



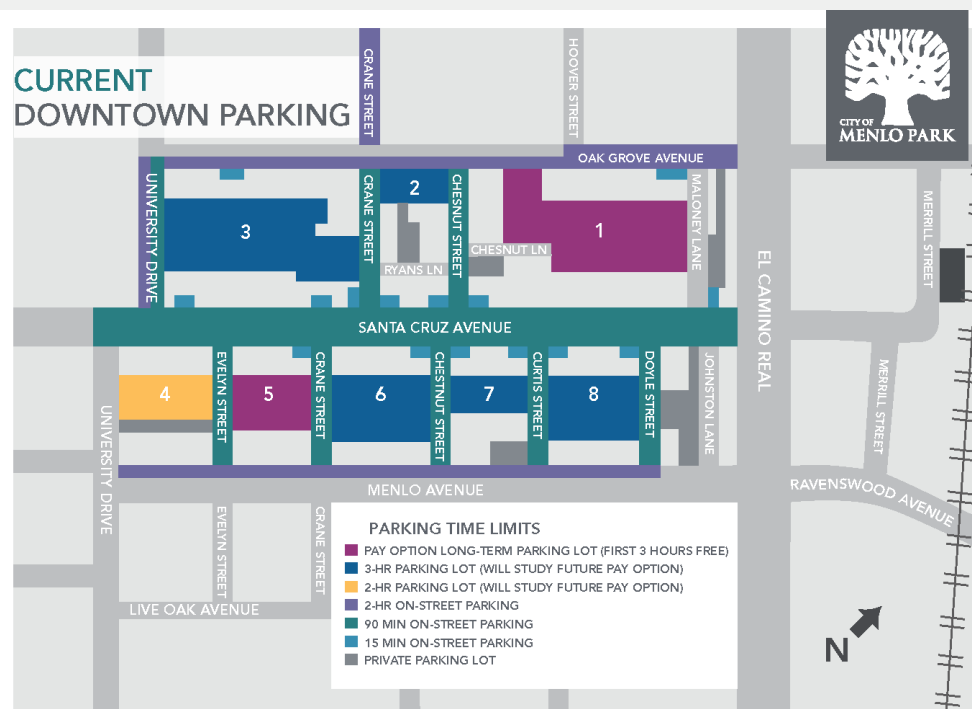
Downtown Development Financial Review

Tom Smith, Principal Planner



Project overview

- Goal: Meet local needs with housing close to downtown jobs, services and transit
- Key priorities
 - 345+ affordable units
 - Replacement public parking
 - Surplus Land Act (SLA) compliance
 - Meet City's Regional Housing Needs Allocation (RHNA)
 - Support downtown vitality





Background

Major highlights include:

- Sept. 2025: Request for Proposals (RFP) released
- Dec. 2025: Three RFP responses received
 - Alliant Communities
 - Presidio Bay Ventures
 - Related Companies / Alta Housing
- May 2026: Community open house
- June 2: Developer presentations and Q&A, financial review direction

Recommended format

Staff recommends following meeting format:

1. Staff presentation
2. Strategic Economics presentation
3. Public comment
4. City Council discussion and direction



Proposals



Proposals summary			
	Alliant	Presidio Bay	Related/Alta
Housing	345 affordable units (15% to 80% AMI)	347 affordable units (80% to 120% AMI)	500 (346 affordable, 154 market-rate)
Unit mix	Studio, 1, 2 and 3 bed	Studio, 1, 2 and 3 bed	Studio, 1, 2 and 3 bed
Public parking	556 spaces	556 spaces	574 spaces
Res. parking	182 spaces	258 spaces	253 spaces
Construction timeline	Phased through 2031	Phased through 2032	Phased through 2032

Tentative next steps

Updated tentative schedule		
Date/Sequential Timing	Activity/Action	Details
Late Oct. 2026	City Council meeting	Direction on preferred proposal
30-45 days	City Council meeting	Adoption of Surplus Land Act (SLA) resolution
1 day	Notification to HCD	Provide resolution to state and complete required 30-day period before entering into exclusive negotiating agreement (ENA)
45-60 days	City Council meeting	Approve ENA
60-120 days	Planning Commission meeting	General Plan conformity determination required by SLA; recommendation on disposition and development agreement (DDA)
30-90 days	City Council meeting	Approve DDA



Surplus Land Act

- State law regulating sale or lease of public land
- Requires affordable housing prioritization before disposition for other purposes
- Determination is at City Council's discretion
- Declaration of “exempt surplus land”
 - Covers land that could be used to provide affordable housing
 - Allows more flexibility to ensure development meets Housing Element program H.4G
- One exemption path has been contemplated throughout process
 - Alliant and Related/Alta appear to meet exemption requirements
 - Presidio Bay may fit under separate exemption path
- Declaration does not obligate City to enter into agreement to develop a site



Proposed comprehensive evaluation factors

- Program H4.G compliance
- Responsiveness to RFP priorities
 - 345+ affordable units, replacement public parking, qualification for SLA, design consistent with City standards
- Consideration of RFP development objectives
 - Income mix, unit type mix, special needs housing, design and amenities, phasing and impact management approach, etc.
- Community feedback and survey results
- Additional community and City Council feedback during process
 - Prevailing wage labor, long-term property management/maintenance, services and protections for high-quality resident experience
- Results of financial review
 - Feasibility, financing gaps, potential benefits and risks

Requested direction

Staff requests direction from the City Council:

1. Surplus Land Act exemption path
2. Comprehensive evaluation preparation

