

Arcadia Development Co.

1115 Coleman Avenue • San Jose, CA 95110 • (408) 286-4440
Mailing Address: Box 5368, San Jose, CA 95150

May 10, 2007

Vice Mayor Dave Cortese
City of San Jose
200 E. Santa Clara Street
San Jose, Ca 95113

Hand delivery

Re: Arcadia continued participation in EEHV

Dear Dave,

I believe it is necessary to bring to your attention that there are certain matters that make Arcadia's participation to be problematical, and this letter is an attempt to make you aware of them and address them.

- 1) Arcadia's requirement to meet the City's 20% affordable housing units mandate shall be satisfied by the construction of 375 units of senior rental housing, in a minimum of 2 phases. We have yet to determine the economic viability of this housing type and what effect the RDA requirements would have on its operations. The timing of the development of these senior rental units shall be at the discretion of Arcadia, and therefore not required to be combined with any other PD Permit for the development of the other components of the Arcadia project, as approved by a PD Zoning and/or Development Agreement.
- 2) With regard to the mixture of rental versus ownership housing, Arcadia shall have the right to determine said mix, including the provision for 100% rental. However to facilitate the potential for the future conversion of rental housing to ownership housing, Arcadia will have an approved Tentative Condominium Map on each phase of residential development, and, if economically feasible, the units will be constructed in a manner to allow the conversion to ownership housing.
- 3) Arcadia may develop single family attached or multi family attached units adjacent to the westerly edge of the site, so long as the new buildings immediately adjacent to single family homes do not exceed two stories in height and have setbacks commensurate with the single family interface.
- 4) In addition to the maximum 200,000 sq ft of Retail/Commercial, the Policy shall allow a maximum of 50,000 sq ft of Office uses, including both professional and medical offices.
- 5) Arcadia will have no obligation to dedicate 4.7 acres of land for the Community Center in advance of the approval of the first PD Permit for the Arcadia site. This 4.7 acres shall be the total dedication by Arcadia for school/park/community facilities. Section 4.03 of the

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Draft Funding Agreement is **not** acceptable as written in that it does not stipulate the maximum dedication of 4.7 acres. Additionally, inconsistencies between this Section and the EDP must be eliminated and/or conform to the language of Section 4.03 as it shall be changed.

- 6) As Arcadia will be seeking a Master PD permit on its entire property, it is totally impracticable to have \$38,250,000 payable upon the granting of that permit. This sum shall be paid proportionally upon the issuance of residential building permits.

Very truly yours,

Arcadia Development Co.



Eli Reinhard, President

Cc: Laurel Prevetti ✓
Deputy Director
Planning, Building Code & Enforcement

Developer group