



CITY COUNCIL AGENDA REPORT

December 1, 2009
Assistant City Manager

TITLE: JOINT WORKSHOP WITH THE KOTTINGER PLACE TASK FORCE REGARDING THE PREDEVELOPMENT REPORT AND RECOMMENDATION TO BEGIN A DEVELOPMENT PROCESS FOR A NEW 150 UNIT LOW INCOME SENIOR DEVELOPMENT AT 240 KOTTINGER DRIVE

SUMMARY

The City Council formed the Kottinger Place Task Force (Task Force) to assist staff with exploring the potential for developing a new senior housing development on the site currently housing the City's 50-unit Kottinger Place senior development located at 240 Kottinger Drive. In recognition of this interest, the Council's Annual Work Plan includes a priority for reviewing the potential for redeveloping Kottinger Place and Pleasanton Gardens. As part of this process, the Council entered into an agreement with Christian Church Homes (CCH) to conduct a predevelopment process. In June of last year, the Council approved a conceptual site plan for a new development on the Kottinger Place site and authorized staff to work with the Task Force to move forward with its final predevelopment plan. At that meeting, the Council also expressed an interest in exploring a two story option with fewer units and receiving more detailed financial information. In addition, the Council has adopted a priority to continue working with the Task Force on this project.

In response to Council direction, staff and the Task Force held a number of public meetings during which it explored a two story 128 unit option. At this time, staff has determined that the Task Force has completed the predevelopment process and it is seeking Council direction regarding moving forward with a PUD development plan and financing plan.

The purpose of the joint workshop is to discuss the recommendations included in the Kottinger Place Final Predevelopment Report (Attached). Following the conclusion of the workshop, the Council may reconvene the City Council meeting and take action related to this matter.

HOUSING COMMISSION RECOMMENDATION

The Housing Commission expressed its support for the final predevelopment report prepared by staff and the Task Force.

RECOMMENDATION

1. Conduct the workshop with the Kottinger Place Task Force based on the final predevelopment report (Attachment A) and if appropriate, reconvene the City Council meeting and take the following action:
 - a. Authorize staff to prepare a Request for Qualifications to select a non profit developer to begin the project design, and PUD development process, including a financing plan, for a 150 unit senior affordable rental housing development at 240 Kottinger Drive as outlined in the attached final predevelopment report. (This was the process followed for the Parkview Assisted Living development.)
 - b. Authorize the City Manager to execute the Memorandum of Understanding with Pleasanton Gardens.
 - c. Authorize staff to develop a plan for tree plantings in Kottinger Village Community Park along the southern edge of the property.
 - d. Indicate an interest in the Task Force continuing its cooperation with staff regarding the proposed development and approve its recommendation related to Task Force membership.

FINANCIAL STATEMENT

There is no direct financial impact as a result of staff's recommendation. However, should the new development proceed, staff anticipates a significant financial contribution from the City to offset project development costs. In addition, selection of a non profit developer may involve a City predevelopment loan. The actual costs will be determined as part of the development process.

BACKGROUND

In November 4, 2003, in response to an interest expressed by a group of residents, the Council authorized staff to begin studying the potential for the replacement, expansion and/or renovation of Kottinger Place, and Pleasanton Gardens which is a privately owned 40-unit affordable senior development located at 251 Kottinger Drive. To assist with this project, in February 2004, the Council approved the formation of an eleven member Kottinger Place Task Force (Task Force). The Task Force's membership includes 6 at-large members, 2 members from the Housing Commission, 2 members from the Board at Pleasanton Gardens and 1 member from the City Parks and Recreation Commission (Commission).

To assist with the predevelopment process, the City Council entered into an agreement with CCH to direct the early stage planning/predevelopment process.

Since the start of the process, staff and the Task Force have explored many alternatives including the rehabilitation of Kottinger Place and Pleasanton Gardens, new developments located at various locations, including Vineyard Avenue, and developments with two and three stories. As an outcome of this work, in June 2008, the City Council approved a Conceptual Site Plan comprised of 150 total units in two and three story buildings with vehicular access from both Vineyard Avenue and Kottinger Drive without through traffic. Some of the key elements of this plan are as follows:

- A tight clustering of buildings allows for open space and minimal walking distances throughout the development.
- Assumes relocation of the then existing Kottinger Place and Pleasanton Gardens tenants to the new development.
- The three story buildings are located to minimize impact on the adjacent properties.
- The community building is centrally located and easily identifiable from Vineyard Avenue. This building could include a "City" room available for project compatible community functions that would be compatible those that have been held at the Regalia House.
- Minimizes the need for tenant relocation by utilizing land currently housing the Regalia House for new units.
- Retains a sense of open space outside of the community building's rear entrance.
- Adequate open space throughout the development allows for design of landscaping, screening, and related improvements providing harmonious transitions and shielding for neighboring properties.
- Buildings are setback from Kottinger Drive.
- Allows vehicular access from both Kottinger Drive and Vineyard Avenue but not through traffic. Additional project parking analysis will be conducted as part of the development process.
- A circulation system that minimizes traffic movements, separate pedestrian and auto circulation, and safe access to the site.
- Does not encroach on Kottinger Community Park or Park parking.
- Continued cooperation with Pleasanton Gardens

In addition to approving the conceptual site plan, the Council expressed its interest in seeing additional alternatives, particularly a less dense two story option with fewer units, and more financial information. In response to this direction, the Task Force, in close cooperation with staff and CCH, has completed the predevelopment final predevelopment report which is attached for Council review.

DISCUSSION

To date, the primary issues related to the predevelopment process have been addressed. Notwithstanding this, as outlined in the joint predevelopment report, staff and the Task Force realize that additional analysis needs to be conducted particularly to address parking requirements, architectural design, landscaping, rent levels, final unit count, building height and location of three story structures, if any, overall integration with the neighborhood, etc. However, staff is of the opinion that this analysis can only be completed as the project progresses through the PUD development process which includes detailed design and community feedback. This process would also include a project specific financial proforma outlining source and uses based on project financing preapprovals and targets and a more detailed tenant relocation plan based on actual tenancy at the time the project is approaching development. As a result staff is recommending it be authorized to move forward with selection of a non profit developer to proceed with this phase of the project.

As the Council is aware, the current economic environment is not conducive to residential development and there has not recently been any significant activity in the community. For affordable housing, this situation is more acute since funding from private corporations and governmental grant programs have significantly diminished. Nevertheless, based on the amount of time it takes to select a developer and conduct the design, PUD and financing process, staff is recommending moving forward at this time in hope of an improving economy.

Based on the process used recently for the Parkview assisted living project, staff anticipates circulating a Request for Qualifications to identify the most qualified non profit affordable housing developer to move forward with the project. As part of this process, staff anticipates an option for entering into a disposition and development agreement that outlines the scope of the project and potentially including a predevelopment loan to fund the development process. The amount of the loan, if any, would be determined after detailed discussion with the developer regarding project scope and its ability to fund certain aspects of the development process. The developer selection and agreements will be forwarded to the City Council for approval. Staff anticipates that the developer selection will occur within four to five months.

Staff is also recommending approval of the Memorandum of Understanding (MOU) with Pleasanton Gardens as a means of memorializing the relationship between the City and Pleasanton Gardens for this project. The attached final predevelopment report outlines the scope of the MOU.

Staff anticipates continuing to work closely with the Task Force, tenants of Kottinger Place and Pleasanton Gardens, and the neighborhood on the next phase of the project and will also continue to involve the Housing and Parks and Recreation Commissions as appropriate. As part of the PUD process, staff anticipates review by the City Planning Commission.

Submitted by:



Steven Bocian
Assistant City Manger

Finance Review:



Dave Culver
Director of Finance

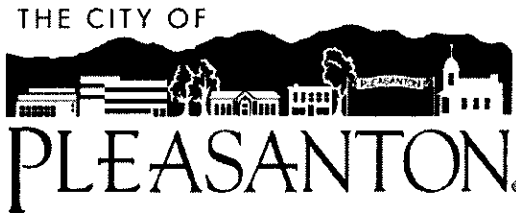
Approved by:



Nelson Fialho
City Manager

Attachments:

1. Kottinger Place Joint Predevelopment Report dated December 1, 2009



Date: December 1, 2009

To: Mayor and Members of the City Council

From: Kottinger Place Task Force and Steven Bocian, Assistant City Manager

Subject: Kottinger Place Predevelopment Report

At its meeting of June 3, 2008, the City Council directed the Kottinger Place Task Force (Task Force) to continue its predevelopment process for the development of a new 150 unit senior independent living apartment project located on the current 3.3 acre site of Kottinger Place located at 240 Kottinger Drive. This report, and its related attachments, provides the City Council with the information it requested, includes our recommendations, and serves as our final predevelopment report. We anticipate this report will be discussed at the joint City Council/Task Force workshop scheduled for December 1, 2009 and that it will act as the basis for the Council providing direction for addressing future affordable housing at the Kottinger Place site.

Section I of this report provides the background to our activities, frames the primary issues addressed to date, and outlines the process we have pursued. Section II includes our conclusions and recommendations. While the report is drafted to present the Task Force's perspective, our role has been largely supportive of staff efforts to coordinate and develop this project. As such, the report includes many staff perspectives and insights and in fact, it was prepared cooperatively with staff and Christian Church Homes, the project's predevelopment consultant.

I. Background

Kottinger Place, which was constructed in 1972, provides a unique rental housing opportunity for very low income independent living seniors. Operated as a United States Department of Housing and Urban Development (HUD) low income senior Public Housing project by the Housing Authority of the City of Pleasanton (HAP) (which has the City Council as its Board of Directors), the 50-unit development provides quality housing and services at rents ranging from approximately \$80 to \$700 per month (\$300 per month average) based on 30% of a household's income (adjusted for medical expenses, etc). While the development is owned by the HAP, ongoing property management is provided under contract by Barcelon Associates Management Corporation (Barcelon). Staff works closely with Barcelon on a full range of matters including HUD compliance, grant processing, financial management and ongoing resident issues. As a HUD public housing project, Kottinger receives HUD operating and capital grants annually to address cash flow needs, (rental income has not kept pace with project expenses) and improvements which recently have included painting, parking improvements, landscaping, repairs, etc. Loss of any of these funding sources,

which are not guaranteed, would result in the project operating with an unfunded deficit. The development is generally in good repair and resident feedback is generally positive.

In 2000, the Housing Commission (Commission) identified a number of major issues related to the long term needs of Kottinger Place including an aging and inefficient utility system, aging structures, apartments that are no longer compliant with current accessibility standards, lack of features designed to meet senior needs, expensive landscape maintenance requiring frequent repairs, more costly ongoing maintenance requirements, overall demand that exceeds the available number of living units, and revenue and space constraints that allow only the minimal social services expected to facilitate aging in place. As part of its effort to explore options to address these issues, the Commission contracted with Senia Development Services which prepared a study titled "Options for Financing Increased Units at Kottinger Place, Preliminary Study" that identified options for the redevelopment of a denser Kottinger Place and for renovation of the existing units. The study's focus was related to how these options could be accomplished within the project's HUD guidelines.

The report concluded that while the redevelopment of Kottinger Place was potentially feasible, due to site and relocation challenges, a better option would be to focus on pursuing a different site to house a new senior housing project and to concentrate on updating Kottinger Place. Notwithstanding this recommendation, the report presented some onsite redevelopment options including a two or three story development over parking. While the report did not provide any detailed financial analysis regarding these options, the consultant recommended that the City contract with a nonprofit housing developer to study the financial feasibility of this type of redevelopment project.

In partial response to this recommendation, local residents concerned about Kottinger Place's long term viability and the Housing Commission began exploring the potential for utilizing a portion of the then recently acquired Bernal Property as a site for an affordable senior housing development. However, because the passage of Measure V in 2002 prohibited residential uses on the City owned portions of the Bernal Property, the Commission's focus returned to redeveloping the existing Kottinger Place site and other vacant sites in close proximity of Kottinger Place. However, shortly after beginning this process, it became clear that all of the potential alternative sites, including the then vacant Birch Creek Terrace site, ended up being incompatible with Kottinger Place's needs or unavailable.

At approximately the same time, a subcommittee of the Housing Commission held a workshop with the Pleasanton Gardens Board of Directors (located adjacent to Kottinger Place at 251 Kottinger Drive), to explore the potential of a joint development that would meet the needs of both projects. Like Kottinger Place, Pleasanton Gardens maintains a mission of providing affordable housing for very low income seniors capable of independent living. Consisting of 40 living units, it was developed as a community effort by local churches to provide affordable housing for senior citizens. Operating as a 501 (c) 3, its Board of Directors is comprised of local residents who handle all project management including HUD grants and Section 8 programs, tenant services, etc., through its own property management staff. Like Kottinger, the development is generally in good repair and resident feedback is positive.

In addition to facing similar issues as Kottinger Place related to increased maintenance costs, limited amenities and energy efficiencies, Pleasanton Gardens is preparing for the end of its agreements with HUD that facilitate project affordability. In light of this situation, the Pleasanton Gardens Board has expressed an interest in removing itself from its role at Pleasanton Gardens and has indicated that its first preference is to partner with the City by dedicating its assets to assist with the redevelopment of Kottinger Place. These include Section 8 rent subsidies and the value of the land and improvement on its 1.99 acre site at 251 Kottinger Drive. Based on preliminary review, these assets will be invaluable in developing a financing package for the new development. This matter is discussed in more detail in the section outlining the draft Memorandum of Understanding between the City and Pleasanton Gardens.

As an outcome of these efforts, in November 2003, at the request of the Commission and local residents, the Council authorized staff to begin studying the potential for the replacement, expansion and/or renovation of Kottinger Place and in February 2004, the Council approved the formation of our ten-member Kottinger Place Task Force.

