



Response to
“A Declaration Regarding the CI 2025 Vision Plan”
March 17, 2015

Declaration 1: While developing the Plan, the Site Authority failed to take into account representations previously made to University Glen home purchasers, and neglected to seek input from the stakeholders most impacted by the Plan;

Response to Declaration 1: The CI 2025 project was undertaken to develop a comprehensive plan to address the long-term needs of the University. Although it was recognized that University Glen Phase 2A/2B required completion, the recommendation of an alternate development plan did not emerge until well into the project after information gathering had taken place and studies and analyses had been completed.

The University is committed to listening to the sentiments of homeowners. However, it should be noted that each homebuyer was notified that changes in the build-out plan might occur as reflected in Sections 14.5 and 14.5 (a) of the Phase I “Home Purchase Contract and Escrow Instructions.” Those sections read:

14.5 Changes in Development Plan. The residential real estate market continually fluctuates due to changes in economic, social and political conditions, which directly and indirectly affect the supply of and demand for housing. As a result, the development plan for University Glen and home prices, as well as the terms and conditions of sale, are subject to change. In light of the foregoing:

14.5 (a) Seller reserves the right, at any time prior to or after the close of escrow for the sale of the Home and without notice, (i) to increase or decrease the sale price, adjust incentives and/or otherwise adjust the terms and conditions of sale for other units in the development, and (ii) change the size, location, elevation, design or type of homes constructed in current or future phases of development.

In addition, the ground sublease executed upon close of escrow provides this information.

Should concept approval be granted by the Board of Trustees, discussions will resume and will include University Glen residents.

Declaration 2: The “Future of University Glen” described in the Plan is not only contrary to the original mixed residential community concept as described and agreed to by University Glen residents and the Site Authority, it also violates the spirit of the contractual obligations in the Ground Sublease.

“Site Authority was created with the objective of implementing an employee-housing ownership program on the CSUCI campus designed to strengthen and promote the educational purposes and programs of CSUCI. This goal will be fostered by the creation of a diverse residential community based on the development of continually affordable employee housing that will assist in the recruitment, retention and productivity of faculty and staff.” (Disclosure Statement I.2.11)

Response to Declaration 2: The CI 2025 recommendation that has emerged presents the opportunity to create a diverse residential community. The plan would not change the University's commitment to providing perpetually affordable employee housing designed to strengthen and promote the educational purposes and programs of CI. Through careful planning and **future** selection of a developer, contractual provisions will insure that the needs and standards of the University are met to include, among other things, esthetics and mixed income affordability. In addition, the project will provide the opportunity for dialog to identify and create additional community facilities suitable for group gatherings, as well as a means to create the necessary linkages to gain easy access to CI Park. (CI Park is a 367 acre parcel which is contiguous with University Glen Phase 2A/2B with deed restrictions dictating the land be maintained, and perpetually available, for passive recreational uses and open space.) The community would not lose its sense of "home" and "neighborhood" because, as conceptualized, the next phase of development would be lower density than the existing apartments and would be designed to complement and enhance the character and charm of the village environment as it is today.

Declaration 3: The proposed creation of 590 high density apartments will adversely impact our community's quality of life, personal safety, and property value. Moreover, such a large increase in population density will further hinder our limited emergency egress in case of flood or fire, and significantly increase traffic on the narrow roadways;

"The goal of the proposed east campus Community Development is to create a diverse mixed income community with a unique sense of place, contributing to the growth and vitality of the entire University campus. A key element in achieving this goal is to develop a wide range of housing, embracing and articulating the concepts of "home" and "neighborhood." Important community components are to create a sense of belonging, have a hierarchical circulation system, and encourage neighborhood interaction through linkages with community facilities suitable for group gatherings and open space areas for active and passive recreation." **(The CSUCI Specific Reuse Plan)**

Response to Declaration 3: The recommendation to build 590 apartments is but one of several recommendations that emerged as work progressed in the creation of a comprehensive plan for the long-term development and sustainability of the University. A variety of housing types and densities were studied and proposed; among them was a higher density of 950 apartment units that replicates the density of the existing apartments. The ultimate number and mix of units is yet to be determined.

A California Environmental Quality Act (CEQA) study will be required to address safety, roads and circulation as well as other impacts.

Well maintained and operated apartment units do not negatively impact home values as is evidenced by the strong market demand to purchase existing University Glen homes when they are placed for sale. Additional units will provide more housing to offer to faculty and staff.

With regard to the inevitable increase in traffic in the region, walking and a shuttle are viable means to minimize cars on the road. In addition, it is anticipated that residents, who do not work on campus but reside in the phase of housing yet to be completed, would enter and exit the campus via Channel Islands Drive as their primary entry/exit. Also, the addition of an extra lane to ease congestion and facilitate merging is being considered as a secondary entrance to the University located at the corner of Camarillo Street and Lewis Road.

With respect to property value, the University will make provisions to ensure that the following contractual obligations of Section 17 of the Ground Sublease, “Maximum Resale Price” are preserved.

