



January 16, 2020

Frank Kasimov, Housing Program Specialist
City of Santa Rosa
Housing and Community Services
90 Santa Rosa Avenue
Santa Rosa, CA 95404

Re: 3 W. 3rd Street Affordable Family Housing Project

Dear Frank:

I am writing to provide a brief project update to our affordable family proposal submitted in response to the City of Santa Rosa's NOFA dated August 8, 2019. As we discussed, the project team believes there are significant benefits to relocating the non-residential uses from the Plant 5 parcel to the residential building on the Cannery site. Our architects have completed a feasibility study indicating that this concept is achievable, and anticipated benefits to the overall project include both lower project costs and also the preservation of the Plant 5 parcel for a more intensive housing use as envisioned by the City's Downtown Station Area Specific Plan.

The revised plan will simplify the project design, allowing for an earlier SB35 submittal. SB35 went into effect on January 1, 2018 and created a streamlined ministerial review process for certain residential developments, rather than the City's traditional discretionary entitlement process. While the City's SB35 entitlement submittal requires a significant level of design work, beyond that which is required under a more traditional entitlement process, assuming no unforeseen issues, our architects indicate that the single building design will allow us to submit an SB35 application in mid-May of this year. Please see the attached predevelopment budget required for this submittal, and which is to be funded by the predevelopment loan we hope will be secured for this project.

We are excited by the prospect of this more efficient design and will share the updated plans as they are available.

Sincerely,

Don Lusty
Director of Development

Santa Rosa Cannery
Affordable Housing Project
SB 35 Entitlement Budget
1/16/2020

| Month 2020 | Engineering (Civil/Structural/ MEP) | | | | | Legal | Financial Consultant | Updated Due Diligence Reports | NEPA | Application Fee | Contingency |
|---------------------------|---|---------------|--------------------------|---------------------------|----------|---------|-------------------------|-------------------------------------|---------|------------------|-------------|
| | Architecture Note 1 | MEP Note 2 | Landscape Arch Note 3 | Development Consultant | | | | | | | |
| January | 30,000 | 16,500 | 8,250 | 2,500 | | | 3,750 | | | | |
| February | 40,000 | 22,000 | 11,000 | 2,500 | | | 3,750 | | | | |
| March | 40,000 | 22,000 | 11,000 | 2,500 | 5,000 | | 6,000 | | | 1,815 | |
| April | 50,000 | 27,500 | 13,750 | 2,500 | 5,000 | 1,500 | 6,000 | 1,667 | | 1,815 | |
| May | 20,000 | 11,000 | 5,500 | 2,500 | 5,000 | 1,500 | 5,250 | 1,667 | | 1,815 | |
| June | 20,000 | 11,000 | 5,500 | 2,500 | 5,000 | 1,500 | 5,250 | 1,667 | 3,239 | 1,815 | |
| Totals | \$200,000 | \$110,000 | \$55,000 | \$15,000 | \$20,000 | \$4,500 | \$30,000 | \$5,000 | \$3,239 | \$7,261 | |
| Total SB 35 Budget | | | | | | | | | | \$450,000 | |

- Notes**
- (1) Includes schematic design documents, and design development level drawings required by the City's SB 35 process such as 1/2" wall sections, dimensioned elevations identifying materials and location of rooftop mechanical equipment, and building cross-sections, etc.
 - (2) Civil Engineer fees include detailed site information, lot line adjustment, West Street extension, and creekside setback information.
 - (3) Landscape plans include final planting plan and plant materials