



EDUCATION HOUSING PARTNERS

A THOMPSON | DORFMAN COMPANY

Pasadena Unified School District Workforce Housing Feasibility Study June 8, 2023



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FEASIBILITY ASSESSMENT MEMORANDUM

EDUCATION HOUSING PARTNERS
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June 8, 2023

Ms. Michelle Richardson Bailey
President
Pasadena Unified School District School Board
351 S. Hudson Avenue, Room 106
Pasadena, CA 91109

Re: Faculty/Staff Housing Assessment – Final Report

Dear Ms. Bailey and School Board Members:

As outlined in the attached report, Education Housing Partners, Inc. (EHP), a California nonprofit public benefit corporation, has concluded the initial scope of its assessment of the potential for the Pasadena Unified School District (PUSD or District) to develop faculty/staff housing on the 5.3-acre site of the former Roosevelt Elementary School. EHP has evaluated two different development schemes, ranging from 123 to 135 units, in terms of physical, economic, and political feasibility.

EHP has determined that PUSD's goal of entitling and constructing workforce housing on the site at below market rental rates is achievable, with rents averaging 60% of market. Assuming a 123-unit project, project costs are projected to be approximately \$70 million. Based on analysis by Dale Scott & Company, the project could be financed with \$25 million in General Obligation bonds and the remainder financed with Certificates of Participation. With the information provided herein, PUSD can further evaluate financial structures, project scale and other design considerations that best address the District's objectives.

Background

In order to create a quality rental housing option that could offer below-market rental rates to help recruit and retain employees, PUSD initiated an evaluation of PUSD-owned property that may be feasible for the development of an apartment community. The first part of this process involved the approval of Measure O in November 2020, which authorizes PUSD to use bond funds to provide staff housing. The Facilities Task Force conducted a survey of staff to obtain the level of interest in staff housing. The survey results indicated a high level of appeal particularly at below market rental rates. The Facilities Task Force reviewed the District's closed sites and recommended the site described above for this use. In December 2022, the Governing Board of the PUSD ratified the proposal with EHP, which was contracted in January 2023. EHP subsequently initiated an analysis of the development potential of faculty/staff housing on the site referenced above.

On behalf of PUSD, EHP retained a design and development team to perform and/or analyze physical due diligence on the site and develop massing studies with a variety of rental housing programs (unit mix and sizes). The planning objectives included (1) incorporating a mix of 1-bedroom,

2-bedroom and 3-bedroom unit types to accommodate a variety of household sizes, (2) being of comparable quality to competitive market-rate rental communities in Pasadena, (3) being scalable so the project could be constructed in phases if desired, and (4) offering rents that are discounted to market. Two plans for the site that met these objectives were selected in conjunction with PUSD and a detailed cost analysis was then completed. The two schemes designed and evaluated are outlined below:

- Option A: 123-unit “tuck-under” parking design with stacked flats organized in five 2- to 3-story buildings. Existing utility easements would remain in place.
- Option B: 135-unit “tuck-under” parking design with stacked flats organized in five 2- to 3-story buildings. Existing utility easements would be relocated.

Each of these designs would feature an amenity building/clubhouse, solar carports, and both programmed and passively landscaped outdoor areas. EHP notes that each plan can be expanded by up to 20 units if there is a desire for more units, specifically one-bedroom floorplans.

It should be noted that both schemes, and the associated economic projections, are indicative in nature and are flexible to accommodate a different scope, program and/or architecture at the District’s direction. While the analyses and financial projections contained in this report represent current market conditions, increased confidence in project economics and the City’s approval process is a function of the District pursuing the steps outlined in this report. Based on our experience, the attached design would provide a high-quality living experience for the community’s target residents while providing compelling economics. Further, to address inflationary impacts and potential code changes, approval requirements and other unidentified conditions, EHP has incorporated a 10% project contingency.

Site Specifics, Entitlement Process, and Schedule

The project site is relatively flat and was previously operated as Theodore Roosevelt Elementary School. The school was closed in September 2019 and has since been used by the District on an interim basis for special needs assessments. The site contains five buildings, including a main building constructed in the 1950s and an annex building constructed sometime around the 1970s. EHP engaged Historic Resources Group (HRG) to complete a historical resources evaluation of the site. HRG determined that Theodore Roosevelt Elementary School is not eligible for listing in the National Register, the California Register, or as a City of Pasadena Landmark, and is not considered a historical resource as defined by CEQA.

Surrounding uses are primarily residential, with the adjacent uses to the northwest and southwest being multi-family residential (RM-16 zoning). The property is bordered by the freeway interchange for I-210 and SR-134 to the northeast and southeast. The subject property is presently zoned PS (Public/Semi-Public) and designated in the General Plan as Institutional, a zoning district and use designation that does not allow for residential development. Initial discussions with the Pasadena Planning Department indicated that a workforce housing community would be supported by the City.

However, the proposed project would require both a General Plan amendment and rezoning, unless a project under Assembly Bill 2295 (AB 2295) were to be pursued (discussed further below). There are two potential pathways for proceeding with project entitlements:

- 1. Traditional Pathway:** Unlike typical school district buildings, entitlement and building permit approvals for educator housing properties are typically processed by the local municipality. The Department of State Architect would not be involved in this development. Because the current zoning and General Plan designation of the site does not allow for residential as a primary use, the proposed project would require both a General Plan amendment and rezoning. The project would also be required to go through the City's Design Review process. The City's Design Review consists of three stages: the preliminary consultation; the Concept Design Review; and the Final Design Review. The Director of Planning also has the discretion to combine the Concept and Final Design Review into a one-step Consolidated Design Review. The District may consider requesting this consolidation in order to streamline the City's approval.

The first stage, preliminary consultation, consists of an informal discussion between the Director and the applicant to explain to the applicant the applicable design guidelines, findings, and procedures that will apply to the project, and to discuss compliance of the project with the design guidelines. The proposed conceptual plans are routed to the Planning, Building, Fire, and Public Works departments for preliminary feedback. This step generally takes 3 to 4 months to complete, per City staff.

Following the preliminary consultation, the applicant would submit an application for Concept Design Review. Following its processing of the application, if acting as lead agency (see further below discussion in regarding the determination of the lead agency for CEQA purposes), the City will also determine the level of review required under CEQA and manage the analysis and preparation of CEQA review. After the completion of the environmental documents required under CEQA, the City will then schedule a public hearing for the Concept Design Review before the City's Design Commission. The City's Design Commission will then render its decision, which may be appealed to the City Council. City staff states that this process take 9 months or longer to complete, depending on the level of CEQA analysis required.

Following the Conceptual Design Review approval, the applicant will then return before either the Director or the Design Commission for the Final Design Review, which is intended to focus on the construction details, finishes, materials, and landscaping, and on consistency of the project with the design approved during the Concept Design Review. A public hearing is not required for Final Design Review. City staff states that this step can take 7 to 9 months to complete. In total, the City's design review process is estimated to take approximately 2 years to complete.

Because the project would require legislative approvals under this scenario (e.g., a Zone Change and a General Plan Amendment), the City has the discretion to determine that all of the project's entitlement approvals could be reviewed and approved or disapproved by City Council concurrently, per Pasadena's municipal code. This may potentially streamline the approvals process. It should be noted that due to the discretionary review and approvals required by the City, opponents of the project have considerable opportunities to legally challenge the validity of the proposed project, not that these are necessarily legitimate or would be upheld by the courts.

2. **AB 2295 Pathway:** In September 2022, Governor Newsom executed AB 2295 to facilitate the construction of workforce housing on property owned by educational agencies throughout the state. The legislation allows local educational agencies (LEAs) to deem a housing development an allowable use on its owned property (subject to qualifying criteria). Therefore, a housing project proposed under AB 2295 would not require a General Plan amendment or rezoning if certain conditions are met. Specifically, if the proposed project meets all of the statute's requirements, then the development will "be deemed consistent, compliant, and in conformity with local development standards, zoning codes or maps, and the general plan." The AB 2295 legislation takes effect January 1, 2024.

Based on the opinion of local land use counsel, the project conceived on the subject property would meet the requirements and conditions of AB 2295, and use of this legislation is a viable option. Notably, AB 2295 requirements include that at least 30% of the project's units must be affordable to lower income households compared to the City's inclusionary housing requirements which is 20% across a range of income levels. EHP has evaluated an AB 2295 scenario for each development scheme in its financial analysis. One advantage of using AB 2295 is that since there is no rezoning or General Plan amendment required, per State legislation such as the Housing Accountability Act, the City has limited ability not to approve the project and the likelihood of a legal challenge to the approvals is significantly reduced. Although the project would still be required to go through the City's Design Review process, it is anticipated that a project entitled under AB 2295 would expedite the entitlement timeline by removing the need to rezone the site and obtain a General Plan amendment. However, because AB 2295 is new legislation that has not been tested before, the full extent to which it streamlines the entitlement process is unknown.

Regardless of which of the above entitlement pathways is pursued, the project will be subject to CEQA review. Key considerations include (1) whether the District elects to serve as the lead agency for purposes of CEQA and (2) whether any applicable CEQA exemptions or streamlining tools would apply to the project.

1. **Lead Agency:** While the City is generally the lead agency for CEQA, other public agencies such as PUSD have the authority to act as the lead agency for CEQA. Since the City would still retain some discretionary authority to approve the Project, the City would serve as a

“responsible agency” for purposes of CEQA and would be limited in its authority to make critical decisions about the Project’s CEQA compliance. Ordinarily, the lead agency has the authority to determine the form of CEQA compliance and to oversee the completion of the appropriate document. If the District acts as the lead agency for CEQA, EHP still anticipates that the City of Pasadena would process the design and rezoning of the site (if needed), permitting, and the building inspection process.

2. **CEQA document:** If the District elects to be the lead agency, the District would have the authority to determine the form of CEQA compliance for the project. The appropriate CEQA document would be further evaluated with the assistance of land use counsel during the entitlement phase. Potential compliance documents for consideration may include a Mitigated Negative Declaration or a full EIR, the latter being a more robust analysis which may be advised if a legal challenge to the CEQA document is reasonably anticipated. If the District opted to conduct a full EIR, that could require 9 to 12 months to complete at a cost of approximately \$500,000 inclusive of consultant fees and legal review fees. This cost has been included in EHP’s financial analysis.

The project may potentially be eligible for a Class 32 Categorical Exemption (“infill exemption”), though additional analysis and technical studies would be needed to determine if the project would comply with the following required criteria:

- a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations. [Note: compliance with this provision would require the use of AB 2295.]
- b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
- c) The project site has no value, as habitat for endangered, rare or threatened species.
- d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- e) The site can be adequately served by all required utilities and public services.

While the subject property totals 5.3 acres, recent case law has clarified that the five-acre limit applies not to the underlying property on which a development is proposed, but rather the size of the work area for the development project itself. If the Project were designed so as to limit the work site area to no greater than five acres (which requires some minor adjustments to the design), then the Class 32 categorical exemption could still apply.

Additional technical analysis would be required to confirm whether the Project complied with subdivisions (c) through (e), as well as the applicable exceptions to the use of the Class 32 categorical exemption (e.g., traffic, noise and air quality technical analyses). The cost of completing the background analysis for a Class 32 exemption is anticipated to be less than \$100,000 and it could be completed in 3 to 6 months.

In total, the entitlement and CEQA review process is expected to take 15 to 24 months to complete. Following entitlement and CEQA approvals, it is expected to take 9 to 12 months to prepare the construction documents and complete permitting. The City has also implemented a construction permitting process that utilizes third-party consultants to review and approve plans, which may expedite plan review. Therefore, it is anticipated that construction could commence within approximately 24 to 36 months from the submission of the entitlement application. If the project is proposed under AB 2295, the entitlement application may be submitted on or after the legislation's effective date of January 1, 2024. Construction is anticipated to take approximately 18 to 22 months depending on design and scale selected; phasing construction would extend this timeline.

If the District were to pursue this project, EHP would recommend that it (1) pursue a CEQA Class 32 exemption with the District serving as the lead agency working collaboratively with the City, and (2) take advantage of AB 2295. These measures would reduce cost, expedite entitlement timeframe (assuming that the project were formally submitted after January 1st, 2024), and improve the project's defensibility to legal challenges.

Design Overview

Based on numerous conversations with PUSD, a variety of massing schemes were considered for the site. Ultimately, it was determined that a 2- to 3-story residential "walk-up" structures containing approximately 15 to 27 units with surface parking tucked in below the apartments could be built within the budgetary guidelines and provide an attractive living environment. The densities for the two schemes (Option A and Option B) evaluated range from 23.2 units per acre to 25.5 units per acre.

