



1756 Picasso Avenue, Suite C • Davis, California 95616
(530)757-9289 • fax (530)757-2985
530 756-6608 Direct

RECEIVED

DEC 02 2004

City of Davis
Planning & Building

Ms. Katherine Hess
City of Davis
Building and Planning Department
23 Russell Blvd
Davis, CA 95616

December 1, 2004

RE: Eskaton Questions

Dear Katherine,

Thank you for your questions about Eskaton and our plans for senior services and housing at Covell Village. We are excited about this new housing opportunity and are pleased to provide this detailed information for you.

Question 1. The Eskaton Annual Report states that Eskaton Villages are “gated communities of 30 to 60 acres.” The site of the proposed senior home area in Covell Village is approximately 20 acres – is that adequate? Are gates proposed? These are discouraged in the city’s General Plan. Ms. Batterson stated that the houses would not have any fences – have residents in other non-fenced communities raised concerns over security or lack of private open space?

Answer 1.

a. Twenty acres (185 homes) is adequate. There are 130 homes at Eskaton Village Grass Valley; Eskaton Village Placerville will have 110; Eskaton Village Roseville will have 300. In general, Eskaton prefers a larger number of homes in proportion to the Lodge, but there is no specific number required. With fewer homes, there is less internal resident flow from one service level to another; with more homes, the internal flow is greater and fewer residents are admitted to the Lodge from the general public.

b. Gates need not be proposed for two reasons: [1] The city of Davis’ dislike of gated communities, and [2] Responses from the direct mail survey which indicated that the potential residents for this community are less concerned about gates than are seniors in most cities. Consideration does need to be given to providing some sense of enclosure/security, but this can be accomplished in a variety of ways --- low walls with easy pedestrian and bicycle access but limited vehicle access points, etc. It is very desirable to minimize any through traffic.

c. Houses without fences: It is important to recognize that the Eskaton Villages are designed for a specific segment of the older population – those for whom the absence of home and yard maintenance is more important than having a private, fenced yard. This community style clearly will not appeal to everyone, nor is it intended to do so. The seniors who select the Eskaton Village model usually do so for one of three reasons: They are just tired of maintenance chores, they have health problems that make maintenance chores hard or impossible to handle, or they want the freedom to travel extensively without concerns about home maintenance/security. There are lots of active adult communities that offer homes with fenced yards – our model addresses a different market segment. A small patio area can be fenced.

Ms. Katherine Hess

December 1, 2004

Page 2

Question 2. The senior homes are immediately adjacent to a 4.4-acre proposed affordable housing land dedication sites. Another land dedication site is immediately west of the senior core facility. These sites are dedicated to the City of Davis and transferred to a local nonprofit organization for development as permanently affordable housing. Most of our land dedication sites have been developed as housing for families with very-low or low-incomes. Does this pose any concern for Eskaton?

Answer 2. Since Eskaton operates affordable housing projects elsewhere, it has no problem being neighbors with such programs. Eskaton would be willing to operate these but Covell Village plans to work with local providers or build the affordable projects themselves. The Eskaton Lodge will be oriented toward the senior homes, not the affordable site.

Question 3. How big is the Lodge parcel in Grass Valley? The proposed Covell Village senior core site is 5.3 acres. Is that large enough for the proposed common facilities and three types of living? What are likely building heights and parking ratios?

Answer 3. The Lodge parcel at Grass Valley is 6.5 acres. However, due to the fact that the Grass Valley parcel is hilly, more acreage is needed there than in Davis. The Grass Valley facility has 145,000 square feet, not including the fitness center or maintenance buildings. The building ranges between one and three stories and has 137 total units.

Mike Corbett has Eskaton's requirements and he is preparing a plot plan which will comply with Davis parking requirements. If more space is required, it will be provided.

Question 4. As proposed, the Homeowner's Association would contract with Eskaton for services such as exterior landscaping and maintenance and access to Lodge facilities. Would Eskaton have a voice on the Association Board of Directors? Would the HOA have the option of ending the contract?

Answer 4.

a. Board of Directors: Yes, Eskaton would have a voice on the Association Board of Directors based on the number of apartments/units in the Lodge.

b. Option for Termination: Yes, per Department of Real Estate requirements, the HOA would have the option of ending the contract.

c. Eskaton, as the Lodge owner, has a very strong interest in ensuring that the HOA is effective and that the homes are well-maintained. Should the homes not be well-maintained and become hard to sell, that would negatively affect the marketability of the Lodge.

Question 5. Will the Lodge eating facility have a liquor license? When meals are served on a restaurant basis, is sales tax collected?

Answer 5.

a. Liquor license: The Lodge will not have a liquor license. Residents, however, are free to have alcoholic beverages in their apartments and to enjoy their own wine with meals, etc.

Ms. Katherine Hess
December 1, 2004
Page 3

b. Sales tax on meals: Meals served will not be subject to sales tax because Eskaton is a non profit corporation formed under section 501c3. In addition, it seems unlikely that meals at the Lodge would be taxable because residents are in essence eating in their homes and the "restaurant" is not open to the public.

Question 6. What assurances do we have that the Lodge facility would be subject to property taxes and assessments? Under the agreement between Covell Village Partners and Davis Joint Unified School District, the property would be subject to Community Facilities #1 and #2. In addition, a new CFD will be established with an annual tax beginning at \$.25 per square foot. Can we assume that the senior residences and care facility will pay the annual assessments as proposed?

Answer 6.

a. Property Taxes: As a non-profit, Eskaton would not be subject to local property taxes. Due to a misunderstanding between Covell Village and Eskaton, the Lodge facilities were originally included as a taxable property in the fiscal study with a calculated yearly contribution of \$29,000 to the City of Davis. In light of Eskaton's non-profit status, these estimates will need to be adjusted accordingly in the final fiscal study report.

b. School Taxes: Since Lodge residents will not generate demands upon the schools, they were not included in the CFD calculations and the agreement with the school district that ensures full facilities funding for children generated by the project. On the other hand all senior only single family dwellings which are part of the Eskaton operated Homeowners Association will be subject to the usual and normal property taxes as well as all school CFDs.; this, despite the fact that they will generate very few students.

Once again, thank you for the opportunity to provide this information which we hope clarifies a number of issues for the City of Davis. We hope you will feel free to contact us again should further questions arise.

Sincerely,



Blaine Juchau
CEO



Connie Batterson, Executive Director
Eskaton