

## EMMETT HOUSE

### Detailed Background and Analysis of Alternatives

#### **Background and Discussion:**

- I. General background
  - A. This report summarizes the previous actions of the Planning Commission and the Redevelopment Agency. This report also consolidates information in one report and updates the requirements and costs of various alternatives for the building.
  - B. The Emmett House project, the local legislative history, and the external requirements of historical preservation, low/moderate income housing financing, and the numerous alternative solutions make this a complicated subject to report to the Agency. Thus, various aspects of the project are described in separate sections and then are consolidated in the section on alternatives.
- II. History of the Building
  - A. The San Mateo County Historical Association, in their Historic Resource Inventory in 1990, reported:
    1. "In the thirty years between 1880 and 1910 Walter Alfred Emmett became Belmont's leading merchant. He purchased a general store from Carl F. Janke at the northwest corner of the Old County Road in 1880 in partnership with Matthew O'Neill. He bought out O'Neill in 1888, and acquired the Belmont Soda Works in 1892. By 1893 he owned the entire block on the north side of The Corners and constructed a livery stable."
  - B. The Emmett House was built in about 1885 as a one-story "cottage". The second floor was added in an 1889 remodel. The building had an open shed roofed porch that wrapped around the façade and west side wall (and possibly the back of the building). The porch was altered between 1913 and 1932. At some point, the porch was reduced to the north side and was enclosed; the rear porch was enclosed (possibly when the second floor was added); and, a kitchen addition and stairs to the second floor was added at some time. In 1990, the San Mateo County Historical Association conducted a State Office of Historic Preservation Historic Resources Inventory and as a result, in 1992 the City declared the building an Historic Landmark under the City's Historic Resources Ordinance. The Belmont Historical Society applied for registration of the House on the National Register, however, it was rejected due to the extent of modifications made to the building.
- III. Planning Commission, Redevelopment Agency, and City Council Actions
  - A. November, 1992: City Council
    1. The City Council approved the Historical Landmark status of the Emmett House according to the City's Historical Preservation Ordinance.

- B. September 8, 1998: Redevelopment Agency
1. The Agency passed Resolution No. 311 approving the purchase and lease agreements for the Brodsky property (Emmett House). The property consisted of two parcels: parcel I (on which the house was located) contained two lots and a small portion of a third lot; parcel II (immediately behind the house) was a partial lot in what is now the parking lot.
  2. The staff report stated that the purchase price for both parcels including the house was \$750,000 plus up to \$5,000 to reimburse the owner for recent improvements made to the two upstairs residential units. The recommended split was 45% from RDA (\$339,750) and 55% LMI (\$415,250).
- C. March 9, 1999: Redevelopment Agency
1. The staff report outlined a process for public input on the future use, location and improvements for the Emmett House. The process included:
    - a) Two or more public meetings of the Planning Commission.
    - b) A list of Alternatives would be developed as a basis for a staff report to make recommendations to a Public hearing before the Planning Commission on a formal application for a Certificate of Appropriateness (required by the City's Historical Resources Ordinance for Landmark buildings).
    - c) Staff would prepare cost estimates for the alternatives along with financing options. Consequences of the alternatives on the Landmark status and the Village Center project would be included in the analysis.
    - d) The application and recommendations would be formally sent to the Historical Society for official comment.
    - e) Planning Commission would hold at least two hearings with notices to surrounding property owners, the Chamber of Commerce, the Historical Society, and homeowner associations.
    - f) The Planning Commission would take action on the Certificate of Appropriateness (a certificate granted by the Planning Commission for alterations, relocation, or demolition of a landmark or historical resource) that could be appealed to, or called up by, the City Council for further review.
    - g) Following action on the Certificate of Appropriateness, City permits, if necessary, would be processed.
  2. Staff reported that the owner decided not to lease back the building and that the land and house were now owned by the agency, 45% by LMI and 55% by RDA.
  3. The Agency approved the process by motion.
- D. April 20, 1999: Planning Commission
1. The Planning Commission held a Community Forum for public comment on the Emmett House and scheduled an additional comment meeting for May 4, 1999. Email and written comments were solicited.

- E. May 4, 1999: Planning Commission
  - 1. The Planning Commission held a second Community Forum for public comment on the Emmett House.
- F. June 1, 1999: Planning Commission
  - 1. The staff report summarized input from the two Community Forums (and emailed input), analyzed 5 alternatives, and recommended: that the Emmett House be retained at its current location; staff work with the College of Notre Dame for a first floor lease for a two year period; make \$80,000 in improvements; and, consider a recruitment (during the two-year College occupancy) for a long term commercial use.
    - a) Options discussed in the public forum
      - i) Retaining the Emmett House in its present location and in its present condition, and re-leasing the retail space.
      - ii) Retaining the Emmett House in its present location, renovating the exterior, and re-leasing the retail space.
      - iii) Preserving the Emmett House on another property in the City.
      - iv) Retaining the Emmett House in its present location and restoring the porch around three sides.
    - b) Staff reported that the purchase price of the building and land was \$735,000 with 60% from LMI and 40% from RDA.
    - c) City Policies
      - i) The Downtown Specific Plan was amended in 1992 to modify the Village Center Plan and a part of the modification was the policy to incorporate the Emmett House into the Village Center Block #2 unless it was determined that it was infeasible to do so. In that case, the building was to be relocated elsewhere within the Downtown area if feasible. The report states that when the Council selected the developer, it made a de facto determination that integrating the Emmett House into the new redevelopment project was feasible.
    - d) Analysis of Alternatives
      - i) Retaining the Emmett House in its present location and in its present condition, and re-leasing the retail and residential space.
        - (1) This Alternative could be done with little city expense, however, the substandard second story addition and stairs would remain a problem.
      - ii) Retaining the Emmett House in its present location, phasing exterior upgrades, and re-leasing the retail and residential space.
        - (1) This was the staff recommendation and included: removal of the second story addition, reconvert the second floor to one residential unit, remodel the first floor bathroom, remove the enclosure-glass at the front porch, and leasing the first floor to the College of Notre Dame. Estimated cost was \$85,000.

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- iii) Full refurbishment of the Emmett House exterior plus architectural corrections as generally shown on a drawing.
  - (1) No cost estimates were provided.
- iv) Retaining the Emmett House in its present location and restoring the porch around three sides.
  - (1) Staff recommended against his Alternative due to the loss of space from the porch. The cost was estimated at \$70,000 for the porch and did not include the other modifications
- v) Preserving the Emmett House on another property in the City.
  - (1) Two sites were evaluated: 1085 Sixth Avenue and a lot at Sixth and O'Neill. A cost estimate for preserving the house on a different site included:
 

(a) New site land costs	\$350,000
(b) New foundation	52,000
(c) Moving	40,000
(d) Plumbing and electrical	60,000
(e) New interior plaster/sheetrock	40,000
(f) Site work (walks and landscaping)	20,000
(g) <u>Exterior renovation and ADA</u>	<u>200,000</u>
(h) Moving Subtotal	\$762,000
(i) <u>Price for existing land and building</u>	<u>735,000</u>
(j) Total	\$1,497,000
(k) <u>Minus revenue from sale of land</u>	<u>(138,400)</u>
(l) Grand Total	\$1,358,600

    - (m) An additional \$100,000 (above the \$1.358m) would be needed if an elevator to the second floor was required.
- e) Staff recommended retaining the Emmett House at the current location; work with the College of Notre Dame for a two year lease of the first floor; make the \$80,000 in improvements; and consider recruitment of a long term commercial tenant.
- f) The Planning Commission approved a resolution recommending that the City Council:
  - i) Retain the house in its current location.
  - ii) Work with the College of Notre Dame on a two year lease of the first floor.
  - iii) Make \$80,000 in improvements including repair of first floor bathroom, removing the second floor rear addition, and incorporating a new stairwell.
  - iv) Retain the first floor as commercial and the second floor as a one unit residential.
  - v) Add a widow's walk railing at the top of the building.

