

A group of diverse young people are captured in mid-air, jumping joyfully against a large, textured orange wall. The scene is filled with energy and movement, with shadows cast on the wall behind them. The overall mood is positive and dynamic.

STUDENT HOUSING PROJECT UPDATE

FOOTHILL – DE ANZA COMMUNITY COLLEGE DISTRICT

March 10, 2025

AGENDA

- ❖ The Why?
- ❖ Objectives and Overview
- ❖ McClellan Terrace Apartments (Student Housing)
 - Overview
 - Purchase and Sale Agreement
 - California Environmental Quality Act (CEQA)
- ❖ Timeline and Next Steps

The Why?

CALIFORNIA COMMUNITY COLLEGES BASIC NEEDS FRAMEWORK



- Academic and Career Training
- Financial Support
- Emotional Support
- Personal Care
- Food and Clothing
- Child Care
- Technology
- Transportation
- Student Housing
- Health and Wellness

Objectives and Overview

Major Project Milestones Completed

Status	Milestones
✓	Tour of campuses and Sunnyvale Center
✓	Strategic Objectives Alignment Workshops with Colleges, ELT, and Housing Task Force
✓	Documentation Review
✓	Site Criteria Prioritization
✓	Review of Preliminary Assumptions
✓	Survey and Demand Analysis for all Students and Faculty/Staff
✓	Sensitivity Analysis of Programs
✓	Additional Stakeholder Interviews and Student Focus Groups; Shared Participation
✓	Implementation Plan Development
✓	BoT Workshops

Status	Milestones
✓	Identification of site(s) – Contracted Colliers as the Broker
✓	Advanced Site Option Assessment
✓	Analysis of New Construction vs. Acquisition of Existing Housing Facility(s)
✓	Preliminary Discussions through Colliers with Land and Building Owners
✓	Financial Analysis and Total Cost of Ownership Sensitivities
✓	Identification of site(s) – Contracted Colliers as the Broker
✓	Advanced Site Option Assessment
✓	Non-Binding Letter of Intent Executed
➔	Purchase and Sale Agreement CEQA – Categorical Exemption

Strategic Objectives






Student Housing	Faculty/Staff Housing
<ul style="list-style-type: none">• Diversity, Equity, Inclusion and Belonging to support, Recruitment, Retention, Engagement, and Wellness and basic needs for students• Financial viability	<ul style="list-style-type: none">• Diversity, Equity, Inclusion and Belonging to support, Recruitment, Retention, Community engagement, Wellness, and Sustainability• Financial viability




Student Housing	Faculty/Staff Housing
<ul style="list-style-type: none">• Cost-effective housing for students• Basic needs for students• Financial viability	<ul style="list-style-type: none">• Environmental sustainability• Cost-effective housing• Financial viability

The strategic objectives were identified during interactive workshops held on December 11 and 15, 2023, involving the President's cabinets of Foothill College and De Anza College.

Housing Demand



 Single Students	 Family Students	 Employee
584 Beds	252 Units	50 Units

 Single Students	 Family Students	 Employee
786 Beds	297 Units	76 Units

Survey – Preferred Locations

De Anza Students	Ranking (5 – most preferred)
Near the De Anza College campus	3.53
On the De Anza College campus	3.34
Near the Sunnyvale Center	2.79
Near the Foothill College campus	2.56
On the Foothill College campus	2.43

Foothill Students	Ranking (5 – most preferred)
On the Foothill College campus	3.55
Near the Foothill College campus	3.48
On the De Anza College campus	2.54
Near the De Anza College campus	2.83
Near the Sunnyvale Center	2.55

De Anza Faculty/Staff	Ranking (5 – most preferred)
Near the De Anza College campus	3.76
Near the Foothill College campus	3.04
On the De Anza College campus	2.96
Near the Sunnyvale Center	2.87
On the Foothill College campus	2.22

Foothill Faculty/Staff	Ranking (5 – most preferred)
Near the Foothill College campus	3.79
On the Foothill College campus	3.22
Near the De Anza College campus	3.06
On the De Anza College campus	2.53
Near the Sunnyvale Center	2.39

