewalks.

CLAY STREET PEDESTRIAN WALKWAY

Looking south towards the I-880 freeway underpass



The elevated I-880 freeway is a barrier between Old Oakland, Chinatown, and the waterfront communities. Improved underpass treatments include lighting upgrades, and a new pedestrian passage under the freeway at Clay Street.

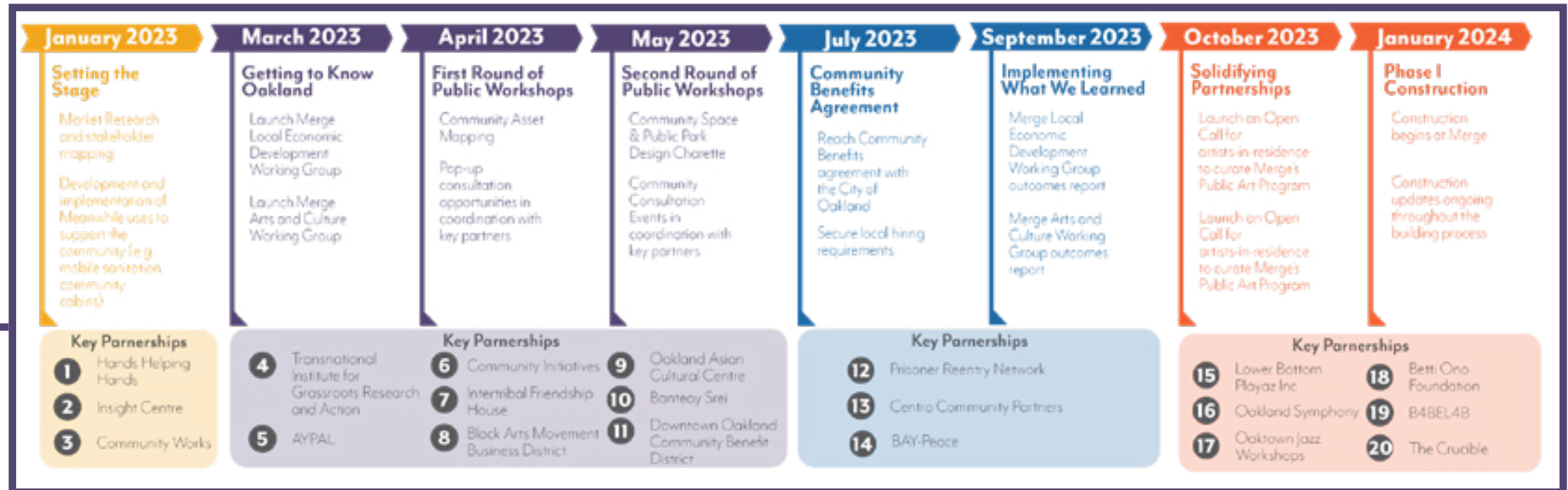
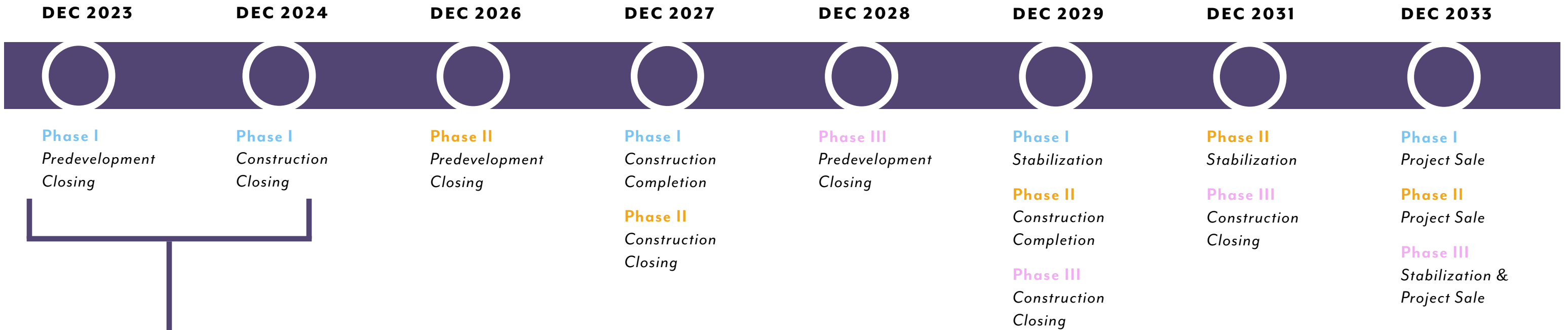
JEFFERSON SQUARE PARK