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- G. July 13, 1999: Redevelopment Agency
1. Staff report recommended approval of the 5 recommendations made by the Planning Commission:
    - a) Retain the house in its current location
    - b) Work with the College of Notre Dame on a lease of the first floor.
    - c) Make \$80,000 in repairs, including: repairing first floor bathroom; removing the second story rear addition; incorporating a new stairwell;
    - d) Retain the first floor for commercial use and retain the second floor for residential use as one unit; and,
    - e) Add a widow's walk railing at the top of the structure.
  2. The Redevelopment Agency approved the Planning Commission's 5 recommendations and directed staff to implement the provisions.
- H. September 14, 1999: Redevelopment Agency
1. Staff recommended and the Redevelopment Agency approved a contract with Frank Gonsalves AIA for \$12,500 (60% from LMI and 40% from RDA) to prepare drawings in preparation of getting bids on the renovation work.
- I. November 30, 1999: City Council
1. The City Council approved a lease with the College of Notre Dame for the first floor of the Emmett House. The lease is from December 1, 1999 to June 1, 2001. The rent is \$1,500 per month. The College would be responsible for all interior improvements except for restroom improvements up to \$4,633 (which could be deducted from the rent). The City agreed to paint the exterior and install landscaping by September 30, 2000 or as soon thereafter as reasonably practicable.
- J. June 13, 2000: Redevelopment Agency
1. Staff report on the architect's plans and a cost estimate of \$207,000. Staff reviewed the estimate and determined that their estimate would total \$369,500 (\$303,000 of necessary improvements and \$66,500 of desirable improvements). The report stated that \$685,000 had been spent to date, including the purchase of land and the building. The change in the estimated costs included: renovating a kitchen and adding a kitchen (\$50,000) to the second floor to allow for 2 residential units; double paned windows (\$25,000) adjacent to Max's; deleting the exterior stairs; and, other changes. Staff recommended approval of \$303,000 in improvements from RDA and LMI funds.
  2. The Redevelopment Agency continued this item until staff could research and answer the Director's concerns and questions, including: the amount of rent that could be generated from the commercial and residential units; the amount Innesfree would contribute for improvements to the building; providing the original staff report in the next report; specific criteria for phasing this project; a termite inspection; and, the option of one or two residential units and how many units were previously approved by the Directors.

## K. August 8, 2000: Redevelopment Agency

1. Staff reported that the House was purchased for \$750,000 and that \$355,000 of that amount was for land for the Redevelopment Project, leaving a net cost of \$395,000. Potential rent was estimated at \$1,500 per month for the first floor commercial and \$1,704 for two LMI units upstairs (based on one person per unit). These rents would yield \$34,448 annually. The purchase cost (\$395,000) plus the \$326,826 in improvements would total \$721,826 and assuming an interest rate of 6%, \$62,052 would be needed to amortize the City's investment over 20 years.
2. Staff recommended two residential units upstairs, deleting the rear stairs, and improving the windows adjacent to Max's Bistro to reduce the sound of Max's HVAC equipment. The estimated termite report repairs was \$39,731, however, some of the repairs were also included in the architect's list of improvements. Total costs of needed improvements is \$326,826 with an additional \$66,500 in desirable improvements.
3. Seismic strengthening of the building is not required but staff recommended bracing the cripple walls. State accessibility requirements would require access to the first floor plus a unisex accessible bathroom on the first floor. Phasing the necessary work would not be feasible, but the desirable improvements (replaced rear stairs, widows walk railing, and roofing) could be phased for a later time.
4. Staff recommended completing the necessary work totaling \$326,826 (\$215,413 LMI and \$111,413 RDA).
5. The Redevelopment Agency continued this item until staff had researched and prepared responses to the Directors' questions, including: analyses of whether to sell or keep the building; how many units should be on the second floor; should the Agency manage the building or contract it out; keep the stairs or eliminate them; leave the building as is or make improvements; what is the potential commercial rent; what is a reasonable rate of return on the building; potential for sale and relocation of building; what is dedicated parking for the building; value of the building and the land it sits on; and verification of dollar amounts in the staff report.

IV. Current Status of the Emmett House and a Summary of Planning Commission and Redevelopment Agency Actions.

## A. Acquisition of the Emmett House

1. The Emmett House was acquired for \$758,907 (\$379,453.50 from LMI and \$379,453.50 from RDA), which was \$750,000 plus closing costs. A portion of the property, 5,276 square feet was sold along with other property (totaling 40,318 square feet) for \$750,000 for the Village Center project (see Map 1). The 5,276 square feet represents 13% of the total area sold and thus \$98,145 of the total sales revenue. The proceeds from the sale were credited to the RDA.

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2. Based on the sale price of the property sold to the Village Center project, the square foot price of the property was \$18.60 per sf. The land costs of the Emmett House property thus totals \$163,624 leaving a balance of \$595,283 as the cost of the house itself.
3. The Emmett House property totaled 8,796 square feet. After the sale of the portion in the parking lot, 3,520 remains as the footprint for the house and surrounding land. The driveway to the parking lot cuts across the southwest corner of the house property (60 square feet). This portion needs to be sold or an easement negotiated with the Belmont Village Center (see Map 2).
4. The first floor has 1,576 sf. including the enclosed front porch, which is 280 sf.. The second floor has 1,296 sf. and the kitchen addition adds another 85 sf. Thus, the percentage split between the first and second floors depends on whether the front porch is usable space (or returned to common space as an open porch) and whether the rear kitchen addition is included. This percentage split is necessary in determining the split between LMI and non-LMI funding sources. Assuming the rear kitchen is removed (and the second floor unit(s) remain LMI residential) and the front porch is usable for commercial space, the split is 45% LMI and 55% RDA. If the front porch is restored to an open porch, the split is 50% LMI and 50% RDA.

### B. Process

1. The Redevelopment Agency has approved the following process:
  - a) Two or more public meetings of the Planning Commission.
    - i) The Planning Commission held these meetings in April and May of 1999.
  - b) A list of alternatives would be developed as a basis for a staff report to make recommendations to a hearing before the Planning Commission on a formal application for a Certificate of Appropriateness (required by the City's Historical Resources Ordinance for Landmark buildings).
    - i) An initial list of alternatives was developed, however, additional information was requested and, therefore, this step in the process has not been completed.
  - c) Staff would prepare cost estimates for the alternatives along with financing options. Consequences of the Alternatives on the Landmark status and the Village Center project would be included in the analysis.
    - i) This report is a compilation of cost estimates and alternatives.
  - d) The application and recommendations would be formally sent to the Historical Society for official comment.
    - i) Initial plans were sent to the Historical Society, however, since additional alternatives are being considered, this step would need to be repeated if any changes were made from the original proposal.
  - e) Planning Commission would hold at least two hearings with notices to surrounding property owners, the Chamber of Commerce, the Historical Society, and homeowner associations.
  - f) The Planning Commission would take action on the Certificate of

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Appropriateness (a certificate granted by the Planning Commission for alterations, relocation, or demolition of a landmark or historical resource) that could be appealed to, or called up by, the City Council for further review.

