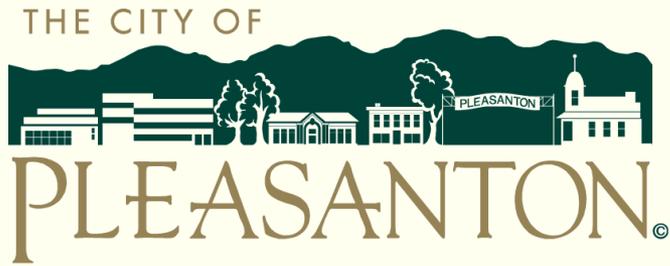


Kottinger Place & Pleasanton Gardens Predevelopment Analysis Report

October 16, 2012



Presentation Summary

- Background and overview of the *Kottinger Place and Pleasanton Gardens Predevelopment Analysis Report*
- Review of three site plan options and simulations of preferred Site Plan Option 2 (New Development of Kottinger Place and Pleasanton Gardens sites)
- Staff recommendations





EXISTING SITE PLAN



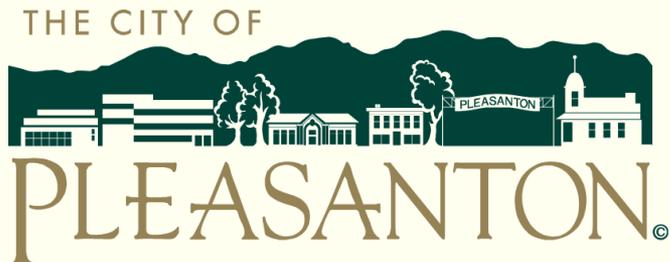
Kottinger Place

- 50 affordable senior homes
- HUD Public Housing

Pleasanton Gardens

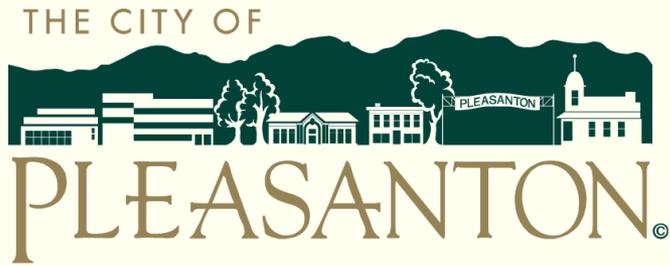
- 40 affordable senior homes
- HUD 236 Mortgage & Section 8 Rental Subsidy
- non-profit owner





Project Background

- Kottinger Place citizens task force formed in late 2004
- Christian Church Homes retained to study project (2006)
- Task Force preliminary predevelopment report (2010)
- City Council approves Principals of Agreement (2010)
- City acquires 4138 Vineyard Avenue (2011)
- City approves ENRA with MidPen Housing to prepare a *Kottinger Place and Pleasanton Gardens Predevelopment Analysis Report* (February 2012)



MidPen Housing Corporation Scope of Work

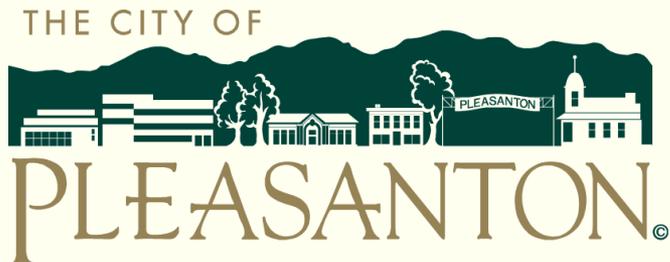
- Task 1: Prepare Predevelopment report with three options:
 - Option 1 - Rehabilitate existing Kottinger Place units and increase density with new units
 - Option 2 - New development on Kottinger Place and Pleasanton Gardens
 - Option 3 - New development on Kottinger Place
- Task 2: Conduct development process