17.2 Maximum Resale Price. The “Maximum Resale Price” for the assignment of an interest in this Sublease and sale of the Unit together with any other Improvements shall mean the sum of the following:

- 17.2.1 The Purchase Price Homeowner paid for the Unit;
- 17.2.2 The Purchase Price Homeowner paid for the Unit multiplied by the Fractional Change in the C.P.I.;
- 17.2.3 The reasonable out-of-pocket costs paid to third-party contractors or supplier (approved by Site Authority) of incidental repairs and minor renovations made to the Unit within ninety (90) days prior to the giving of the Homeowner Sale Notice in order to improve the appearance of the Unit. Homeowner shall be required to deliver to SA written documentation satisfactory to SA to evidence said costs; and
- 17.2.4 The Approved Capital Improvement Payment.

Declaration 4: Implementation of the Plan will have detrimental effects on the environment and the unique character of the neighborhood as the Plan currently contemplates greatly exceeding the original residential capacity. Moreover, building 590 new apartments and zero new homes will create a segregated, less desirable tenement that will permanently and irreparably mar University Glen’s appeal and jeopardize the community’s viability;

“[University Glen] was then ground leased for 99 years at \$1 per year rent by the University to Site Authority for development into up to 900 units of apartments, town homes and single-family detached homes to be rented and sold, as well as a retail center and campus book store.”

(Ground Sublease Page 2 Buyer Disclosure Statement I.1.1)

“The roadway will be kept narrow to reflect the character of the existing development and minimize the construction of impervious surfaces.” (The CSUCI Specific Reuse Plan)

Response to Declaration 4: University Glen is an essential part of the greater CI campus. CI prides itself on its high standards and does not intend to abandon or compromise the standards or unique character to which the University is committed. As previously stated, environmental impacts will be studied. As cited, during the planning phase, it was envisioned that the design or type of homes constructed in future phases could change (see Response 1). The site’s developer will be selected carefully, with a high priority placed on those with an impeccable track record in high quality design, construction, management and maintenance. Contrary to what is expressed in the Declaration, the plan presents an opportunity to create a vibrant and diverse community that will enhance the University as a whole. Any proposed changes to roadways will be carefully considered, taking into account safety, aesthetics, and the environment.

Declaration 5: The Plan is a short-sighted means to generate a relatively small amount of capital that could fully fund only one new academic building. Outsourcing property management would cede control over large segments of the community to corporations who do not reside or have a personal stake in our community;

Response to Declaration 5: Goals of the CI 2025 plan are to reduce debt and position better the University to secure funding for project development and to generate capital. Currently CI is at capacity for academic space use. With the infusion of \$30 million, CI could seek matching funds

to allow the University to construct a new academic building. This would accommodate over 800 student instructional stations (classroom and labs) and over 75 faculty office stations in furtherance of the mandate of CI's Master Plan to grow to 15,000 Full Time Equivalent. To reiterate, the **primary mission of the Site Authority and development of the University Glen community is to serve the needs of a public university on land that is owned by the state with funds from the California taxpayers.**

With regard to outsourcing, **CI's mission is to provide undergraduate and graduate education and with limited resources must focus on its academic purpose.** Therefore, a highly competent and qualified professional property management company, with a proven track record and the necessary strength and depth of resources, will be carefully selected and engaged. Contractual provisions will ensure that CI's standards are met, and assets are maintained, to ensure that assets are returned to the Trustees in the agreed upon state at the termination of the ground sublease period.

Declaration 6: Conversion of rental townhomes into for-sale units decreases options for young families who cannot afford a down payment on a home and reduces the probability of hiring younger faculty who wish to reside in University Glen;

Response to Declaration 6: As a part of the CI 2025 project, a housing market study was completed. One finding of the study is that market and economic changes have influenced the demand for for-sale versus rentals, creating increasing challenges for some households to meet mortgage underwriting requirements. It is acknowledged that CI's new hires are not immune from this reality. The Site Authority legislation will continue to guide future development, including its intent to offer affordable options for faculty and staff to either purchase or rent, as desired, in University Glen. The rental units proposed in the next phase of development will provide a balance of housing options for those whose incomes or lifestyle choices preclude homeownership. The ultimate mix will be based on discussions focused on the long-term best interests of CI's faculty and staff, and the University as a whole.

Declaration 7: The Town Center was originally intended to house faculty and staff. The past and current practice of housing students in the Town Center is already a significant departure from the original concept. Future plans to house even more students in the town center on a permanent basis shows an intent to renege on the compromise reached with University Glen residents, which allowed CSUCI to temporarily house students in the Town Center.

"The Town Center will include faculty and staff apartments plus retail and office use. The town center will create an attractive collegial focal point for east campus residents and main campus users."

(CSU Board of Trustees Committee on Campus Planning, Building and Grounds)

Response to Declaration 7: The renting of Town Center units to students was done under extraordinary circumstances at a time when the start of construction for a new phase of student housing was canceled. In response to CI's need for student housing, students are currently housed in University Glen, and off-site in Camarillo, on a short-term basis. This solution is not ideal, but was developed in response to an acute need. CI's long-term plan is to create a vibrant student live-learn community on the south end of the academic campus. Once the construction of Santa Rosa Village is completed (600 beds anticipated to be available for occupancy by fall of 2016), the University will be in a better situation to meet student housing needs and intends to relocate students to the new housing. Even with the completion of Santa Rosa Village, demand will continue to exist, and so work is underway to plan for the construction of Phase Four Student Housing.