- g) Following action on the Certificate of Appropriateness, City permits, if necessary, would be processed.
2. The Redevelopment Agency has requested additional information, including an updating of the cost estimates and the alternatives.
- C. Planning Commission Recommendations and Redevelopment Agency Approval
  1. In July of 1999, the Redevelopment Agency approved the following Planning Commission recommendations:
    - a) Retain the house in its current location;
    - b) Work with the College of Notre Dame on a lease of the first floor;
    - c) Make \$80,000 in repairs, including: repairing first floor bathroom; removing the second story rear addition and incorporating a new stairwell;
    - d) Retain the first floor for commercial use and retain the second floor for residential use as one unit; and,
    - e) Add a widow's walk railing at the top of the structure.
- D. Condition of the Building
  1. The first floor has been renovated by the current tenant to suit their needs. There is no ADA accessible entrance to the first floor.
  2. The second floor needs considerable work due to normal wear and tear of previous tenants. Thus, carpets need replacing, painting is needed throughout, and general improvements are needed to make the spaces acceptable for renting for residential uses. If used for commercial purposes, the improvements would be negotiable with potential tenants.
  3. In terms of historical condition, the building can be restored according to the City requirements, which only apply to the exterior of the building. For State or National Historical designation, there have been many modifications to the building that detract from its historical value: the front porch was enclosed; the wooden front steps, porch floor and entry floor have been replaced with cement; front porch railing was removed; side porch was removed; none of the kitchens or bathrooms retain any of the original fixtures; interior walls and doors have been removed and added; interior plaster has been replaced with sheetrock; roofing material is not original material; the fence has been removed; and many original materials have been replaced.
  4. There is considerable termite work to be done, including fumigating the building, repairing windows throughout both floors, and foundation work.
- E. Tenants
  1. The upstairs residential units are vacant and have been vacant since immediately following the purchase of the building.
  2. The College of Notre Dame is renting the first floor at the rate of \$1,500 per month. The City approved improvements made by Notre Dame at no cost to

the City. The lease expires on June 1, 2001 and is extended automatically on a month to month basis until terminated.

F. Proposals

1. The City has received an informal proposal to develop the Emmett House at the current site with the second floor designated as LMI residential unit(s). No specifics have been received and the developer has been informed that the City would not explore this proposal until after the City Council has determined a course of action for the Emmett House and the proposal fits within the Council's direction.
2. Staff has also received an informal inquiry from the College of Notre Dame for rental of the entire building. They too were informed that staff would not pursue that proposal without first getting direction from the City Council. The impacts on the LMI fund were also mentioned.

V. Issues for the Emmett House

A. Historical designation

1. Local Historical Landmark Designation

- a) Once a property has a local designation as an Historical Landmark, any plans to alter, relocate or demolish it requires a Certificate of Appropriateness from the Planning Commission following a Public Hearing. The proposed alterations must retain the original exterior appearance of the landmark and its immediate setting, including the use of compatible architecture and materials, to the maximum extent feasible.
- b) A proposal to relocate a landmark building must include certain findings and follow the procedures for the Certificate of Appropriateness by the Planning Commission. Thus, moving the building may not affect its local Landmark status.
- c) A proposal to demolish a landmark building must first follow declassification procedures, which require a Public Hearing by the City Council and the making of certain findings by the City Council.
- d) The Director of Planning may approve minor alterations which retain the essential architectural elements. Removal of the rear kitchen and stairs and repairing exterior elements would be considered a minor alteration. Interior modifications would simply require normal building permit processes.
- e) Depending on the extent of the alterations, CEQA procedures may be required. Relocating or demolishing the building does require CEQA procedures and may involve a review by the State Historic Preservation Officer. CEQA cost estimates are included in the Alternatives described below.

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- f) A locally designated historical landmark is deemed to be "eligible" for the State and National Registers and is thus able to use the State Historical Building Code (see below).
- 2. State Historical Register
  - a) The State Historical Building Code basically allows for alternatives to following current Building Codes. "Such regulations are intended to provide alternative solutions for the preservation of qualified historical buildings or properties, to provide access for persons with disabilities, to provide a cost-effective approach to preservation, and to provide for the reasonable safety of the occupants or users."
- 3. National Historic Register
  - a) As a locally designated historical landmark, a building may be eligible for Federal grants or tax incentives. However, if any Federal funds or tax incentives are used, then there are several Federal regulations that will be imposed. The Secretary of the Interior Standards for historical buildings would require restoration or repairs to the building using original materials, e.g. hardwood floors would need to be redone rather than covering with carpet.
  - b) The National Register requirements include the historical setting and thus buildings should not be moved. Recreating historical features (such as the front and side porches on the Emmett House) are not considered historical since the original material is not present.
- 4. Current Situation
  - a) The Emmett House is designated locally by the City Council as a Landmark. As such, it is deemed "eligible" for the State and National Registers and is thus able to use the State Historical Building Code; the Secretary of the Interior Standards; and, is eligible for State or Federal funding and tax breaks. This "eligibility" is not affected by being rejected for the National Register, however, it would have a very, very low priority in competition with other historical projects.
  - b) The Belmont Historical Society has provided the City with a copy of a National Historical Register application form. Staff has been informed that the application has been rejected due of the extent of the non-historical modifications to the building.
- B. LMI Issues
  - 1. Funding
    - a) The Emmett House was purchased with LMI and RDA funds. Both of the properties proposed as alternative locations were purchased with LMI funds. Thus, if the building is moved, the LMI fund will need to be repaid. The amounts of repayment are included in the Uses and Sources charts in each of the Alternatives below.
    - b) The LMI/RDA split percentage is 50%-50%.

## 2. Units

- a) The Emmett House was purchased using LMI funds and at that time there were two (2) residential units on the second floor. Thus, there must be 2 LMI units as a result of whatever is done with the Emmett House. If there are not two LMI units on the current site (or on a site not purchased with LMI funds), the units must be replaced elsewhere in the City but cannot replace other planned LMI units. The units must be replaced if the Emmett House is moved to another LMI acquired site or demolished; or if the units are converted to commercial units or market rate housing units. If the second floor is made into one unit, then one LMI unit must be added to the overall plan for LMI units in the Housing Element. If the building is moved to an LMI acquired site, then 2 new units must be added to the Housing Element.

## 3. Occupancy

- a) LMI requirements, building codes, and Fair Housing laws limit the number of tenants per unit based on the size and number of the bedroom(s). This is taken into account in estimating the potential rental income for the units.

## C. Other locations

## 1. Zoning and Downtown Plan

## a) Current Site

- i) The current site with the mix of commercial and residential units was approved by inclusion in the Downtown Plan. Two parking spaces in the adjacent parking lot are designated for use by the Emmett House residents.

## b) 1055 Sixth Ave. (across from City Hall)

- i) This site would require amending the Downtown Plan to allow for residential use on this property. Parking requirements of 2 spaces per unit may not fit on this property and would require a variance.

## c) 1000 O'Neill (across from the Beli Deli)

- i) This property is zoned for residential use and thus commercial alternatives were not considered. The parking requirements of 2 spaces per unit may take too much space if there are three units.

## D. Cost Estimates and Uses and Sources

- 1. In general, the cost estimates are difficult to make in an old building such as this. As repairs are made, additional needs may be uncovered. This is evident in the various estimates received that excluded items such as hazardous material abatement and uncovered findings. The contingency budget was previously estimated at 5.5% and this has been increased to 15%, which is a common percentage to use in this type of construction..