Critical Project Steps

- Meetings with residents collectively and individually
- Public meetings with Task Force and neighborhood
- Development of Task Force objectives
- Preferred site plan development characteristics
- Meetings with Pleasanton Gardens, which has agreed to participate and contribute to the project
- Task Force and Housing Commission recommendations

Development Characteristics

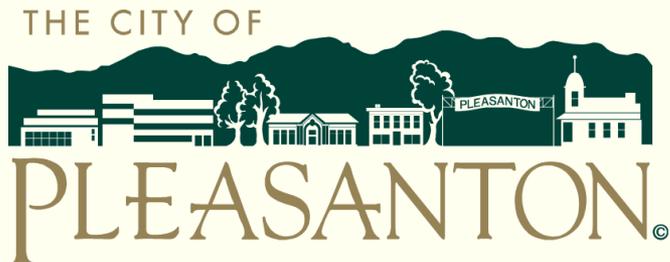
- Retain character (i.e., community gardens, open space, some single story)
- Compliment neighborhood
- City retains land ownership
- Maximize leverage of City resources, achieve long-term sustainability
- Sensitive and effective approach to tenant relocations
- Quality resident services to help age in place and independent living



Development Approach Summary

Unit Count

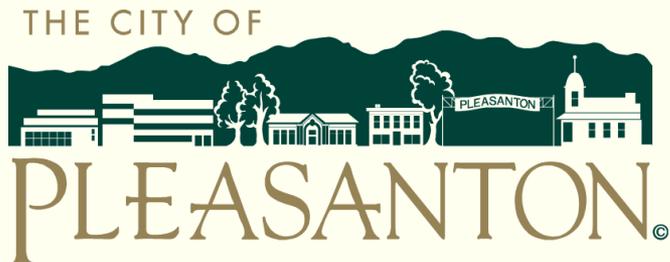
Categories	Option 1	Option 2	Option 3
Existing Units Retained	36	0	0
New Units	47 to 57	172 to 189	120 to 130
Total Units	97 to 107	172 to 189	120 to 130
Net New Units	47 to 57	82 to 99	70 to 80



Development Options Summary

Site Plan Features

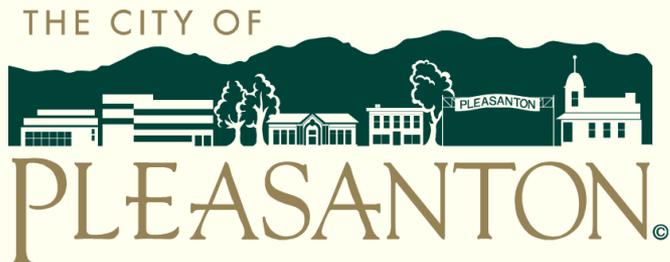
Categories	Option 1	Option 2	Option 3
Building Height (Stories)	1, 2, & 3	1, 2, & 3	1, 2, & 3
Building Footprint (Sq. Ft.)	106k	174k	124k
Open Space Footprint (Sq. Ft.)	90k	107k	73k
Open Space to Total Site Area	46%	38%	37%



Development Options Summary

Project Costs

Sources	Option 1	Option 2	Option 3
Development Cost	\$38m	\$61m	\$43m
Private Funding (Tax Credit Equity, etc)	\$26m	\$41m	\$28m
City Contribution (LIHF)	\$4m	\$8m	\$6m
Other Public Funding (HOME, etc.)	\$1.4m	\$1.4m	\$1.4m
Pleasanton Gardens Contribution	[n/a]	\$300k + Sec 8 (32)	[n/a]
Development Cost Per Unit	\$363k	\$327k	\$333k
Annual Operating Budget	\$596k	\$1.01m	\$667k