The Option A site plan was programmed with approximately 53% one-bedroom, 32% two-bedroom and 15% three-bedroom units. The Option B site plan resulted in a program of 59% one-bedroom, 30% two-bedroom and 11% three-bedroom units. These ratios can be adjusted as needed to accommodate PUSD's targeted resident population. It is our experience that if the property is to be focused on recruiting early career (who are often younger) employees to the area, a high ratio of one-bedroom units is appropriate; to the extent that PUSD wants to address a more mature employee base, a higher percentage of larger units with more bedrooms may be suitable.

As detailed in the attached preliminary unit specifications, the units would all include quality features such as 9-foot ceilings, in-unit washer/dryers, patios or decks, air conditioning, and large floor plans more common to modern market rate apartments. A community amenity space, which could be configured as a lounge, business or fitness center, has been designed into each of the schemes. A unique feature of the tuck-under design is that more than half of the units would have attached garage parking spaces, which is a desirable amenity for residents and can generate additional revenue for the project; units that do not receive garage parking would be assigned a carport. Each of the plans is parked at a minimum of 1.6 spaces per unit. The building would incorporate sustainable design including solar panels, water submetering, and other resource-conserving features.

The preliminary design package also includes two architectural elevations that are both contextual as well as consistent with a high-quality rental property. These designs illustrate how the building could

be expressed in either a Craftsman or Spanish Revival style, both of which have local precedent in Pasadena. Based on the direction from PUSD, a design can be advanced for entitlement that incorporates one of these architectural styles or a new one.

Project Economics

Exhibits to this report include conceptual architectural and engineering plans that detail the site planning and massing, building typology and illustrative elevations, unit program and specifications, parking, landscape and open space design, and preliminary civil engineering. In addition, site specific summaries provide overviews on geotechnical, environmental, title, traffic, utilities and infrastructure, and identification and analysis of rental competitors in the submarket.

With the information outlined above, EHP prepared preliminary project budgets for each of the two design alternatives. Three general contractors were engaged to prepare conceptual hard cost budget estimates for the various schemes. All general contractors are experienced, well-regarded firms with recent experience in Southern California building multi-family projects with prevailing wage requirements. The budgets provided were based on a prevailing wage scale. These budgets were used to determine the probable cost for the associated alternatives. Contingencies were added for design omissions and construction inflation.

As detailed in the following table, the total budgeted cost for the various plans ranges from \$68.0 million (\$553,000/unit) for Option A to \$72.8 million (\$540,000/unit) for Option B for complete buildout. Each budget includes all anticipated soft costs, hard costs, and a 10% project contingency. Each plan can be phased to reduce up-front costs and/or if housing demand is in question, although this will increase overall costs on a per unit basis.

In order to provide compelling economics to teachers and staff, EHP modeled rental rates at approximately 60% of market on average, inclusive of inclusionary housing requirements. The projected monthly rents range from approximately \$1,000 to \$2,100 (\$1,800/month average) for one-bedroom units, \$1,200 to \$3,000 (\$2,400/month average) for two-bedroom units, and \$1,400 to \$4,000 (\$3,000/month average) for three-bedroom units. It should be noted that the proposed rents can be adjusted based on financial need or other considerations, but any system should be reviewed with counsel to confirm that it complies with Fair Housing and other non-discriminatory legislation.

EHP consulted with Dale Scott & Company to underwrite a financing structure based on current interest rates that incorporated allocating \$25M of the District's General Obligation Bond proceeds to fund approximately one third of the development costs, with the remaining two thirds of development costs financed by Certificates of Participation at a 5.0% interest rate. This resulted in a "break-even" return requirement for the project of ~3.5% (the break-even return is the minimum net operating income that needs to be generated by the project to cover all debt service costs – allowing the project to be self-sustaining and avoiding any further subsidy by the District).

PUSD Site – Comparison of Development Schemes

Description	Unit Count	Average Unit Size	Projected Cost			Return on Cost ¹
			Cost (M)	Cost/Unit	Cost/SF	
Option A	123	784	\$68.0 M	\$553,000	\$705	3.5%
Option B	135	793	\$72.8 M	\$540,000	\$680	3.5%

¹ Includes 10% project contingency.

As a result of PUSD's ownership of the housing and occupancy by school employees, operating expenses are dramatically lower than competitive market-rate apartments. There should be no property taxes and limited on-site leasing and management staffs. Property casualty and liability insurance can typically be merged into the District's insurance program at nominal costs. In addition, our experience is that these properties also benefit from other operational efficiencies related to high occupancy rates and low turnover.

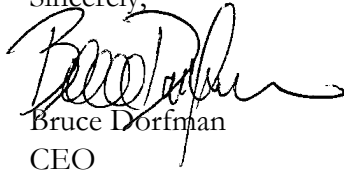
Next Steps

Assuming PUSD supports the project as outlined herein, the next steps following this feasibility stage should focus on:

- (1) Identifying the preferred financing structure.
- (2) Reviewing the proposed projects with City Staff in the Planning, Public Works, and Fire Departments and receiving direction on the entitlement pathway (GP amendment/Rezoning or AB 2295) and CEQA process.
- (3) Responding to the various tasks outlined in the Project Summary.
- (4) Engaging the design team to prepare the entitlement application for the preferred scheme.

Thank you for the opportunity to work with PUSD on this important initiative. Please let us know if you have any questions.

Sincerely,



Bruce Dorfman
CEO

cc: Will Thompson
Joanna Julian
Marlon Just-Vargas

Exhibits:

- 1) Project Summary
- 2) Proposed Plans
- 3) Proposed Unit Specifications
- 4) Proforma Analysis
- 5) Studies and Reports
 - Civil Engineering Feasibility Study
 - Preliminary Geotechnical Findings
 - Arborist Report
 - Preliminary Traffic Assessment
 - Historical Resource Evaluation Report
 - Phase 1 Environmental Site Assessment
 - Title Report



PROJECT SUMMARY

PUSD Teacher & Staff Housing | Project Summary

OVERVIEW

The subject site is located on one parcel (APN 5711-016-904). Located in the northwestern quadrant of the City of Pasadena, the site area totals approximately 5.3 acres and is currently designated as Public/Semi-Public (PS) in the City zoning map and Institutional in the General Plan. The property is largely comprised of buildings formerly used by Roosevelt Elementary School. The site's vicinity is characterized by residential uses to the northwest and southwest of the site and freeways to the northeast and southeast.

Two design options in different development configurations ranging from approximately 123 to 135 units have been conceptualized for the site, as detailed in the table below. Vehicular access would be taken from both N. Pasadena Avenue and from Rosemont Avenue.

Scheme	Option A	Option B
Housing Type	Two- and Three-Story Stacked Flats	Two- and Three-Story Stacked Flats
Site Area	5.3 acres	5.3 acres
Total Units	123 units (23 du/acre)	135 units (25 du/acre)
Unit Mix	76 1 BD/ 1 BA (62%) 8 2 BD/ 1 BA (6%) 27 2 BD/ 2 BA (22%) 12 3 BD/ 2 BA (10%)	80 1 BD/ 1 BA (59%) 10 2 BD/ 1 BA (8%) 30 2 BD/ 2 BA (22%) 15 3 BD/ 2 BA (11%)
Average Unit Size	784 SF	793 SF
Max. Building Height	~38'	~38'
Amenities	Clubhouse (1,200 SF); Children's play area	Clubhouse (1,200 SF); Children's play area
Parking Ratio	200 stalls; 1.6 stalls/unit (85 garage; 38 carport; 77 uncovered)	223 stalls; 1.7 stalls/unit (100 garages; 35 carport; 88 uncovered)
Open Space	Landscaped Commons	Landscaped Commons

DEVELOPMENT CONSIDERATIONS

Civil Engineering:	<p>Summary of Findings</p> <ul style="list-style-type: none"> • The site appears to provide the following advantages/opportunities: <ul style="list-style-type: none"> ○ Level site with minimal grading. ○ Immediate access to major public arterial streets. ○ Adjacent to available sewer, water, and storm drain facilities for future connections. • Based upon the existing developed use of the project site and the existing water, sewer, and stormwater mainline facilities, these facilities are anticipated to have adequate capacity to accommodate the project, and therefore, no offsite improvements are anticipated. • Circulation/Access – Primary access to the proposed development is assumed to be from both N. Pasadena Avenue and Rosemont Avenue. Emergency Access also currently exists to the south through a vehicle gate into the adjacent townhome community's (Orange Grove Village's) guest parking lot and out onto Walnut Street. However, no specific access easement is reflected in the title report. This access is not required, but it could be advantageous if there is some legal right to use this entrance. • Water (Domestic/Fire/Irrigation) – A new domestic water system loop would be added. It would tie to the existing 6-inch water main located on the north side of the site within the north drive aisle on the site. A new fire service water system will include additional fire hydrants on the loop to serve the proposed buildings. It is anticipated that a second connection to the existing water main in loop system N. Pasadena Avenue may be needed to meet fire pressure and flow requirements. A separate irrigation water system would be used to support landscape irrigation. The water system must be reviewed and approved by the City Water Department. All current underground domestic and irrigation water lateral systems and elements would be removed or abandoned as part of the site demolition phase. • Sanitary Sewer – A new sewer system would consist of a new lateral to each of the proposed buildings from the existing onsite sewer mains. The onsite sewer main system is a City facility and part of the overall City Sewer system. • Storm Drain/Floodplain – A new storm drain system would utilize the existing storm drain mainline that runs north to south in an existing public utility easement. New storm drain laterals and catch basins would be added to address onsite drainage. New storm water quality features are anticipated to address infiltration and hydromodification requirements for the new development. In
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	<p>addition to the required treatment of storm water, the City/County has enacted a policy that any new project must have a zero net effect on the public storm drain system. Based on a preliminary review, the site would be subject to the National Pollutant Discharge Elimination System (NPDES) stormwater regulations. Typically, 5% of the development area (~11,500 SF) should be reserved for underground storm water quality basins. The site is not located within the 100-year floodplain or tsunami zone.</p> <ul style="list-style-type: none"> • Electrical – New electrical/power facilities would be served by a new transformer(s). • Communications – Telephone, Internet, and CATV systems can be extended from the existing facilities along N. Pasadena Avenue. • Option B – This site plan shows modified development areas based upon relocating some of the onsite utilities. This would require additional utility relocations and new easements. • Please refer to the attached PUSD Teacher and Workforce Housing Project Due Diligence Investigation Report dated March 23, 2023, completed by BKF Engineers. <p>Next Steps</p> <ul style="list-style-type: none"> • If Option B is selected (which requires the existing north-south utility easement to be relocated), a quit claim will be needed which requires City Council approval. Per City staff, this process takes 3-6 months on average and would be completed simultaneously with project entitlements. • Confirm rights to access Walnut St through the Orange Grove Village community's guest parking lot.
<p>Tree Survey:</p>	<p>Summary of Findings</p> <ul style="list-style-type: none"> • Per the City of Pasadena Ordinance there are twenty (20) trees that may be considered Protected Trees. Protection Status is designated by species and diameter, and does not necessarily preclude removal. Removal of Protected Trees would require replacement according to the City's required tree mitigation program. • The two native trees (Coast Live Oaks) are in Good condition and there is no question of their Protected Status. However, many of the Specimen trees (designated by their diameter) are in a Fair or Poor condition, which may make it easier to apply for a tree removal permit. Waivers or concessions granted under the State Density Bonus Law, which the proposed project would be eligible to use, may also be explored to address these requirements.