KOTTINGER PLACE & PLEASANTON GARDENS GENERAL INFORMATION

Subject	Kottinger Place	Pleasanton Gardens
Ownership	Housing Authority of the City of Pleasanton	Pleasanton Gardens, Inc. a not for profit community based 501 (c) 3
Governance	City Council	9-member Board of Directors
Property Management	Barcelon Associates Management Corporation (under contract)	Pleasanton Gardens staff
Current Zoning	RM-2,500 (Multiple Family Residential, 2,500 square foot lot/per unit)	RM-2,500 (Multiple Family Residential, 2,500 square foot lot/per unit)
General Plan Designation	High Density Residential (8+units per acre)	High Density Residential (8+units per acre)
Number of Units	50	40
Size of site	3.3 acres	1.99 acres
Unit Mix	32 studio, 18-1 bedroom, 2 two bedroom (manager's units)	20 studio, 19-1 bedroom, 1 two bedroom (manager's unit)
Parking	38	19
Range of Rents	\$80 to \$700	\$118 to \$610
Income Restriction	50% AMI (\$31,250 max)	80% AMI (\$46,350 max)
Funding	HUD public housing operating subsidy and HUD Annual Capital Fund grant	HUD, HUD Section 8 Loan Management Set Aside (LSMA); HUD Section 8 Housing Assistance Payments (HAP) Contract, and HUD 236 mortgage to be paid off in June 2010
Year Constructed	1970	1969
Tenant Eligibility	Senior 62 years of age with income less than 50% AMI	Senior 62 years of age with income less than 80% AMI

Initial Task Force Activity

Following the formation of our Task Force, the City contracted with Fred Consulting and the law firm of Goldfarb and Lipman who determined that there were no significant HUD regulatory barriers or requirements, that would prohibit the redevelopment or major rehab of a new affordable senior housing development not classified as a HUD Public Housing project. The latter issue was important because it has been our preference that the new development would not be tied to the regulatory requirements of a public housing project. The consultants also determined that based on funding programs available at that time, HUD housing authority programs such as HOPE VI that had been available in the past, were no longer active. As a result, project funding would be limited to traditional low income housing funding sources such as tax credits, the HUD 202 program for low income senior housing and City financial contributions, which the consultants felt could be adequate to fund the project. Finally, it was concluded that there is a low probability that a major renovation and/or expansion project would be able to meet the long term needs of Kottinger Place. This conclusion was based on the lack of available rehab funding, significant tenant relocation costs, the specific structural deficiencies, such as single metered utilities, that would be very costly to alter, and the lack of space for senior amenities and services. Further, rehab does not address one of the Task Force's primary goals of increasing the total number of living units for low income seniors.

During this period, we also developed project goals to guide our process. The focus of these goals, included as Attachment 6, is to improve tenant living conditions/amenities, increase unit density, pursue coordination with Pleasanton Gardens and fully address financial options. Some of the most notable goals are as follows:

- Mixed income development that provides at least 40 units at 40% AMI and 50 Units at 30% AMI of tenant income to retain current rent levels.
- Increase the number of units consistent with design standards and zoning
- Owned and operated by a not for profit
- Be viewed in the context of the City's overall housing strategy
- Designed for aging in place but retain independent living status
- City to retain ownership of site

Based on this work, in January 2005, the Council approved a staff recommendation to secure professional services to conduct a comprehensive predevelopment study, and in June 2006, the City Council awarded an agreement to Christian Church Homes of Northern California (CCH) to coordinate this process. The approved scope is as follows:

- A preliminary detailed project financial pro forma including estimated development/construction costs and project financing/funding;
- A program to address tenant relocation planning;
- A description of recommended project density, unit mix and a rent schedule;
- A recommendation regarding retaining any existing buildings on the site;

- Exploring the potential for reorienting the project to Vineyard Avenue, which would involve utilizing a portion of Kottinger Park; this option would entail converting some of the current Kottinger Place site to parkland;
- Presentation of a preliminary site plan;
- Recommendation regarding the feasibility of consolidating Kottinger Place and Pleasanton Gardens;
- Recommendation for ownership and property management structure;
- Identification of potential funding sources for the project.

Conceptual Development Scenarios Framing the Predevelopment Process

In 2007 and the first half of 2008, staff and the Task Force worked closely with CCH on identifying a preferred site plan, exploring funding opportunities and developing a project ownership structure. To assist with this effort, CCH prepared the Redevelopment Analysis for Kottinger Place and Pleasanton Gardens (Attachment 9) which outlined five potential development scenarios including the following:

- Scenario 1 Rehabilitation of Kottinger Place without consolidation with Pleasanton Gardens;
- Scenario 2 Separate redevelopment of Kottinger Place and rehabilitation of Pleasanton Gardens;
- Scenario 3 Joint development on Kottinger Place and Pleasanton Gardens sites;
- Scenario 4 Joint development on subdivided Kottinger Place site;
- Scenario 5 Joint development on subdivided Kottinger Place site with park land.

After reviewing all Scenarios, the Task Force selected elements from Scenarios 4 and 5 and used them as a springboard upon which to develop its own recommendations.

Parks and Recreation Commission Input Regarding Input of Adjacent Park

As part of our site planning process, we worked with staff and the Parks and Recreation Commission to identify any potential for utilizing portions of the Kottinger Village Community Park to address a number of development issues including site boundary adjustments to address the oddly shaped Kottinger Place parcel. Of particular interest was the potential for utilizing the 0.6 acre Regalia House site to facilitate more developable space and to provide a presence on Vineyard Avenue. (We were aware that the Regalia House required major renovation to meet City standards and that City operations staff was evaluating the potential for its demolition rather than renovation.) Also, we wanted to receive feedback from the Parks and Recreation Commission regarding any impacts a new project could have on the park. As an outcome of this process, the Parks and Recreation Commission approved the removal of the Regalia House and expressed support for the new development with the following three conditions:

- That any new development include separate project compatible community space to be used by the community for project compatible uses similar to those could have been provided at the Regalia House;

- That any new development be constructed within the boundaries of the existing Kottinger Place property without encroachment into Kottinger Village Community Park; and
- No loss of the ten (10) parking spaces allocated for Kottinger Village Community Park.

City Council Direction Regarding Task Force's Preferred Site Plan Concept

Based on input from the Parks and Recreation Commission, public meetings and information prepared by CCH, on June 3, 2008, staff presented the City Council with a report outlining work completed to date and a recommendation for moving forward. In response, the Council approved staff's recommendation to continue moving forward with the predevelopment process and based on the following scope of work:

- Development of draft building elevation concepts that can be used to inform the public, and ultimately, the City Council on conceptual building design;
- Development of visuals to assess the impact of three story buildings;
- Development of an up-to-date draft project financial pro forma, including review of costs for a development with fewer units (approximately 125 units);
- Determination of an appropriate ownership structure, including the role of Pleasanton Gardens and the City's Housing Authority;
- Determination of the scale of financial contribution, if any, required from the City and Pleasanton Gardens to develop the project;
- Finalize site plans for the "City Room" which will be used for the types of community services held recently in the Regalia House;
- Conduct additional meetings with Pleasanton Gardens and Kottinger Place tenants;
- Provide information indicating why the development is not suitable as a rehab project;
- Develop a recommendation regarding a project developer and the selection process.

In addition, the Council indicated an interest in conducting a joint meeting with the Task Force to discuss its final predevelopment report and analysis.

Cooperation with Pleasanton Gardens - Memorandum of Understanding

As part of this process, the City Council directed the Task Force to provide a recommendation regarding the potential for incorporating 1.99 acre Pleasanton Gardens into the development process. City staff has worked closely with the Pleasanton Gardens Board of Directors and have developed a Memorandum of Understanding (MOU) that outlines our joint interests and ranges of cooperation (Attachment 2). The MOU has been approved by the Pleasanton Gardens Board of Directors and the Task Force and staff is recommending it be approved by the City Council.

In general, the MOU reflects that the City and Pleasanton Gardens are in agreement that a joint development offers the best solution for meeting the long term needs of the current and future residents of both developments and for expanding the supply of affordable housing to meet the needs of very low income seniors in the community. It also reflects that both the City and Pleasanton Gardens have significant assets that can assist the development and that both parties will work cooperatively to finalize the development. A summary of the MOU is as follows:

- Both parties to continue working cooperatively with the Task Force;

- The new development will follow the City's normal Planned Unit Development (PUD) review process and approval is not "guaranteed";
- The City assumes responsibility for selecting the nonprofit housing developer and coordinating the development process;
- Pleasanton Gardens will transfer its 31 Section 8 rent subsidy vouchers to the new development;
- As a way of continuing its mission, Pleasanton Gardens will transfer ownership of 251 Kottinger Drive at no cost to the City;
- A final decision on a future development plan/use for the 1.99 acre parcel located at 251 Kottinger Drive will be determined separately at a later date after hearing neighborhood and community input;
- The new development on the Kottinger Place property will include 150 units;
- It is anticipated that the new development will be owned by a limited partnership with the selected nonprofit as the managing general partner and the tax credit investor as the limited partner;
- Residents will remain informed and involved during the development process;
- The City and the Board of Directors will continue to meet during the development process;
- Either party may terminate the MOU at any time.

It should be noted that the Pleasanton Gardens Board has predicated its involvement on the assumption that the new development includes, at a minimum, 150 residential units. As a result, should the development process result in fewer than 150 units, Pleasanton Gardens will reevaluate its involvement. In addition, since the start of the process, the Pleasanton Gardens Board has expressed its concern that the proposed development track its five year timeline for ceasing its involvement with Pleasanton Gardens in 2014. The timeline is based on concerns regarding the continued availability of its Section 8 low rent status, which is scheduled to end in August 2014, and an expectation that the Board may need to make a decision regarding the long term management and governance of the project prior to that time. Therefore, if the City's development process extends beyond that time, Pleasanton Gardens may need to pursue other options, including selling the property that would result in termination of the MOU. The Task Force has been made aware of these issues and has been working cooperatively with the Board to meet its and the City's goals and objectives. In the event that the project time line or unit mix does not coincide with the constraints and interests facing Pleasanton Gardens, the City may need to pursue the development without the financial benefits made available through cooperation with Pleasanton Gardens. While the Task Force has not fully analyzed the impact of this situation, loss of these contributions would impact project financing significantly.

Tenant Involvement and Input

Throughout the process, we have kept the tenants informed through staff's attendance at regularly scheduled tenant meetings. In addition, tenants have frequently attended Task Force meetings. However, at your meeting of June 3, 2008, the Council requested the Task Force conduct a more formal process regarding tenant interests and concerns. In response, we held two tenant meetings to discuss the proposed development and to receive feedback from tenants. (A summary of the meetings is included in Attachment 5.) In general, tenants were supportive of the new development and recognize the limitations of the current projects. A summary of meeting comments are as follows:

- Residents generally appreciate the concept of redeveloping the complex, although they have concerns about the impact it could have on their lives
- Interest in what the complex will look like (design, number of units, features in private and common areas, etc.)
- Residents would like to be involved in providing input during the design phase
- Would like units to be fully accessible and designed for senior needs
- Residents welcome the opportunity to have the improved noise insulation and privacy between units expected in the new complex, and have a general desire for adequate private space
- Concern that rent levels be maintained under the existing rent structures for current residents; whether residents will have to pay directly for their monthly utility costs
- Questions about how relocation will work and how they will be affected
- Interest in having existing KP and PG residents be able to choose their future unit in the new complex
- Hope for improving the unit mix and size of individual units; general preference for one bedroom units over studios
- Residents like the current onsite administrators and would like to see them continue in the new complex
- Concerns about how greater density, may increase the need for vehicular parking
- Interest in what will happen to the Pleasanton Gardens site
- Interest in when construction will start

In an effort to assure tenant participation in future project planning, we have proposed and staff is recommending that two tenants, one from Kottinger Place and one from Pleasanton Gardens, be added to the Task Force throughout the development process. Further, in an effort to identify project design and service issues that reflect the interests and needs of current tenants, we anticipate a development process that includes significant feedback and involvement from all tenants. We may also solicit comments from Ridge View Commons residents to create a design and service model consistent with need and available funding. In addition, it is recommended that the current at large membership vacancy be filled with a representative from the neighborhood in close proximity to Kottinger Place.

If the Council approves the amendment to the Task Force membership, it will be comprised of the following:

SUMMARY OF KOTTINGER TASK FORCE

Members	Current	Recommended
At – large membership	5*	5
Housing Commission	2	2
Parks and Recreation Commission	1	1
Pleasanton Gardens Board	2	2
Tenant from Kottinger Place	0	1
Tenant From Pleasanton Gardens	0	1
Total	10	12

*Currently one vacancy.

Neighborhood Concerns Raised at Task Force Public Meetings

We have had considerable dialogue with interested residents from the surrounding neighborhood regarding project design and development concepts throughout the entire predevelopment process, including approximately 20 public meetings. In general, interested parties understand the need for improvements to the site and support the overall project goals and concepts. However, some neighbors continue to express concerns and these, along with responses are summarized below:

Neighborhood Comment: No development plan for the Pleasanton Gardens site.

Task Force Response: The Task Force and staff recognize that the existing Pleasanton Gardens facility integrates well with the neighborhood. We are also sensitive to the neighbor's interest in having a strong voice in the future use and development of this site. Because it is anticipated that the property and its improvements will be dedicated to the City to financially support the new development we anticipate that it will be redeveloped by a private/not for profit developer with some type of housing that is compatible with the neighborhood. We anticipate and support, significant public discussion regarding the future use of this site and will assist staff in taking steps to assure the neighborhood remains involved. While we would like to answer neighbor's questions on this matter, to date our focus has been on the new development and we anticipate staff providing the City Council with a recommendation regarding redevelopment of the Pleasanton Gardens site at the appropriate time in the development process.

Neighborhood Comment: Three story portions of the new development should be located closer to Vineyard Avenue to minimize any visual impact to residents residing along Kottinger Drive south of Kottinger Creek.