Development Options Summary

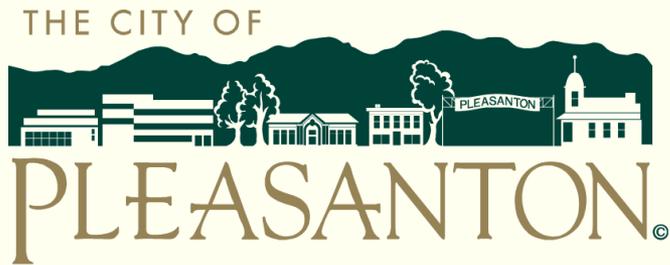
Task Force Objectives

	Option 1	Option 2	Option 3
Increases Supply of Affordable Senior Housing	0	+	0
Retains Site Character and Open Space	+	+	+
Achieves Financial Efficiency and Sustainability	0	+	0
Site Plan is Complimentary to the Neighborhood	+	+	+

"+" = Significantly meets objective

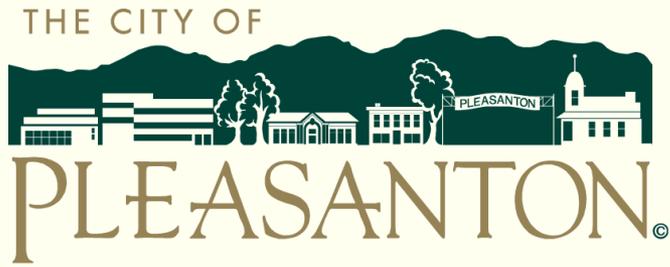
"0" = Partially meets objective

"-" = Does not meet objective



Task Force and Housing Commission Recommendation

- Selected Option Two as the preferred development approach
- Include 171 – 189 living units on both sites but retain flexibility
- Proceed with Task Two – Development Review process based on Development Option 2



Kottinger Place Predevelopment Report
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Proposed Site Plans and Neighborhood View Simulations



Report Summary - Stakeholder Feedback

Resident Comments:

- Accessible
- Fewer studio units
- Private covered patios
- Community Gardens
- Choice between single and multi-story
- Larger community room, more amenities
- Sufficient parking

Neighbor Comments:

- Appropriately located 2 or 3 story
- Landscaping treatment

Pleasanton Gardens

- Increase supply of senior affordable housing
- Energy efficient
- Accessible



DEVELOPMENT APPROACH – Option One:

Rehabilitate some existing homes and increase density on Kottinger Place site only



97-107 homes

36 single-story

61-71 multi-story building

Net new affordable senior homes created:

47-57

Total Development Cost:

\$36.9-38.8M

Per Home:

\$363K-\$380K

City Financing Needed:

\$3-4M

Per Home:

\$42-45K

DEVELOPMENT APPROACH – Option Two:

New Construction on Kottinger Place and Pleasanton Gardens sites



172-189 homes

83 single-story,
 89-106 multi-story
 building

**Net new affordable
 senior homes
 created: 82-99**

Total Development

Cost:

\$58-61M

Per Home:

\$327-341K

City Financing

Needed:

\$7-8M

Per Home:

\$41-43K



DEVELOPMENT APPROACH – Option Three:
New Construction on Kottinger Place Site Only



120-130 homes
(59 single-story, 61-71 multi-story building)

Net new affordable senior homes created:
70-80

Total Development Cost:

\$41-43M

Cost Per Home:

\$333-344K

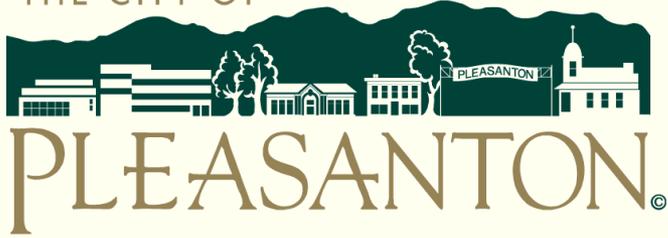
City Financing Needed:

\$5-6M

Per Home:

