From:	Hank Baker
To:	Ian Sobieski; Steven Woodside; Joan Cox; Jill Hoffman; Melissa Blaustein
Cc:	City Clerk; Chris Zapata
Subject:	[EXTERNAL] Council Meeting 2/25 - Business Item 1A
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Council Members:

Based on 40 years of actually developing over 15,000 residential units, 20% of which were affordable, I wish to make the following observations:

1) Each new MARKET RATE residential unit that you choose to up-zone a property adds approximately $250,000 in land value to that property.

As an example, up-zoning the Alta Mira Hotel property to 50 units with added state incentives could become 100 residential units - some 35% of which will be designated as affordable - 65 market rate units create an added land value of some $16 million. Besides encouraging a building well out of scale with surrounding neighborhood and challenging the capacity of the existing and un-expandable surrounding roads, you are handing a very large gift to a very experienced and well funded property owner. <u>If approved, the units will be built - probably in the form of a 5 story building in the property's parking lot!</u>

If you choose to approve any added capacity to any existing property, is there a way that the City can share in the added value that the Council decisions created?

2) The financing that is available to produce affordable housing is limited and allocated annually across the State with the counties of Marin, Sonoma, Napa and three other counties <u>sharing in 4.4% of the total</u> available funds. A very relevant example is the 100% affordable project proposed at San Quentin. Two experienced developers, one non-profit and one for profit, are struggling to make that project feasible WITH FREE LAND. The chances of Sausalito receiving even a small allocation of State affordable housing funds is very limited.

3) Designating any property with existing buildings only adds to the infeasibility of a project as the value of the building that will be demolished needs to accounted for in land value increasing the overall cost of the project. (and the State Housing folks are will aware of this)

One and Three Harbor Dr are great examples. These building have value that will be eliminated with the removal of the building adding to any land cost for a new residential project. Leaving the buildings and only building housing in the parking lots has several large roadblocks primarily that the present loan on the property surely will not permit additional development at the expense of parking and building structured parking for the office and the residential and then building on top of the parking structure is, well, a significant feat and cost.

4) Finally, the re-visioning of Sausalito's northern waterfront could both insure the permanence and expansion of the present historical uses AS WELL AS create a wonderful new Sausalito mixed use neighborhood of new industrial and creative spaces along with resident serving retail and housing - affordable, market rate, rental, for-sale, senior, live work and more. The creative use of EFID's (Enhanced Infrastructure Improvement District) could be used to pay for much of the public improvements including streets, utilities, flood control, remediation and even affordable housing.

Sadly there have been a number of failed attempts to proactively address the Northern Waterfront including the 2008 WAM Report (17 years ago) , a community labor of love that was shelved the day it was presented. Maybe we can try again before forces outside of our control design and build it for us.

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