Looking east towards Jefferson Street

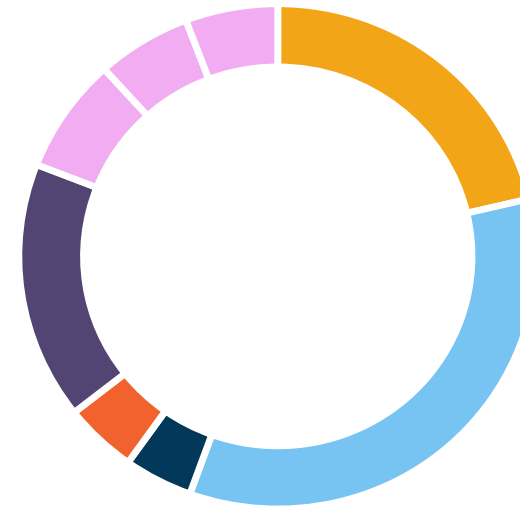
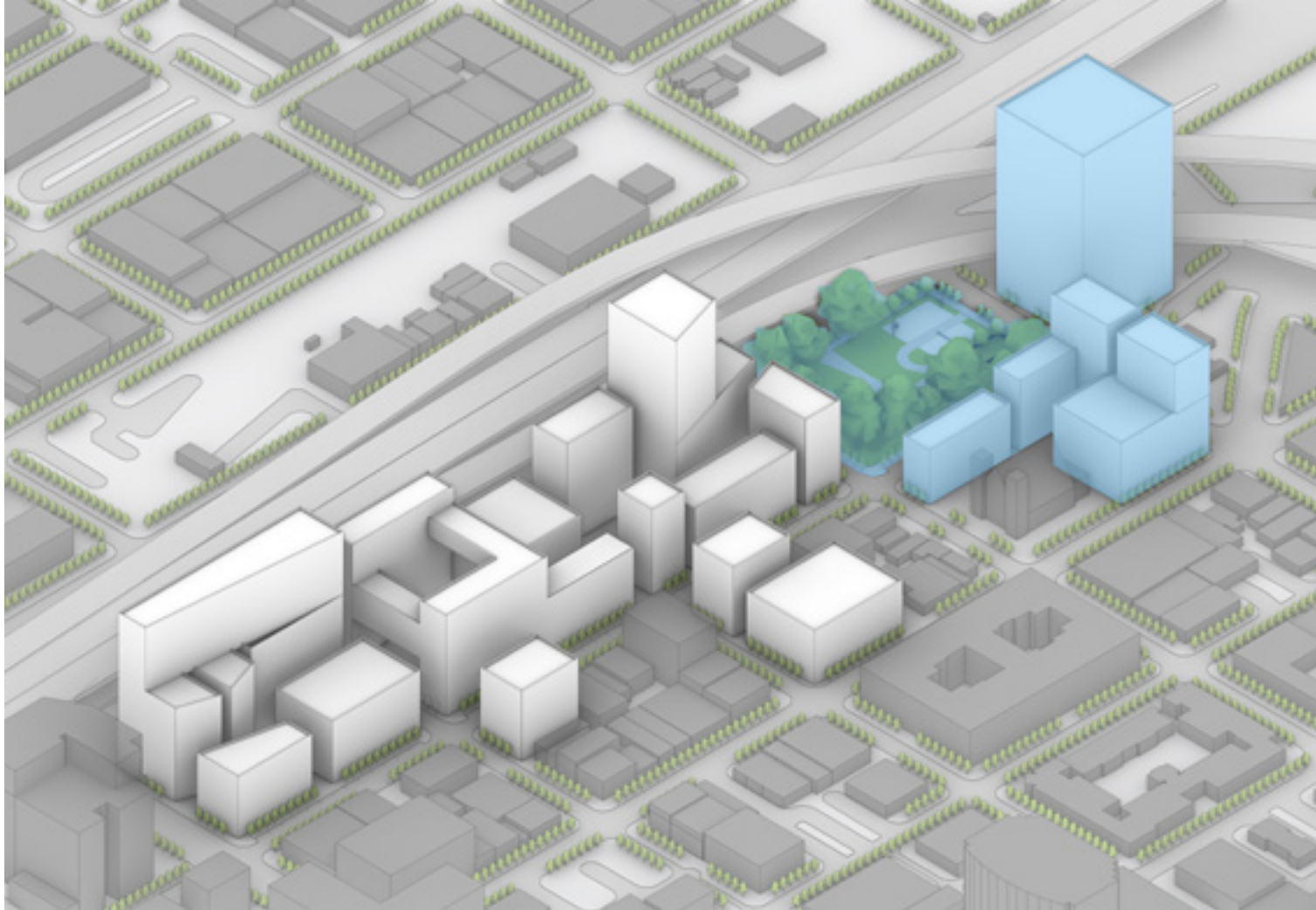