\$47-51K

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Kottinger Place Predevelopment Report
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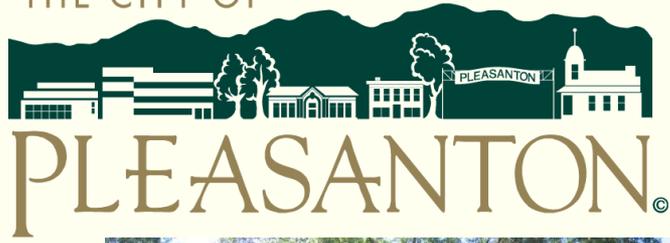
Sample Simulations



Option Two: Views of Entrance from Vineyard Avenue



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Kottinger Place Predevelopment Report
October 16, 2012





Option Two: View from Vineyard Avenue Neighbors





Proposed new multi-story homes

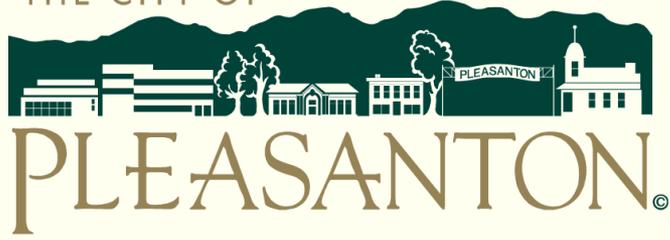




Option Two: View from Kottinger Park



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Option Two: View from Kottinger Drive Neighbors



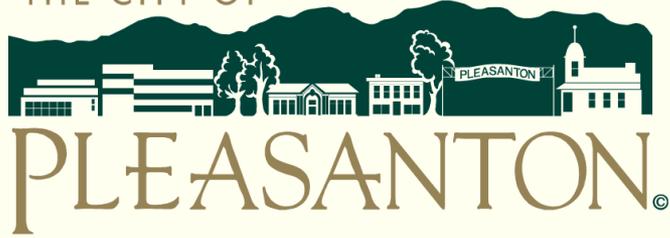




Option Two: View from Kottinger Drive



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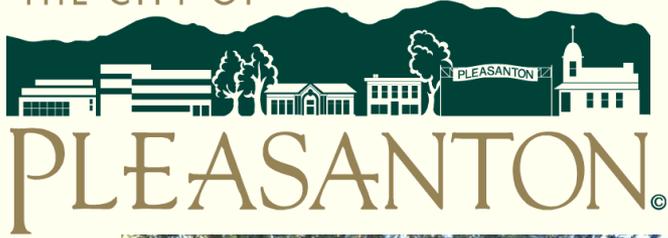
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Option Two: View of Entrance to Pleasanton Gardens



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October 16, 2012



Existing



Proposed



Option Two: View from Adjacent Kottinger Drive Neighbors



Existing



Proposed



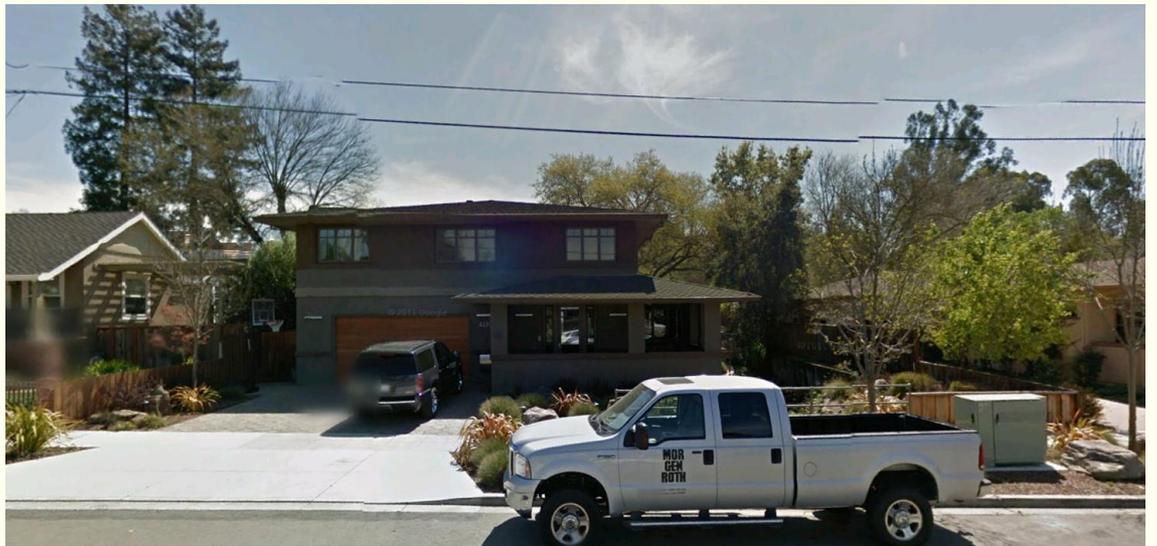
Option Two: View from Second Street Neighbors