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2. The original contract with Frank Gonsalves, AIA, called for the following:
  - a) Development of a color pallet;
  - b) Inclusion of a "Widows Walk";
  - c) Replacement of exterior details, shutter, trim, siding, windows, etc.;
  - d) Removal of the exterior stairwell and jotting kitchen; and,
  - e) Presentation of submittal documents before the planning commission.Subsequent to that original contract scope, there have been many changes in the scope of work (including one or two upstairs units, ADA entrance, and interior improvements). In addition, staff now has a Termite Report, a Lead-based Paint report, and an Asbestos Report.
3. Since there are still numerous alternatives to be discussed, final estimates could not be made at this time without requiring significant architect costs. Thus, the costs estimates are made based on the best information available to assist in the decision making process. Once an alternative has been selected, a new architect contract will be required to design the scope of work and plans, and prepare the bid documents.
4. The cost estimates have been reviewed and include the Termite Report. An analysis has been made and has determined that the building contains lead-based paint and asbestos, however, abatement cost estimates have not been made. A demolition estimate has been received, but that also excludes costs of abatement for hazardous materials. The exterior painting estimate does not include provisions for dealing with the lead-based paint. Moving costs for the building were taken from the estimate provided by staff in 1999. The largest portion of the moving costs wouldn't be known until the building was moved and the damage (e.g. plaster) evaluated.
5. Cost estimates have been reviewed to avoid duplicate costs (e.g. the Termite report calls for foundation work that would not be needed if the building was moved and a new foundation was built).
6. A description of the cost elements in the Uses and Sources for each of the Alternatives is included in Exhibit B. Description of Construction Costs and Uses and Sources.
7. Estimates of potential revenues from rental income (commercial, LMI rental, and market rate residential rental) or from the sale of the building were not made for several reasons: the cost of an appraisal of the property was quoted in the \$2,500 to \$3,000 range; the cost of the economic analysis of the property would cost between \$3,500 and \$4,500; and, in any case, the potential rental revenues would take many years to pay off the initial Agency investment in the property. The proceeds from the sale of the property will reduce the total Agency investment but it is not expected to totally repay the Agency.

**ALTERNATIVES - GENERAL DISCUSSION**I. General:

- A. There are a great many options considering the mix of commercial, LMI residential, and market-rate residential units. The building could also house one (1) to four (4) of either commercial or residential units. There are several possible sites to consider if the building is to be moved; one would include commercial possibilities, while others would only have residential uses. Thus, the alternatives listed below are meant to provide the costs for comparison purposes and actual costs will need to wait for bid results.
- B. Market rate housing is left as a consideration if the building was sold as-is, rather than the City retaining ownership of such a property use.
- C. The only sites considered are: the current site; 1000 O'Neill (corner of O'Neill and Sixth); and, 1055 Sixth Ave. (across from Beli Deli). The old City Hall site was not included since that is a larger property purchased with LMI funds (\$1,610,080) and the Emmett House residential units would not provide the density that could be obtained on that site.
- D. Splitting the first floor into two residential units was not included at this time since it would require hiring an architect to design two kitchens, two ADA accessible entrances, and a consideration of the reconstruction of the side porch. Also, the first floor would need to be reconfigured to obtain the best possible layout (the current layout would result in 2 studio apartments). Two ADA accessible entrances to the first floor on the current site are not feasible given the limited space between the east side of the building and the east side lot line.
- E. The LMI/RDA split is 50%-50%.
- F. In splitting the necessary vs desirable improvements, it became clear that most were necessary to provide safe, rentable units and to do work that was necessary for the ongoing viability of the building (e.g. termite work). The desirable improvements are shown on the Alternative detail charts, but are not included in the Uses and Sources tables.
- G. In discussions with a local non-profit housing organization, it was confirmed that such groups would not be interested in taking over management of a separate, small number of units. Their preference is to be able to spread their management costs over many units rather than scattered sites. Thus, it is assumed that the Agency would manage the building in all alternatives except those for selling the building or demolishing it.

## H. Alternatives Not Included

1. Market Rate Housing;
  - a) This option is essentially the same as Alternative 9 Sell As-Is with no LMI requirement. There would be no reason for the City to maintain ownership of the property if it were changed to market rate housing. The LMI requirements would be the same. The City would benefit more from obtaining immediate revenue from a sale rather than having to provide ongoing maintenance.
2. Move to 1365 Fifth (Old City Hall site)
  - a) This option was not included due to the cost of this site (\$1,610,080 from LMI funds) and the size of the lot (approximately 22,000 sf). Using this site for a maximum of three LMI units would not be the highest and best use of the site.
3. Current Site, First and Second Floor Residential Units
  - a) This option was not included due to the placement of the house in a commercial area and there would be insufficient parking that could be allocated to the tenants.

**ALTERNATIVES**I. Alternative 1: Current Site, First Floor Commercial, Second Floor 1 LMI Unit

## A. General Description

1. The building would remain at the current site. The first floor would continue to be commercial space, excluding the front porch. The second floor would be a three bedroom, two bath residential unit. The rear kitchen and stairs would be removed and the door openings closed up.
2. Renovations include: sound reduction windows on the east side; and ADA accessibility modifications to the first floor.
3. This configuration is the one that has been previously recommended by the Planning Commission and approved by the Redevelopment Agency.

## B. Property Issues

1. The 60 sf portion of the lot in the parking lot should be resolved in separate negotiations with the Village Center.
2. The Emmett House was specifically included as part of the Downtown Plan and the Village Center development.

## C. Property Management

1. The property would be maintained and managed by the Agency.

## D. LMI Issues

1. One LMI unit will need to be added to the Housing Element to replace the unit being lost.

## E. Other Requirements

1. ADA requirements must be met on the first floor, including an accessible entrance, accessible unisex bathroom, and accessibility between rooms on the first floor. An accessible entrance is not required for the second floor.
2. Since there is no change in the uses for the building, CEQA is not required.

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F. Uses and Sources

1. This Alternative requires \$164,859 from LMI funds and \$185,841 from other sources, for an additional amount of \$350,700 needed.
2. The total cost per LMI unit would be \$560,610.

USES		SOURCES		
<b>Alternative 1: 1 Commercial - 1 Residential Units</b>		LMI	RDA	Non-LMI
<b>Spent</b>				
Acquisition (prior costs)	660,763	379,454	281,309	
Preplanning costs	25,256	16,297	8,959	
Subtotal	\$686,019	\$395,751	\$290,268	\$0
<b>Needed for this Option</b>				
Proceeds from Sale of Property	0			0
Repayment to LMI Fund	0	-52,741		52,741
Preconstruction Costs	81,400	50,500		30,900
Construction Costs	234,100	145,300		88,800
Other Costs	0			0
Contingencies	35,200	21,800		13,400
Subtotal	\$350,700	\$164,859	\$0	\$185,841
TOTAL	\$1,036,719	\$560,610	\$290,268	\$185,841

G. Annual Revenues and Expenses

1. The LMI unit will require the Agency paying for the utilities as they may not be passed on to the tenant.
2. Annual maintenance expenses have not been estimated. An annual budget should be made that includes a set-aside for future requirements, such as painting.
3. Revenues from renting the commercial space were not estimated. A three bedroom unit would have a maximum low-income rent of \$1,516 or \$18,192 per year. Assuming \$1,500 per month commercial rent income (based on current rate), it would take about 29 years to repay the Agency's investment.

H. Process

1. Utilizing the detailed listing of renovations and improvements (including the Termite report and the Lead-based paint and Asbestos reports), solicit bids from architects to design all of the necessary improvements, prepare new cost estimates, and prepare construction bid documents (bid documents would not be prepared until after the Certificate of Appropriateness was approved). The possible additional options should also be included. Then contract with the appropriate bidder.
2. The architect's cost estimates would be reported to the Agency and funding sources would be finalized and set aside for the project.

3. The Planning Commission would consider a Certificate of Appropriateness and if approved would forward the information to the City Council.
4. Construction bids would then be solicited; the results reported to the Agency; and the Agency would consider the award of the construction contract.

II. Alternative 2: Current Site, First Floor Commercial, Second Floor 2 LMI Units

A. General Description

1. This option is the same as Alternative 1 with two LMI units on the second floor. It requires adding a new kitchen and associated plumbing, gas, and electrical connections. The second floor would have a studio apartment and a one bedroom apartment. The rear kitchen and stairs would be removed and the door openings closed up.
2. Renovations include: sound reduction windows on the east side; and ADA accessibility modifications to the first floor.