	<p>Next Steps</p> <ul style="list-style-type: none"> • The City arborist should be contacted to assess which trees the City will consider Protected. Of these Protected trees, a request should be made to confirm which ones may be removed due to poor health and/or structural concerns. The two native Protected trees (Coast Live Oaks) will be saved; a mitigation program with outlining replacement trees should be confirmed with the City and the project landscape architect. • A Tree Protection Plan following the City of Pasadena's Tree Protection Guidelines standards should be developed for the trees to remain.
Geotechnical:	<p>Summary of Findings</p> <ul style="list-style-type: none"> • There are no conditions encountered that would prohibit the site from being developed as currently proposed. • Grading consisting of the excavation and compaction of the upper 5 to 6 feet of existing site soils may be required under the proposed building footprints. Existing fill and site soils are suitable for re-use as engineered fill. • A conventional spread foundation system deriving support in the newly placed engineered fill may likely be utilized for support of the proposed structures and improvements. • Please refer to the attached Preliminary Geotechnical Findings report completed by Geocon West. <p>Next Steps</p> <ul style="list-style-type: none"> • A comprehensive geotechnical investigation that includes additional subsurface exploration, laboratory testing, and engineering analyses should be performed for the proposed project and will be required to provide conclusions and recommendations for the design and construction of the site. • Based on the granular nature of the soils underlying the site, infiltration of stormwater is likely feasible; however, percolation testing will be required to verify feasibility and the infiltration rate.
Environmental:	Summary of Findings

	<ul style="list-style-type: none"> Based on the results of the Phase 1 Environmental Site Assessment, the site appears suitable for residential development, although additional testing may be required to determine if mitigation measures related to asbestos-containing materials and lead-based paint are required due to the age of the property. On February 22, 2023, a Phase 1 report was completed for 315 N. Pasadena Avenue by Partner Engineering and Science, Inc. (Partner). The report did not identify any evidence of Recognized Environmental Conditions. <p>Next Steps</p> <ul style="list-style-type: none"> Given the age of the existing structures on site, prior to demolition the buildings will need to be tested for asbestos containing material (ACM) and lead-based paint (LBP). If such materials are identified, a licensed abatement contractor will need to be engaged for removal per applicable regulations.
Traffic:	<p>Summary of Findings</p> <ul style="list-style-type: none"> Based on a Preliminary Traffic Assessment completed by Iteris, the project is forecasted to achieve a less-than-significant impact to Vehicle Miles Traveled (VMT). The project is also forecasted to exceed the Proximity and Quality of Bicycle and Transit Network thresholds and the pedestrian accessibility threshold, indicating a less-than-significant impact. At the signalized Rosemont Ave and Orange Grove Blvd intersection, the proposed project is forecasted to add roughly one left-turning vehicle every two minutes, which is not likely to worsen the current intersection level of service (LOS) grade. In terms of vehicle delay, including a project access off Rosemont Avenue would result in less average vehicle delay than access only off of Pasadena Avenue (where Orange Grove Boulevard traffic is uncontrolled). With the proposed 1.6 parking spaces per unit, the project would provide less parking than required by the City's code. However, the project's proposed parking ratio is consistent with recent parking demand findings for residential projects in San Gabriel Valley. In addition, the project's proposed affordability level (as required under the City's Inclusionary Housing Ordinance) would automatically qualify the project for benefits under State Density Bonus Law, which allows the reduced parking ratio as proposed.

	<ul style="list-style-type: none"> Please refer to the Preliminary Traffic Engineering Analysis dated April 5, 2023 completed by Iteris. <p>Next Steps</p> <ul style="list-style-type: none"> As part of the entitlement process, the City of Pasadena will require two scopes of traffic analysis: 1) a CEQA-level VMT analysis to reflect the final proposal, and 2) a level of service (LOS) analysis to evaluate updated trip generation and traffic impacts to 4-5 nearby intersections, as required by the City's General Plan. Iteris estimates that the costs for preparing the traffic studies would be approximately \$20,000. These costs have been reflected in the proforma A&E budget.
Entitlement & CEQA:	<p>Summary of Findings</p> <ul style="list-style-type: none"> Initial discussions with the Pasadena Planning Department indicated that a workforce housing community would be supported by the City. However, the City has a lengthy (15-24 month) entitlement process, so options for streamlining this review process should be further explored, including the project's potential eligibility for a Class 32 infill exemption under CEQA. The site's current zoning (Public/Semi-Public) and General Plan designation (Institutional) do not allow the development of multifamily residential. Based on preliminary discussions with the City of Pasadena, a zoning change and General Plan amendment would be required. However, an alternative entitlement pathway will soon be available under AB 2295, new legislation that takes effect January 1, 2024 (further described below). In September 2022, Governor Newsom executed AB 2295 to facilitate the construction of workforce housing on property owned by educational agencies throughout the state. The legislation allows local educational agencies (LEAs) to deem a housing development an allowable use on its owned property (subject to qualifying criteria). Therefore, a housing project proposed under AB 2295 would not require a General Plan amendment or rezoning if certain conditions are met. Based on the opinion of local land use counsel, the project conceived on the subject property would meet the requirements and conditions of AB 2295, and use of this legislation is a viable option. Notably, AB 2295 requirements include that at least 30% of the project's units must be affordable to lower income households as opposed to City's inclusionary housing requirements which is discussed in more detail below. Given these affordability

	<p>requirements, EHP has evaluated an AB 2295 scenario in its financial analysis for both the Option A and Option B development schemes.</p> <ul style="list-style-type: none"> • The project will be subject to CEQA review. Key considerations include (1) whether the District elects to serve as the lead agency for purposes of CEQA and (2) whether any applicable CEQA exemptions or streamlining tools would apply to the project such as the Class 32 infill exemption, which would expedite CEQA review and provide a defensible position should the project be legally challenged. • Land use counsel has advised that the District has the legal authority to be the lead agency for CEQA purposes. This would provide the District with the authority to determine the form of CEQA compliance and to oversee the completion of the appropriate document. EHP would still anticipate that the City of Pasadena would approve the design and rezoning of the site (if needed), permitting, and the building inspection process. <p>Next Steps</p> <ul style="list-style-type: none"> • The District should continue a dialogue with the City to identify the most effective path forward for securing entitlement approvals and completing CEQA review. • Additional technical analysis would be required to confirm whether the Project complies with the Class 32 exemption criteria, and to evaluation whether exceptions to the use of the Class 32 categorical exemption apply (e.g., traffic, noise and air quality technical analyses).
Title:	<p>Summary of Findings</p> <ul style="list-style-type: none"> • As noted on pp. 2-3, there are several utility easements on site including a sewer/stormwater easement that runs north-south through the property which presents a design constraint. The proposed plan (Option A) accommodates the easements in their existing locations. An alternate design scheme (Option B) was developed that evaluates relocating the sewer/stormwater easement. • Aside for the utility easements, there appear to be no items on the property's title that would prohibit development of the site. • In addition, the site plan assumes that the end of N. Pasadena Ave would be vacated by the City of Pasadena. • The title report does not reference the existing access easement in the southeast corner of the site that allows access to Walnut Street through a gate connecting to the Orange Grove Village community's guest parking lot.

	<ul style="list-style-type: none"> Please refer to the attached Preliminary Title Report issued by Fidelity National Title Company in October 2022. <p>Next Steps</p> <ul style="list-style-type: none"> Additional evaluation should be completed regarding the need and process to access to Walnut across the neighboring property.
Historical Resources:	<p>Summary of Findings</p> <ul style="list-style-type: none"> A historical evaluation analysis was completed by Historical Resources Group (HRG) and no historical resources have been identified at the property. Further, HRG determined that Theodore Roosevelt Elementary School is not eligible for listing in the National Register, the California Register, or as a Pasadena Landmark; and therefore, is not considered a historical resource as defined by CEQA. Please refer to the attached Historical Resource Evaluation Report issued by Historic Resources Group in March 2023. <p>Next Steps</p> <ul style="list-style-type: none"> While HRG did not identify any historical resources, this conclusion should be vetted with the City of Pasadena's Design and Historic Preservation division.
Underwriting Assumptions:	<p>Summary of Financial Analysis</p> <ul style="list-style-type: none"> The City of Pasadena has an Inclusionary Housing Ordinance requiring that 5% of units be affordable to very low-income households, 5% of units be affordable to low income households, and 10% of units be affordable to moderate income households. As stated above, if the project is pursued under AB 2295, at least 30% of the project's units must be affordable to lower income households (up to 80% AMI), which EHP assumes the City would accept as compliant with its Inclusionary Housing Ordinance. A financial analysis has been completed for both of these scenarios. To address inflationary impacts and potential code changes or approval requirements, EHP has incorporated a 10% project contingency. <p>Next Steps</p> <ul style="list-style-type: none"> As part of the entitlement process, it should be confirmed with the City that compliance with AB 2295's affordability requirements

	would be deemed to meet the City's inclusionary housing requirements.
Other:	Other Findings and Recommendations: <ul style="list-style-type: none"> • As part of the entitlement process, the proposed project will need to be reviewed with the Pasadena Fire Department to confirm compliance with applicable fire department accessibility and circulation requirements. • Due to the size and proposed development plan for the site, virtually all construction can occur on the property. It is assumed the interim use of the Roosevelt school facilities will be relocated prior to construction start.



FINANCIAL ANALYSIS: OPTION A

PRELIMINARY DEVELOPMENT BUDGET

Pasadena Unified School District

Faculty/Staff Housing

Prepared by Education Housing Partners, Inc.

Project Data				
Project :	Pasadena Unified School District			
Description:	Faculty/Staff Housing in Pasadena			
# of Units :		123	Units	
Land Area - Total:		5.3	Acres	
Site Density :		23.2	Units/Acre	
Land Area - Useable:		5.3	Acres	
Effective Density :		23.2	Units/Acre	
Parking Count :		200	spaces	
Parking Ratio :		1.6	spaces/unit	
Product Type:	2- and 3-story building with tuck-under parking			

Development Budget				
		<u>Cost</u>	<u>Per Unit</u>	<u>Per SF</u>
Land		\$0	\$0	\$0
Direct Hard Costs (1)	\$434	\$41,851,054	\$340,252	\$434
Signage, Furniture, Fixture & Equipment		\$500,000	\$4,065	\$5
Onsite Improvements		\$1,220,000	\$9,919	\$13
General Conditions/General Requirements		\$3,052,679	\$24,819	\$32
G.C. Fee	3.5%	<u>\$1,631,831</u>	<u>\$13,267</u>	<u>\$17</u>
Subtotal - Hard Costs		\$48,255,564	\$392,322	\$500
A & E Fees		\$3,156,140	\$25,660	\$33
Municipal Fees (2)		\$6,150,000	\$50,000	\$64
Legal, Insurance, Bonding (3)		\$1,250,000	\$10,163	\$13
CEQA Review		\$500,000	\$4,065	\$5
Developer Overhead and Fee	4.0%	\$2,500,000	\$20,325	\$26
Finance Interest (4)		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - Soft Costs		\$13,556,140	\$110,213	\$141
Total Development Cost		\$61,811,704	\$502,534	\$641
Project Level Contingency	10%	<u>\$6,181,170</u>	<u>\$50,253</u>	<u>\$64</u>
Total Development Cost with Contingency		\$67,992,874	\$552,788	\$705

(1) Assumes prevailing wage rates.

(2) Includes utility meters & tap fees – other City fees waived.

(3) Includes performance bond and builder's risk insurance.

PROGRAM AND PRO FORMA

Pasadena Unified School District Faculty/Staff Housing Prepared by Education Housing Partners, Inc.

Unit Mix & Rents – Inclusionary Housing Project

Unit Type	Qty	%	Net Area	Total Area	Projected Rent (1)	Rent/ SF	Monthly Rent	Annual Rent
1BR / 1BA	61	50%	686	41,859	\$1,800	\$2.62	\$109,800	\$1,317,600
1BR / 1BA - BMR	15	12%	686	10,293	\$1,686	\$2.46	\$25,287	\$303,446
2BR / 1BA	6	5%	820	4,920	\$2,400	\$2.93	\$14,400	\$172,800
2BR / 1BA - BMR	2	2%	820	1,640	\$1,896	\$2.31	\$3,793	\$45,510
2BR / 2BA	22	18%	909	19,998	\$2,600	\$2.86	\$57,200	\$686,400
2BR / 2BA - BMR	5	4%	909	4,545	\$1,896	\$2.09	\$9,481	\$113,775
3BR / 2BA	10	8%	1,098	10,980	\$3,500	\$3.19	\$35,000	\$420,000
3BR / 2BA - BMR	2	2%	1,098	2,196	\$2,107	\$1.92	\$4,213	\$50,561
Total	123	100%	784	96,431	\$2,107	\$2.69	\$259,174	\$3,110,092

(1) Per City of Pasadena inclusionary housing regulations, a minimum of 5% of the units shall be rented to very low-income households, 5% to low-income households, and 10% to moderate-income households. Low-income rents tie to Los Angeles County rent limits as posted:

<https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf> (Accessed on 04.11.23)

Other rents are based on approximately 70% of market.

Pro Forma – Inclusionary Housing Project

	2023	Trending	2024	2025	2026
Cash Flow Analysis					
Rental Income	3,110,092	3%	3,203,395	3,299,496	3,398,481
Garage	\$100 38,400	3%	39,552	40,739	41,961
Other Income (2)	\$75 110,700	3%	114,021	117,442	120,965
Total Income	3,259,192		3,356,968	3,457,677	3,561,407
less Vacancy	5% (162,960)		(169,478)	(176,257)	(183,307)
Gross Income	3,096,232		3,187,490	3,281,419	3,378,099
less Expenses (3)	\$6,000 (738,000)	3%	(760,140)	(782,944)	(806,433)
Net Operating Income	2,358,232		2,427,350	2,498,475	2,571,667
Yield on Cost (4)	3.47%				

(2) Other income includes RUBS, application fees, pet fees, lounge rental, etc.

(3) Assumes no property taxes; \$4,450/unit controllables; \$1,550/unit management fee, reserves, and insurance.