Task Force Response: As indicated, we have studied numerous site plans and building elevations in an attempt to identify the workable site plans for the property. The outcome of this study is the three conceptual site plans included as Attachment 1. While all three conceptual site plans have advantages and disadvantages, the individuals from the Kottinger Drive neighborhood expressed opposition to Alternative A

and a preference for Alternatives B and C because they have the three story portions of the development furthest away from Kottinger Drive. Regardless of the individual alternative developed, our study indicates that visual impact from Alternative A can be adequately addressed by the planting of trees in the park on the southern side of the development. However, we anticipate that the development process will result in site plan and design changes and we will continually strive to minimize and mitigate visual impacts.

Neighborhood Comment: Concern with density related impacts, including parking on neighborhood streets and increased noise.

Task Force Response: We understand concerns expressed by residents on Kottinger Drive and Second Street regarding the potential impacts that increased density could have on their neighborhood. However, as with all City of Pleasanton sponsored senior housing developments, we anticipate that the project architecture will be attractive, and well designed to minimize impacts. Staff and the Task Force share the neighborhood's interest that parking not overflow onto City streets and while CCH and its architect, HKIT, are confident that the 97 parking spaces shown in the preliminary plans will meet project needs, staff has indicated that as part of the City's PUD process, parking will be analyzed in detail. We will continue to support staff direction on this matter and remain committed to assuring that onsite parking needs are met on site and not in the neighborhood.

II. Kottinger Place Task Force Conclusions and Recommendations

General Project Description

We are recommending development of a new 150-unit rental apartment project with a mixture of studio, one and two bedroom units developed entirely on the current Kottinger Place site. The development will replace the existing Kottinger Place and Pleasanton Gardens developments, and tenants residing in those developments would be offered an opportunity to relocate to the new development at no expense to the tenant and with no change in the tenant's current rent structure. To assist with obtaining rent levels consistent with existing rents, Pleasanton Gardens will seek approval from HUD to transfer its Section 8 rent subsidy entitlements to the new development. In addition to adding needed senior affordable units, the 150 unit size will facilitate needed social services, operating/management efficiencies, and tenant services that are currently unavailable or minimally available at both Kottinger Place and Pleasanton Gardens.

The development would include a large community room for conducting resident related activities and potentially a "City Room" for conducting project compatible community events. The development would be accessed from both Kottinger Drive and Vineyard Avenue but would not include through vehicular access between the two streets. A summary of the anticipated unit mix for the new development is listed below.

ANTICIPATED UNIT MIX FOR NEW DEVELOPMENT

No. of Units	Unit Type	Size (in sq. ft)	Targeted AMI Levels*	Income Levels*
40	Studio	475	15-50%	\$9,375-\$25,000
108	1-bedroom	640	20-50%	\$9,375-\$25,000
2 (Manager's Units)	2-bedroom	790	50%	\$35,700

* It is anticipated that all of the units or residents will have Section 8.

* One person household.

As indicated above, the current site plan was designed assuming 148 one bedroom units and two (2) two-bedroom manager units. Note, as with most developments with this level of affordability and type of funding sources, the site plan and the unit mix are flexible, are still preliminary, and are likely to change as the project progresses. The site plan includes a total of 97 parking stalls with 75 for the resident/guest parking, 10 for the community room/guest parking and 12 for the community park. As indicated previously, staff and the Task Force anticipate further review of parking options and needs.

Rents for residents at the current Kottinger Place and Pleasanton Gardens (up to 90 units) are intended to be consistent with existing rent structures and the additional units will be at very low income (50% of the Area Median Income) levels or below. The Task Force has not fully ruled out including a some units at 60%/80% AMI to improve project financing and to address the need for that income niche. However, based on the amount of flexibility required to meet various funding requirements, we anticipate that the final income mix will not be fully resolved until the final stages of the financing process after the project receives PUD approval and final financing is pursued.

To take advantage of the full range of financing and minimize relocation expenses, CCH has recommended dividing the new project into two separate parcels with two separate construction phases. Phase I would include construction of 73 units and the community building. Phase II would include the remaining 77 units. However, it will be operated and maintained as one coordinated development and the division will not be noticeable to tenants. This arrangement exists currently at the Promenade family apartments and to staff's knowledge, that project has operated without any issues. However, additional accounting is required.

The project would be owned by a non-profit housing developer in a traditional tax credit ownership structure. Pleasanton Gardens does not anticipate an ownership role in the development. The project owner will be selected through a competitive Request for Proposal (RFP) process similar to that used for the Parkview assisted living development, Ridge View Commons and the Promenade. The site will be leased to the project owner from the City for a period of 55 years after which it will revert to the City.

As indicated previously, we are recommending the City Council approve the Memorandum of Understanding with Pleasanton Gardens (Attachment 2) that outlines a roadmap for both the City and Pleasanton Gardens roles in the project development. As outlined in the MOU, the current Pleasanton Gardens site would be transferred to

the City to be redeveloped as a potential source of funding to close the financing gap of the new development. To date, the Task Force has not explored options for redevelopment and staff anticipates the Council will provide authorization and direction for this in the future.

In response to City Council direction, we reviewed the feasibility of a two story development that would include 128 units. The two story alternative has been the preference of some local neighborhood residents who have expressed concerns regarding the height and density of the recommended three story plan. In general, our study indicates that the three story option represents the most cost efficient alternative and meets the goal of increasing the number of living units for low income seniors, and with proper landscaping screening and architectural design, there is not a significant difference in the visual impact between the three and two story alternatives. In addition, because staff anticipates that the new development will accommodate tenant and visitor parking, the impact of off site parking is expected to be minimal. Notwithstanding this situation, the community and the City Council will have adequate opportunity to review the more detailed project proposal during the development/PUD phase and a final decision regarding building height and unit count, be it 150 units, 128 units or some other number, will be made during that process. However, our recommendation is to proceed with the 150-unit/ three story option. This recommendation is also consistent with the interests of Pleasanton Gardens as outlined in the MOU.

Site Plan, Elevations and Construction Phasing

Staff and the Task Force have studied approximately ten potential site plans, and have identified three (Attachment 1) that provide a conceptual footprint and elevation that would meet the goals of the development. As indicated, Alternatives B and C are preferred by Kottinger Drive residents south of the development because the three story portions of the development in these Alternatives would be furthest away from their properties. However, Alternative A may represent the best footprint for tenants since it minimizes walking distances from their units to the community room and it may most effectively integrate the three stories with the entire development. In general all three alternatives have advantages and disadvantages that warrant further review and it is anticipated that a final decision regarding footprint, the location of the three story sections and the City room and other features, will be addressed through the PUD process with a professional development team focused on answering questions from all adjacent properties, including those from Christina Court, and or Vineyard Avenue. However, at this stage of the predevelopment process our focus has been to identify workable site plan with reasonable elevations that can serve as a starting point for the project's development phase. Regardless of which alternative is ultimately developed, we are recommending the City begin planting mature trees in the park at the southern side of the development as soon as practical to allow for landscaping to rapidly mature. Staff has included computer generated elevations of Alternative A. (Attachment 3).

To minimize the impact on existing Kottinger Place tenants, the development will be constructed in two phases. [Relocation issues are discussed below.] Phase One assumes the construction of 73 units and the community building which results in the preliminary loss of 15 to 17 existing Kottinger Place units. The second phase includes construction of the remaining 77 units (and demolition of the remaining Kottinger Place units). Relocation is discussed in detail later in this report.

In addition to the challenges of constructing a phased development, there is a 16" water main located under the center of the site. The architect has minimized the impact of this utility by having only the community center sited over the water main; no housing units are located over the main. The City's Engineering Department has reviewed this design and has expressed its support. This matter needs to be explored more fully during the final design phase as staff remains concerned about ongoing maintenance of this infrastructure.

Project Financing

At this stage of the process our focus has been to develop a general scope of potential project costs and to identify potential funding sources. As can be expected, these are subject to change and are not final but rather, present to the City Council a general understanding to the project's potential financial situation. The revenue and expense information has been prepared by the project consultant CCH who worked closely with a general contractor to develop construction costs. A preliminary financial proforma is included as Attachment 7.

The current estimate is for a total development budget of \$44 million. Of this amount, approximately \$24.6 million will be from 9% and 4% low income housing tax credits and \$9.6 million will come from HUD 202 funding. Below is a table summarizing proposed projects expenses and funding sources:

ANTICIPATED PROJECT EXPENSE AND FUNDING SOURCES

<i>Potential Sources of Funding</i>		<i>Uses of Funding</i>	
<i>Funding</i>	<i>Amount</i>	<i>Expense</i>	<i>Amount</i>
<i>1st Mortgage (1)</i>	<i>\$2,087,402</i>	<i>Acquisition</i>	<i>\$761,198</i>
<i>HUD 202 Program</i>	<i>\$9,620,380</i>	<i>Construction</i>	<i>\$24,758,102</i>
<i>City of Pleasanton</i>	<i>\$4,000,000</i>	<i>Financing</i>	<i>\$2,914,635</i>
<i>AHP (2)</i>	<i>\$827,000</i>	<i>Indirect (soft costs)</i>	<i>\$13,086,857</i>
<i>Tax Credits (4%)</i>	<i>\$8,056,881</i>	<i>Contingency</i>	<i>\$2,475,810</i>
<i>Tax Credits (9%)</i>	<i>\$16,545,229</i>	<i>Estimated Total</i>	<i>\$43,996,602</i>
Total	\$41,136,892		
<i>Potential Funding Gap</i>	<i>\$2,859,710</i>		

1. Private lender not yet identified.
2. The Federal Home Loan Bank Affordable Housing Program

The Council is familiar with tax credit financing as it was used for Ridge View Commons, the Promenade and a number of privately owned developments, including The Greenbriar apartment complex and the Gardens at Ironwood (Busch senior apartments) that have been approved by the City Council in recent years. The Lower Income Housing Tax Credit (LIHTC) program was enacted by Congress in 1986 to provide the market with an incentive to invest in affordable rental housing and as an alternative to fully HUD affordable housing that was not meeting the needs of low income households. Federal tax credits are awarded on a competitive basis to developers of qualified housing projects, and the project developers then sell these credits to investors to raise capital (or equity) for the project which reduces the debt that the developer would otherwise have to borrow. Because the debt is lower, a tax credit project can in turn offer lower, more affordable rents. The investor receives a tax credit

for its investment. As an example, if an investor has an annual federal tax liability of \$1,000 and holds \$1,000 in tax credits, the investor's tax liability for that year is \$0.

Each year the IRS allocates a specific amount of tax credits to designated state agencies that allocate the credits to developers through a competitive process to qualified housing projects. As a result of the limited tax credit pool, the competition for these credits is usually significant and depending on the demand, multiple applications over a few years may be necessary.

There are two types of tax credit programs, 9% and 4%, and CCH's pro forma anticipates pursuing both. The 4% tax credit program is limited to new construction where projects have federal subsidies such as tax-exempt housing bonds. This program, which is the least competitive, was utilized to finance the Promenade project. The 9% tax credit program is for new construction and rehabilitation for projects that do not have federal subsidies. These credits are significantly more competitive and may require successive applications each year before an allocation is awarded. The 4% credits are based on 30% of the present value of the development while the 9% are based on 70% of the present value of the development and thus produce more credits which can generate more private investment in the development. The following calculation is a simplified example of how the 9% tax credits are computed as part of the financing plan for the proposed development.

SUMMARY OF TAX CREDIT FORMULA*

Total Eligible Basis	1,000,000
% Affordable Units	100%
Tax Credit Rate of 9%	9%
Annual Allowable Federal Tax Credit	\$90,000
Total Eligible Tax Credit (10 Year Period)	\$900,000
Est. Investor Pay-in Rate	.75 cents on the dollar
Estimated Equity/Capital for Project	\$675,000

*Based on \$1 million project

It should be noted that CCH and staff have indicated that at this time, due to the overall condition of the economy, and the expense/income situation of the project's pro forma, the availability of private investors to purchase tax credits is currently very limited and as a result, funding may be difficult or unavailable. However, since the start of the project we have been aware of the fact that there will be "twists and turns" that impact project financing. Nevertheless, we and staff remain optimistic that as the project proceeds through the planning process, the economy will improve to the point that this financing becomes available.

The HUD 202 program is a federal senior housing program administered by the Department of Housing and Urban Development (HUD). The 202 program provides both capital and operating subsidies and is targeted to low and very-low income seniors. Seniors pay only 30% of their income toward rent and HUD makes up the difference between operating expenses and what tenants pay. HUD issues a Notice of Funding Availability (NOFA) once per year announcing the amount of funds and units available

in each region. As part of the NOFA, HUD also publishes geographic cost data used to calculate the capital subsidy. Like most other programs, the 202 program has become increasingly competitive in recent years.

In addition to the other funding sources, the anticipated funding includes a City contribution of \$4 million from its Lower Income Housing Fund (LIHF), which is funded by developer-paid lower income housing fees. The LIHF has a current balance of approximately \$14.6 million. While the City Council has not taken formally allocated this funding, it has directed staff to reserve \$4 million of these funds for this use. Assuming the availability of these funds, the current estimated funding gap, as outlined in the attached financial pro forma, is \$2.85 million which staff estimates will be addressed with a range of sources including the disposition of the Pleasanton Gardens Property. However, this funding gap can increase, or be nearly eliminated, depending on the amount of HUD funding and tax credit equity ultimately received. Because of these potential fluctuations, caution must be used when calculating funding and expenses at this stage of the predevelopment process. Further, funding needs will not be fully identified until the project has progressed to the point where it has actual development cost expense figures and more detailed operating income projections. As a result, it is premature to focus on detailed finances at the present time other than to get a sense of whether the project is fundable. The Council may recall that both the Promenade and the Parkview had significant predevelopment funding gaps that were not addressed until after final project approvals.

In addition to the above, the proposed financing structure requires a number of HUD-related approvals including agreement to transfer the Section 8 rent subsidy contract from Pleasanton Gardens to the new development. This HUD approval, which is identified as a Section 218 transfer, requires that the new unit mix be comparable to the replacement units. However, legislation is currently pending to allow flexibility in the in-kind replacement provisions but it is unknown at this time if the legislation will be passed. HUD must also approve the issuance of project-based Section 8 vouchers to residents moving from Kottinger to the new development and it is uncertain if HUD will issue a one-bedroom voucher for a tenant currently occupying a studio unit. While the Task Force believes that a case can be made that a tenant's quality of life can be improved in a one bedroom, we recognize that HUD may not approve these units. Further, staff rarely hears complaints about the studio units which have served tenants well over the years.