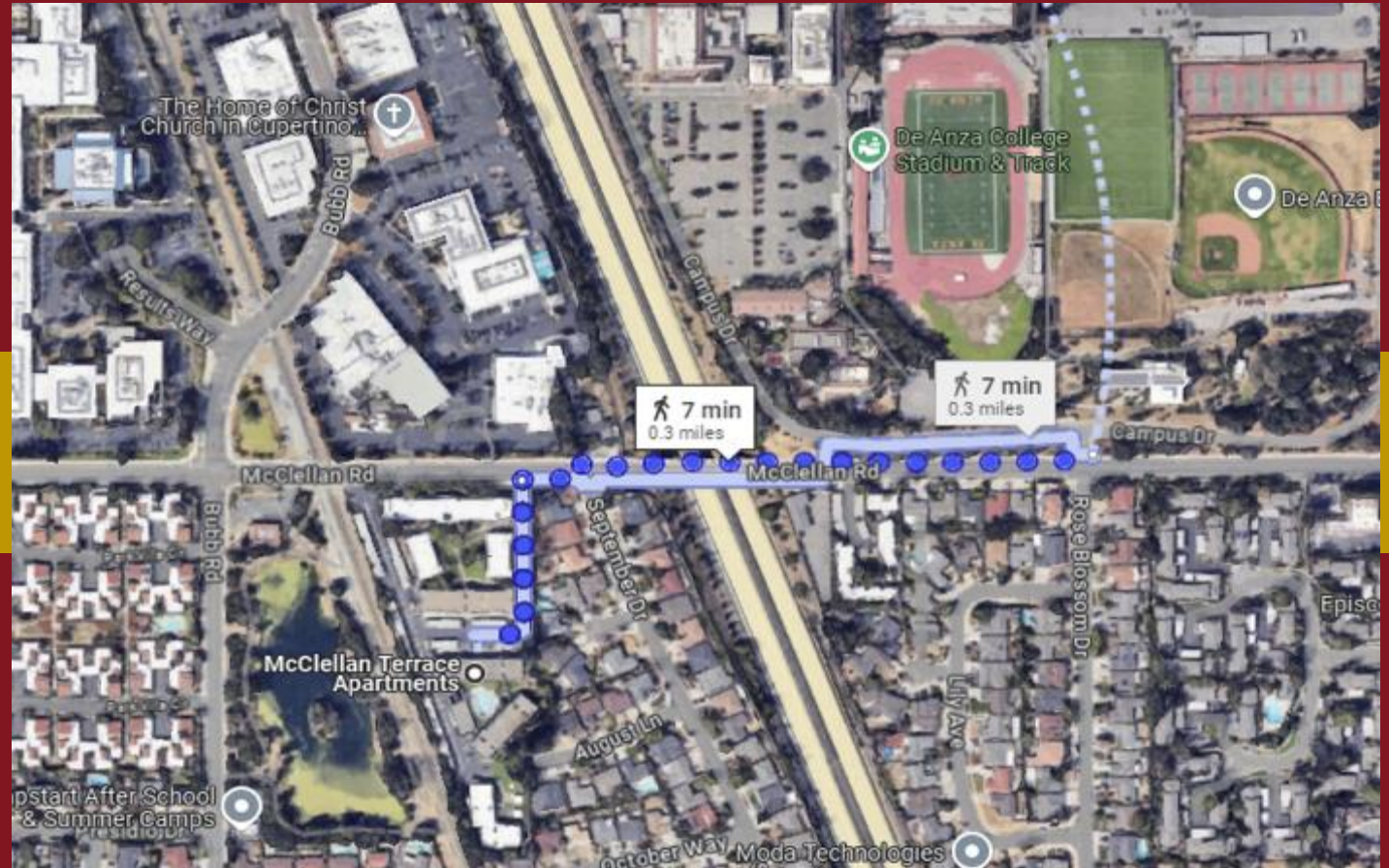
Primary Criteria for Site Selection

- Located within a one-mile radius of the De Anza campus.
- Site is not adjacent to any single-family residential areas on more than one side.
- Minimum size is one (1) acre.
- Site does not have any known environmental or geotechnical defects.
- Site is not abutting or adjacent to any known watersheds.
- If the site is improved, improvements have no known environmental conditions that require remediation.
- Site does not have stands of mature trees and w/o protected flora or fauna.
- Site must have good vehicular access and existing curb cuts.
- Site must have good access to retail and transportation amenities.
- Site is one parcel or has contiguous ownership (one owner).
- Site has no deed restrictions or covenants that affect the district's ability to utilize it as intended.