(4) Based on initial rate of COPs at 5% interest only of 2/3 of total development cost. Remaining 1/3 of project costs to be financed by GO bonds.

PROGRAM AND PRO FORMA

Pasadena Unified School District Faculty/Staff Housing Prepared by Education Housing Partners, Inc.

Unit Mix & Rents – AB 2295 Project

Unit Type	Qty	%	Net Area	Total Area	Projected Rent (1)	Rent/ SF	Monthly Rent	Annual Rent
1BR / 1BA	53	43%	686	36,369	\$2,100	\$3.06	\$111,300	\$1,335,600
1BR / 1BA - BMR	23	19%	686	15,783	\$1,094	\$1.59	\$25,151	\$301,806
2BR / 1BA	6	5%	820	4,920	\$2,875	\$3.51	\$17,250	\$207,000
2BR / 1BA - BMR	2	2%	820	1,640	\$1,230	\$1.50	\$2,460	\$29,520
2BR / 2BA	19	15%	909	17,271	\$3,000	\$3.30	\$57,000	\$684,000
2BR / 2BA - BMR	8	7%	909	7,272	\$1,230	\$1.35	\$9,840	\$118,080
3BR / 2BA	8	7%	1,098	8,784	\$4,000	\$3.64	\$32,000	\$384,000
3BR / 2BA - BMR	4	3%	1,098	4,392	\$1,367	\$1.24	\$5,466	\$65,592
Total	123	100%	784	96,431	\$2,118	\$2.70	\$260,467	\$3,125,598

(1) Per AB 2295 regulations, at least 30% of the units must be affordable to lower income households. Low-income rents are calculated from Los Angeles County income limits as posted: <https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf> (Accessed on 04.11.23) Other rents are based on approximately 70% of market.

Pro Forma – AB 2295 Project

	2023	Trending	2024	2025	2026
Cash Flow Analysis					
Rental Income	3,125,598	3%	3,219,366	3,315,947	3,415,425
Garage	\$100 38,400	3%	39,552	40,739	41,961
Other Income (2)	\$75 <u>110,700</u>	3%	<u>114,021</u>	<u>117,442</u>	<u>120,965</u>
Total Income	3,274,698		3,372,939	3,474,127	3,578,351
less Vacancy	5% <u>(163,735)</u>		<u>(170,284)</u>	<u>(177,096)</u>	<u>(184,179)</u>
Gross Income	3,110,963		3,202,655	3,297,031	3,394,171
less Expenses (3)	\$6,000 <u>(738,000)</u>	3%	<u>(760,140)</u>	<u>(782,944)</u>	<u>(806,433)</u>
Net Operating Income	2,372,963		2,442,515	2,514,087	2,587,739
Yield on Cost (4)		3.49%			

(2) Other income includes RUBS, application fees, pet fees, lounge rental, etc.

(3) Assumes no property taxes; \$4,450/unit controllables; \$1,550/unit management fee, reserves, and insurance.

(4) Based on initial rate of COPs at 5% interest only of 2/3 of total development cost. Remaining 1/3 of project costs to be financed by GO bonds.

OPERATING EXPENSE COMPARISON

Pasadena Unified School District
Faculty/Staff Housing
 Prepared by Education Housing Partners, Inc.

Operating Expense	Description	PUSD		
		123 units		
		Per Unit	Annual	Notes
Maintenance/Service Contracts	Repair and replacement (all systems), contracts (window washing, fire alarm, pest, gutters)	\$1,000	\$123,000	(1)
Staff Costs	Prorated salaries, payroll taxes, workers comp, medical benefits	\$1,050	\$129,150	
Administration	Accounting, office supplies, miscellaneous	\$200	\$24,600	
Landscaping	Landscaping, parking lot cleaning	\$200	\$24,600	
Utilities	Electric, water, garbage. Each unit has an electric meter; Water is submetered to residents.	\$1,600	\$196,800	(2)
Turnover	Painting, carpet, cleaning. Turnover costs =\$2k/du; assume 20% turnover annually.	\$400	\$49,200	
Property Management Fee	Assumes cost for a third-party property management company.	\$900	\$110,700	
Insurance	District insurance program assumed to cover casualty, rent loss, and liability.	\$400	\$49,200	
Reserves	Reserves for future non-routine maintenance and replacement of systems	\$250	\$30,750	(3)
Total Operating Expense		\$6,000	\$738,000	

(1) Decreased PUSD cost due to new construction, but included elevator maintenance contract.

(2) A portion of these costs are billed to residents through submetering or RUBS and shown as other income in the pro forma.

(3) Due to new construction, routine maintenance and replacements should be minimal initially and reserves are for future years.

Pasadena Unified School District
Faculty/Staff Housing
Prepared by Education Housing Partners, Inc.

Architecture & Engineering Budget

<u>Consultants</u>	<u>Firm</u>	<u>Phase</u>	<u>Scope</u>	<u>Total Amount</u>
Architectural	SVA	1. Concept/Feasibility	Concept Design	\$ 42,000
		2. SD/Entitlements	SD/Entitlements	\$ 72,500
		3. DD/CDs	DD/CDs	\$ 1,087,500
		4. Construction Admin	Construction Admin	\$ 217,500
		5. DD/CDs	Specs	\$ 72,500
Landscape	TBD	1. Concept/Feasibility	Concept Design	\$ -
		2. SD/Entitlements	SD/Entitlements	\$ 14,500
		3. DD/CDs	DD/CDs	\$ 108,750
		4. Construction Admin	Construction Admin	\$ 21,750
Civil Engineering	BKF	1. Concept/Feasibility	Concept/Feasibility	\$ 11,900
		2. SD/Entitlements	Survey	\$ 29,500
		3. DD/CDs	DD/CDs	\$ 131,500
		4. Construction Admin	Construction Admin	\$ 18,000
Structural Engineering	TBD	2. SD/Entitlements	SD/Entitlements	\$ 11,500
		3. DD/CDs	DD/CDs	\$ 86,250
		4. Construction Admin	Construction Admin	\$ 17,250
Mechanical/Plumbing	TBD	2. SD/Entitlements	SD/Entitlements	\$ 15,050
		3. DD/CDs	DD/CDs	\$ 112,875
		4. Construction Admin	Construction Admin	\$ 22,575
Electrical	TBD	3. DD/CDs	DD/CDs	\$ -
		4. Construction Admin	Construction Admin	\$ -
Life Safety	TBD	3. DD/CDs	DD/CDs	\$ 14,000
		4. Construction Admin	Construction Admin	\$ 7,000
Acoustical	TBD	3. DD/CDs	DD/CDs	\$ 60,000
		4. Construction Admin	Construction Admin	\$ 15,000
Environmental/Traffic	TBD	1. Concept/Feasibility	Preliminary Traffic Analysis	\$ 8,490
		2. SD/Entitlements	Phase II	\$ -
		2. SD/Entitlements	CEQA Consultants	\$ -
Biologist	TBD	1. Concept/Feasibility	Preliminary Letter	\$ -
		2. SD/Entitlements	Bio and Wetland Assesssme	\$ -
		2. SD/Entitlements	Mitigation & Agency Consuli	\$ -
Geotech	Geocon West	1. Concept/Feasibility	Preliminary Letter	\$ 750
		3. DD/CDs	Geotech Study & Design	\$ 16,500
		4. Construction Admin	Construction Admin	\$ 95,000
Joint Trench	TBD	2. SD/Entitlements	SD/Entitlements	\$ 14,000
		3. DD/CDs	DD/CDs	\$ 91,000

Pasadena Unified School District
Faculty/Staff Housing
Prepared by Education Housing Partners, Inc.

Architecture & Engineering Budget

<u>Consultants</u>	<u>Firm</u>	<u>Phase</u>	<u>Scope</u>	<u>Total Amount</u>
		4. Construction Admin	Construction Admin	\$ 14,000
Exterior Lighting	TBD	3. DD/CDs	DD/CDs	\$ 68,000
		4. Construction Admin	Construction Admin	\$ 17,000
Greenbuilding	TBD	3. DD/CDs	DD/CDs	\$ 175,000
Waterproofing	TBD	3. DD/CDs	DD/CDs	\$ 64,000
		4. Construction Admin	Construction Admin	\$ 16,000
Interior Design	TBD	3. DD/CDs	DD/CDs	\$ 60,000
		4. Construction Admin	Construction Admin	\$ 15,000
ADA Consultant	TBD	3. DD/CDs	DD/CDs	\$ 9,600
		4. Construction Admin	Construction Admin	\$ 2,400
Corrosion Consultant	TBD	3. DD/CDs	DD/CDs	\$ -
		4. Construction Admin	Construction Admin	\$ -
Owner's Rep - Constructic	TBD	4. Construction Admin	Construction Admin	\$ 150,000
Third-Party Peer Review	TBD	3. DD/CDs	DD/CDs	\$ 50,000
Misc Reimbursables	Misc	1. Concept/Feasibility	Reimbursables	\$ 10,000
		2. SD/Entitlements		\$ 30,000
		3. DD/CDs		\$ 60,000
Total				\$ 3,156,140

IV

FINANCIAL ANALYSIS: OPTION B

OPTION B: PRELIMINARY DEVELOPMENT BUDGET

Pasadena Unified School District

Faculty/Staff Housing

Prepared by Education Housing Partners, Inc.

Project Data			
Project :	Pasadena Unified School District		
Description:	Faculty/Staff Housing in Pasadena		
# of Units :		135	Units
Land Area - Total:		5.3	Acres
Site Density :		25.5	Units/Acre
Land Area - Useable:		5.3	Acres
Effective Density :		25.5	Units/Acre
Parking Count :		223	spaces
Parking Ratio :		1.7	spaces/unit
Product Type:	2- and 3-story apartment building with tuck-under parking		

Development Budget				
		<u>Cost</u>	<u>Per Unit</u>	<u>Per SF</u>
Land		\$0	\$0	\$0
Direct Hard Costs (1)	\$423	\$45,269,460	\$335,329	\$423
Signage, Furniture, Fixture & Equipment		\$500,000	\$3,704	\$5
Onsite Improvements		\$1,220,000	\$9,037	\$11
General Conditions/General Requirements		\$3,288,065	\$24,356	\$31
G.C. Fee	3.5%	<u>\$1,759,713</u>	<u>\$13,035</u>	<u>\$16</u>
Subtotal - Hard Costs		\$52,037,238	\$385,461	\$486
A & E Fees		\$3,168,640	\$23,471	\$30
Municipal Fees (2)		\$6,750,000	\$50,000	\$63
Legal, Insurance, Bonding (3)		\$1,250,000	\$9,259	\$12
CEQA Review		\$500,000	\$3,704	\$5
Developer Overhead and Fee	3.8%	\$2,500,000	\$18,519	\$23
Finance Interest (4)		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Subtotal - Soft Costs		\$14,168,640	\$104,953	\$132
Total Development Cost		\$66,205,878	\$490,414	\$619
Project Level Contingency	10%	<u>\$6,620,588</u>	<u>\$49,041</u>	<u>\$62</u>
Total Development Cost with Contingency		\$72,826,466	\$539,455	\$680

- (1) Assumes prevailing wage rates.
- (2) Includes utility meters & tap fees – other City fees waived.
- (3) Includes performance bond and builder's risk insurance.
- (4) Financing cost excluded pending capital structure analysis by others.

OPTION B: PROGRAM AND PRO FORMA

Pasadena Unified School District Faculty/Staff Housing Prepared by Education Housing Partners, Inc.

Unit Mix & Rents – Inclusionary Housing Project

Unit Type	Qty	%	Net Area	Total Area	Projected Rent (1)	Rent/ SF	Monthly Rent	Annual Rent
1BR / 1BA	64	47%	689	44,064	\$1,750	\$2.54	\$112,000	\$1,344,000
1BR / 1BA - BMR	16	12%	689	11,016	\$1,686	\$2.45	\$26,973	\$323,676
2BR / 1BA	8	6%	820	6,560	\$2,350	\$2.87	\$18,800	\$225,600
2BR / 1BA - BMR	2	1%	820	1,640	\$1,896	\$2.31	\$3,793	\$45,510
2BR / 2BA	24	18%	909	21,816	\$2,550	\$2.81	\$61,200	\$734,400
2BR / 2BA - BMR	6	4%	909	5,454	\$1,896	\$2.09	\$11,378	\$136,530
3BR / 2BA	12	9%	1,098	13,176	\$3,450	\$3.14	\$41,400	\$496,800
3BR / 2BA - BMR	3	2%	1,098	3,294	\$2,107	\$1.92	\$6,320	\$75,841
Total	135	100%	793	107,020	\$2,088	\$2.63	\$281,863	\$3,382,357

(1) Per City of Pasadena inclusionary housing regulations, a minimum of 5% of the units shall be rented to very low-income households, 5% to low-income households, and 10% to moderate-income households. Low-income rents tie to Los Angeles County rent limits as posted:

<https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf> (Accessed on 04.11.23)

Other rents are based on approximately 70% of market.