Tenant Relocation

Since the start of this process, all parties involved have been focused on the impact that the development may have on current and future residents of Kottinger Place and Pleasanton Gardens. As discussed previously, going back to 2002, the Commission and a group of interested residents were seeking a site suitable for a new senior project to provide a site for temporary tenant relocation during the time that a new development was being constructed on the Kottinger Place site. Unfortunately, none of these alternative site options materialized and as a result, we have been working to minimize tenant relocation issues within the confines of the existing developments.

An outline of the tenant relocation concepts that were developed by CCH and its relocation consultant to meet identified needs are as follows:

- To minimize the impact of relocation, the new development will be constructed in two phases. Phase I would include construction of 73 new units and the Community Room, and require the demolition of approximately 15 to 17 Kottinger Place units. Phase II includes the remaining 77 units and the demolition of the remaining Kottinger Place units. The three site plans include a depiction of the proposed phasing.
- To facilitate Phase I construction, the 15 to 17 Kottinger Place residents residing in units that will be demolished will be relocated to a vacant unit in Kottinger Place or Pleasanton Gardens. If no units are available, the tenants will be relocated to an off-site apartment.
- Following completion of Phase I construction, all remaining Kottinger Place residents, and all tenants that were moved off-site, including those that relocated to Pleasanton Gardens, would be relocated to the 73 new Phase I units. In addition, at least 21 residents (two new units would be reserved as management units) from Pleasanton Gardens will be relocated to the new development.
- After the completion of Phase II, all remaining residents at Pleasanton Gardens would be relocated to the new development.

To assure a smooth transition, immediately prior to Phase I construction, staffs of Pleasanton Gardens and Kottinger Place will work cooperatively to calculate the appropriate holding of vacancies to accommodate relocation. In addition throughout the process, the project owner will work closely with a relocation specialist to facilitate relocations in a manner that minimizes impact on the residents and expenses.

Project Alternatives

Throughout the predevelopment process, we reviewed alternatives to the recommended project including rehab of the existing Kottinger Place and a two story/ 128 unit development. Staff has included computer simulated elevations of both the three and two story alternatives. In general, the two story 128 unit option has the same footprint as the three story footprint and the difference between the two is the addition of some three story portions to the 150 unit option. As a result, separate site plan details were not developed for a two story option.

Regarding the option of rehabilitating the existing Kottinger Place buildings, it is important to note that there is not a significant issue with the overall quality of the buildings, which are generally well maintained. As a result, rehab is unnecessary and has not been a significant focus of the Task Force which recognized early in the process that the primary issue is the fact that the construction and design of the existing individual buildings/site do not lend themselves to the changes required to meet long term resident and community needs. As an example, rehab will not comprehensively address many of the issues identified by the Task Force including energy efficiency, cost effectiveness, modern fixtures and amenities, ADA accessible with special attention for senior needs, tenant privacy, larger social area, increased operating effectiveness with project management coordinated with Pleasanton Gardens, etc. Further, rehabbing would not address the interest in increasing the number of living units. Early in the process the Housing Commission explored opportunities for adding

units to the existing Kottinger development but was unable to identify a satisfactory solution.

In addition to design issues, as indicated in the Redevelopment Analysis for Kottinger Place and Pleasanton Gardens (Attachment 8), rehabbing Kottinger Place would most likely have to be funded exclusively by the City since outside funding for a rehab project would be difficult to obtain. As a result, while a rehab alternative may appear initially to be advantageous, our analysis indicated that its benefits, if they could be funded, will not warrant the investment.

As indicated, based on the information prepared by CCH, a two story 128 unit option is viable, (As indicated, the overall project footprint would remain consistent with those in Attachment 1.) however, it fails to meet our goals, including developing 150 units which is critical to Pleasanton Gardens Board. Nevertheless, as we move through the planning process, the two story option may continue to be preferred by some neighbors and we anticipate that staff will continue to address issues related to the recommended option as additional planning material is developed.

Finally, when we determined that the best alternative involved the construction of a new project entirely on the Kottinger Place site, we also decided to address the redevelopment of Pleasanton Gardens at a later date. This is based on our desire to focus entirely on the recommended project without the issues that will develop from what will be a totally separate use for the Pleasanton Gardens site. Also, determining a use for the Pleasanton Gardens site is somewhat outside of the scope of the Task Force and we assume staff will approach the Council at a future date to discuss alternatives and a process for that project.

Task Force Recommendations

For the past five years, staff and our Task Force have been focused on addressing a range of issues to determine options for meeting the long term needs of Kottinger Place and Pleasanton Gardens residents, as well as future needs for very low income seniors. While it would be preferable if these needs could be addressed by rehabilitating the existing units, or limited development expansion within the existing projects, our analysis indicates that this is impractical. With that being said, the Task Force recognizes that both Kottinger Place and Pleasanton Gardens are well maintained and provide adequate housing for their residents. However, there continues to be a concern regarding the long term viability of these developments and the existing design that offers little in the way of energy efficiency, accessibility, modern conveniences, adequate social and recreational services, operational/management efficiencies and facility/unit design suited for seniors. In addition, current funding sources remain tenuous and a development based on a new funding structure may be advantageous in the long term. In view of these limitations, we approve of staff's recommendation that the City Council authorize work to begin the development phase of this project.

Based on staff's general outline, it is anticipated that the development phase will include the following:

- Circulation of a Request for Proposals (RFP) that will lead to the City Council selecting a nonprofit housing corporation to lead the development process based on

the recommendations noted above, including 150 units. We anticipate the nonprofit will ultimately own and manage the development.

- Preparation of architectural drawings and identification of specific development and construction issues. This process will also work to address neighborhood concerns regarding location of the three story building, and Task Force, staff, and neighborhood interests related to assuring adequate parking, architectural design, landscape interfaces, infrastructure, etc. This process will also finalize the ultimate number of units included in the development.
- Development of a detailed budget and financing plan.
- Discussion and planning regarding the future uses of the existing Pleasanton Gardens site. (We assume City staff will address this matter separately with the City Council prior to a decision being made on the Task Force's role, if any, with this site.)
- PUD submittal and processing.
- Additional study related to tenant relocation issues to assure this aspect of the project is handled as successfully as possible.
- Review of City facilities/assets in the area, including Kottinger Community Park, streetscapes, lighting, etc., too assure that they are meeting neighborhood needs.

In addition to authorizing work to begin on the development phase, we agree with staff's recommendation that the Council approve the attached MOU with Pleasanton Gardens as it frames the relationship between both entities.

We are also recommending that staff be authorized to work with the City Department of Parks and Community Services to develop a plan for tree planting in the park along the southern edge of the property. Staff will seek Council approval regarding design and funding prior to implementing the planting plan.

Finally, if the process moves forward to the development phase, it may be beneficial to expand the Task Force membership to include one resident from Kottinger Place and one from Pleasanton Gardens and to fill the currently vacant at-large seat with an emphasis on appointing an individual from the immediate neighborhood to assure active neighborhood involvement. This action will result in a twelve member Task Force.

Conclusion

The Task Force appreciates the support provided by the Council previously and recognizes that moving forward to the development phase of the project is not without some controversy. Nevertheless, we are confident that working in cooperation with staff, City Commissions, tenants and the neighborhood, the City will ultimately have a development that will bring pride to the entire community and will address a critical community need.

At this time, we do not have a specific timeline for selecting a nonprofit or completing the development process. However, based on history and the amount of twists and turns that are inherent in this type of a development, we recognize the construction may be a few years away. While we understand this situation, we remain interested in proceeding within a timeline that addresses the interests of Pleasanton Gardens.

However, we remain committed to working with City staff to complete the work as quickly as possible while recognizing that approval of the recommendation does not represent a "green light" to start project construction. We anticipate additional discussions with the Council at every major step of the development to assure that it is meeting Council and community expectations.

Respectfully Submitted:



Becky Dennis
Chair, Kottinger Place Task Force



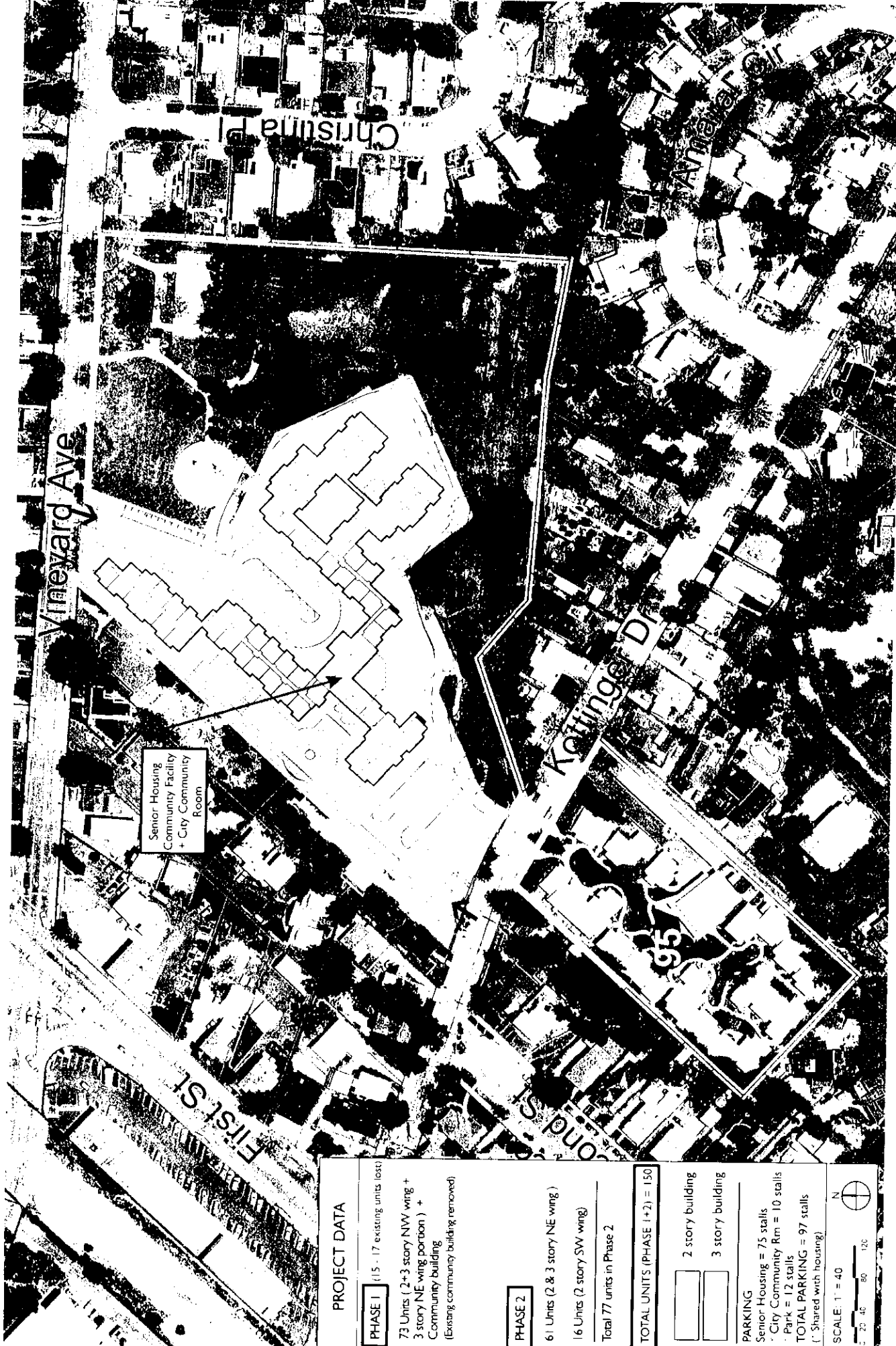
Steven Bocian
Assistant City Manager




Attachments:

- 1 Conceptual Site Plans
- 2 Draft Memorandum of Understanding with Pleasanton Gardens
- 3 Computer Generated Elevations of three and two story options
- 4 Kottinger Place / Pleasanton Gardens Existing Site Plan
- 5 Summary of the January 21, 2009, Resident Meetings
- 6 Kottinger Task Force Goals and Roster
- 7 Kottinger Development Financial Proforma
- 8 Redevelopment Analysis for Kottinger Place and Pleasanton Gardens, Christian Church Homes [BINDER]

Attachment 1:

Conceptual Site Plans



PROJECT DATA	
PHASE 1	(15 - 17 existing units lost)
73 Units (2+3 story NW wing + 3 story NE wing portion) + Community building (Existing community building removed)	
PHASE 2	
61 Units (2 & 3 story NE wing)	
16 Units (2 story SW wing)	
Total 77 units in Phase 2	
TOTAL UNITS (PHASE 1+2) = 150	
	2 story building
	3 story building
PARKING	
Senior Housing = 75 stalls	
City Community Rm = 10 stalls	
Park = 12 stalls	
TOTAL PARKING = 97 stalls	
(- Shared with housing)	
SCALE: 1" = 40'	
	

