32 Acre Development Update Site Authority Board



Background – University Glen

PHASE 1

- Specific Reuse Plan (SRP) adopted in 2000
- Phase 1 includes 658 dwelling units
 - 72 detached Residences
 - 200 attached Residences
 - 328 apartments
 - 58 apartments (Town Center Mixed Use Development)

PHASE 2

- Phase 2 SRP Amendment would allow for the proposed 600 units
 - 242 units were planned
- Phase 2 Infrastructure completed in 2006
- Phase 2 Construction Contract suspended in 2008
- Dec 2013 RFP for Development Consulting Services issued
- May 2014 Jones Lang LaSalle engaged as Development Advisor
- Sep 2014 SA Board approves CI 2025 Vision Plan
- Mar 2015 BoT approves CI 2025 Vision Plan development concept

Site Authority Objectives

- Create development consistent with existing community;
- Identify a partner with high standards for housing, community relations, management and maintenance of the property;
- Maximize sales price for transfer of the leasehold interest for investment in campus improvements and SA cash flow stability
- Maximize ground lease revenue to the SA
- Provide opportunities for below market-rate for sale housing for faculty and staff
- Incorporate environmentally sustainable O&M practices
- Maintain a strong sense of place and community for all residents consistent with existing aesthetic

32 Acre Development Program

Original Program *

- 242 House/Town Houses (for sale)
- No Amenities
- * Developed in early 2000's. Post 2007/08 economic downturn, this is no longer a viable solution

Proposed Development Program – 600 units *

- 66 Town Houses (for sale)
- 54 Single Family Houses (for sale)
- 310 Market Rate Apartments
- 170 Senior Living Apartments (age restricted)
- Amenities
 - Club House
 - Community Meeting Spaces
 - Pool
 - Gym
 - Central Green Space
- * Submitted by Kennedy Wilson in Spring 2016 based on RFP requirements

Concept Plan



Program Overview



Kennedy Wilson's (KW) current program⁽¹⁾ includes 600 units with a variety of housing options and community amenities.

- 310 market-rate apartments
 - One- to three-bedrooms, 750 to 1,340 SF
- 170 age-restricted senior apartments
 - One- to two-bedrooms, 550 to 710 SF
 - Affordable, rent restricted units

120 for-sale homes

- Townhome and single-family units
- Two- to four-bedrooms, 1,450 to 2,500 SF
- Parking ratio at 1.8 spaces per 1 unit
- **Community amenities**⁽²⁾: resort-style swimming pool, fitness center, community clubhouse and lounge, leasing center and game room



Concept Elevations



Single Family Residences





Market-Rate Apartments



Age-Restricted/Income-Based Apartments

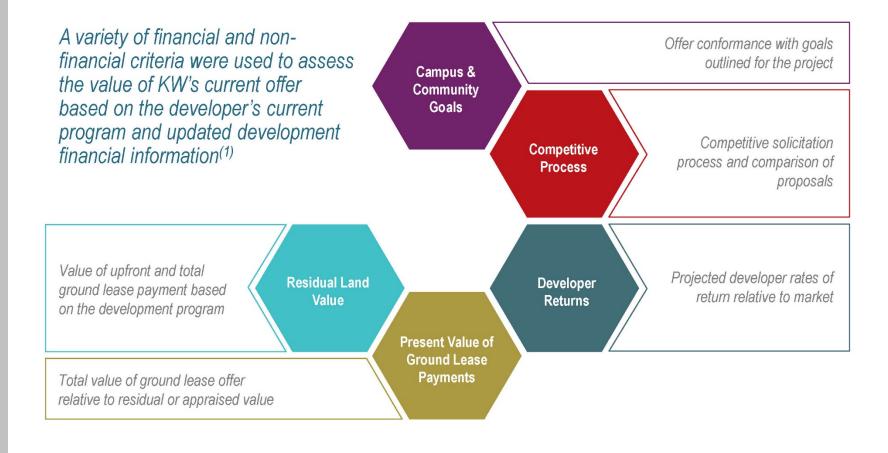


KW's proposal meets a range of goals⁽¹⁾ *identified by CSUCI and the University Glen community.*

| Project Goals: | Kennedy Wilson Proposal |
|---|-------------------------|
| Age-restricted housing | \checkmark |
| Mix of housing options, including for-sale and for-rent | \checkmark |
| Community amenities, including multi-use space | \checkmark |
| Connection to existing community and shared use amenities | \checkmark |
| Consideration of child care needs | \checkmark |











KW increased its upfront payment offer⁽¹⁾ in June 2016 by \$1,000,000 from its initial RFP response, and has also provided a deposit which will **not** be credited towards the lease purchase price.

- Deposit: \$250,000⁽²⁾
- Upfront Payment: \$2,500,000
- Home Sale Payments⁽³⁾: \$3,000,000 based on payment of \$25,000 for 120 home sales
- **Recurring Rent Payment**: 7% of effective gross income for market-rate and age-restricted apartments (approximately \$700,000 at stabilization)
- Child Care Contribution: \$1,500,000 towards cost of child care facility development
- PV TOTAL PAYMENTS (80 Years): \$19.6 million



- 1) The offer and terms assume prevailing wage requirements for the project.
- (2) Deposit is separate from and in addition to the Upfront Payment noted above.
- (3) KW's offer contingent on ability to sell homes without initial or resale price restrictions.

Schedule

- Feb 2017 Published Draft EIR
- Mar 2017 Complete Schematic Design documents
- May 2017 Publish Final EIR
- May 2017 LDRC Presentation
- Jul 2017 BoT Presentation
- Sep 2017 Finalize Development Agreement, Ground Sublease
- Oct 2017 Start final design efforts
- Feb 2018 Start plan check of site and first building
- Aug 2018 Construction start