Pro Forma – Inclusionary Housing Project

	2023	Trending	2024	2025	2026
Cash Flow Analysis					
Rental Income	3,382,357	3%	3,483,827	3,588,342	3,695,993
Garage	\$100 38,400	3%	39,552	40,739	41,961
Other Income (2)	\$75 <u>121,500</u>	3%	<u>125,145</u>	<u>128,899</u>	<u>132,766</u>
Total Income	3,542,257		3,648,524	3,757,980	3,870,720
less Vacancy	5% <u>(177,113)</u>		<u>(184,197)</u>	<u>(191,565)</u>	<u>(199,228)</u>
Gross Income	3,365,144		3,464,327	3,566,415	3,671,492
less Expenses (3)	\$6,000 <u>(810,000)</u>	3%	<u>(834,300)</u>	<u>(859,329)</u>	<u>(885,109)</u>
Net Operating Income	2,555,144		2,630,027	2,707,086	2,786,383
Yield on Cost (4)		3.51%			

(2) Other income includes RUBS, application fees, pet fees, lounge rental, etc.

(3) Assumes no property taxes; \$4,450/unit controllables; \$1,550/unit management fee, reserves, and insurance.

(4) Based on initial rate of COPs at 5% interest only of 2/3 of total development cost. Remaining 1/3 of project costs to be financed by GO bonds.

OPTION B: PROGRAM AND PRO FORMA

Pasadena Unified School District Faculty/Staff Housing Prepared by Education Housing Partners, Inc.

Unit Mix & Rents – AB 2295 Project

Unit Type	Qty	%	Net Area	Total Area	Projected Rent (1)	Rent/ SF	Monthly Rent	Annual Rent
1BR / 1BA	56	41%	689	38,556	\$2,050	\$2.98	\$114,800	\$1,377,600
1BR / 1BA - BMR	24	18%	689	16,524	\$1,094	\$1.59	\$26,244	\$314,928
2BR / 1BA	7	5%	820	5,740	\$2,650	\$3.23	\$18,550	\$222,600
2BR / 1BA - BMR	3	2%	820	2,460	\$1,230	\$1.50	\$3,690	\$44,280
2BR / 2BA	21	16%	909	19,089	\$2,850	\$3.14	\$59,850	\$718,200
2BR / 2BA - BMR	9	7%	909	8,181	\$1,230	\$1.35	\$11,070	\$132,840
3BR / 2BA	10	7%	1,098	10,980	\$3,850	\$3.51	\$38,500	\$462,000
3BR / 2BA - BMR	5	4%	1,098	5,490	\$1,367	\$1.24	\$6,833	\$81,990
Total	135	100%	793	107,020	\$2,071	\$2.61	\$279,537	\$3,354,438

(1) Per AB 2295 regulations, at least 30% of the units must be affordable to lower income households. Low-income rents are calculated from Los Angeles County income limits as posted: <https://www.hcd.ca.gov/docs/grants-and-funding/inc2k22.pdf> (Accessed on 04.11.23) Other rents are based on approximately 70% of market.

Pro Forma – AB 2295 Project

	2023	Trending	2024	2025	2026
Cash Flow Analysis					
Rental Income	3,354,438	3%	3,455,071	3,558,723	3,665,485
Garage	\$100 38,400	3%	39,552	40,739	41,961
Other Income (2)	\$75 <u>121,500</u>	3%	<u>125,145</u>	<u>128,899</u>	<u>132,766</u>
Total Income	3,514,338		3,619,768	3,728,361	3,840,212
less Vacancy	5% <u>(175,717)</u>		<u>(182,746)</u>	<u>(190,055)</u>	<u>(197,658)</u>
Gross Income	3,338,621		3,437,023	3,538,306	3,642,554
less Expenses (3)	\$6,000 <u>(810,000)</u>	3%	<u>(834,300)</u>	<u>(859,329)</u>	<u>(885,109)</u>
Net Operating Income	2,528,621		2,602,723	2,678,977	2,757,446
Yield on Cost (4)		3.47%			

(2) Other income includes RUBS, application fees, pet fees, lounge rental, etc.

(3) Assumes no property taxes; \$4,450/unit controllables; \$1,550/unit management fee, reserves, and insurance.

(4) Based on initial rate of COPs at 5% interest only of 2/3 of total development cost. Remaining 1/3 of project costs to be financed by GO bonds.

OPTION B: OPERATING EXPENSE COMPARISON

Pasadena Unified School District
Faculty/Staff Housing
 Prepared by Education Housing Partners, Inc.

Operating Expense	Description	PUSD		
		135 units		
		Per Unit	Annual	Notes
Maintenance/Service Contracts	Repair and replacement (all systems), contracts (window washing, fire alarm, pest, gutters)	\$1,000	\$135,000	(1)
Staff Costs	Prorated salaries, payroll taxes, workers comp, medical benefits	\$1,050	\$141,750	
Administration	Accounting, office supplies, miscellaneous	\$200	\$27,000	
Landscaping	Landscaping, parking lot cleaning	\$200	\$27,000	
Utilities	Electric, water, garbage. Each unit has an electric meter; Water is submetered to residents.	\$1,600	\$216,000	(2)
Turnover	Painting, carpet, cleaning. Turnover costs = \$2k/du; assume 20% turnover annually.	\$400	\$54,000	
Property Management Fee	Assumes cost for a third-party property management company.	\$900	\$121,500	
Insurance	District insurance program assumed to cover casualty, rent loss, and liability.	\$400	\$54,000	
Reserves	Reserves for future non-routine maintenance and replacement of systems	\$250	\$33,750	(3)
Total Operating Expense		\$6,000	\$810,000	

(1) Decreased PUSD cost due to new construction, but included elevator maintenance contract.

(2) A portion of these costs are billed to residents through submetering or RUBS and shown as other income in the pro forma.

(3) Due to new construction, routine maintenance and replacements should be minimal initially and reserves are for future years.

Pasadena Unified School District
Faculty/Staff Housing
Prepared by Education Housing Partners, Inc.

Architecture & Engineering Budget

<u>Consultants</u>	<u>Firm</u>	<u>Phase</u>	<u>Scope</u>	<u>Total Amount</u>
Architectural	SVA	1. Concept/Feasibility	Concept Design	\$ 42,000
		2. SD/Entitlements	SD/Entitlements	\$ 72,500
		3. DD/CDs	DD/CDs	\$ 1,087,500
		4. Construction Admin	Construction Admin	\$ 217,500
		5. DD/CDs	Specs	\$ 72,500
Landscape	TBD	1. Concept/Feasibility	Concept Design	\$ -
		2. SD/Entitlements	SD/Entitlements	\$ 14,500
		3. DD/CDs	DD/CDs	\$ 108,750
		4. Construction Admin	Construction Admin	\$ 21,750
Civil Engineering	BKF	1. Concept/Feasibility	Concept/Feasibility	\$ 11,900
		2. SD/Entitlements	Survey	\$ 29,500
		3. DD/CDs	DD/CDs	\$ 131,500
		4. Construction Admin	Construction Admin	\$ 18,000
Structural Engineering	TBD	2. SD/Entitlements	SD/Entitlements	\$ 11,500
		3. DD/CDs	DD/CDs	\$ 86,250
		4. Construction Admin	Construction Admin	\$ 17,250
Mechanical/Plumbing	TBD	2. SD/Entitlements	SD/Entitlements	\$ 15,050
		3. DD/CDs	DD/CDs	\$ 112,875
		4. Construction Admin	Construction Admin	\$ 22,575
Electrical	TBD	3. DD/CDs	DD/CDs	\$ -
		4. Construction Admin	Construction Admin	\$ -
Life Safety	TBD	3. DD/CDs	DD/CDs	\$ 15,000
		4. Construction Admin	Construction Admin	\$ 7,500
Acoustical	TBD	3. DD/CDs	DD/CDs	\$ 60,000
		4. Construction Admin	Construction Admin	\$ 15,000
Environmental/Traffic	TBD	1. Concept/Feasibility	Preliminary Traffic Analysis	\$ 8,490
		2. SD/Entitlements	Phase II	\$ -
		2. SD/Entitlements	CEQA Consultants	\$ -
Biologist	TBD	1. Concept/Feasibility	Preliminary Letter	\$ -
		2. SD/Entitlements	Bio and Wetland Assesssme	\$ -
		2. SD/Entitlements	Mitigation & Agency Consuli	\$ -
Geotech	Geocon West	1. Concept/Feasibility	Preliminary Letter	\$ 750
		3. DD/CDs	Geotech Study & Design	\$ 16,500
		4. Construction Admin	Construction Admin	\$ 95,000
Joint Trench	TBD	2. SD/Entitlements	SD/Entitlements	\$ 15,000
		3. DD/CDs	DD/CDs	\$ 99,500

Pasadena Unified School District
Faculty/Staff Housing
Prepared by Education Housing Partners, Inc.

Architecture & Engineering Budget

<u>Consultants</u>	<u>Firm</u>	<u>Phase</u>	<u>Scope</u>	<u>Total Amount</u>	
		4. Construction Admin	Construction Admin	\$	15,500
Exterior Lighting	TBD	3. DD/CDs	DD/CDs	\$	68,000
		4. Construction Admin	Construction Admin	\$	17,000
Greenbuilding	TBD	3. DD/CDs	DD/CDs	\$	175,000
Waterproofing	TBD	3. DD/CDs	DD/CDs	\$	64,000
		4. Construction Admin	Construction Admin	\$	16,000
Interior Design	TBD	3. DD/CDs	DD/CDs	\$	60,000
		4. Construction Admin	Construction Admin	\$	15,000
ADA Consultant	TBD	3. DD/CDs	DD/CDs	\$	9,600
		4. Construction Admin	Construction Admin	\$	2,400
Corrosion Consultant	TBD	3. DD/CDs	DD/CDs	\$	-
		4. Construction Admin	Construction Admin	\$	-
Owner's Rep - Constructic	TBD	4. Construction Admin	Construction Admin	\$	150,000
Third-Party Peer Review	TBD	3. DD/CDs	DD/CDs	\$	50,000
Misc Reimbursables	Misc	1. Concept/Feasibility	Reimbursables	\$	10,000
		2. SD/Entitlements		\$	30,000
		3. DD/CDs		\$	60,000
Total				\$	3,168,640



**PRELIMINARY
PROJECT
SPECIFICATIONS**

PUSD Faculty/Staff Housing
Preliminary Outline Specifications*
Prepared by Education Housing Partners,
Inc. 06/08/23