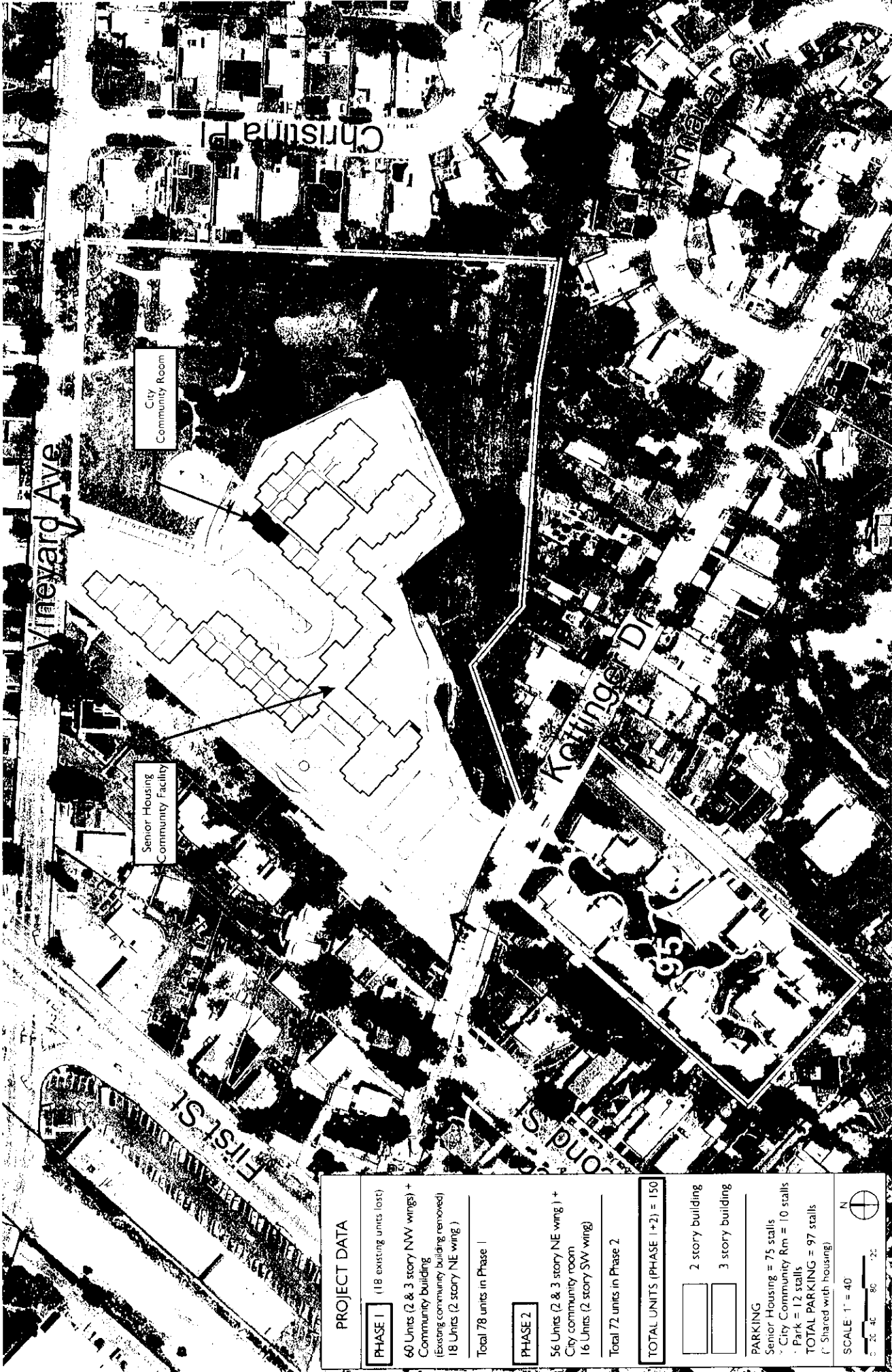
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
KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING
 CONCEPTUAL SITE PLAN ALTERNATIVE A

January 30, 2009

60080

ARCHITECTS



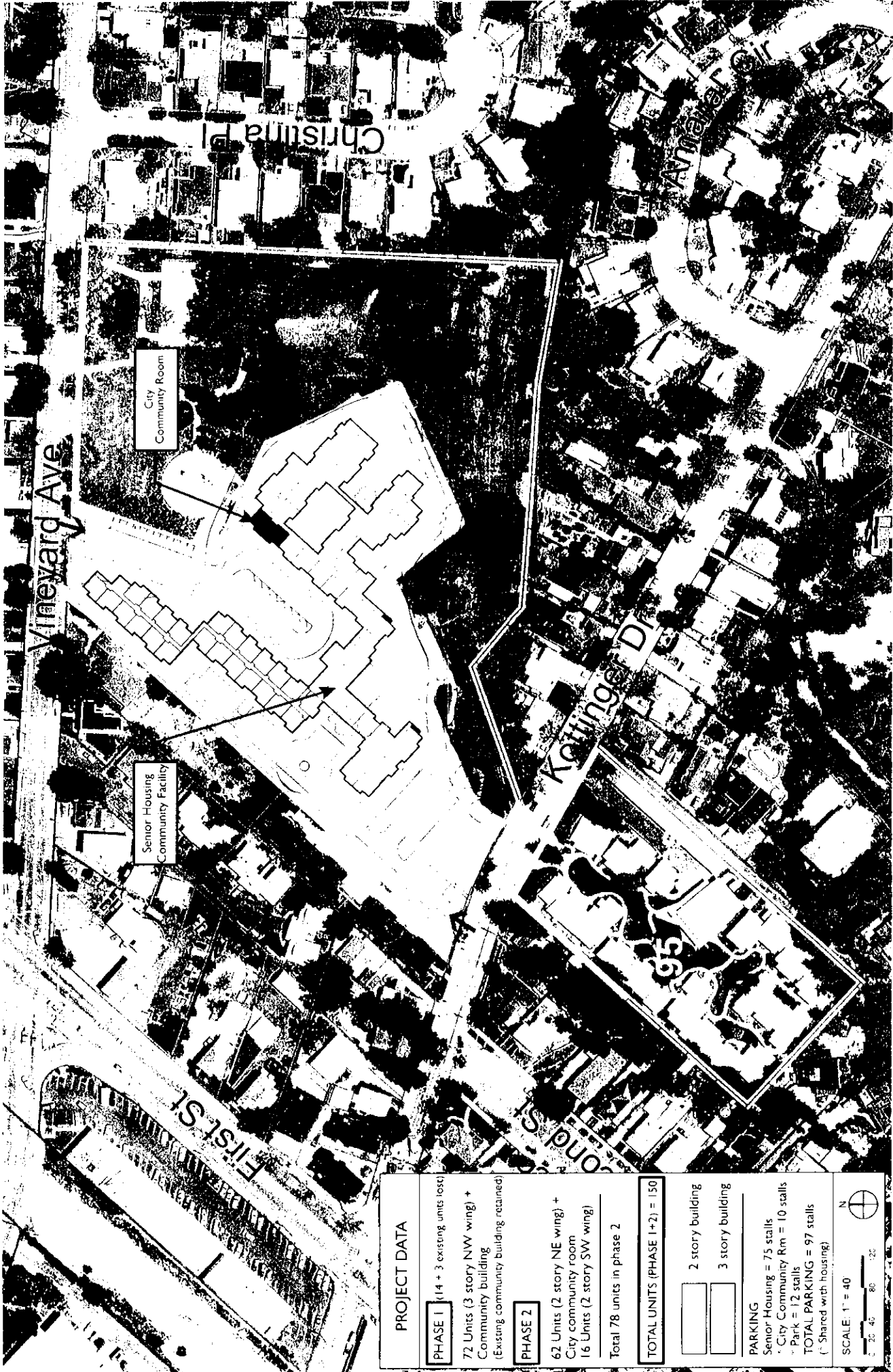
PROJECT DATA	
PHASE 1	(18 existing units lost)
60 Units (2 & 3 story NW wings) + Community building (Existing community building removed)	
18 Units (2 story NE wing)	
Total 78 units in Phase 1	
PHASE 2	
56 Units (2 & 3 story NE wing) + City community room	
16 Units (2 story SW wing)	
Total 72 units in Phase 2	
TOTAL UNITS (PHASE 1+2) = 150	
	2 story building
	3 story building
PARKING	
Senior Housing = 75 stalls	
City Community Rm = 10 stalls	
Park = 12 stalls	
TOTAL PARKING = 97 stalls	
(* Shared with housing)	
SCALE 1" = 40'	
 	





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KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING
 CONCEPTUAL SITE PLAN ALTERNATIVE B

January 30, 2009
 60080

ARCHITECTS



PROJECT DATA	
PHASE 1	(14 + 3 existing units lost)
72 Units (3 story NW wing) + Community building (existing community building retained)	
PHASE 2	
62 Units (2 story NE wing) + City community room 16 Units (2 story SW wing)	
Total 78 units in phase 2	
TOTAL UNITS (PHASE 1+2) = 150	
	2 story building
	3 story building
PARKING	
Senior Housing = 75 stalls	
* City Community Rm = 10 stalls	
* Park = 12 stalls	
TOTAL PARKING = 97 stalls	
(* Shared with housing)	
SCALE: 1" = 40'	
	
	

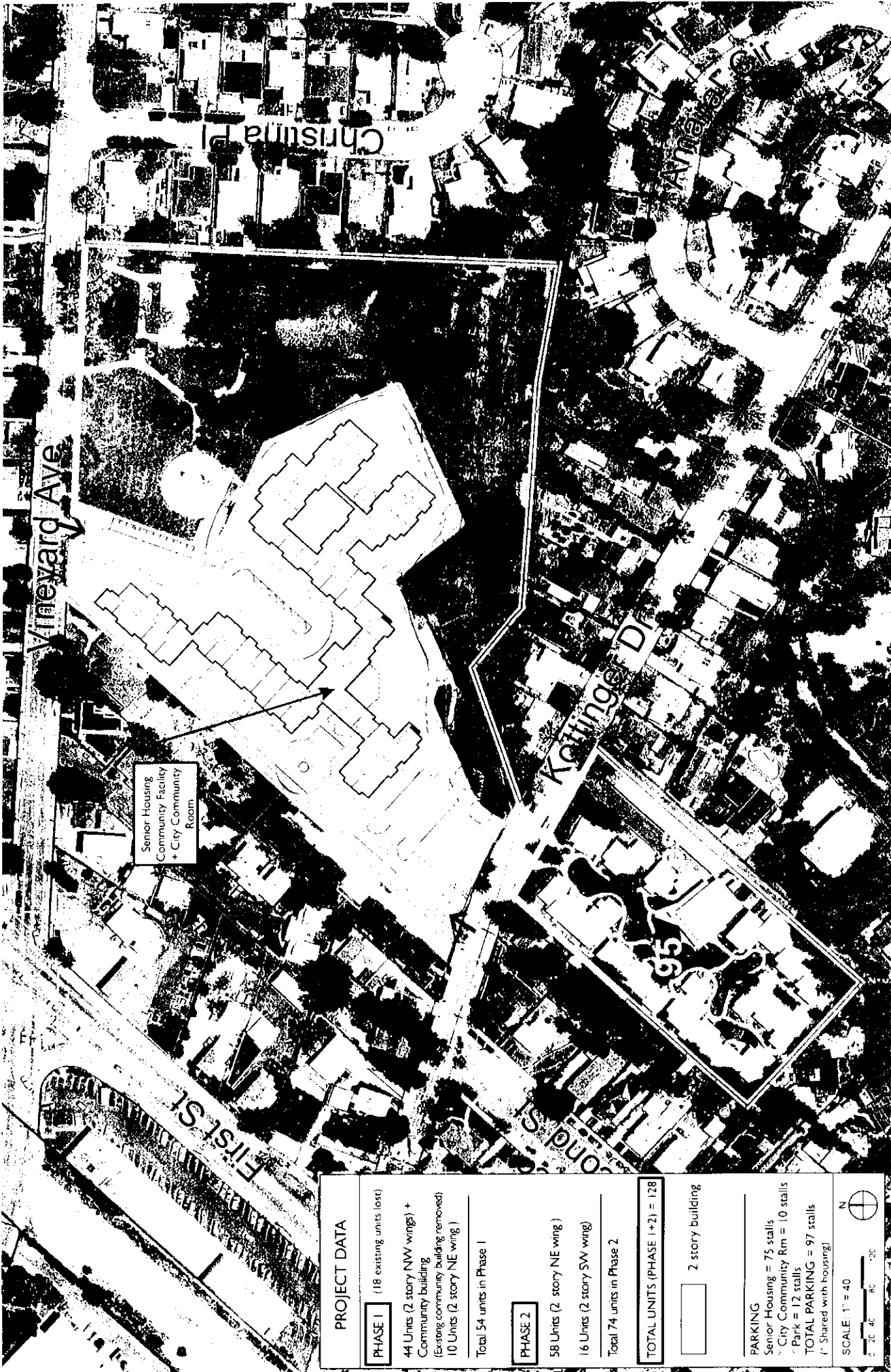
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KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING
CONCEPTUAL SITE PLAN ALTERNATIVE C

January 30, 2009

60080

ARCHITECTS



PROJECT DATA	
PHASE 1	(18 existing units lost)
44 Units (2 story NW wings) + Community building (Existing community building removed)	
10 Units (2 story NE wing)	
Total 54 units in Phase 1	
PHASE 2	
58 Units (2 story NE wing)	
16 Units (2 story SW wing)	
Total 74 units in Phase 2	
TOTAL UNITS (PHASE 1+2) = 128	
	2 story building
PARKING	
Senior Housing = 75 stalls	
City Community Rm = 10 stalls	
Park = 12 stalls	
TOTAL PARKING = 97 stalls	
(Shared with housing)	
SCALE: 1" = 40'	
	

Attachment 2:

Draft Memorandum of Understanding
with Pleasanton Gardens

**Draft Memorandum of Understanding (MOU) Between the City of Pleasanton
Housing Authority of the City of Pleasanton and Pleasanton Gardens, Inc.
Regarding the Redevelopment of Kottinger Place
Version - October 13, 2009**

WHEREAS, Pleasanton Gardens, Inc., a not for profit corporation governed by the Pleasanton Gardens Board of Directors (Board) is the owner of a 1.99 acre parcel located at 251 Kottinger Drive that is improved with a 40-unit United States Department of Housing and Urban Development (HUD) Section 236 senior housing development (Pleasanton Gardens); and