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PHASING OVERVIEW AND IMPLEMENTATION PLAN



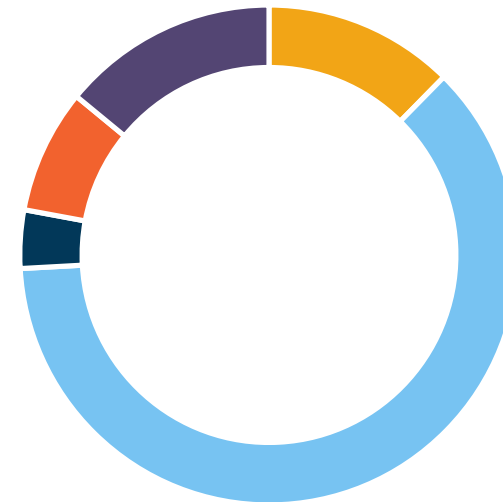
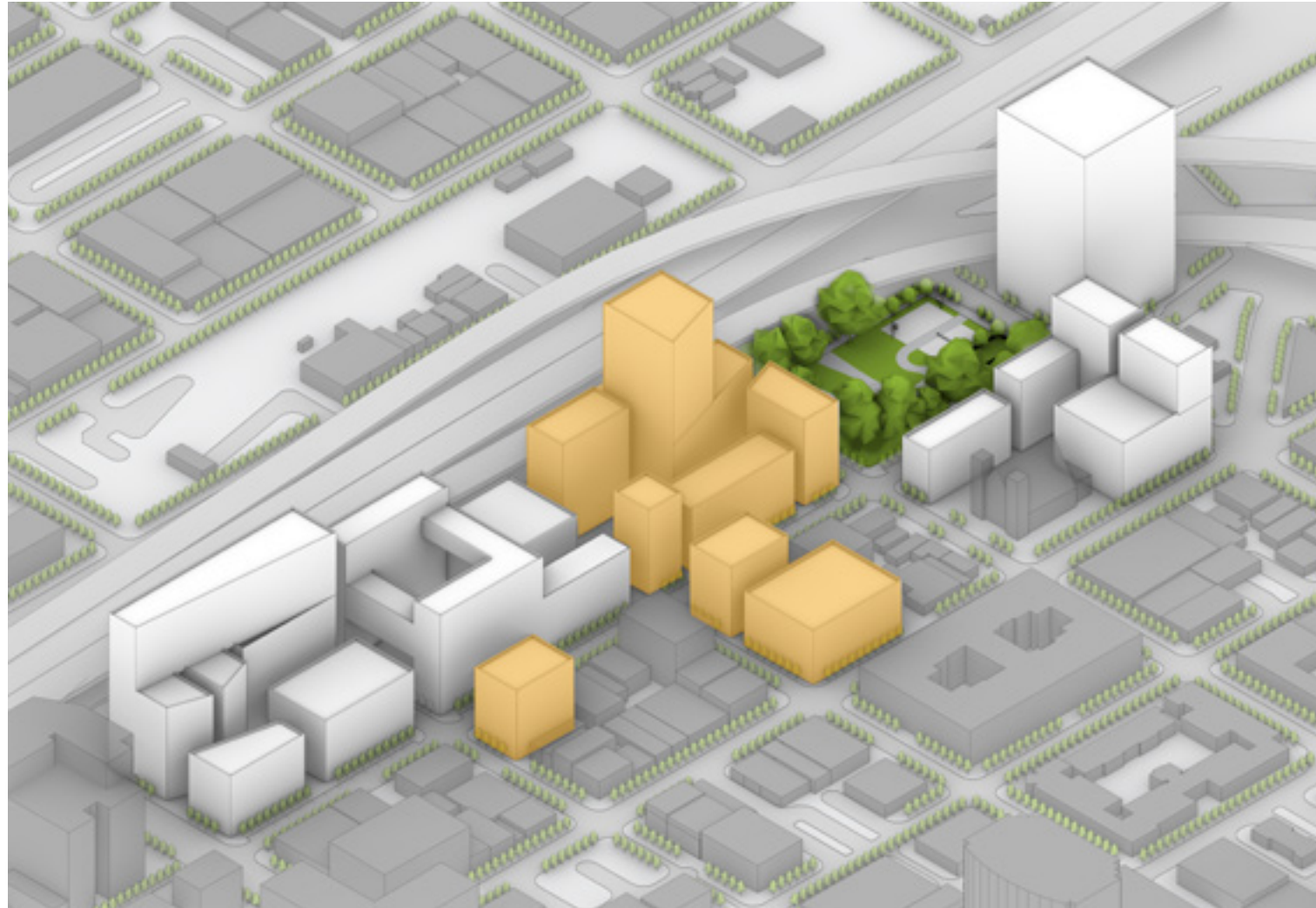
PHASE I: COMMUNITY FIRST



