



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/21/2022

ITEM NO: 17

DATE: June 15, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive an Update on the Dittos Lane Affordable Housing Project

RECOMMENDATION:

Receive an update on the Dittos Lane affordable housing project.

BACKGROUND:

On October 30, 2018, the Town entered into an Exclusive Negotiating Agreement with Sarah Chaffin (Developer) for the siting and development of affordable housing at 20 Dittos Lane with a preference for teachers and school district staff. On June 2, 2020, the Town Council approved the land purchase agreement with the Developer for the construction of four affordable housing units with the property being deed restricted for 55 years. In addition to the property donation the Town Council provided \$1,200,000 in loans toward the construction and development of the project. One loan for \$600,000 is stipulated to be paid back within 10 years with the other loan being amortized over the 55 year deed restriction. On August 3, 2021, the transfer of 20 Dittos Lane and deed restrictions were recorded with the County and funds transferred to the Title Company.

DISCUSSION:

With the property transfer complete, the Developer initiated construction of the project. With the construction phase of the project nearly complete, staff thought it appropriate to provide an update of the project status. The following photos illustrate the project progress to date.

PREPARED BY: Arn Andrews
Assistant Town Manager

Reviewed by: Town Manager and Community Development Director

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DISCUSSION (continued):



DISCUSSION (continued):



Throughout the construction phase of the project, the Developer continued to receive significant in-kind and monetary contributions. Significant construction phase contributions of note include:

- Adanac & Fire Response Supply - donated fire sprinkler system
- Los Gatos Roofing - provided the roof at cost
- Star Concrete - 50% discount on concrete
- West Valley Construction - helped defray the costs of the fire hydrant
- PG&E - value engineered the electrical on the property
- Earth Systems - value Engineered the testing requirements
- Chapman Design & TS Civil Engineering - value engineered the design and civil engineering work

Collectively, the Developer's efforts have resulted in significant construction cost savings during a period of unprecedented commodity inflation. Given the aforementioned concessions and

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DISCUSSION (continued):

other project support, the Developer estimates final construction costs just slightly above budget. The estimated construction completion date is late July at which time staff will coordinate a ribbon cutting with the Town Council.

COORDINATION:

This staff report was coordinated with the Town Manager and Community Development Director.

FISCAL IMPACT:

None.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.