Orchard Park Redevelopment Project
Project Advisory Committee Meeting
Attending:
September 28, 2016

1. Introductions

2. Meeting goals
   a. Schedule and execute an outreach activity with a larger group of graduate students during the of October 24 that will involve Mithun
      • Best times are evenings and weekends (6:30pm-8:00pm?)
      • Need to have childcare available. Child and Families Education Center might have someone who could do it, or contact Panhellenic to see if sorority members might volunteer
      • Schedule the meeting in the Community Room at Solano Park
      • Mary needs the student representatives to distribute the information about the meeting and encourage attendance

Action Item: Schedule meeting for graduate students during the week of October 24, investigate child care options, and publicize for graduate student attendance.

3. Recap of walkthrough and workshop with Mithun
   a. Student feedback
      • It was helpful to see the property
      • It is old and small, but fulfills the needs of the community in terms of building a community and providing outdoor space
      • Ideal play yard space; liked the small grass areas between buildings
      • Like the bigger play yard
      • Has an ideal density

4. Project delivery alternatives
   a. UCD is providing costing information to Keyser Marston so that they can complete a project analysis. A representative from Keyser Marston will come to the next meeting to review the first two options (campus capital project or P3 project).
      • The final model will be set up to allow us see how the project is impacted if some of the cost assumptions are changed
   b. UCD is also framing the term sheet of what we want from Tandem for option 3 (redevelop Orchard Park with Tandem in conjunction with Russell Park)
Cost base for Russell park is lower, so there might be a benefit to averaging the cost between the two properties.

Mark Rutheiser (Real Estate Services, UCD); John Whitcombe (Tandem Properties), Ramona Hernandez (UCD Student Housing) found that the units are bigger but much older and would need a big facelift.

The properties include 1, 2 and 3 bedroom units.

UCD wouldn’t have to distribute a large Request for Proposals (RFP) because we could get a sole source justification for Tandem to do both properties as one big project; maybe save a year in the timeline.

We should have more information in time for the next PAC meeting on November 2.

c. Student reaction

Continued preference for Orchard Park to be a campus capital project.

Solano and Orchard Park are successful communities in part because they are run by campus – maybe because it feels like there is a quick response from the university to renters’ concerns and students feel like they have direct contact with one entity who controls everything versus having to go to two organizations (campus and property manager) whose preferences may differ.

Students like UCD Student Housing as property manager because they are generous with a full-time student who may be late or miss a payment; they seem to be aware of student needs. Also, there is only a 42-day notice requirement before moving out which is helpful to students who graduate “off-cycle.” Students might be willing to pay a little more to have the peace of mind of good property management and communication with residents.

i. These items can be negotiated into the master contract between the campus and a potential private property manager.

ii. There is a tradeoff between affordability versus having the campus as the manager because it is more expensive for the campus to manage the property.

Students like the idea of having all of the family housing located within one property versus some of affordable family units in Orchard Park and some in Russell Park.

d. Determination of “market rate” versus “affordable”

Option 1: all 476 units are affordable at the $900 benchmark. For this low monthly rent, a number of variables and amenities would have to be changed. Even with all expenses minimized, it might not be possible to get all of the units to $900 (or whatever the updated figure is “for 25% of the monthly TA stipend”).

Option 2: some units are at market price and these units subsidize the “affordable” family housing. Need to consider if this is fair and/or
appealing to the campus affiliates who would be targeted for the units at “market rate.”

**Action Item:** Confirm that the new **UC TA salary** rate of $4284/month (100%) would translate to a new “affordable” benchmark of $1071 monthly rental cost.

**Action Item:** Estimate a “below market” rate by averaging cost for rentals at market and then creating a target percentage to come in under that rate.

5. **Project schedule**
   a. What would be the timeline if it was run as a campus capital project?
      • Might not vary from a P3 project. The campus project doesn’t have to go to RFP, so we get to skip that step. But, from there, the rest of the process is much more arduous for the campus whereas a private developer will take longer to secure in the RFP stage, but will then be able to advance through the rest of the process more quickly than the campus.
   b. **Goal:** 2020 opening
      • Openings are scheduled to coincide with the normal lease cycle so that the first tenants get to sign a full-year lease from the start. We would **not** want to start contracts on January 1 because that means that students would have to break whatever contract they were in for September-December of the prior year.
      • Orchard Park demolition preparations are occurring now. No set schedule as of yet because the hazardous materials/environmental review is still in progress and that is required before the start of demolition. Most likely, it will be late spring or early summer of 2017 before demolition begins. The current in-house estimate of demolition costs is $7.5 million. There will be a second opinion on the cost estimate; it seems high because Orchard Park is a wood structure. On the other hand, this includes demolition of the infrastructure (e.g., underground sewage and water) so it might be on target. We need to notify the Domes and childcare in the area before the demolition starts.
   c. **November 2 PAC Meeting (Student Housing Administration Room 173)**
      • Foci of the meeting: reviewing the financial analysis for the project delivery alternatives and outreach to graduate students
   d. **November 2 Graduate Student Association (GSA) Meeting**
   e. **November 3 or December 1 Solano Community meeting**

6. **Process**
   a. Originally, Mary thought the PAC should report out to the GSA every other month. However, Erika is planning to report to GSA after each PAC meeting. So, the PAC appearing at every GSA meeting would be overkill.
b. Erika suggested that Mary/the PAC have a formal presentation to the GSA at the November meeting, and then report out quarterly. Katrina Brock is the GSA chairperson for 2016-17 and the person to contact about getting on the agenda.
   i. Mary will send out items for comment by the PAC members prior to the GSA meeting so that time isn’t taken up to do so during the next PAC meeting.

c. In additional to the regular reporting, we need to be continually reminding students that the PAC meetings are open and they are encouraged/welcomed to attend.

d. PAC will make recommendations to the Provost and Chancellor if we should move forward as a campus capital project, a P3 project, in conjunction with Russell Park and what conditions are required for a successful project (rent a $xx, amenities, etc.)

e. The PAC meeting schedule was circulated as a meeting handout, and will be posted to the website.

7. Next steps
   a. Week of October 24: Graduate student event
   b. November 2: PAC meeting
   c. November 2: GSA meeting
   d. November 3 or December 1: Solano Community meeting
   e. Second opinion on demolition costs
   f. Comment on proposed presentation to GSA
   g. Completion of Keyser Marston analysis
   h. Completion of “wish list” for Tandem Properties
   i. Determine if financing period can be extended beyond 30 years
   j. Define targets for “affordability” and “market rate”
      • Investigate how other UC campuses define “affordable” and “market rate”
   k. Identify variables that can be changed to bring us as close to “affordable” rate as possible
      • Parking
      • Trees
      • Laundry in unit
      • Density
      • Subsidization from “market rate” units
   l. Prioritize needs/amenities
   m. Think of new ideas to close the gap between desired property characteristics and affordability