SCOPE	PROPOSED FINISHES AND PROGRAMMING
Buildings	
Roof Systems	Flat roof to be PVC over tapered insulation. Tile accents.
Siding	HardieShingle siding/Hardie Board siding or three-coat stucco.
Windows	Single-hung windows with casement windows at required Sound Transmission Class (STC) rating upgrade conditions. Vinyl nail-fin windows, low-E, STC rated, dual glazed. VPI brand or like. Storefront window system to be anodized bronze finish for leasing and entry.
Exterior Stairs	Concrete with painted metal rails.
Interior Stairs	Wood-framed stairs with carpet and rated drywall enclosure, as required.
Unit Stairs	Wood-framed stairs with carpet and rated drywall enclosure, as required.
Metals	All exterior metals to be galvanized and painted. Roofing to be factory finish.
Elevators	3500-lb-capacity cab traction elevators by ThyssenKrupp or Otis, if required.
Exterior Decks	Pli-Dek or equal with wood railings and concrete over hot rubber waterproofing membrane at locations directly over units.
Podium (Optional)	Concrete pavers or colored concrete over gravel and sand.
Security	Fobbed building/stairwell entries. Fobbed perimeter entrances and amenity spaces. Optional: Cameras at all entry points, in all amenity spaces, including, but not limited to, the office, clubhouse, mail room, and package room, as applicable.
Photovoltaic Panels & Sustainability	Infrastructure/conduit to support photovoltaic (PV) panels per code. PV capacity can be maximized, if desired. Include options for "solar ready" and for solar install. Solar thermal assumed for all units. Buildings will be designed and constructed in accordance with the State of California's Build It Green program.
Units	
Drywall & Paint	1-hr and floor/ceiling assemblies to be in line with tested GA assemblies. Floor/Ceiling: 2 layers of 5/8" with RC channel when TJIs are used. 2 layers with 5/8" when standard 16" O.C. joists are used. Party Walls (1-HR): Acoustical caulked (top and bottom) double 5/8" layers at party walls. Single layer over plywood sheathing. Walls: Painted 5/8" drywall with level 3 light orange peel or knockdown finish. Layer of flat paint over layer of primer. Kitchen/ Bathroom Walls, Doors, Casings and Base: Semigloss latex paint (full cover) over coat of primer. Sherwin Williams paint or equal. All wet walls with mold resistant drywall. Exterior: One coat of primer over Sherwin-Williams PM Itx Paint with no VOC. Window Stools and Aprons: 2 finish coats of eggshell latex. Miscellaneous: Drywall soffits over kitchen upper cabinets and around mechanical ductwork, and roof drains to be drywalled and painted as needed. Access Panels: Painted to match walls and any exposed surface.
Ceilings	9'-0" in bedrooms and living room, 7'-6" to 8'-0" with metal drop in kitchen and bathroom.
Insulation & Soundproofing	R-19 exterior, R-30 ceiling/roof over heated space to meet Title 24; Party walls require (2) R-13 and corridor walls R-13. The party wall between adjacent residences will be an insulated staggered double-stud wall with three total layers of gypsum board. Where needed for additional structural support, a layer of shear plywood can replace a layer of gypsum board.
Flooring	Living/ Dining, Laundry, Kitchen, Bathroom, and Entry: Vinyl plank to be Tri-West Paradigm Trinity, Tri-West Engage Shaker or equal. Bedroom(s): Shaw Carpet Urban Touch Mist (or equivalent)
Doors	Unit Entry: Wood veneer solid core, flush, with peephole 7'-0" with single action dead bolt, 8'-0" fiberglass or metal with panel pattern in townhomes; 20-min rated. Patio: 8'-0" fiberglass, glazed, insulated, flush with single action dead bolt. Bed and Bath: 7'-0" solid core, painted, sealed bathroom door ends. Other Interior: 7'-0" hollow core, painted, single panel. Corridor doors to be 20-min rated. Laundry Closet: 7'-0" louvered, painted.
Trim	7/16" thick and 5" high MDF baseboard throughout units except baths (wood baseboards) and corridors (5 1/2" tall MDF baseboard) 9/16" thick 2 1/4" wide MDF Interior Casing with eased edge and 3 1/4" wide in corridors.
Closets	Wood/MDF shelf with rod for all closets. Double rods and double shelves for half of bedroom closets. Doors for all closets.

SCOPE		PROPOSED FINISHES AND PROGRAMMING
	Cabinetry	Kitchens: Thermofoil doors, European frame style hidden hinges (soft closers optional), matching edge banding for all exposed surfaces, matching toe kick. Pantry cabinet in kitchen adjacent to refrigerator. Full height end panels adjacent to refrigerator as needed. 2'-0" deep upper refrigerator cabinet. At least two drawers with breadboards and preferably a drawer bank. Bathrooms: At least one drawer stack in bathrooms (nearest to outlets). A bathroom with a double vanity (optional) in 2-bedroom units. Cabinetry style to match kitchen cabinets.
	Hardware	Unit Entry: Kaba Confidant or similar. Unit Interior: Taymor lever handles, brushed finishes or similar
	Countertops	Kitchen: 3cm granite or similar with eased edges, 4" tile backsplash from countertop. (Optional upgrade: backsplash from countertop to upper cabinets). Bathrooms: 3cm granite or similar with eased edges, granite or similar backsplash.
	Tile	Standalone showers and tub/shower combo to have fiberglass tile-embossed surround. Standalone showers to have a pan.
	Toilet Accessories	Recessed medicine and linen cabinets to match bath and kitchen cabinets. 3/8" heavy glass mirror in painted 1" to 2" wood frame above vanity. Square tube brushed finish towel bars and toilet paper holder. At least 2 towel bars per bathrooms, powder rooms to have at least 1. Robe hooks on back of door. Curved rod and curtain for tub/shower. Glass door for standalone showers in townhomes.
	Appliances	Standard GE, LG or Samsung package in white or black (Optional upgrade: stainless steel) with appliance sizes noted below: Upgraded Samsung Package (or equivalent) Electric Range: 5.9 CU FT, with front controls. Refrigerator: 21 CU FT fridge with exterior water and ice dispenser Microwave: over-the-range Dishwasher: with integrated controls Washer/Dryer: Stacked electric washer/dryer, with front controls. (Optional upgrade: front-loading)
	Window Coverings	Roller shades by Vertilux VTX (or similar) with valance.
	Fire Protection	Sprinkler building Fire hose connections and standpipes at all levels as required by code.
	Kitchen Plumbing	All fixtures brushed chrome finish. Sink: Elkay Lusterstone stainless steel single basin 7 1/2" deep undermount (or equivalent). Faucet: Kohler Bellera with pull-down spout / Luxier Contemporary Pull Down Spray Faucet Garbage Disposal: InSinkErator Badger 5, 1/2 HP, Continuous Feed (or equivalent).
	Bathroom Plumbing	Toilet: Sterling Windham 12" rough-in elongated toilet (or equivalent). Tub: Sterling Ensemble 60" x 36" with tile surround. Bath & Shower Trim Set: Kohler Style. Showerhead: Kohler Awaken G90 1.4 GPM Sink: Kohler Caxton rectangular undermount 20 5/16" x 15 3/4" Faucet: Kohler Honesty single handle faucet
	Mechanical	Electric: Either central or individual units. Exhaust for Bathrooms and Washer/Dryer: Through side walls on first floor where feasible, floors 2 through 3 out roof (or equivalent). HVAC: Pancake-style air handler in bathroom or hall ceiling, outside air to living rooms provided mechanically (direct duct outside air-to-air handler if required by local authority). Roof top compressor unit air-conditioning provided from compressor unit located on roof. Townhome compressor unit to be in the garage. Gather vertically run ductwork into chimney in Townhomes; horizontal in units where feasible. Mini-split option may be considered.
	Life Safety	Monitored alarm tied to sprinkler system, smoke detectors, fire detection with central alarm. DAS system for emergency services.
	Electrical	150 amp capacity individually metered; All bathrooms shall contain a minimum of 1 GFI receptacle/2 outlets. Cable TV, CAT 5 internet outlets in bedroom(s), living room, and den(s). Switched outlet in bedroom(s). TV chases centered on TV walls 56" or higher above the floor in all living rooms. One hard-wired phone line in the kitchen. At least one USB port/outlet in each bedroom, island (or counter area) and living room. USB outlet on at least one bedroom wall in master bathroom.
	Unit Lighting	Rocker switches throughout. Puck lights to have white baffles. Interior Stair: Ceiling LED puck lights (min. 2 per stair length). Kitchen: Pendant lights over peninsula (min. 2), under cabinet LED strips. Ceiling: LED puck lights (min. 4). Dining Room: A minimum of a junction box on a dimmer switch for a future fixture. Bathroom: Fan light combo (1 per bathroom), and vanity wall mount light, such as linear bar LED (1 per sink), a puck light over every tub/shower. Hall(s): Ceiling LED puck light(s) or wall mounted sconce(s) (min. 1 fixture every 15'-0"). Walk-in Closets: Ceiling LED puck light(s) (min 1 per closet). Entry: Ceiling LED puck lights (min. 1 per entry or adjacent to entry).

<u>SCOPE</u>		<u>PROPOSED FINISHES AND PROGRAMMING</u>
Site Amenities		
	General	Storefront and glass/view areas activated by seating. Lounge area at street level suitable for waiting for rideshare and greeting guests.
	Leasing	None.
	Clubhouse - Roof Deck	Programming: Full size refrigerator with icemaker; full size range with vented hood; microwave oven with warming drawer; dishwasher; sink; and wireless printer. Restrooms. Appliances, all electric, to be upgraded/premium in common areas. Finishes: Vinyl plank flooring, decorative lights, Level 4 painted smooth walls, wired for sound with CATV, outlets on all walls with 2 accessible.
	Business Lounge	None.
	Fitness Center	Programming (optional): Yoga room, aerobics and weights equipment, water fountains. Finishes: Rubberized tile floor, puck lights, Level 4 painted smooth walls, one mirrored wall, wired for sound with CATV and TV mounting. Brackets, outlets on all walls, underfloor data, and power boxes for fitness equipment.
	Pet Relief Area	Optional in landscaped area.
	Mail Room or Kiosk	Located near each building main entry/elevator lobby subject to USPS. Package locker system optional.
	Package Room	Controlled Access from the mail room.
	Bike parking	Bike parking in garages. Dero or equal equipment.
	Common Corridors	Carpet tile, GWB painted (Level 3), drop ceiling at 8'-2", ceiling LED puck light and wall sconces at unit entries.
	Garage/Carports	Paint columns along drive aisles. Accessible elevators with adjacent ADA parking electric car chargers; Garage or Carports: 1 space per unit with optional solar panel on carports.

* "or like" for specific product call outs



**FEASIBILITY
REPORT SUMMARY
PRESENTATION**



PUSD Faculty & Staff Housing

Feasibility Report Summary

June 8, 2023

EDUCATION HOUSING PARTNERS

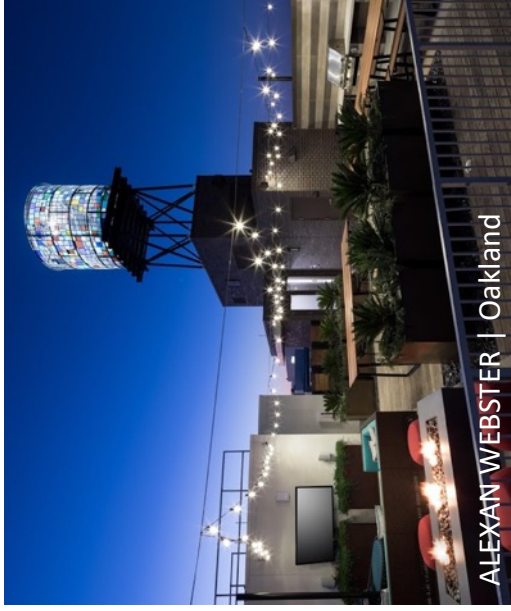
A THOMPSON | DORFMAN COMPANY

THOMPSON | DORFMAN

URBAN RESIDENTIAL DEVELOPMENT



THE TRITON | Foster City



ALEXAN WEBSTER | Oakland



1221 Ocean Avenue

1221 OCEAN AVENUE | Santa Monica



LA JOLLA PALMS | San Diego



ARCADIA AT STONECREST | San Diego

THOMPSON | DOREMAN

URBAN RESIDENTIAL DEVELOPMENT

- 35 years of development experience in California
- 75+ projects in California; 17,000+ units
- Focus on developing high quality, urban infill housing and mixed-use properties
- TDP principals formerly managed divisions for Trammell Crow Residential and the Irvine Company's "off ranch" apartment development and investment operations in Southern California and provided development advisory services to a number of corporate and public agencies
- Founded Education Housing Partners to support public school districts in the evaluation and development of educator housing in 2004

EDUCATION HOUSING PARTNERS

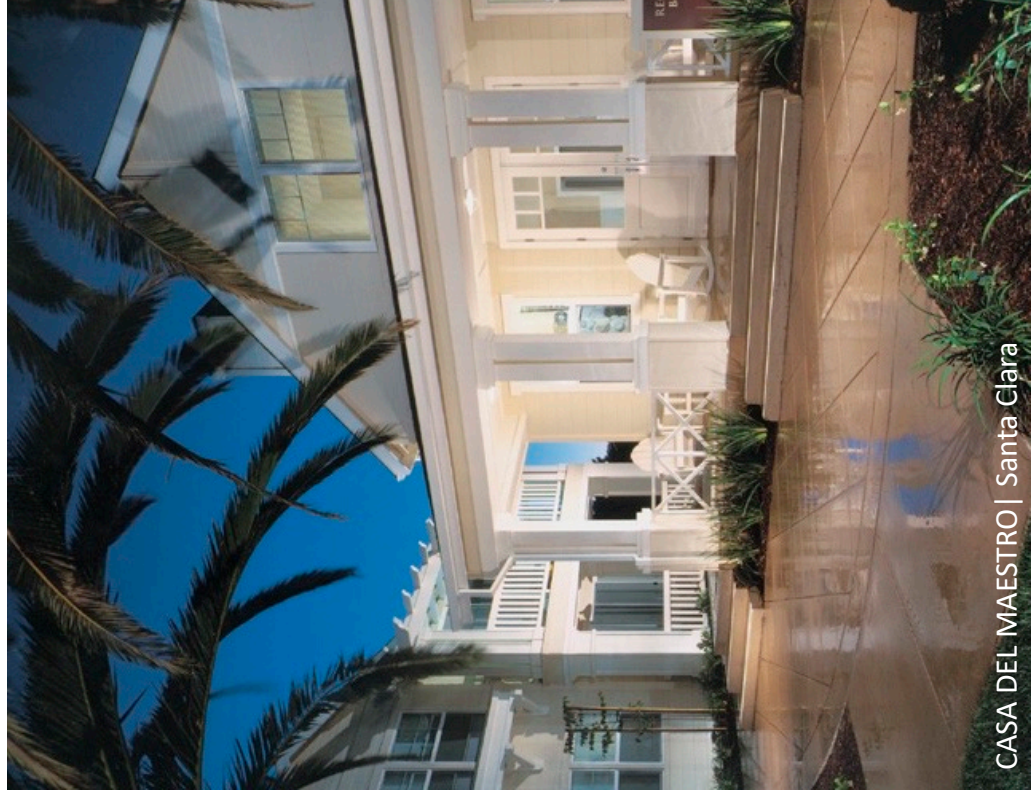
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COLLEGE VISTA | San Mateo