- Community Spaces | 164,297.85 sf | 19%
- Office | 183,715.45 sf | 21%
- Residential | 294,314.24 sf | 34%
- Private Amenity | 37,003.57 sf | 4%
- Retail | 39,478.31 sf | 5%
- Parking | 142,280 sf | 17%

Total Development Costs	\$275,760,933
Unlevered IRR	9.7%
Unlevered Equity Multiple	2.1x
Levered IRR	22.6%
Levered Equity Multiple	7.1x
Total Affordable Housing	123

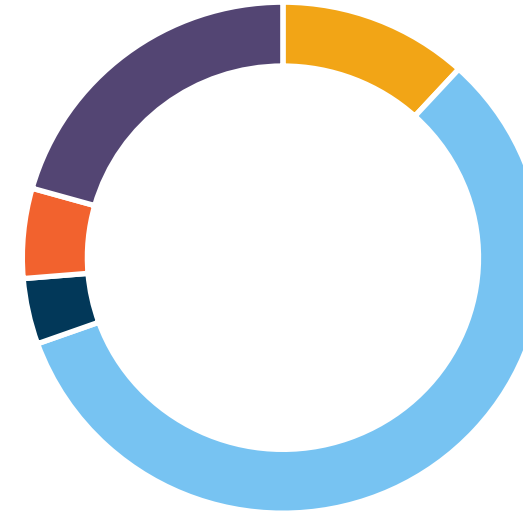
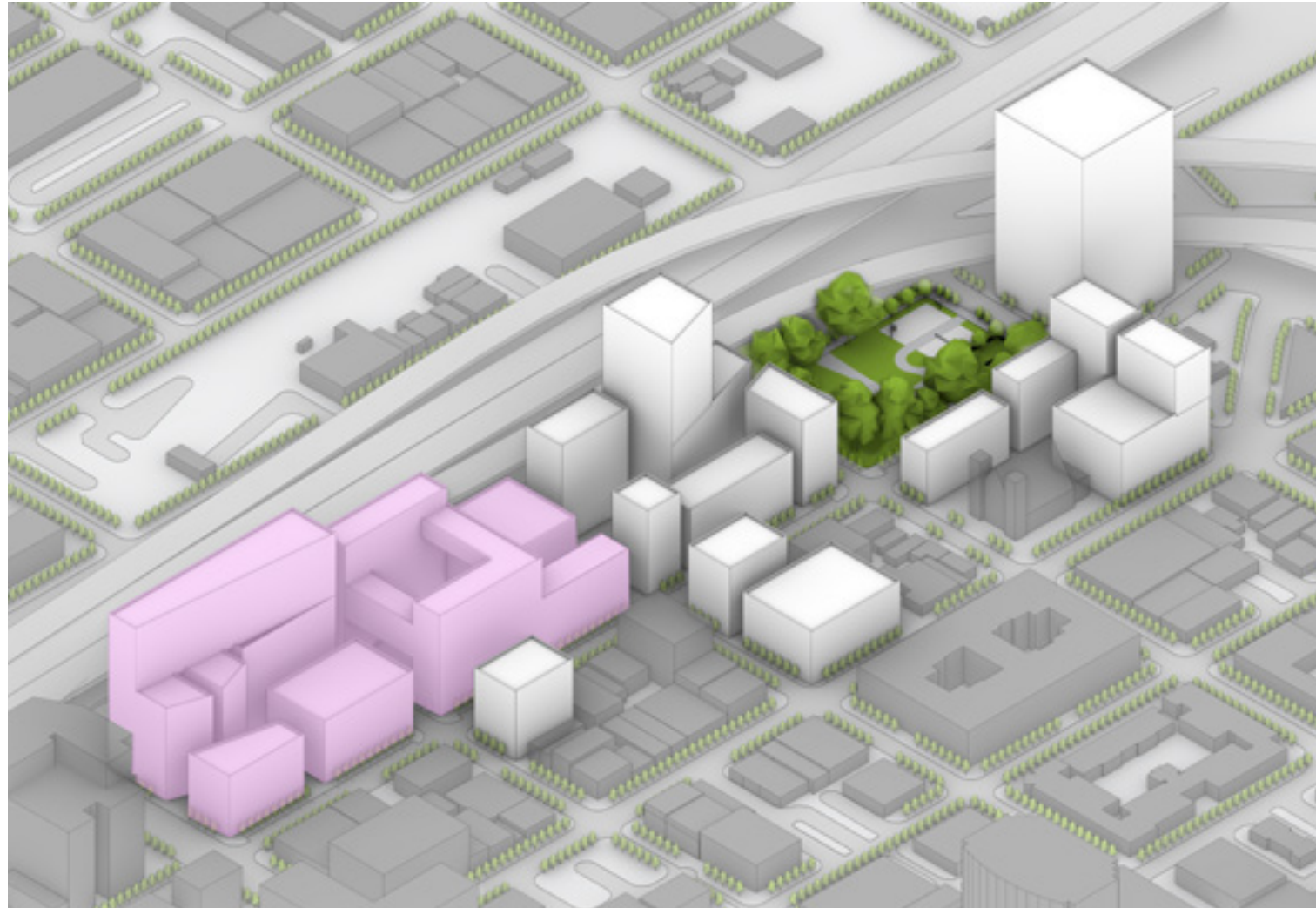
PHASE II: (RE)CONNECTING CLAY STREET