B. Property Issues

1. The 60 sf portion of the lot in the parking lot should be resolved in separate negotiations with the Village Center.
2. The Emmett House was specifically included as part of the Downtown Plan and the Village Center development.

C. Property Management

1. The property would be maintained and managed by the Agency.

D. LMI Issues

1. None.

E. Other Requirements

1. ADA requirements must be met on the first floor, including an accessible entrance, accessible unisex bathroom, and accessibility between rooms on the first floor. An accessible entrance is not required for the second floor.
2. Since there is no change in the uses for the building, CEQA is not required.

F. Uses and Sources

1. This Alternative requires \$209,659 from LMI funds and \$185,841 from other sources, for an additional amount of \$395,500 needed.
2. The cost per LMI unit would be \$302,705.

ATTACHMENT 1

USES		SOURCES		
Alternative 2: 1 Commercial - 2 Residential Units		LMI	RDA	Non-LMI
Spent				
Acquisition (prior costs)	660,763	379,454	281,309	
Preplanning costs	25,256	16,297	8,959	
Subtotal	\$686,019	\$395,751	\$290,268	\$0
Needed for this Option				
Proceeds from Sale of Property	0			0
Repayment to LMI Fund	0	-52,741		52,741
Preconstruction Costs	91,700	60,800		30,900
Construction Costs	264,100	175,300		88,800
Other Costs	0			
Contingencies	39,700	26,300		13,400
Subtotal	\$395,500	\$209,659	\$0	\$185,841
TOTAL	\$1,081,519	\$605,410	\$290,268	\$185,841

G. Annual Revenues and Expenses

1. The LMI units will require the Agency paying for the utilities as they may not be passed on to the tenant.
2. Annual maintenance expenses have not been estimated. An annual budget should be made that includes a set-aside for future requirements, such as painting.
3. Revenues from renting the commercial space were not estimated. LMI rent from a studio and a one bedroom unit would have a maximum low-income rent of \$2,142 or \$25,704 per year. Assuming commercial rent at the current rate of \$1,500/month, it would take about 25 years to repay the Agency's investment.

H. Process

1. Utilizing the detailed listing of renovations and improvements (including the Termite report and the Lead-based paint and Asbestos reports), solicit bids from architects to design all of the necessary improvements, prepare new cost estimates, and prepare construction bid documents (bid documents would not be prepared until after the Certificate of Appropriateness was approved). The possible additional options should also be included. Then contract with the appropriate bidder.
2. The architect's cost estimates would be reported to the Agency and funding sources would be finalized and set aside for the project.
3. The Planning Commission would consider a Certificate of Appropriateness and if approved would forward the information to the City Council.
4. Construction bids would then be solicited; the results reported to the Agency; and the Agency would consider the award of the construction contract.

III. Alternative 3: Current Site, First Floor Commercial, Second Floor Commercial

A. General Description

## ATTACHMENT 1

1. The first and second floors would be rented as commercial space. The renovations to the building would only cover the termite work and the exterior repairs and painting. Tenant improvements would be negotiable with the tenant(s) and cannot be estimated at this time. Renovating the upstairs kitchen would not be required.
- B. Property Issues
1. The 60 sf portion of the lot in the parking lot should be resolved in separate negotiations with the Village Center.
  2. The Emmett House was specifically included as part of the Downtown Plan and the Village Center development.
- C. Property Management
1. This Alternative assumes that the Agency would retain ownership and would manage the building or contract with a property management firm. See Alternatives 8 and 9 for selling the building options.
- D. LMI Issues
1. Two new LMI units would need to be added to the Housing Element.
  2. LMI funds already spent on the building would need to be repaid from another source.
- E. Other Requirements
1. ADA requirements must be met on the first floor, including an accessible entrance, accessible unisex bathroom, and accessibility between rooms on the first floor. An accessible entrance is not required for the second floor.
  2. CEQA review would be required for a change in the use of the building, however, removing the residential use would make the building more compatible with the adjacent properties.
- F. Uses and Sources
1. This Alternative requires \$631,451 from other sources and would repay \$395,751 to the LMI fund. The work on the building would require an additional \$235,700.

ATTACHMENT 1

USES		SOURCES		
<b>Alternative 3: 2 Commercial Units</b>		LMI	RDA	Non-LMI
<b>Spent</b>				
Acquisition (prior costs)	660,763	379,454	281,309	
Preplanning costs	25,256	16,297	8,959	
Subtotal	<u>\$686,019</u>	<u>\$395,751</u>	<u>\$290,268</u>	<u>\$0</u>
<b>Needed for this Option</b>				
Proceeds from Sale of Property	0			0
Repayment to LMI Fund	0	-395,751		395,751
Preconstruction Costs	51,600			51,600
Construction Costs	147,000			147,000
Other Costs	15,000			15,000
Contingencies	22,100			22,100
Subtotal	<u>\$235,700</u>	<u>-\$395,751</u>	<u>\$0</u>	<u>\$631,451</u>
TOTAL	<u>\$921,719</u>	<u>\$0</u>	<u>\$290,268</u>	<u>\$631,451</u>

G. Annual Revenues and Expenses

1. Annual maintenance expenses have not been estimated. An annual budget should be made that includes a set-aside for future requirements, such as painting.
2. Revenues from the commercial rents were not estimated.

H. Process

1. The Planning Commission would consider a Certificate of Appropriateness and if approved would forward the information to the City Council.
2. Construction bid documents would be prepared to include only the designated work plus the termite and ADA work. The possible additional options should also be included (e.g. front porch restoration).
3. Construction bids would then be solicited; the results reported to the Agency; and the Agency would consider the award of the construction contract.

IV. Alternative 4: 1000 O'Neill, First Floor 1 LMI Unit, Second Floor 1 LMI Unit

A. General Description

1. This alternative moves the building to 1000 O'Neill (across from the Beli Deli). There would be one LMI unit per floor and would require adding a kitchen to the first floor. The first floor would be a one bedroom, two bathroom unit. The second floor would be a three bedroom, two bathroom unit.
2. Moving the building will require a new foundation, repair to the plaster walls, and replacing plumbing, gas, and electric lines.
3. The estimates do not include restoring the front or side porches.

- B. Property Issues
  - 1. The property is zoned residential and the lot size (19,750 sf) includes the creek. Plans would be needed to determine how to place the house considering set-back requirements, restoring the side porch (including ADA accessibility), and providing 2 garage spaces per unit.
  - 2. The 60 sf should be resolved as part of the sale of the property.
- C. Property Management
  - 1. The Agency would manage the building.
- D. LMI Issues
  - 1. Two LMI units would need to be added to the Housing Element. If the Housing Element indicated for this property more LMI units than the units in the Emmett House, the difference would also need to be added to the Housing Element.
  - 2. The LMI costs on the current site, less the costs attributable to the building, must be repaid to the LMI fund.
- E. Other Requirements
  - 1. ADA requirements must be met on the first floor, including an accessible entrance, accessible unisex bathroom, and accessibility between rooms on the first floor. An accessible entrance is not required for the second floor.
  - 2. An Environmental Impact report would be required and the costs are included in the Uses and Sources.
- F. Uses and Sources
  - 1. This Alternative requires an additional \$886,370 from LMI funds and \$58,030 from the RDA, for an additional amount of \$944,400 needed.
  - 2. The proceeds from the sale of the property would be split 50%-50% LMI and RDA and then RDA would repay the LMI fund the \$58,030 from the RDA share of the proceeds.
  - 3. The cost per LMI unit would be \$670,210 (assuming the current property sold for \$500,000).