WHEREAS, Pleasanton Gardens includes 19 one-bedroom units, 20 studio units and 1 two-bedroom unit reserved for the resident manager; all units, excepting the resident manager unit, are income restricted to households with an annual household income less than 80% of the Area Median Income and age restricted to elderly households where at least one household member is at 62 years and older; residents are required to be capable of independent living; and

WHEREAS, Pleasanton Gardens participates in the HUD Section 8 Loan Management Set Aside (LMSA) Program and is currently party to a HUD Section 8 Housing Assistance Payments (HAP) Contract. The LSMA/HAP, which is applied to 31 units, is scheduled to expire on August 31, 2009, but is eligible for an extension and the Board anticipates applying for a five-year extension; and

WHEREAS, Pleasanton Gardens currently has a HUD Section 236 mortgage (#121-44811-NP) that will be paid off on June 1, 2010; and

WHEREAS, the Housing Authority of the City of Pleasanton (Housing Authority), governed by the Housing Authority Board of Directors (Housing Authority Board), is the owner of a 3.3 acre parcel located at 240 Kottinger Drive that is improved with a 50-unit HUD Public Housing Project (Kottinger Place) operated in accordance with an Annual Contributions Contract CA-081; and

WHEREAS, Kottinger Place includes 18 one-bedroom units, 32 studio units and 2 two-bedroom units of which one is reserved for the resident manager. All units, excepting the resident manager unit, are income restricted to households with an annual household income less than 50% of the Area Median Income and age restricted at 62 years and older. Residents are required to be capable of independent living. Kottinger Place has a minimum monthly rent of \$50 and rents are based on thirty percent (30%) of a household's annual income in accordance with HUD guidelines; and

WHEREAS, Kottinger Place receives an annual HUD Public Housing Operating Subsidy and an Annual Capital Fund grant to assist with project operations and capital needs; and

WHEREAS, in November 2003, the Pleasanton City Council (City Council) authorized a study regarding the potential the replacement, expansion or renovation of Kottinger Place and Pleasanton Gardens. In February 2004, the City formed a 10-member Kottinger Redevelopment Task Force (Task Force) including two representatives from Pleasanton Gardens and two members from the City of Pleasanton Housing Commission to coordinate and provide input on this study. The study may result in a decision by the City Council to pursue a new development or a renovation of Pleasanton Gardens and Kottinger Place. The study will be presented to the City Council within six (6) months of the date of this MOU; and

WHEREAS, as part of the study and discussion between Pleasanton Gardens and the Housing Authority, it is anticipated that any new development (New Development) would be located on the current Kottinger Place site and a City of Pleasanton (City) owned site located at 4133 Regalia Avenue (collectively referred to as the "Site"). It is further anticipated that the Pleasanton Gardens 1.99 acre parcel would be redeveloped or leveraged to assist with the overall financing for the New Development. Further, it is anticipated that the New Development would retain an ownership structure that allows for ongoing input from project residents and community members affiliated with Pleasanton Gardens; and

WHEREAS, on June 3, 2008, the City Council approved a conceptual site plan for a New Development, a 150-unit income restricted senior housing development on the Kottinger Place site, and directed the Task Force to work toward developing a final project plan including a draft financial pro-forma and ownership structure for the proposed New Development; and

WHEREAS, in response to this direction and in anticipation of the City Council electing to pursue a New Development, Pleasanton Gardens and the City have entered into this MOU to establish an understanding regarding the disposition of the Pleasanton Gardens site, the use of the Kottinger Place site and Authority resources, the use of the City site located at 4133 Regalia Avenue, the use of City financial contributions to the New Development, the projected development process and the potential ownership structure of the proposed New Development;

NOW, THEREFORE, the parties agree as follows:

1. Pleasanton Gardens shall continue working cooperatively with the Task Force, Housing Authority and the City toward a New Development on the Site, which shall consist of income and age restricted housing for seniors.
2. The New Development will be subject to the normal City review process including public hearings before the Planning Commission, Housing Commission and City Council, and selection of a housing developer to coordinate the review process. Nothing provided herein guarantees approval of the New Development.

3. The City will assume financial and contractual responsibility for selecting a housing developer, including necessary financial and project consultants, and coordinating the development review process including coordinating with HUD regarding Kottinger Place. Pleasanton Gardens will assume financial responsibility for operating and maintaining its development throughout the development process. The City may enter into a Disposition and Development Agreement with the selected housing developer that addresses timelines, fees, site design, etc.
4. It is anticipated that the City will commit \$4 million from the City Lower Income Housing Fund to the New Development for development, financing, relocation and construction costs.
5. It is anticipated that the Site will be made available for the New Development through a long-term ground lease with an anticipated fee of one dollar annually.
6. It is anticipated that Pleasanton Gardens will provide for the transfer of its 31 Section 8 entitlements from its HAP to the New Development, at no cost to the New Development, to be used initially for the relocation of 31 households from Pleasanton Gardens to the New Development. As tenancies for those households expire, the Section 8 units will be made available to new households in the New Development.
7. Following the relocation of households from Pleasanton Gardens to the New Development, as a way of continuing the mission of Pleasanton Gardens, the Board intends to transfer ownership of 251 Kottinger Drive in fee simple to the City at no cost to the City. Any financial consideration received by the City for 251 Kottinger Drive shall be placed in the City's Lower Income Housing Fund for low income senior housing.
8. The City anticipates the New Development will be financed utilizing, in part, HUD Section 202, Tax Credits, City Lower Income Housing Funds, and HUD Section 8. Lack of funding will be cause for the City not to pursue the New Development.
9. It is anticipated that the New Development will a minimum of 150 residential units, a community building, adequate parking and a "City Room" for City events. Up to thirty-nine (39) units will be reserved for households then living at Pleasanton Gardens at the time the New Development is ready to be occupied. If the then current Pleasanton Gardens on-site manager is income and age qualified for a unit at the New Development, a unit will be reserved for the on-site manager. The Pleasanton Gardens households will be relocated to the New Development at no cost to those households. Up to forty-nine (49) units will be reserved for households then living at Kottinger Place at the time the New Development is ready to be occupied. If the then current Kottinger Place on-site manager is income and age qualified for a unit at the New Development, a unit will be reserved for the on-site manager. The Kottinger Place households will be relocated to the New Development at no cost to those households. All households relocated from Kottinger Place and Pleasanton Gardens to the New Development will have a rent structure similar to that in place at the time

of relocation, which rent structure shall remain in place during the households' residency in the New Development. All units at the New Development will be affordable to households at incomes less than sixty percent (60%) of the Area Median Income and will be reserved for households with at least one resident 62 years old or older.

10. It is anticipated that the New Development will be owned by a California limited partnership formed by the housing developer in accordance with State and federal tax credit requirements and that it will operate under a ground lease and a regulatory agreement with the City. The City and Pleasanton Gardens will pursue active representation on any board established to oversee the operations of the New Development including the above referenced limited partnership.
11. The Board and the Housing Authority shall keep all of its respective residents informed regarding the New Development throughout the development process.
12. As part of the planning for the New Development the Board, the City and the housing developer will meet to discuss the potential roles and responsibilities of any employees of Kottinger Place and Pleasanton Gardens with the New Development.
13. Nothing shall prevent the City or Pleasanton Gardens from terminating this MOU and its involvement in the development process. Termination will be effective immediately upon written notice to the other party.

Attachment 3:

Computer Generated Elevations of Two and Three Story Site Plan Options



cch

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

BIRD'S EYE SITE PLAN (EXISTING CONDITIONS)

60080

ARCHITECTS



KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

BIRD'S EYE SITE PLAN : TWO & THREE STORY OPTION (150 UNITS)

60080

ARCHITECTS

cch



KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

BIRD'S EYE SITE PLAN : TWO STORY OPTION (128 UNITS)

60080

ARCHITECTS

cch



cch

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

ENTRY - KOTTINGER DR (EXISTING CONDITIONS)

60080

ARCHITECTS



cch

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING
ENTRY - KOTTINGER DR (TWO & THREE STORY OPTION)

August 1, 2008

60080

ARCHITECTS



cch

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

ENTRY - KOTTINGER DR (TWO STORY OPTION)

60080

ARCHITECTS



cch

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

ENTRY - VINEYARD AVE (EXISTING CONDITIONS)

60080

ARCHITECTS



cch

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

ENTRY - VINEYARD AVE (TWO & THREE STORY OPTION)

60080

ARCHITECTS



cch

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

ENTRY - VINEYARD AVE (TWO STORY OPTION)

60080

ARCHITECTS



cch

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

VIEW FROM 286 KOTTINGER DR (EXISTING CONDITIONS)

60080

ARCHITECTS



cch

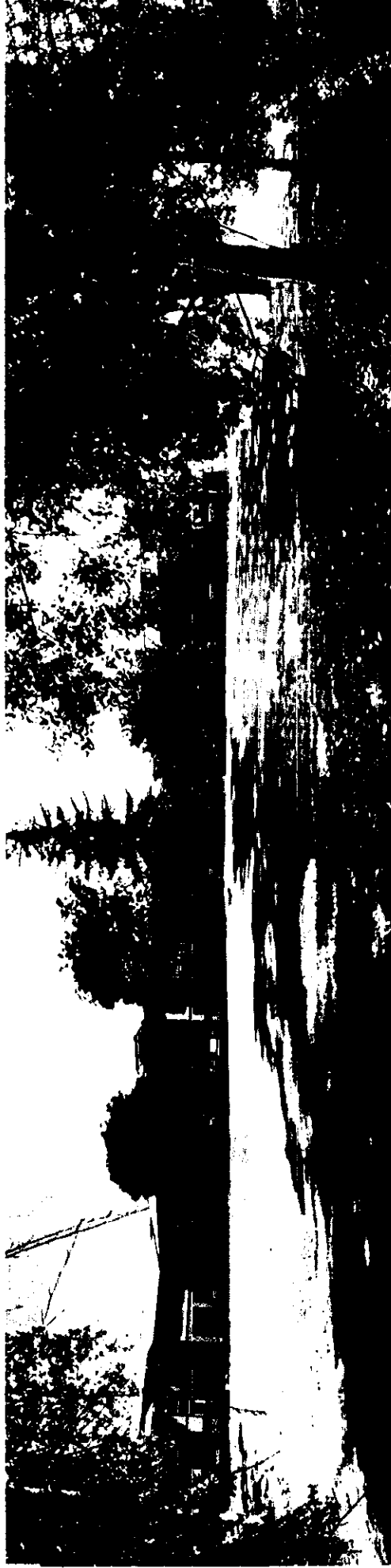
KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

VIEW FROM 286 KOTTINGER DR (TWO & THREE STORY OPTION)

60080

ARCHITECTS



cch

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING
VIEW FROM 286 KOTTINGER DR (TWO STORY OPTION)

August 1, 2008

60080

ARCHITECTS



cch

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

VIEW FROM 359 CHRISTINA PL (TWO & THREE STORY OPTION)

60080

ARCHITECTS



cch

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

August 1, 2008

VIEW FROM 359 CHRISTINA PL (TWO STORY OPTION)

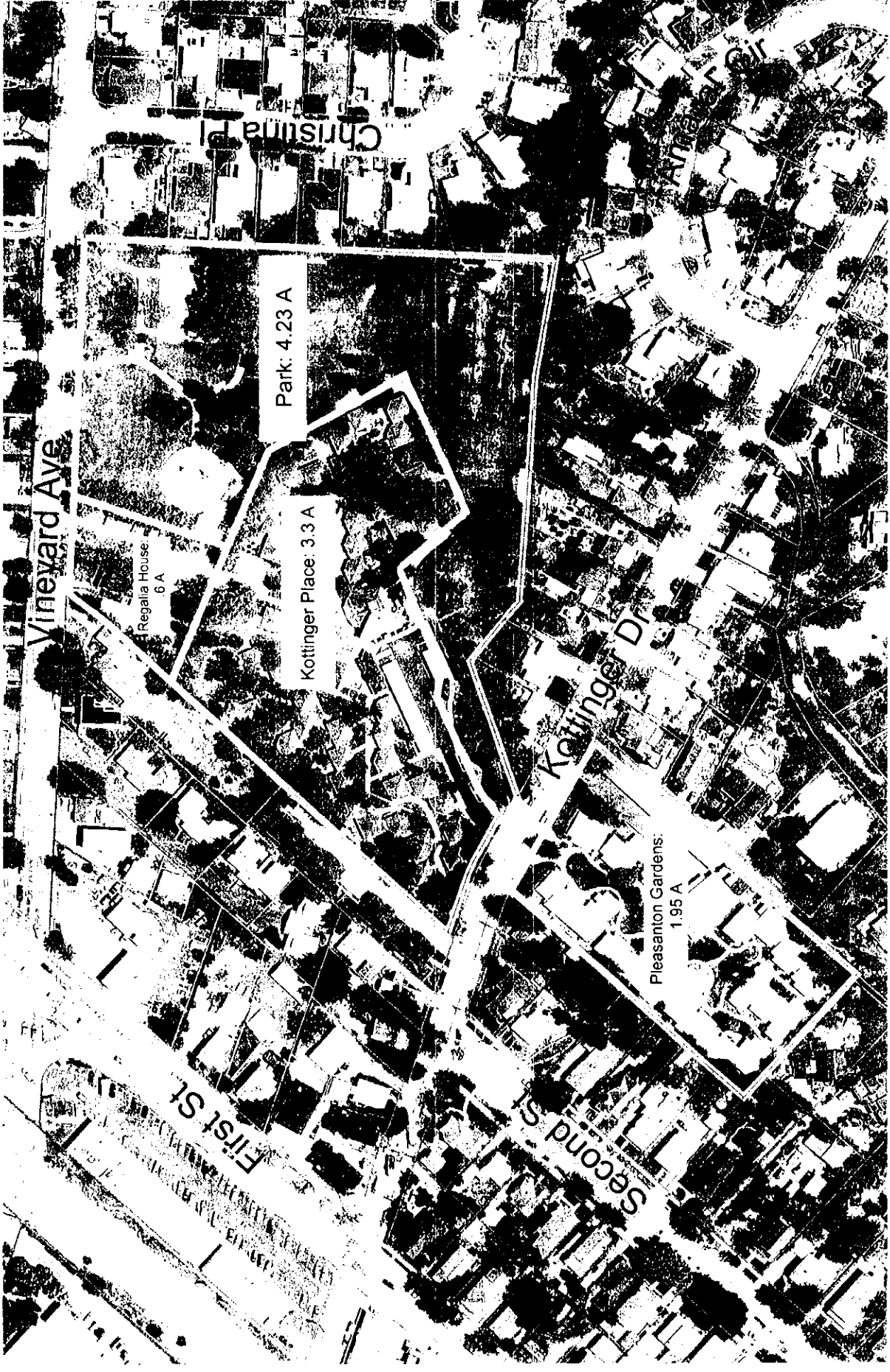
60080

ARCHITECTS

Attachment 4:

Kottinger Place / Pleasanton Gardens

Existing Site Plan



June 21, 2007

60080

KOTTINGER PLACE - PLEASANTON GARDENS SENIOR HOUSING

(Existing Conditions)

cch

Attachment 5:

Summary of the January 21, 2009, Resident Meetings

Kottinger Place / Pleasanton Gardens Residents Meetings
January 21, 2009

Summary of Resident Comments

There were two resident meetings held on Wednesday, January 21. The first meeting started at 12:00 p.m. while a second meeting for Mandarin-speaking residents followed at 1:30 p.m. The meetings took place at the Pleasanton Gardens club hour meeting room and refreshments were provided courtesy of Bruce Fiedler and staff.