CAÑADA VISTA | Redwood City



CASA DEL MAESTRO | Santa Clara



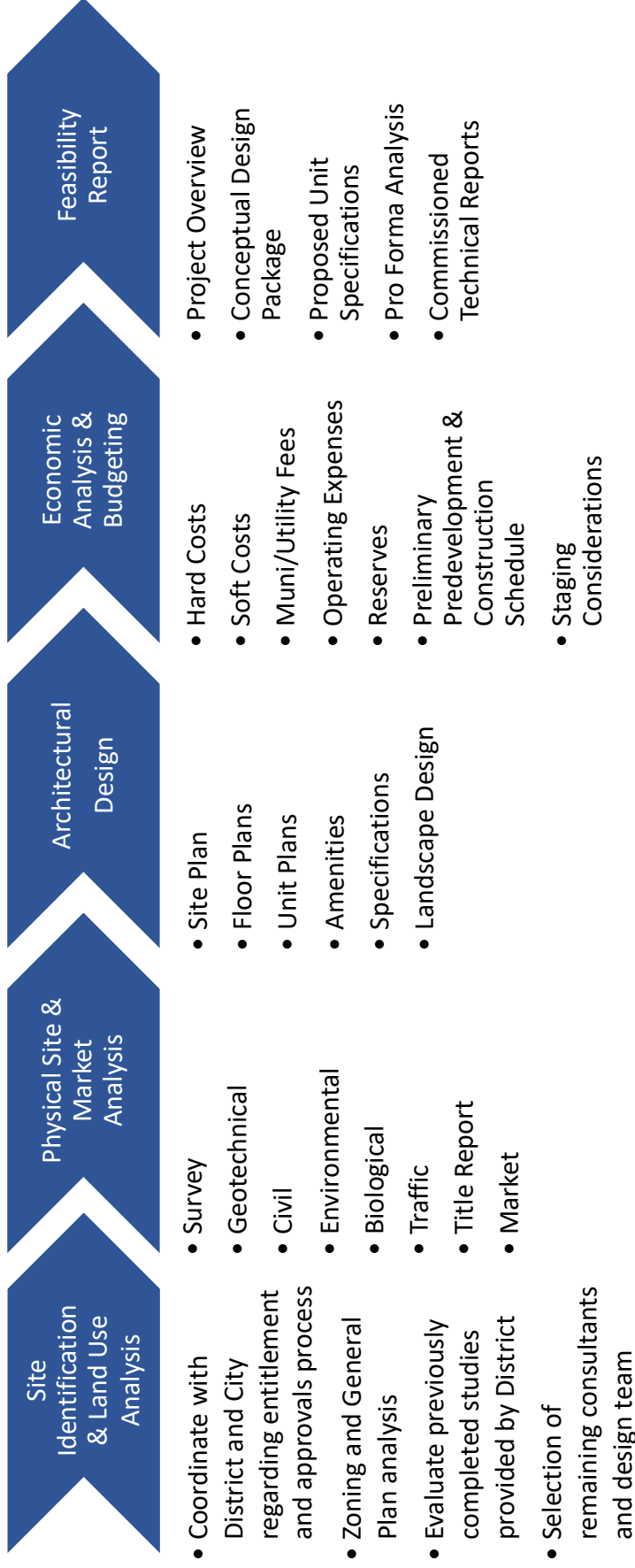
SOLEDAD UNIFIED SCHOOL DISTRICT HOUSING | Soledad

EDUCATION HOUSING PARTNERS

A THOMPSON | DORFMAN COMPANY

- Created as a resource for public agencies seeking to recruit and retain a quality workforce
- Provide quality workforce housing at rental rates significantly below market
- Rents are set at levels to cover all operating costs and debt service
- Brings our market-rate development expertise to public school districts and other public agencies on a non-profit basis

Feasibility Process



Conceptual Site Plan

- 2-3 stories
- Allows for 123-155 Units
- Average Unit Size: ~790 sq. ft.
- Parking Ratio: ~1.6 spaces/unit
- Amenities
 - Landscaped Commons
 - Clubhouse
 - BBQ Area
 - Children's Play Area
 - Dog Run



LANDSCAPE ILLUSTRATIVE SITE PLAN

Proposed Rents

Unit Mix & Average Rents (60% of Market)

Unit Type	# of Units	Low Income Rent	Average Proposed Rent (1)	Market Rent
1 Bedroom	76	\$1,094	\$1,800	\$3,000
2 Bedroom	35	\$1,230	\$2,400	\$4,000
<u>3 Bedroom</u>	<u>12</u>	<u>\$1,367</u>	<u>\$3,000</u>	<u>\$5,000</u>
Total	123	\$1,159	\$2,088	\$3,480

(1) Average includes inclusionary housing requirements

Inclusionary housing requirements are 20%-30% of total units depending on the entitlement strategy pursued:

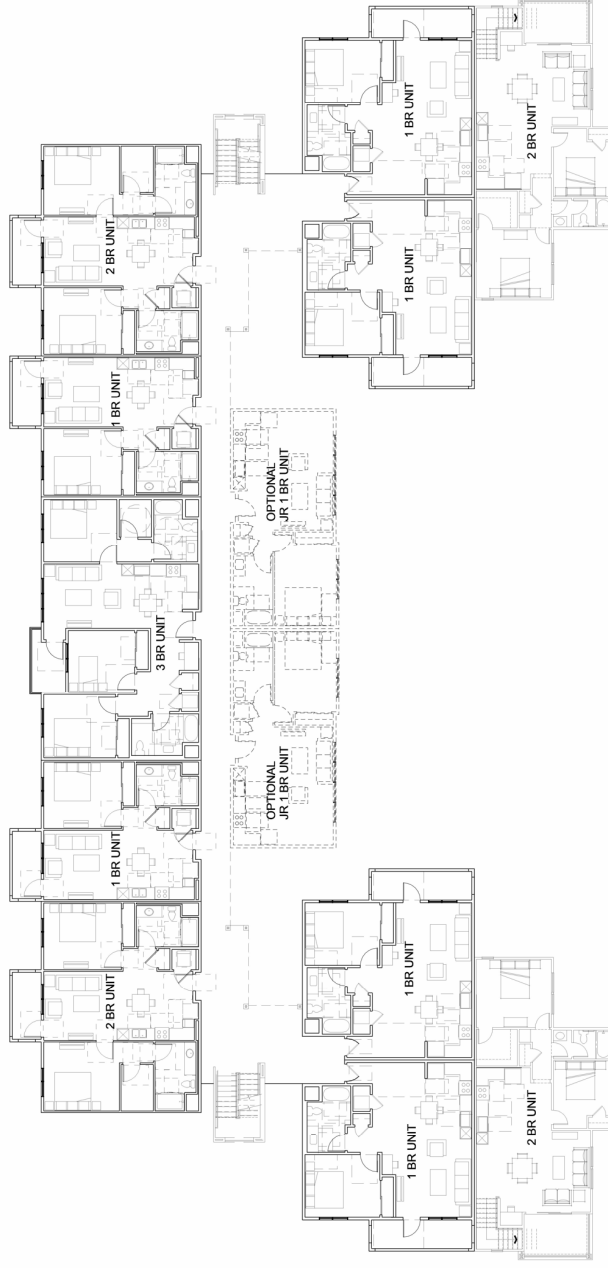
- Traditional Entitlement (Rezoning & General Plan amendment):
 - 5% Very Low Income units
 - 5% Low Income units
 - 10% Moderate Income units
- AB 2295 (no rezoning or General Plan amendment):
 - 30% Low Income units

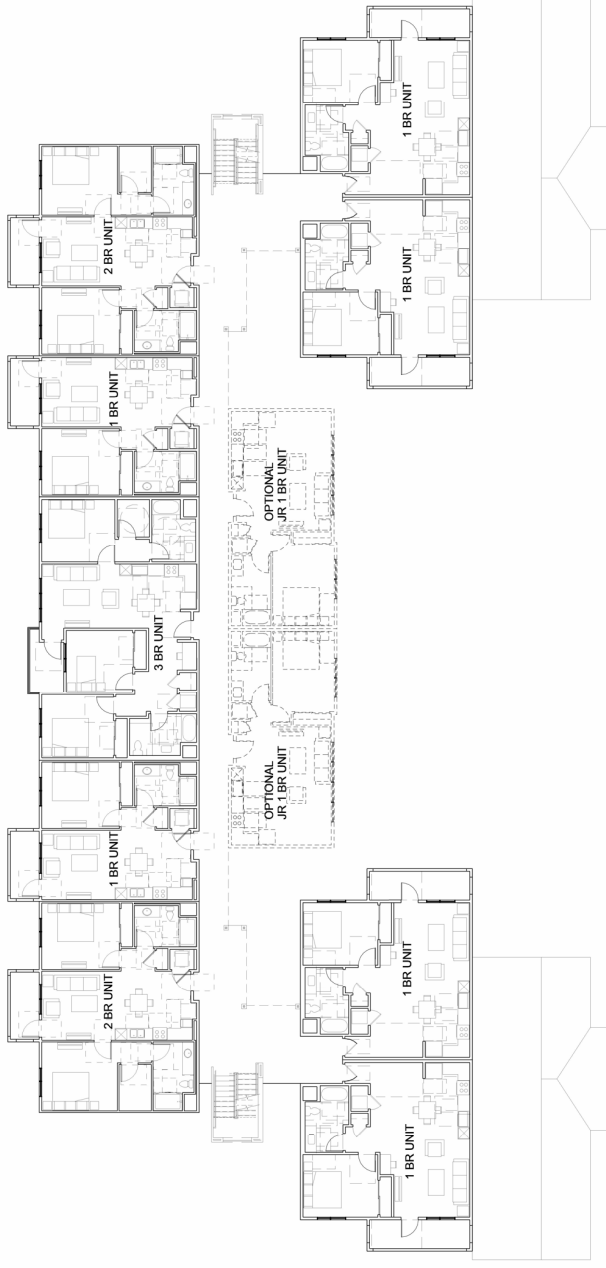



 1/8" = 1'-0"

BUILDING 1: FIRST FLOOR PLAN

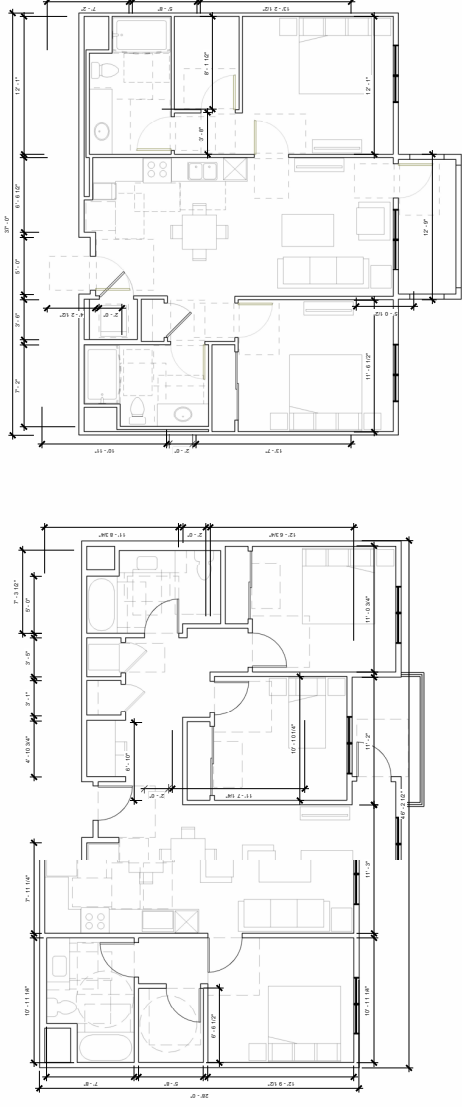
Level 2
1.00 = 1.00





Scale
1/8" = 1'-0"