ATTACHMENT 1

USES		SOURCES		
Alternative 4 - 1000 O'Neill - 2 Residential Units		LMI	RDA	Non-LMI
Spent				
Acquisition (prior costs)	870,763	589,454	281,309	
Preplanning costs	25,256	16,297	8,959	
Subtotal	\$896,019	\$605,751	\$290,268	\$0
Needed for this Option				
Proceeds from Sale of Property	na	na	Na	
Repayment to LMI Fund	0	-58,030	58,030	
Preconstruction Costs	203,200	203,200		
Construction Costs	592,300	592,300		
Other Costs	60,000	60,000		
Contingencies	88,900	88,900		
Subtotal	\$944,400	\$886,370	\$58,030	\$0
TOTAL	\$1,840,419	\$1,492,121	\$348,298	\$0

G. Annual Revenues and Expenses

1. The LMI units will require the Agency paying for the utilities as they may not be passed on to the tenant.
2. Annual maintenance expenses have not been estimated. An annual budget should be made that includes a set-aside for future requirements, such as painting.
3. Revenues from the two units would be \$2,609 per month or \$31,308 per year. If the current property was sold for \$500,000, it would take about 43 years to pay off the Agency investment in the project.

H. Process

1. Utilizing the detailed listing of renovations and improvements (including the Termite report and the Lead-based paint and Asbestos reports), solicit bids from architects to design all of the necessary improvements, prepare new cost estimates, and prepare construction bid documents (bid documents would not be prepared until after the Certificate of Appropriateness was approved). The possible additional options should also be included. Then contract with the appropriate bidder.
2. The architect's cost estimates would be reported to the Agency and funding sources would be identified and set aside for the project.
3. The Planning Commission would hold a hearing on this alternative (including surrounding property owners) and would seek a formal response from Historical Society.
4. The Planning Commission would consider a Certificate of Appropriateness and if approved would forward the information to the City Council.
5. Construction bids would then be solicited; results reported to the Agency; and the Agency would consider the award of the construction contract.

V. Alternative 5: 1000 O'Neill, First Floor 1 LMI Unit, Second Floor 2 LMI Units

A. General Description

## ATTACHMENT 1

1. This alternative moves the building to 1000 O'Neill (across from the Beli Deli). There would be three LMI units and would require adding two kitchens. The first floor would be a one bedroom, two bathroom unit. The second floor would have a studio apartment and a one bedroom apartment.
  2. Moving the building will require a new foundation, repair to the plaster walls, and replacing plumbing, gas, and electric lines.
  3. The estimates do not include restoring the front or side porches.
- B. Property Issues
1. The property is zoned residential and the lot size (19,750 sf) includes the creek. Plans would be needed to determine how to place the house considering set-back requirements, restoring the side porch (including ADA accessibility), and providing 2 garage spaces per unit.
  2. The 60 sf should be resolved as part of the sale of the property.
- C. Property Management
1. The Agency would manage the building.
- D. LMI Issues
1. Two LMI units would need to be added to the Housing Element. If the Housing Element indicated for this property more LMI units than the units in the Emmett House, the difference would also need to be added to the Housing Element.
  2. The LMI costs on the current site, less the costs attributable to the building, must be repaid to the LMI fund.
- E. Other Requirements
1. ADA requirements must be met on the first floor, including an accessible entrance, bathroom, and kitchen. Accessibility between rooms on the first floor must also be provided. An accessible entrance is not required for the second floor.
  2. An Environmental Impact report would be required and the costs are included in the Uses and Sources.
- F. Uses and Sources
1. This Alternative requires an additional \$946,970 from LMI funds and \$58,030 from the RDA, for an additional amount of \$1,005,000 needed.
  2. The proceeds from the sale of the property would be split 50%-50% LMI and RDA and then RDA would repay the LMI fund the \$58,030 from the RDA share of the proceeds.
  3. The cost per LMI unit would be \$467,006 (assuming the current property sold for \$500,000).

ATTACHMENT 1

USES		SOURCES		
Alternative 5 - 1000 O'Neill - 3 Residential Units		LMI	RDA	Non-LMI
Spent				
Acquisition (prior costs)	870,763	589,454	281,309	
Preplanning costs	25,256	16,297	8,959	
Subtotal	\$896,019	\$605,751	\$290,268	\$0
Needed for this Option				
Proceeds from Sale of Property	na	na	Na	
Repayment to LMI Fund	0	-58,030	58,030	
Preconstruction Costs	217,300	217,300		
Construction Costs	632,700	632,700		
Other Costs	60,000	60,000		
Contingencies	95,000	95,000		
Subtotal	\$1,005,000	\$946,970	\$58,030	\$0
TOTAL	\$1,901,019	\$1,552,721	\$348,298	\$0

G. Annual Revenues and Expenses

1. The LMI units will require the Agency paying for the utilities as they may not be passed on to the tenant.
2. Annual maintenance expenses have not been estimated. An annual budget should be made that includes a set-aside for future requirements, such as painting.
3. Revenues from the three units would be \$3,235 per month or \$38,820 per year. If the current property was sold for \$500,000, it would take about 36 years to pay off the Agency investment in the project.

H. Process

1. Utilizing the detailed listing of renovations and improvements (including the Termite report and the Lead-based paint and Asbestos reports), solicit bids from architects to design all of the necessary improvements, prepare new cost estimates, and prepare construction bid documents (bid documents would not be prepared until after the Certificate of Appropriateness was approved). The possible additional options should also be included. Then contract with the appropriate bidder.
2. The architect's cost estimates would be reported to the Agency and funding sources would be identified and set aside for the project.
3. The Planning Commission would hold a hearing on this alternative (including surrounding property owners) and would seek a formal response from Historical Society.
4. The Planning Commission would consider a Certificate of Appropriateness and if approved would forward the information to the City Council.
5. Construction bids would then be solicited; results reported to the Agency; and the Agency would consider the award of the construction contract.

VI. Alternative 6: 1055 Sixth, First Floor 1 LMI Unit, Second Floor 1 LMI Unit

A. General Description

## ATTACHMENT 1

1. This alternative moves the building to 1055 Sixth (across from City Hall and Safeway). There would be two LMI units and would require adding a kitchen on the first floor. The first floor would be a one bedroom, two bathroom unit. The second floor would be a three bedroom, two bathroom apartment.
  2. Moving the building will require a new foundation, repair to the plaster walls, and replacing plumbing, gas, and electric lines. The asphalt parking lot would also need to be removed and the cost is included in the estimates.
  3. The estimates do not include restoring the front porch.
  4. The lot size at 1055 Sixth is only 18 sf larger than the current site of the house. Thus, there would be no room for off street garages nor for the restoration of the side porch. Most, if not all of the trees would need to be removed.
- B. Property Issues
1. The property is zoned commercial and would require a change in the Downtown Plan.
  2. The 60 sf should be resolved as part of the sale of the current site.
- C. Property Management
1. The Agency would manage the building.
- D. LMI Issues
1. Two LMI units would need to be added to the Housing Element. If the Housing Element indicated for this property more LMI units than the units in the Emmett House, the difference would also need to be added to the Housing Element.
  2. The LMI costs on the current site, less the costs attributable to the building, must be repaid to the LMI fund.
- E. Other Requirements
1. ADA requirements must be met on the first floor, including an accessible entrance, bathroom, and kitchen. Accessibility between rooms on the first floor must also be provided. An accessible entrance is not required for the second floor.
  2. An Environmental Impact report would be required and the costs are included in the Uses and Sources.
  3. City requirements for off-street parking could not be met and would impact the surrounding businesses.
- F. Uses and Sources
1. This Alternative requires an additional \$874,670 from LMI funds and \$58,030 from the RDA, for an additional amount of \$932,700 needed.
  2. The proceeds from the sale of the property would be split 50%-50% LMI and RDA and then RDA would repay the LMI fund the \$58,030 from the RDA share of the proceeds.

