ORCHARD PARK REDEVELOPMENT PROJECT

Wednesday, January 25, 2017 3:30 p.m. – 5:00 p.m.

Mrak 203

Project Advisory Committee Meeting Minutes

**Meeting Goals:**
- Project Delivery Options
- Solano Park Advisory Board
- Delivery Overview and Financial Feasibility
- Discussion of Orchard Park and Russell Park Site Concepts
- Discuss PAC recommendation to Provost
- Discuss Schedule and Process
- Determine Next Steps

**Attendees:** Bob Segar, Grant Rockwell, Emily Galindo, Kellie Sims-Butler, Mike Sheehan, Mark Rutheiser, Bonnie Cairns, Lorin Fremgen, Corey Coates, Karl Larson, Arik Davidyan, Laurynne Chetelat, Amanda Steidlmayer, Sarah Messbauer, Jonathon Favero, Elizabeth Lambert

**Not Attending:** Prasant Mohapatra, Adela De La Torre, Mary Hayakawa, Clayton Halliday

1. **Solano Park Student Family Housing Meeting – January 19, 2017**
   a. Kellie Sims Butler and Grant Rockwell attended the most recent Solano Park Community meeting to ensure that student families were aware of the progress and status of the Orchard Park Redevelopment Project and to look for input and feedback from graduate students currently living in student family housing. Kellie provided an update on the PAC’s activities while Grant presented information on the PAC’s focus, based on the former housing committee’s priorities and research. Grant and Kellie finished with a “Q & A” session with the students.
   b. Based on the conversation at the Solano Park meeting, the PAC must reiterate that campus delivery is not “off the table.” It is more correct to say that “campus delivery doesn’t look affordable” based on the numbers.
   c. The PAC must clarify that “affordability” can have two meanings. From the campus perspective, affordability refers to the project, indicating the project is feasible. From the student perspective, affordability refers to rental rates.
   d. Students are very interested in using fundraising and development as a tool to achieving affordability. Kellie explained that this is outside of the current scope of the PAC and encouraged students to meet with campus leaders and Graduate Student Association (GSA) to pursue this initiative.

2. **Project Delivery Objectives**
   a. Realistically, the PAC can’t achieve all of the objectives with the current options. The focus and highest priority is affordability. Utilizing creative solutions to accomplish this priority, such as expanding to Russell Park to reach the ideal number of unit and rent levels, utilizing builders and architects that can think outside the box (or without a box) to create less expensive additional student living space.
b. Components of the PAC recommendation
   - Show comparison of the three financing models and why the “hybrid with Tandem” is the preference of the PAC
     o Affordability
     o Sense of community
     o Logistics of parking
     o Prioritizing graduate student families
     o One centrally located management with student involvement such as a less traditional RA
   - The PAC recommendation does not approve Tandem as the partner. Due diligence has yet to be completed before a partnership can be established. Instead, the PAC can only recommend that the campus focus its resources on completing the due diligence process with Tandem as opposed to another private developer.

c. The PAC discussed future planning and implementation components that are important to the students:
   - Annual rent increases. Three percent annual CPI rent increase exceed TA income increases each year. The concern is that graduate students will be “priced out” of the market for these homes in a few years.
   - Cap renewal rates (potentially use rent increases on market rate rentals to limit growth in rents for affordable unit)
   - Graduate students expressed concern regarding the transition of apartments currently leased by undergraduate students at Russell Park over to graduate student families who would be given top priority. The exact number of leases currently held by undergraduate students at Russell Park was not immediately known at the meeting. Leases to undergraduate students at Russell Park would not be renewed at some level, allowing Tandem Properties to make upgrades and in turn lease to graduate student families first. Apartments at Solano Park with damage and in need of repair would be taken offline. Graduate students expressed the need for transparency and inclusion in this process.
   - Inclusion of student representation in the contracting and ground lease negotiations (possibility the student regent)
   - Student Housing should create and deliver community program as well as continually monitor and evaluate Tandem as a property manager
   - Ensure that population targets/priorities are being met (e.g. graduate students with families are given highest priority
   - Security deposits should be included in “affordability” issue
   - Prioritize student housing in fundraising
   - Provide cost analysis of the three delivery options on the website

3. Orchard Park Site Concepts
   a. Tandem provided a design concept based on 3-story buildings with 2-bedroom units because this standardization will help achieve affordability
   b. Orchard Park is still in the concept phase; it is not an approved project and there are many steps/hurdles to clear
      - Currently, UCOP is executing a “request for information” (RFI) process to identify a list of preferred/pre-approved developers who will be engaged in capital projects across the system. This might be a roadblock for our recommendation because we are proposing a partner that is outside of the RFI.
• The Russell Park Ground Lease will have to be expanded to include Orchard Park, and while early indications are that we can get this approved, we still have to complete the review process.

4. Next Steps
   a. Grant will draft the recommendation to the Provost within the next two weeks and float the draft among the PAC for revision and additional input. The goal is to review the Provost recommendation and move forward (with concerns noted) at the February 22nd meeting.
   b. Demolition is scheduled to begin early summer
   c. Tandem would like to begin construction in late summer/early fall 2017. This is an unlikely timetable due to the steps and approval necessary at the university level. If project doesn’t begin by early fall, it will push occupancy back a full year.

5. Next Meetings
   a. Orchard Park Work Group Meeting – Monday February 6, 2017
      11:00 a.m. - 12:00 p.m. at DCM Main Conference Room
   b. Orchard Park PAC Meeting – Wednesday, February 22, 2017
      3:30 p.m. – 5:00 p.m. at Mrak 203

The meeting adjourned at 5:00 p.m.