A total of approximately 50 residents from the two complexes attended the meetings (representing about half of the population of the 90 total apartments). In addition, the following non-residents attended:

Becky Dennis	KP Task Force (Chair)
Dolores Bengtson	KP Task Force
Paul Henshaw	KP Task Force
Bruce Fiedler	Pleasanton Gardens
Barry Cammer	Barcelon Associates
Susan Batchelder	Kottinger Place
Clair Chow	KP/PG Social Services Coordinator
Shu-Ling Liu	Barcelon (Mandarin translator)
Steven Bocian	City of Pleasanton
Scott Erickson	City of Pleasanton

The attached "fact sheets" in English and Mandarin were mailed out to all residents approximately one week prior to the meetings. In addition, poster-size versions of the fact sheets were posted on the walls of the club house during the meeting.

The meeting was led by KP Task Force chairperson Becky Dennis (with translation assistance provided by Ms. Shu-Ling Liu for the second meeting for Mandarin speakers). Ms. Dennis provided a brief summary and background for the project and then opened up the meeting for questions and comments by residents which are summarized below (along with the answers provided where applicable):

[Meeting #1 - 12:00 p.m.]

- Will there be any studios? *[The exact unit mix is not yet known. It is likely that there will be a mix of one-bedroom units and studios depending on the financing and other factors.]*
- Will pets be allowed? *[This detail has not yet been discussed. Barry Cammer noted that HUD requires all senior developments built with HUD funds to allow pets.]*
- What will the rents be? Will rents be increased? *[The goal of the project is to keep the rents for existing residents under the same program / structure as they are currently; e.g.,*

Public Housing and Section 8 residents will continue to pay 30% of their monthly income for their rent.]

- What will the project look like? Are there any development plans yet? *[There are only concept plans at this point. Resident input on the design will be welcome as the project enters the more detailed design phase. City staff will prepare a file or binder for each complex that will be available in the office of each complex and will be kept up to date so that interested residents can review past, current, and future information regarding the project.]*
- Will the new project still be under HUD? *[There will most likely continue to be HUD involvement with the financing and administration.]*
- Will residents have to pay for utilities directly? *[At this point, it is not known whether the new complex is master-metered or individually metered. In either case, an allowance for utility costs will be made in determining resident rents.]*
- When will construction start? *[While a date has not yet been set, it is estimated that construction would not start until 2010 or 2011 at the earliest.]*
- What will happen to the Pleasanton Gardens site? Will the current buildings definitely be removed? *[The disposition of the Pleasanton Gardens site is not yet known. It will most likely be developed in some type of residential use that is compatible with the area but will be part of a separate development process. It was noted that the existing buildings will have to be demolished as part of the overall redevelopment process.]*
- How many total units will be in the new complex? *[The goal is 150 units.]*
- Will residents have a choice regarding the location of their units in the new complex? *[While residents will definitely be able to select their new apartments, a process for assigning and allocating new units has not yet been discussed or established. The process will most likely involve some type of priority system based on length of residency, special needs, etc.]*
- Will the new units all be accessible? *[All new units will meet current standards and requirements for accessibility which are significantly superior to the existing units. There will be elevators to access units on higher floors. In addition, the new complex will incorporate all new standards for safety, energy efficiency, seismic stability, etc.]*
- Has there been any negative feedback regarding the proposed project from surrounding residents and neighbors? *[Neighbors from surrounding properties have been attending Task Force meetings and submitting comments regarding various aspects of the proposed project. Most recently, the Task Force has been working to accommodate concerns for the location of three-story sections of the new complex to locate those sections toward the interior of the Kottinger Place site where they will be less visible and have less of an impact on the views and privacy of neighbors. Concerns have also been expressed about parking*

and noise. The Task Force will continue to work with the neighbors to try to address these issues. The goal is to present a project to the City Council that has the support of all parties and stake holders.]

- [Task Force member Dolores Bengtson cited her experience planning the construction of the Pleasanton Senior Center and encouraged residents of Pleasanton Gardens and Kottinger Place to get excited about this new project. Through their input and participation, they have an opportunity to have a positive impact on this project not only for themselves but for future generations of seniors who will benefit from this new housing.]

[Meeting #2 - 1:30 p.m.]

- Residents appreciate that the City is thinking of the seniors and their future welfare. They generally like the idea of new housing. While they don't necessarily like the idea of moving, they are willing to follow what the City decides is best.
- The existing apartments are noisy. More insulation is needed to prevent noise transmission between units and from the outside. [It was noted that the new complex will be built to current modern standards for noise attenuation as well as energy efficient, seismic safety, etc. Problems of noise transmission should be greatly diminished.]
- Residents like the current on-site administration and would like to see them continue in the new complex.
- Will the new apartments be similar in size to the existing units? [While the specific design of the new floor plans has not yet been determined, the units will likely be comparable in size to the existing apartments.]
- Residents would generally prefer one-bedroom apartments over studios. [The specific mix of unit types has not yet been determined. The Task Force would like to be able to provide mainly one-bedroom units but the unit mix may be affected by the type of financing used to construct the new project.]
- Residents have concerns regarding space and air flow around the units. The current cottages are nice in this regard. They would like to have private patios. [The new complex will be primarily two and three stories. However, the architects and designers will strive to incorporate a "garden feel" similar to the two existing complexes with significant landscaping and open space. The quantity and type of private open space for each unit has not yet been determined, but residents are urged to bring these matters up when the project enters the more detailed design phase.]
- Residents like the interior layout of the existing apartments and would prefer that the main entry not lead directly into the kitchen or dining room. Also, for studios, it would be good if the bed is not visible from the front door / main entry.

- Will the new complex include a swimming pool or spa for exercise? *[The new project is not planned to have these particular amenities. However, there will be a social services coordinator who will help interested residents get access to existing community programs and facilities such as the City's Aquatic Center.]*
- Current units do not have enough natural light or ventilation which leads to higher energy usage and costs. Windows in bathrooms are preferable to fan ventilation. Windows should face south whenever possible to take maximum advantage of natural light. *[It was noted that the new complex will be built to modern energy efficiency standards. The comments and concerns regarding maximizing natural light through window quantity and placement will be forwarded to the project architect for consideration in the detailed design phase.]*
- Currently there are a total of 90 units spread over two complexes. The proposal is for 150 units all on one site. This raises concerns for increased density, open space and parking. *[The project architect has been working on alternatives that will maximize open space and create common open space that is comparable to and maybe even greater than in the existing complexes. This is will be possible due to the stacking of units in two and three-story buildings which leaves more land area for common and open space uses. The complex will also provide parking spaces based on current City requirements that are greater than what currently exists in the two complexes.]*
- A larger number of apartments might increase the number and frequently of 911 emergency calls which might irritate surrounding neighbors. *[It was noted that this is not currently a problem in the two existing complexes and is not forecast to become a more significant problem with additional apartments. The 911 emergency system is an important service that must be utilized when necessary by anyone who is in need, whether the seniors or residents of neighboring properties.]*
- Will meals be provided at the new complex? *[It was noted that meal service is not planned for the new complex which will continue to operate as an apartment complex for seniors who can live independently.]*
- A preference was stated for bath tubs (versus showers).
- *[Residents were thanked for attending the meeting and were urged to continue to take an interest in Task Force meetings and other key project milestones. It was agreed that an attempt would be made to schedule future Task Force meetings at the Pleasanton Gardens club house to make them more accessible for residents.]*

KOTTINGER PLACE REDEVELOPMENT PROJECT **FREQUENTLY ASKED QUESTIONS**

You may have heard about plans to redevelop Kottinger Place and Pleasanton Gardens senior housing complexes. This "fact sheet" has been designed to answer common questions that residents might have.

WHAT IS BEING PROPOSED?

In 2003, the Pleasanton City Council formed a task force to develop a plan for the eventual redevelopment of Kottinger Place and Pleasanton Gardens senior apartment complexes. The two facilities are nearly 40 years old, were not built to modern standards, and are becoming increasingly costly to maintain. The City is considering a concept that would involve replacement of the two older complexes (90 units total) with a single new complex of about 150 units. The new complex would be located entirely on the existing Kottinger Place site, and all residents of the two existing complexes would move to the new apartments when completed. The Pleasanton Gardens site would eventually be redeveloped under separate process, most likely with a new residential project compatible with the surrounding neighborhood.

WHAT WILL A NEW PROJECT LOOK LIKE?

While a detailed design has not yet been developed, the task force has reviewed several preliminary layouts. In general, the new complex will feature two- and three-story buildings (served by elevators) with amenities such as a large community room for meetings and gatherings and raised community garden plots. Most of the apartments will be one-bedroom units, and the complex will have a combination of covered and uncovered parking.

WILL I HAVE TO MOVE? IF SO, WHEN? WILL I HAVE TO MOVE MORE THAN ONCE?

The project is still in the preliminary stages and many key steps still lie ahead (e.g., City approval, detailed design, securing financing, etc.). Although it is still difficult to forecast, actual construction would probably not start before 2011 or 2012 at the earliest. The goal of the task force is to minimize disruption to current residents. The new complex will likely be constructed in two phases so that most of the current residents will be able to remain in their existing homes until the first phase of the new complex is complete. Once residents move into their new apartments, construction on the second phase will take place until the entire project is complete. Under this plan, most residents should only have to move once.

WHO WILL TAKE CARE OF MY MOVE?

As noted above, a primary goal of this project is to minimize disruption to residents. The budget will be designed to include funds to relocate residents from their current apartments to their new homes (or to another location if they so choose). Professional moving services (paid for by the complex) will be offered to all residents. Residents may decline this assistance if they would prefer to take care of their own move (for example, with the assistance of family members). A relocation specialist will work with each resident individually to coordinate the move well before the time for construction and moving arrives.

WILL MY RENT INCREASE?

The goal of the task force is to maintain all rents for current residents of both complexes under the same standards that are currently used to determine rents. For example, residents who are currently under the Public Housing (Kottinger Place) and Section 8 (Pleasanton Gardens) programs would continue to pay a rent that is based on 30% of monthly income. For several Pleasanton Gardens residents who are currently under alternative programs (such as Section 236), every attempt will be made to offer new rents that are comparable to the rents that are currently being paid.

WILL I BE ABLE TO SELECT MY NEW APARTMENT?

Existing residents will have first priority for selecting their apartments based on what will be available in the first phase of the new development. Although not yet developed, a priority system may be utilized based on how long each resident has lived at the current complex, with the longest residents given the first choice to select their units.

HOW CAN I FIND OUT MORE?

A meeting for residents of Kottinger Place and Pleasanton Gardens has been scheduled for Wednesday, January 21, 2009, at 12:00 noon at the Pleasanton Gardens Community Room, 251 Kottinger Drive, Pleasanton (a meeting for Mandarin-speaking residents will take place at the same location at 1:30 p.m.). All residents are encouraged to attend this brief, informal meeting to ask questions and learn more about the redevelopment plans. Family members are also welcome to attend. Residents are also encouraged to attend any of the periodic meetings of the Kottinger Place Task Force. [Residents currently receive notice cards in the mail for these meetings which usually take place at the Pleasanton Senior Center.]

