

# MEMORANDUM

## REDWOOD APARTMENTS

DATE: January 23, 2020

TO: San Marcos City Council

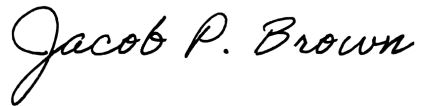
FROM: LDG Development c/o Jake Brown

RE: Redwood – 40% & 50% AMI Units

At the Workforce Housing Committee meeting on January 13, 2020, a question was raised about the possibility of reducing or eliminating the proposed \$75,000 Payment In Lieu Of Taxes (PILOT) in order to add units restricted to 40% and 50% of the Area Median Income (AMI). I wanted to ensure both the Committee and City Council were aware that I thoroughly reviewed our financial projections and I have determined that we could potentially add 12 units at 40% AMI and 12 units at 50% AMI. Unfortunately, doing so would require us to eliminate 24 units at 60% AMI and also completely eliminate the \$75,000 PILOT.

I plan to proceed with the project as it is currently proposed in your packet. I am more than happy to answer any questions you may have related to my analysis and determination.

Sincerely,



Jacob P. Brown  
Development Manager  
LDG Development