ATTACHMENT 1

- The cost per LMI unit would be \$757,860 (assuming the current property sold for \$500,000).

USES		SOURCES		
Alternative 6 - 1055 Sixth - 2 Residential Units		LMI	RDA	Non-LMI
Spent				
Acquisition (prior costs)	1,057,763	776,454	281,309	
Preplanning costs	25,256	16,297	8,959	
Subtotal	\$1,083,019	\$792,751	\$290,268	\$0
Needed for this Option				
Proceeds from Sale of Property	na	na	Na	
Repayment to LMI Fund	0	-58,030	58,030	
Preconstruction Costs	200,500	200,500		
Construction Costs	584,500	584,500		
Other Costs	60,000	60,000		
Contingencies	87,700	87,700		
Subtotal	\$932,700	\$874,670	\$58,030	\$0
TOTAL	\$2,015,719	\$1,667,421	\$348,298	\$0

G. Annual Revenues and Expenses

- The LMI units will require the Agency paying for the utilities as they may not be passed on to the tenant.
- Annual maintenance expenses have not been estimated. An annual budget should be made that includes a set-aside for future requirements, such as painting.
- Revenues from the three units would be \$2,609 per month or \$31,308 per year. If the current property was sold for \$500,000, it would take about 48 years to pay off the Agency investment in the project.

H. Process

- Utilizing the detailed listing of renovations and improvements (including the Termite report and the Lead-based paint and Asbestos reports), solicit bids from architects to design all of the necessary improvements, prepare new cost estimates, and prepare construction bid documents (bid documents would not be prepared until after the Certificate of Appropriateness was approved). The possible additional options should also be included. Then contract with the appropriate bidder.
- The architect's cost estimates would be reported to the Agency and funding sources would be identified and set aside for the project.
- The Planning Commission would hold a hearing on this alternative (including surrounding property owners) and would seek a formal response from Historical Society.
- The Planning Commission would consider a Certificate of Appropriateness and if approved would forward the information to the City Council.
- Construction bids would then be solicited; the results reported to the Agency; and the Agency would consider the award of the construction

contract.

VII. Alternative 7: 1055 Sixth, First Floor 1 LMI Unit, Second Floor 2 LMI Units

A. General Description

1. This alternative moves the building to 1055 Sixth (across from City Hall and Safeway). There would be three LMI units and would require adding two kitchens. The first floor would be a one bedroom, two bathroom unit. The second floor would have a studio apartment and a one bedroom apartment.
2. Moving the building will require a new foundation, repair to the plaster walls, and replacing plumbing, gas, and electric lines. The asphalt parking lot would also need to be removed and the cost is included in the estimates.
3. The estimates do not include restoring the front porch.
4. The lot size at 1055 Sixth is only 18 sf larger than the current site of the house. Thus, there would be no room for off street garages nor for the restoration of the side porch. Most, if not all of the trees would need to be removed.

B. Property Issues

1. The property is zoned commercial and would require a change in the Downtown Plan.
2. The 60 sf should be resolved as part of the sale of the current site.

C. Property Management

1. The Agency would manage the building.

D. LMI Issues

1. Two LMI units would need to be added to the Housing Element. If the Housing Element indicated for this property more LMI units than the units in the Emmett House, the difference would also need to be added to the Housing Element.
2. The LMI costs on the current site, less the costs attributable to the building, must be repaid to the LMI fund.

E. Other Requirements

1. ADA requirements must be met on the first floor, including an accessible entrance, bathroom, and kitchen. Accessibility between rooms on the first floor must also be provided. An accessible entrance is not required for the second floor.
2. An Environmental Impact report would be required and the costs are included in the Uses and Sources.
3. City requirements for off-street parking could not be met and would impact the surrounding businesses.

F. Uses and Sources

1. This Alternative requires an additional \$919,570 from LMI funds and \$58,030 from the RDA, for an additional amount of \$977,600 needed.
2. The proceeds from the sale of the property would be split 50%-50% LMI and RDA and then RDA would repay the LMI fund the \$58,030 from the RDA share of the proceeds.

3. The cost per LMI unit would be \$520,206 (assuming the current property sold for \$500,000).

USES		SOURCES		
Alternative 7 - 1055 Sixth - 3 Residential Units		LMI	RDA	Non-LMI
Spent				
Acquisition (prior costs)	1,057,763	776,454	281,309	
Preplanning costs	25,256	16,297	8,959	
Subtotal	\$1,083,019	\$792,751	\$290,268	\$0
Needed for this Option				
Proceeds from Sale of Property	na	na	Na	
Repayment to LMI Fund	0	-58,030	58,030	
Preconstruction Costs	210,900	210,900		
Construction Costs	614,500	614,500		
Other Costs	60,000	60,000		
Contingencies	92,200	92,200		
Subtotal	\$977,600	\$919,570	\$58,030	\$0
TOTAL	\$2,060,619	\$1,712,321	\$348,298	\$0

G. Annual Revenues and Expenses

1. The LMI units will require the Agency paying for the utilities as they may not be passed on to the tenant.
2. Annual maintenance expenses have not been estimated. An annual budget should be made that includes a set-aside for future requirements, such as painting.
3. Revenues from the three units would be \$3,235 per month or \$38,820 per year. If the current property was sold for \$500,000, it would take about 40 years to pay off the Agency investment in the project.

H. Process

1. Utilizing the detailed listing of renovations and improvements (including the Termite report and the Lead-based paint and Asbestos reports), solicit bids from architects to design all of the necessary improvements, prepare new cost estimates, and prepare construction bid documents (bid documents would not be prepared until after the Certificate of Appropriateness was approved). The possible additional options should also be included. Then contract with the appropriate bidder.
2. The architect's cost estimates would be reported to the Agency and funding sources would be identified and set aside for the project.

ATTACHMENT 1

3. The Planning Commission would hold a hearing on this alternative (including surrounding property owners) and would seek a formal response from Historical Society.
4. The Planning Commission would consider a Certificate of Appropriateness and if approved would forward the information to the City Council.
5. Construction bids would then be solicited; the results reported to the Agency; and the Agency would consider the award of the construction contract.

VIII. Alternative 8: Sell As-Is, Retaining Historical Designation and LMI Units

- A. General Description
  1. The Emmett House and property would be sold as-is, the Landmark designation would remain in effect, and the new owner would be required to provide two LMI units.
- B. Property Issues
  1. The 60 sf should be resolved as part of the sale of the site.
- C. Property Management
  1. The new owner would be responsible for maintenance.
- D. LMI Issues
  1. A repayment to the LMI fund would be required for costs split other than 50%-50% LMI and non-LMI.
- E. Other Requirements
  1. ADA requirements must be met on the first floor, including an accessible entrance, bathroom, and kitchen. Accessibility between rooms on the first floor must also be provided. An accessible entrance is not required for the second floor.
  2. Since the uses would not change, the new owner would only need to obtain a Certificate of Appropriateness from the Planning Commission for proposed renovations.
- F. Uses and Sources
  1. This Alternative requires a \$52,741 repayment to the LMI fund.
  2. The proceeds from the sale of the property would be split 50%-50% LMI and RDA and then RDA would repay the LMI fund the \$52,741 from the RDA share of the proceeds, however, the sales price is unknown considering the requirement for the LMI units and the local Historical requirements.
  3. The LMI cost per unit would be \$171,505 plus any additional subsidy that may be required.