- 1 MILE
 - #1 Aloft Hotel
 - #2 20739 Scofield Drive
 - #3 10145 N. De Anza Blvd/1...
 - #4 20149 Stevens Creek Blvd
- 2 MILES
 - #1 Vallco / The Rise
 - #2 De Anza Hotel Approved
 - #3 Hamptons MF Redevelop...
 - #5 Cupertino Village Hotel A...
 - #6 1655 S. De Anza Blvd. Ap...
 - #7 1.94 acres at 20015 Stev...
 - #8 1080 S De Anza Blvd
- 3 MILES
- 4 MILES
 - #1 4300 Stevens Creek Blvd
 - #2 4360 Stevens Creek Blvd
- 5 MILES
 - #1 160 Saratoga Ave, Santa ...

Different site options assessed with the Broker

Site Location



7918 McClellan Rd, Cupertino, CA 95014

Overview



Transaction Type	Acquisition
Acquisition Cost	\$ 66,719,000.00 (\$709.78k per unit)
Renovation Budget Estimate	\$ 28,200,000.00
Project Acquisition	July 15, 2025 (District may extend 30 days)
Bed Count	332 beds
Benefits	<ul style="list-style-type: none">• Immediate occupancy• Walking distance to De Anza College• 5.92 acre site may generate future value• Short distance to retail amenities• May dedicate a few units for short-term use of district staff

Rental Market Research Findings

There are 109 comparable properties within a 10 Mile Radius of McClellan Terrace

- 22,107 units in total
 - 8,842 total 2-bedroom units
- Property Types:
 - Multi-Family
 - 20+ number of units
 - Unit Mix: Studio, 1 Bedroom, 2 Bedroom, 3 Bedroom
- 7.9% vacancy
 - Based on 8% vacancy, there are 707 vacant 2-bedroom units.

The rents are comparable and would be affordable to households leaving McClellan Terrace.

- Average rent per unit
 - McClellan Terrace: \$3,481
 - Comps: \$3,554



Short Listed Properties

Description	Property 1	McClellan Property
No. of Units	Approx. 144 units (376 beds)	94 units (332 beds)
Type	Construction and Land lease with option to buy land	Acquisition including land
Location	About 4 miles from De Anza College	About 0.3 mile from De Anza College
Estimated Acquisition Cost	\$157M	\$67M
Estimated Renovation Cost	\$0	\$28M
Occupancy Timeframe	Potentially 2028	Immediate
Potential Risks	Delays in construction and escalation costs	Existing conditions (to be characterized during due diligence period)

Purchase and Sale Agreement (PSA) Overview

- \$66,719,000 purchase price (\$709.8K/unit).
- \$2,000,000 refundable deposit upon execution of PSA.
- \$119,000 non-refundable vacancy unit deposit (included in purchase price).
- District has 120 days for due diligence during which \$2,000,000.00 deposit is fully refundable.
- Anticipated closing middle of July 2025.
- **Current tenants:**
 - Those still in 12-month lease terms will be allowed to finish their leases.
 - Tenants on month-to-month will be given a minimum of 120-day notices of date to vacate the unit.
 - Seller has agreed to work with tenants to relocate them to other properties in the area.
 - **District will provide tenants with relocation services and assistance.**
- District has concluded negotiations on PSA and is prepared to execute upon approval from the Board of Trustees.
- District has secured firms to conduct a rigorous physical inspection of the property immediately after due diligence period commences led by Bureau Veritas.



California Environmental Quality Act (CEQA)



Acquisition of Property and initial post-closing work require compliance with CEQA.

At the recommendation of the District's CEQA consultant, CEQA compliance can be satisfied by approving and filing a Notice of Exemption based on the following CEQA categorical exemptions:

- **Categorical Exemption pursuant to CEQA Guidelines Section 15301 (Class 1): acquisition of existing facilities.**
- **Categorical Exemption pursuant to CEQA Guidelines Section 15304 (Class 4): minor alterations to land.**

Timeline and Next Steps

Next Steps

Month	Milestones
March – July	<ul style="list-style-type: none">• Due Diligence Period• Operational Policies and Procedures
May	<ul style="list-style-type: none">• Issuance of Bond under Measure G• Hire Property Management Company
June	<ul style="list-style-type: none">• Bond Sale
July	<ul style="list-style-type: none">• Receive Funds• Purchase Sale Close Out• Arrange for Transportation Services• Ongoing Achievement of Strategic Objectives!
August – September	<ul style="list-style-type: none">• Start occupancy of available units





FOOTHILL-DE ANZA
Community College District

 **FOOTHILL COLLEGE**

DeAnza  College

STUDENT SUCCESS ★ EDUCATIONAL EXCELLENCE

Thank You!