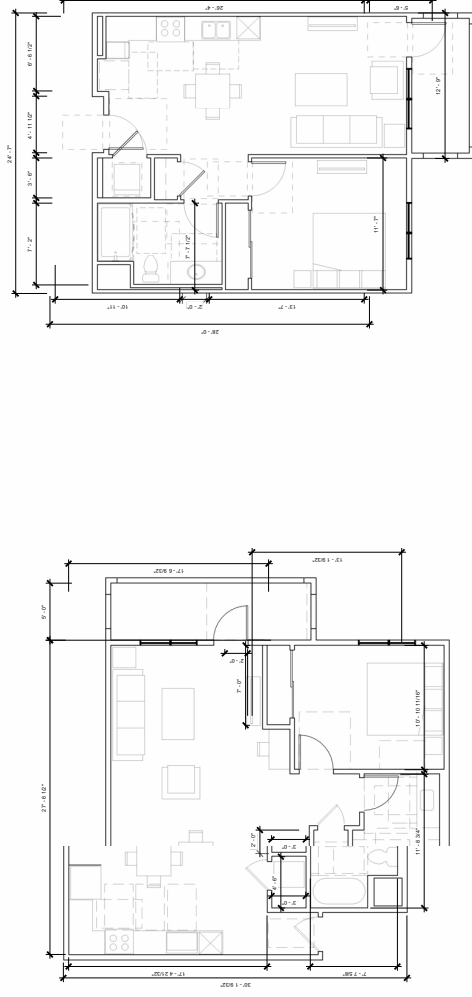
BUILDING 1: THIRD FLOOR PLAN



3 BEDROOM

2 BEDROOM

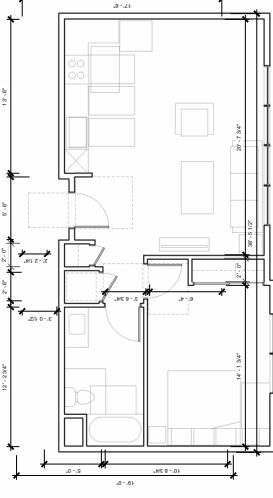
2 BEDROOM ALT



1 BEDROOM CORNER

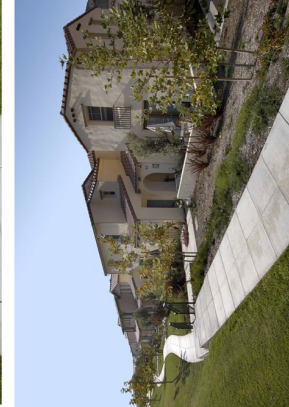
1 BEDROOM INTERIOR

JR 1 BEDROOM (OPTIONAL)



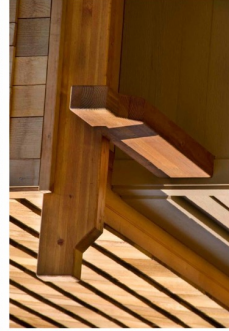
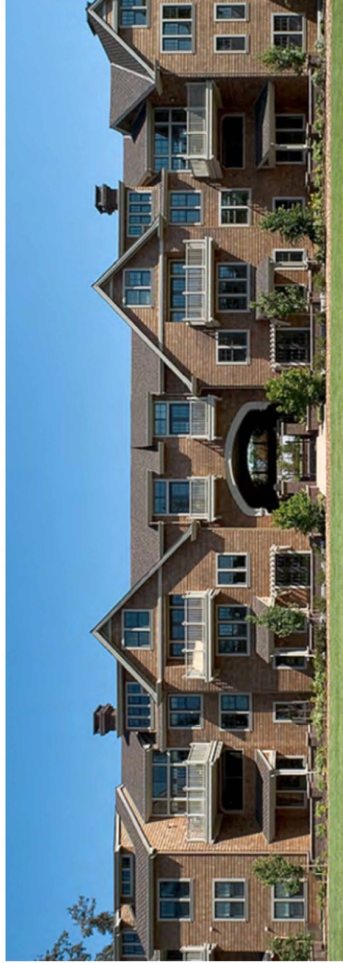
TYPICAL UNIT PLANS

SPANISH/MISSION STYLE – DESIGN IN PROGRESS



SPANISH REVIVAL ELEVATIONS

CRAFTSMAN STYLE – DESIGN IN PROGRESS



CRAFTSMAN ELEVATIONS

PASADENA USD WORKFORCE HOUSING
315 N PASADENA AVENUE, PASADENA, CA

EDUCATION HOUSING PARTNERS
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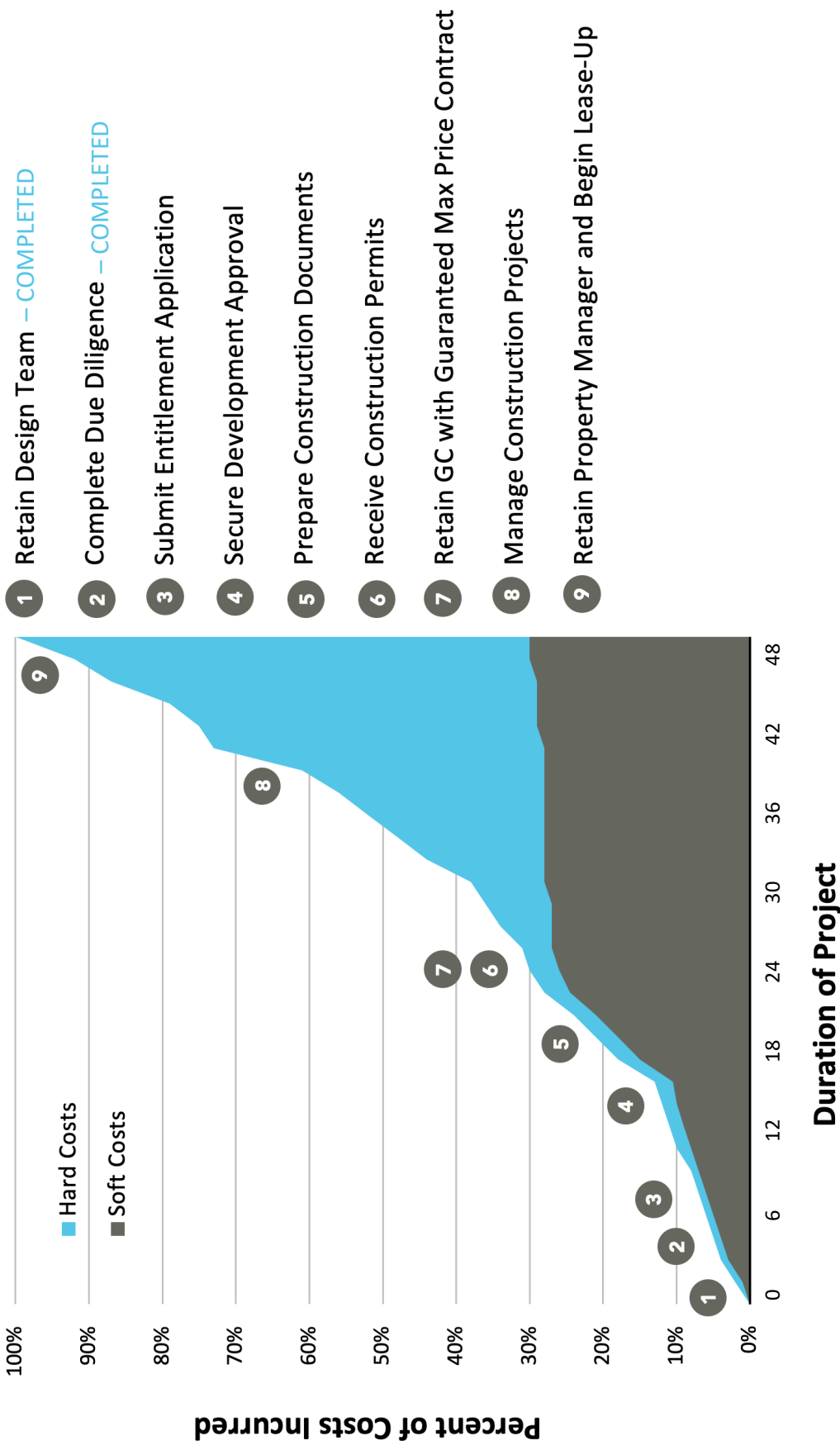


Key Conclusions

1. The site is physically, politically, and economically feasible for the construction of quality multi-family housing
2. A variety of unit types and unit mixes can be accommodated, including one-, two-, and three-bedroom units
3. Proposed rents average ~60% below market and are a function of the financing structure and the entitlement strategy pursued
4. First units could be ready for occupancy approximately 3.5 years from the initiation of the entitlement process



Capital Requirements



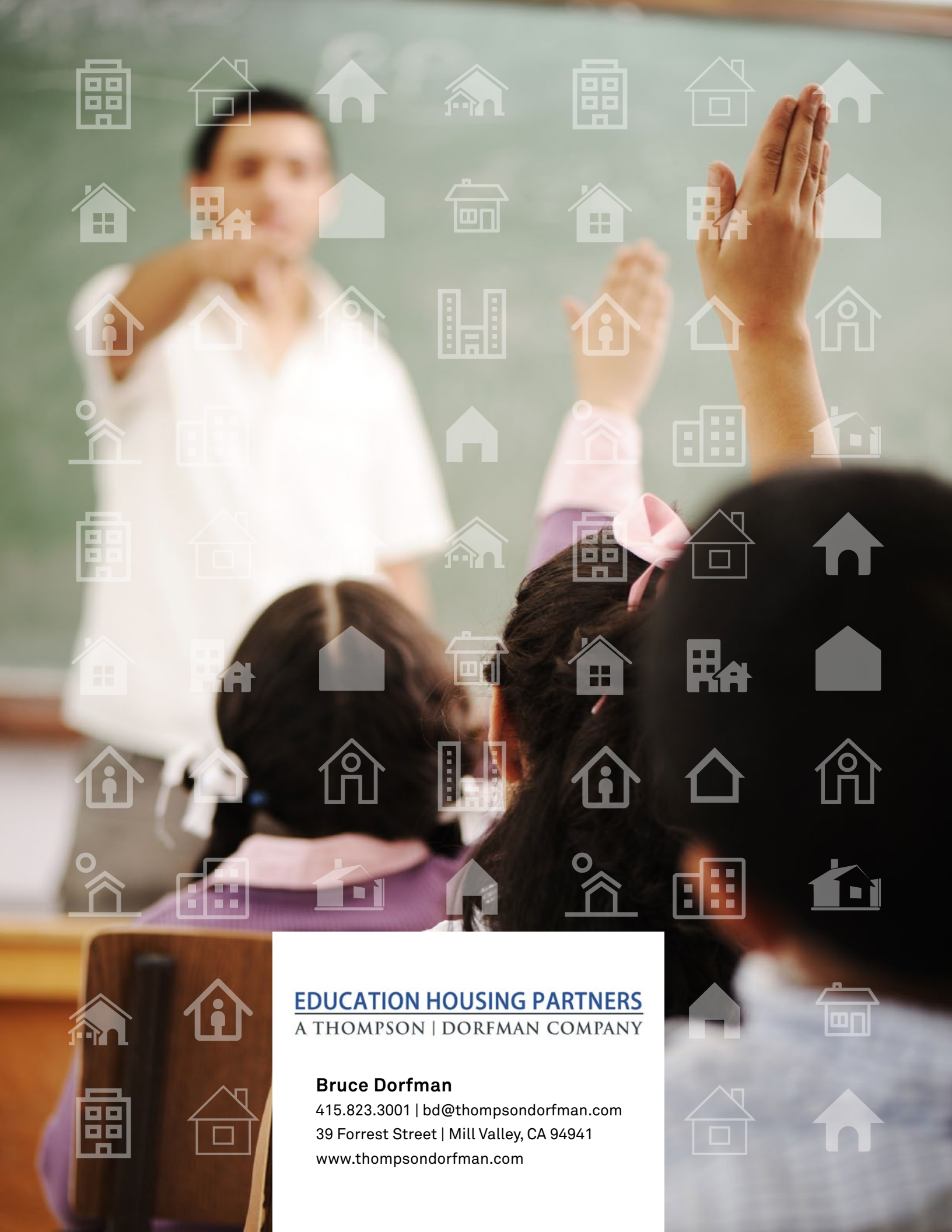
Next Steps

- Determine financing structure
- Review the preliminary design with City staff (Planning, Public Works, Fire) and discuss entitlement pathway
- Respond to the various tasks outlined in the feasibility report
- Engage the design team to prepare the entitlement application for the preferred scheme

Thank You

- Questions?





EDUCATION HOUSING PARTNERS
A THOMPSON | DORFMAN COMPANY

Bruce Dorfman

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