ATTACHMENT 1

USES		SOURCES		
<b>Alternative 8 - Sell As-Is (2 LMI units)</b>		LMI	RDA	Non-LMI
<b>Spent</b>				
Acquisition (prior costs)	660,763	379,454	281,309	
Preplanning costs	25,256	16,297	8,959	
Subtotal	<u>\$686,019</u>	<u>\$395,751</u>	<u>\$290,268</u>	<u>\$0</u>
<b>Needed for this Option</b>				
Proceeds from Sale of Property	na	na	Na	na
Repayment to LMI Fund	0	-52,741	52,741	
Preconstruction Costs	0			
Construction Costs	0			
Other Costs	0			
Contingencies	0			
Subtotal	<u>\$0</u>	<u>-\$52,741</u>	<u>\$52,741</u>	<u>\$0</u>
TOTAL	<u>\$686,019</u>	<u>\$343,010</u>	<u>\$343,009</u>	<u>\$0</u>

G. Annual Revenues and Expenses

1. There would be no ongoing revenues or expenses for the Agency.

H. Process

1. Offer the property for sale with the Historical and LMI requirements.

IX. Alternative 9: Sell As-Is, with no LMI requirements.

A. General Description

1. The property would be sold with no LMI requirements attached to the sale. The Historical requirements would remain.

B. Property Issues

1. The 60 sf should be resolved as part of the sale of the site.

C. Property Management

1. The new owner would be responsible for maintenance.

D. LMI Issues

1. A repayment to the LMI fund would be required for LMI expenditures at this site.

E. Other Requirements

1. ADA requirements must be met on the first floor, including an accessible entrance, bathroom, and kitchen. Accessibility between rooms on the first floor must also be provided. An accessible entrance is not required for the second floor.
2. The new owner would need to obtain a Certificate of Appropriateness from the Planning Commission for proposed renovations. The CEQA process would be required if the use of the building was changed.

ATTACHMENT 1

F. Uses and Sources

1. The proceeds from the sale of the property would be split 50%-50% between the LMI fund and the RDA. The RDA would need to repay the LMI fund the \$65,369 from the RDA share of the split.

USES		SOURCES		
<b>Alternative 9 - Sell As-Is (no LMI units)</b>		LMI	RDA	Non-LMI
<b>Spent</b>				
Acquisition (prior costs)	660,763	379,454	281,309	
Preplanning costs	25,256	16,297	8,959	
Subtotal	\$686,019	\$395,751	\$290,268	\$0
<b>Needed for this Option</b>				
Proceeds from Sale of Property	0	0		0
Repayment to LMI Fund	0	-65,369	65,369	
Preconstruction Costs	0			
Construction Costs	0			
Other Costs	0			
Contingencies	0			
Subtotal	\$0	-\$65,369	\$65,369	\$0
TOTAL	\$686,019	\$330,382	\$355,637	\$0

G. Annual Revenues and Expenses

1. There would be no ongoing revenues or expenses for the Agency.

H. Process

1. Offer the property for sale with the Historical requirements.

X. Alternative 10: Demolition

A. General Description

1. The property would be demolished and the land cleared.

B. Property Issues

1. The 60 sf would need to be resolved along with the sale of the property.

C. Property Management

1. None for the Agency.

D. LMI Issues

1. The two LMI units would need to be added to the Housing Element.
2. The LMI expenditures for the property would need to be repaid to the LMI fund.

E. Other Requirements

1. The Planning Commission and the City Council would need to declassify the building as an historical Landmark.
2. Demolition may require review by the State Historical Preservation Office.

F. Uses and Sources

1. The proceeds from the sale of the property would be split 50%-50% between the LMI fund and the RDA. The RDA would need to repay the LMI fund the \$65,369 from the RDA share of the split.
2. The LMI fund would need to be repaid \$65,369 plus 50% of the sales proceeds. The RDA would need an additional \$110,610 for the demolition contract and the CEQA requirements.

USES		SOURCES		
<b>Alternative 10 - Demolition</b>		LMI	RDA	Non-LMI
<b>Spent</b>				
Acquisition (prior costs)	660,763	379,454	281,309	
Preplanning costs	25,256	16,297	8,959	
Subtotal	\$686,019	\$395,751	\$290,268	\$0
<b>Needed for this Option</b>				
Proceeds from Sale of Property	na	na	Na	
Repayment to LMI Fund	0	-65,369	65,369	
Preconstruction Costs	500		500	
Construction Costs	34,810		34,810	
Other Costs	70,000		70,000	
Contingencies	5,300		5,300	
Subtotal	\$110,610	-\$65,369	\$175,979	\$0
TOTAL	\$796,629	-\$330,382	\$466,247	\$0

G. Annual Revenues and Expenses

1. None.

H. Process General

1. The building must be declassified as an historical landmark following a Public Hearing before the City Council.
2. CEQA requirements, including an EIR, must be completed.
3. Bids for demolition would be sought and a contract awarded.
4. Following clean up of the site, the parcel would be sold.

**FISCAL IMPACT SUMMARY**

I. Sources and Uses

- A. The Uses and Sources tables for each of the Alternatives shows the costs spent to date by funding source and the amounts estimated to complete each of the alternatives.

II. Economic Analysis

- A. An economic analysis was not conducted due to the estimated cost of the analysis ranging from \$3,500 to \$5,000.

III. Funding Sources

- A. The LMI fund is restricted to LMI uses.
- B. The non-LMI sources include the RDA fund, however, projects currently proposed for the RDA fund surpass the amounts available.
- C. There are no other funds available in the City budget for this project.
- D. There are possibilities for grant funds, however, the grants will come with a significant amount of additional requirements that will increase the costs to the extent that the new costs may also increase the City's/Agency's share of the costs. The National Register rejection may also eliminate the potential for historical restoration grants, but this has not been researched. The house could be eligible for HUD type housing grants or loans for low/moderate income housing, however, the additional requirements will increase the costs.

IV. Summary of Fiscal Analysis of Each Alternative

- A. The following is a summary of the current funding needs for each of the alternatives (these amounts DO NOT include costs associated with: Lead-based paint or Asbestos mitigation; or with diversion of construction/demolition waste):

SUMMARY of CURRENT NEEDS	USES	SOURCES		
		LMI	RDA	Non-LMI
Alt 1: 1 Commercial - 1 Residential	\$350,700	\$164,859	\$0	\$185,841
Alt 2: 1 Commercial - 2 Residential	\$395,500	\$209,659	\$0	\$185,841
Alt 3: 2 Commercial Units	\$235,700	-\$395,751	\$0	\$631,451
Alt 4 - 1000 O'Neill - 2 Residential*	\$944,400	\$886,370	\$58,030	\$0
Alt 5 - 1000 O'Neill - 3 Residential*	\$1,005,000	\$946,970	\$58,030	\$0
Alt 6 - 1055 Sixth - 2 Residential*	\$932,700	\$874,670	\$58,030	\$0
Alt 7 - 1055 Sixth - 3 Residential*	\$977,600	\$919,570	\$58,030	\$0
Alt 8 - Sell As-Is (2 LMI units)*	\$0	-\$52,741	\$52,741	\$0
Alt 9 - Sell As-Is (no LMI units)*	\$0	-\$65,369	\$65,369	\$0
Alt 10 – Demolition*	\$110,610	-\$65,369	\$65,369	\$0

\* Amounts needed will be offset by the proceeds from the sale of the current property (50% to LMI and 50% to RDA)

**EXHIBITS**

- A. Alternatives 1 through 10
- B. Description of Construction Costs and Uses and Sources
- C. Property Acquisition Costs
- D. Preplanning Costs to Date
- E. Lot and Building Square Footage
- F. Net Revenues from Sale of Property and Repayments to LMI Fund

**MAPS:**

- 1. Outline of Emmett House Property Sold to Village Center
- 2. Outline of Remaining Emmett House Property (less 60 sf in Parking Lot)