KOTTINGER PLACE REDEVELOPMENT PROJECT FREQUENTLY ASKED QUESTIONS

改建計劃

你听说过市政府要改建 Kottinger Place 及 Pleasanton (Garden) 的計劃嗎？ (以下簡稱 KP) (以下簡稱 PG)

以下是一些有關改建的詢問以及回答

1. 什麼是改建計劃內容？

2003年，市政府成立工作小組研究發展改建 KP + PG 公寓，這兩座公寓已有40年的歷史，許多設施已不合現代公寓的模式，需要大量花費來維護。

市政府考慮重建150戶的新公寓，設在 KP 所在地，以取代現有的90戶舊公寓（KP有50戶 + PG有40戶）。至於 PG 所在地，市政府為配合社區計劃，將另有安排。

2. 新公寓是什麼模樣？

詳細藍圖尚未決定，但工作小組已有構想，總體來說，新公寓將是二層及三層樓模式，附有電梯設施，並有停車位、花園設施、會議大廳。大部份的公寓都是一間臥房設施。

3. 什麼時候搬？需要搬兩次嗎？

市政府仍在計劃階段，詳細藍圖、計劃及資金核準都未定案。雖不能明確告訴大家時間性，但目前2011至2012年是最早預期開工的一年。

我們的前提是在不影響現有居民的生活起居之下，工程分兩期完成。第一期工程完成，部分居民先搬入，待第二期工程完工，所有的居民皆有新居落定，而且只搬一次。

4. 誰來幫我搬家？

市政府的原則是只搬一次，雇用專門搬家人員，並負責搬家費用，協助所有住戶搬至新居，住戶可以拒絕市政府搬家服務，選擇自己的方法，諸如家人幫忙，但無論你的選擇如何，我們會盡力協助你平安地搬至新居。

5. 我的房租會增加嗎？

市政府的工作小組目標是維持房租現狀，配合每戶人的背景經濟現狀，原則上不會有變動。

6. 我可以選擇新居嗎？

現有的居民有優先權選擇新居，一旦第一期公寓完成建設，雖沒有明確定案，但優先權取決於年資最久的居民。

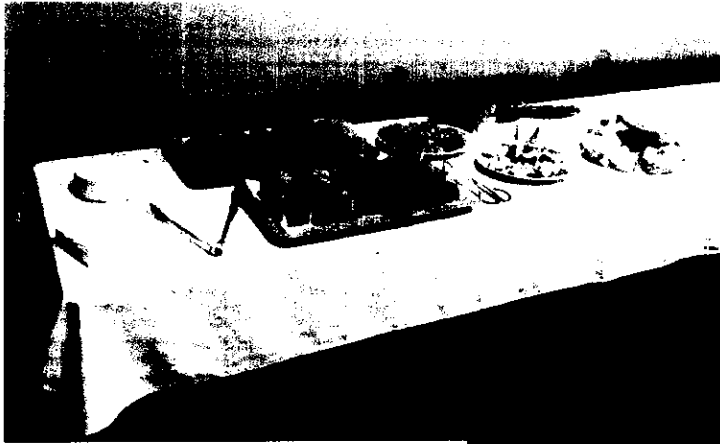
7. 我如何得知更多的消息？

市政府將於1月21日星期三在 Pleasanton Garden 大廳舉行會議，告知所有居民改建方案及回答居民的問題。（英文會議 中午12時，中文會議 下午1:30 有翻譯人員）歡迎所有的居民及家人們參加，並鼓勵發問，市政府將有定期的會議，研討此案。

居民們請參加 一月 21 日 (星期三) 會議
中午 12:00 英文
下午 1:30 中文

地點：Pleasanton Garden 大廳。

PHOTOS





Attachment 6:

Kottinger Task Force Goals and Current Membership Roster

KOTTINGER PLACE TASK FORCE GOALS
Approved on 5/11/04

- Mixed income development that provides at least 40 units at 40% AMI and 50 units at 30% of tenants income. Retain existing rent levels for existing tenants.
- Increase the number of units consistent with design standards and zoning
- Development should be viewed in the context of the City's overall housing strategy (both market and affordable)
- Owned and operated by a not for profit
- Designed for aging in place but retain independent living status
- Energy efficient
- Architectural design that retains the "garden" feel similar to the existing developments
- Affordable for perpetuity
- Financially self sustaining without the need for ongoing grants
- City retains ownership of the site
- Consolidate property management but sites may be owned and developed separately
- Assumes demolition of both Pleasanton Gardens and Kottinger Place
- Minimize impact of relocation on existing residents
- May have access to utilizing City park land provided park areas continue to fully address neighborhood needs
- Unit mix of one and two bedroom units

KOTTINGER PLACE TASK FORCE

11/18/2009

	Name	Affiliation
1	Barbara Hempill	Housing Commission
2	Dave Stark	Housing Commission
3	James Dibiasse	Park & Recreation Commission
4	Paul Henshaw	Pleasanton Gardens
5	Becky Dennis (Chair)	Pleasanton Gardens
	Bruce Fiedler	<i>[Alternate]</i>
6	Dolores Bengtson	At-Large
7	Howard Neely	At-Large
8	Craig Ristow	At-Large
9	Christine Steiner	At-Large
10	Vacant (1)	At-Large

2. Barbara Hemphill moved from at large member to Housing Commission representative
1. Held by Carl Palowitch- resigned

Attachment 7:

Kottinger Project Development Proforma

KOTTINGER REDEVELOPMENT SUMMARY OF PROJECT FUNDING

150 Unit Development						
TOTAL DEVELOPMENT COSTS	NO. OF UNITS	TOTAL COSTS PER UNIT	ANTICIPATED PLEASANTON CONTRIBUTION	PRIMARY FINANCING SOURCES	PRIMARY TYPES OF FUNDING	FUNDING GAP
PHASE 1	73	\$293,991	\$1,920,000	\$17,826,283	9% TAX CREDITS	
PHASE 2	77	\$292,666	\$2,080,000	\$19,310,609	HUD 202/4% CREDITS	
TOTAL	150	\$293,311	4,000,000	\$37,136,892		\$2,859,710

128 Unit Development						
TOTAL DEVELOPMENT COSTS	NO. OF UNITS	TOTAL COSTS PER UNIT	ANTICIPATED PLEASANTON CONTRIBUTION	PRIMARY FINANCING SOURCES	PRIMARY TYPES OF FUNDING	FUNDING GAP
PHASE 1	71	\$298,720	\$2,200,000	\$19,001,058	9% TAX CREDITS	
PHASE 2	57	\$307,021	\$1,800,000	\$15,546,321	HUD 202/4% CREDITS	
TOTAL	128	\$302,417	\$4,000,000	\$34,547,379		\$161,964

Kottingham Place Redevelopment - Preliminary Financial Proforma - 150 Unit Senior Housing Development
11/17/2009

DEVELOPMENT BUDGET

Description	Estimate	Per Unit	%TDC	Number of Units	Net Rent	Annual Revenue
Land	438,000	0				
Acquisition Costs	323,198	2,155				
Total Acquisition	761,198	5,075	1.7%			
Construction / Rehabilitation	24,594,707	163,965	55.9%			
Architectural Fees	1,776,394	11,843	4.0%			
Survey & Eng.	70,314	469	0.2%			
Const. Int. & Fees	3,024,356	20,162	6.9%			
Perm Financing Csts	71,311	475	0.2%			
Attorney Fees	57,000	380	0.1%			
Appraisal	42,000	280	0.1%			
Total Other Costs*	6,114,338	40,762	13.9%			
Developer Fee & Costs	4,000,000	26,667	9.1%			
Reserves	849,175	5,661	1.9%			
Syndication Costs	160,000	1,067	0.4%			
Contingency (% of construction):	2,475,810	16,505	5.6%			
TOTAL DEVELOPMENT COSTS**	43,996,602	293,311	100%			

* Includes \$125,000 in estimated relocation expenses
** Does not include DSRSD & Zone 7 fees

PROJECT INCOME

Unit Size	Target Population	Net Resid. Sq. Ft.	Number of Units	Net Rent	Annual Revenue
1 Bedroom	15% of Median	475	20	836	200,640
	20% of Median	475	10	836	100,320
	50% of Median	475	10	905	108,600
	60% of Median	475	0	1,039	0
Subtotal 0 Bedroom Units					
			40		409,560
2 Bedroom	15% of Median	640	0	1,005	0
	20% of Median (PRAC)	640	59	259	183,372
	30% of Median (tax credit/section 8)	640	17	1,008	257,280
	45% of Median	640	32	670	0
	60% of Median	640	0	1,115	0
Subtotal 1 Bedroom Units					
			108		440,652
3 Bedroom	0 of Median	790	0	926	0
	20% of Median	790	0	1,058	0
	50% of Median	790	0	1,323	0
	60% of Median	790	0	1,587	0
Subtotal 2 Bedroom Units					
			0		0
3 Bedroom	0 of Median	0	0	1,033	0
	20% of Median	0	0	1,181	0
	50% of Median	0	0	1,476	0
	60% of Median	0	0	1,771	0
Subtotal 3 Bedroom Units					
			0		0
Manager's Unit (2brdm)			2	0	
Subtotal Net Rentable					
		108,950			
Common / Commercial Area		9,625			
TOTAL		118,575	150		850,212

PERMANENT FINANCING SOURCES

Source	% TDC	Per Unit	Total
1st Mortgage	8.0%	13,916	2,087,402
HUD Capital Advance		64,136	9,620,380
City of Pleasanton		26,667	4,000,000
Other		0	0
AHP (Fed Home Loan Bnk)		5,513	827,000
Tax Credit Equity		164,014	24,602,110
Deferred Dev. Fee		0	0
GP Equity		0	0
Total Sources	94%	274,246	41,136,892
ADDITIONAL FUNDS REQUIRED			2,859,710

CONSTRUCTION PERIOD SOURCES

Item	% EGI	Per Unit	Total
City of Pleasanton			4,000,000
HUD Capital Advance			16,808,307
AHP (Fed Home Bnk)			365,000
Bank Construction Loan			18,155,736
LP Equity			350,000
Costs Deferred to Permanent			3,794,830
Total Construction Period Sources			43,473,873

PROJECT TIMELINE

Item	Start	Completion	Months
Approval of Final Plan			9
Planning/Entitlements			3
Design Review Approval			4
Apply for City Subsidy			3
Bank Financing			5
HUD 202 Application			2
HUD Approval			4
Bldg. Permit			6
GMP			3
HUD/Construction Loan Closing			2
Total Estimated Months			41

PROJECTED CASH FLOW VARIABLES

Variable	Percentage
Increase Rate - Tenant Rents	2.5%
Increase Rate - Operating Subsidy	3.8%
Vacancy Rate	5.0%
Operating Expense Increase	3.5%

PROJECT DATA

Site Area in acres	3.30
Site Area in square feet	143,748
Total Number of Units	150
Residential Square Footage	108,950
Number of Parking Spaces	75
Elevator	Yes
Number of Stories:	2 & 3
Density/DUA	45

OPERATING EXPENSES

Item	Per Unit	Annual
Administration	2,057	308,492
Utilities	988	148,238
Operating & Maintenance	1,928	289,155
Taxes & Insurance	1,195	179,300
Service Expenses	589	88,348
Total Operating*	6,757	1,013,532

Kottinger Place Redevelopment - Preliminary Financial Proforma - 150 Unit Senior Housing Development

11/2/2009

DEVELOPMENT BUDGET

PROJECT DATA

Description	Unit Size	Target Population	Net Resid. Sq. Ft.	Number of Units	Per Unit	Estimate	Source	% TDC	Per Unit	Total
Land					0	438,000	1st Mortgage	8.0%	13,916	2,087,402
Acquisition Costs					2,155	323,198	HUD Capital Advance	5%	64,136	9,620,380
Total Acquisition					5,075	761,198	City of Pleasanton	22%	26,667	4,000,000
Construction / Rehabilitation					163,965	24,594,707	Other	0%	0	0
Architectural Fees					11,843	1,776,394	AHP (Fed Home Loan Bnk)	2%	5,513	827,000
Survey & Eng.					469	70,314	Tax Credit Equity	56%	164,014	24,602,110
Const. Int & Fees					20,162	3,024,356	Deferred Dev. Fee	0%	0	0
Perm Financing Csts					475	71,311	GP Equity	0%	0	0
Attorney Fees					380	57,000	Total Sources	94%	274,246	41,136,892
Appraisal					280	42,000	ADDITIONAL FUNDS REQUIRED			2,859,710
Total Other Costs*					40,762	6,114,338	CONSTRUCTION PERIOD SOURCES			
Developer Fee & Costs					26,667	4,000,000	City of Pleasanton			4,000,000
Reserves					5,661	849,175	HUD Capital Advance			16,808,307
Syndication Costs					1,067	160,000	AHP (Fed Home Bnk)			365,000
Contingency (% of construction):			10%		16,505	2,475,810	Bank Construction Loan			18,155,736
TOTAL DEVELOPMENT COSTS**					293,311	43,996,602	LP Equity			350,000
* Includes \$125,000 in estimated relocation expenses										
** Does not include DSRSD & Zone 7 fees										

Item	% EGI	Per Unit	Annual
Administration	30%	2,057	308,492
Utilities	15%	988	148,238
Operating & Maintenance	29%	1,928	289,155
Taxes & Insurance	18%	1,195	179,300
Service Expenses	9%	589	88,348
Total Operating*	100%	6,757	1,013,532

PROJECT INCOME

PROJECT TIMELINE

Unit Size	Target Population	Net Resid. Sq. Ft.	Number of Units	Per Unit	Annual Revenue	Start	Completion	Months
1 Bedroom	15% of Median	640	0	1,005	0	Approval of Final Plan		9
	20% of Median	640	59	259	183,372	Planning/Entitlements		3
	30% of Median (tax credit/section 8)	640	17	1,008	100,320	Design Review Approval		4
	45% of Median	640	32	670	208,600	Apply for City Subsidy		3
	60% of Median	640	0	1,039	0	Bank Financing		5
Subtotal 0 Bedroom Units			40		409,560	HUD 202 Application		2
						HUD Approval		4
						Bldg. Permit		6
						GMP		3
						HUD/Construction Loan Closing		2
Subtotal 1 Bedroom Units			108		440,652	Total Estimated Months		41
2 Bedroom	0 of Median	790	0	926	0	Increase Rate - Tenant Rents		2.5%
	20% of Median	790	0	1,058	0	Increase Rate - Operating Subsidy		3.8%
	50% of Median	790	0	1,323	0	Vacancy Rate		5.0%
	60% of Median	790	0	1,587	0	Operating Expense Increase		3.5%
Subtotal 2 Bedroom Units			0		0			
3 Bedroom	0 of Median	0	0	1,033	0			
	20% of Median	0	0	1,181	0			
	50% of Median	0	0	1,476	0			
	60% of Median	0	0	1,771	0			
Subtotal 3 Bedroom Units			0		0			
Manager's Unit (2brdm)		0	2	0	0			
Subtotal Net Rentable		108,950						
Common / Commercial Area		9,625						
TOTAL		118,575	150		850,212			

Attachment 8:

Redevelopment Analysis for Kottinger Place and Pleasanton Gardens
Christian Church Homes (March 12, 2007)

[THIS ATTACHMENT IS A PRESENTATION BINDER]