- Office | 106,496.89 sf | 12%
- Residential | 531,105.19 sf | 62%
- Private Amenity | 32,439.71. sf | 4%
- Retail | 69,132.22 sf | 8%
- Parking | 120,900.00 sf | 14%

Total Development Costs	\$286,318,330
Unlevered IRR	10.2%
Unlevered Equity Multiple	1.7x
Levered IRR	22.3%
Levered Equity Multiple	4.0x
Total Affordable Housing	222

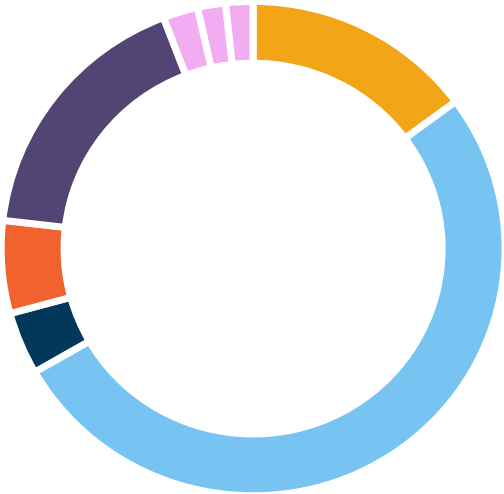
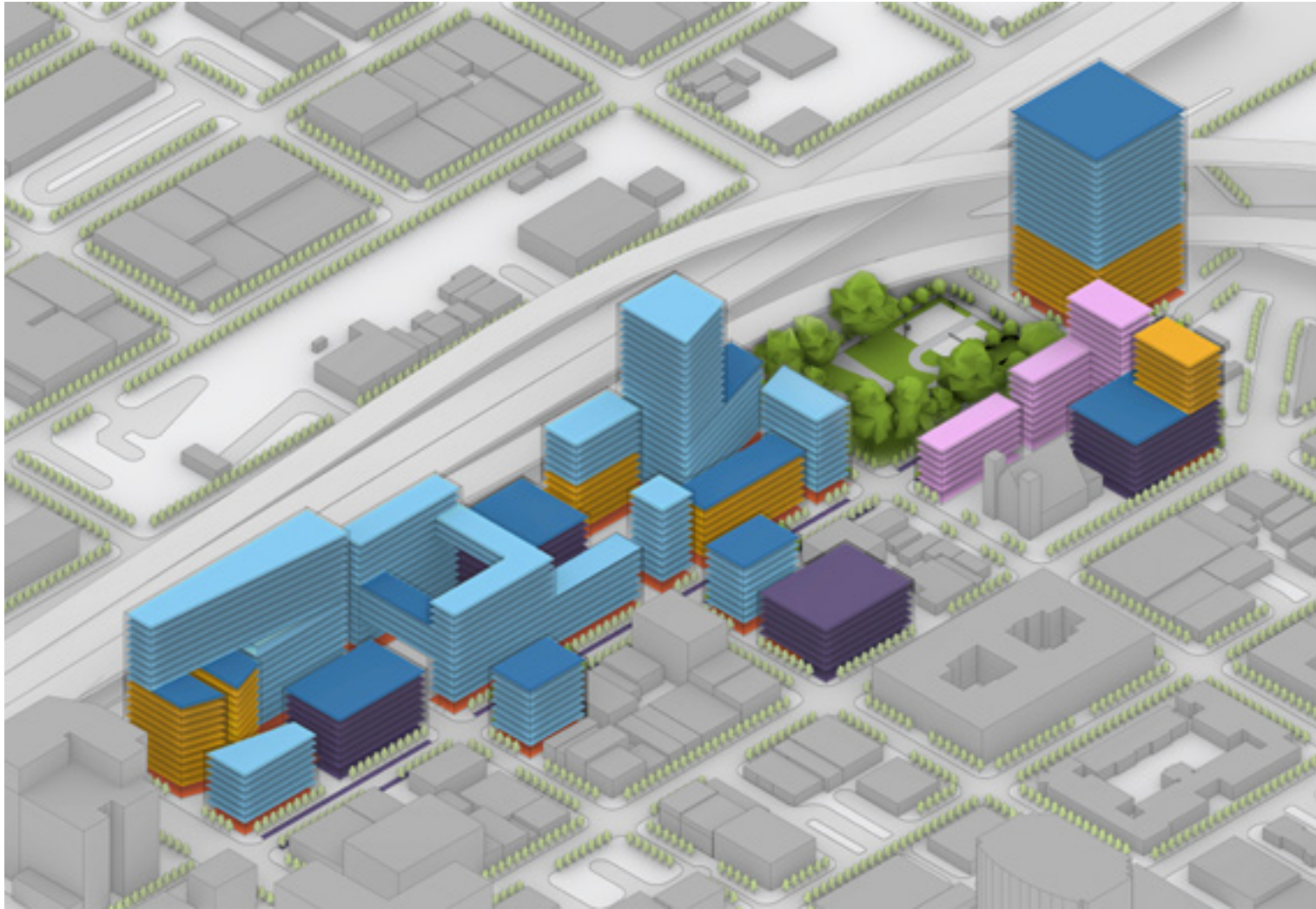
PHASE III: BRINGING IN BROADWAY



- Office | 132,030.76 sf | 12%
- Residential | 646,736.73 sf | 58%
- Private Amenity | 46,639.63 sf | 4%
- Retail | 63,662.51 sf | 6%
- Parking | 230,950.00. sf | 20%

Total Development Costs	\$391,873,361
Unlevered IRR	11.4%
Unlevered Equity Multiple	1.5x
Levered IRR	33.7%
Levered Equity Multiple	4.3x
Total Affordable Housing	270

TOTAL PROJECT SUMMARY



- Community Spaces | 164,297.85 sf | 19%
- Office | 183,715.45 sf | 21%
- Residential | 294,314.24 sf | 34%
- Private Amenity | 37,003.57 sf | 4%
- Retail | 39,478.31 sf | 5%
- Parking | 142,280 sf | 17%

Total Development Costs	\$953,952,624	Developer Equity	\$213,304,301
Unlevered IRR (pre-tax)	11.4%	Construction Loan	\$643,181,147
Levered IRR (pre-tax)	22.1%	Permanent Bank Loan	\$633,261,732
Year 0 Site Value	\$95,000,000	TIF Loan	\$75,520,568
Year 10 Site Value	\$1,052,654,187	LIHTC	\$339,787,500