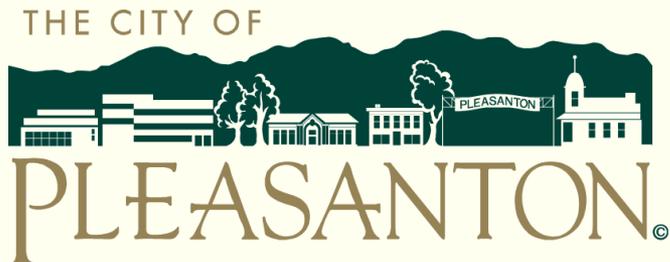


Existing



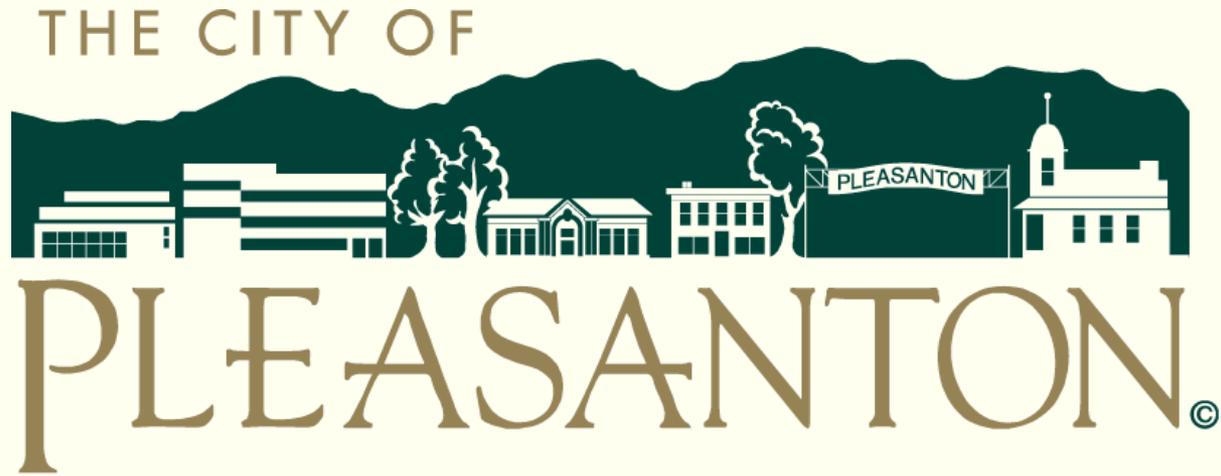
Proposed





Recommendation

- Approve the Predevelopment Report and authorize Task Two
- Authorize preparation of a disposition and development agreement with MidPen Housing Corporation
- Authorize preparation of an MOU with Pleasanton Gardens
- Appropriate \$8 million from the Lower Income Housing Fund



Kottinger Place & Pleasanton Gardens Predevelopment Analysis Report

October 16, 2012