



**KEYSER MARSTON ASSOCIATES™**  
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

**MEMORANDUM**

**ADVISORS IN:**  
REAL ESTATE  
AFFORDABLE HOUSING  
ECONOMIC DEVELOPMENT

**To:** Debbie Potter  
City of Alameda

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**From:** David Doezema

**Date:** February 18, 2020

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**Subject:** Pulte as a Qualified Developer Pursuant to Section 8.11 of the Alameda Landing DDA

**Assignment**

Keyser Marston Associates, Inc. (KMA) has been tasked with advising the City of Alameda (City) regarding the requested approval of Pulte Homes Company LLC, a wholly owned subsidiary of Pultegroup, Inc., (Pulte) as a Qualified Developer under Section 8.11 of the Disposition and Development Agreement (Alameda Landing Mixed Use Project) By and Between the Community Improvement Commission of the City of Alameda and Palmtree Acquisition Corporation Dated as of December 5, 2006 ("Alameda Landing DDA"). One of the conditions regarding the transfer of conveyance parcels under the Alameda Landing DDA is that the transferee must be a Qualified Developer. To be deemed a Qualified Developer under Section 8.11 of the Alameda Landing DDA, Pulte must have the financial capability and experience to undertake development of the applicable conveyance parcel(s).

**Development Proposed for Applicable Conveyance Parcel(s)**

The portion of the Alameda Landing Project proposed for conveyance to Pulte is approved for development of 357 residential units including 30 single family detached homes and 327 attached townhomes and condominiums. The development approvals also include 5,000 square feet of commercial space. The project site encompasses a 17.2-acre portion of the Alameda Landing Project.

**To:** Debbie Potter

February 18, 2020

**Subject:** Pulte as a Qualified Developer Pursuant to Section 8.11 of the Alameda  
Landing DDA

Page 2

*Recommendation*

KMA recommends Pulte be approved as a Qualified Developer for purposes of the development described in the preceding paragraph. This recommendation is based on Pulte's substantial financial resources and extensive experience developing residential communities throughout California and the United States.

*Pulte's Experience and Financial Resources*

Pulte is one of the largest homebuilders in the United States. The company's Security and Exchange Commission (SEC) Form 10-K filing for the fiscal year ending Dec. 31, 2019 states:

PulteGroup, Inc. is a Michigan corporation organized in 1956. We are one of the largest homebuilders in the United States ("U.S."), and our common shares are included in the S&P 500 Index and trade on the New York Stock Exchange under the ticker symbol "PHM".....While our subsidiaries engage primarily in the homebuilding business, we also have mortgage banking operations, conducted principally through Pulte Mortgage LLC ("Pulte Mortgage"), and title and insurance brokerage operations.

Homebuilding, our core business, which includes the acquisition and development of land primarily for residential purposes within the U.S. and the construction of housing on such land, generated 98% of our consolidated revenues in each of 2019, 2018, and 2017. We offer a broad product line to meet the needs of homebuyers in our targeted markets. Through our brands, which include Centex, Pulte Homes, Del Webb, DiVosta Homes, John Wieland Homes and Neighborhoods, and American West we offer a wide variety of home designs, including single-family detached, townhouses, condominiums, and duplexes at different prices and with varying levels of options and amenities to our major customer groups: first-time, move-up, and active adult. Over our history, we have delivered nearly 750,000 homes.

As of December 31, 2019, we conducted our operations in 42 markets located throughout 23 states.

Following are metrics regarding the scope of Pulte's homebuilding operations and financial resources from the company's 10-K report. All figures are as of 2019:

- Annual home sales revenues of \$9.9 billion
- Net homebuilding income of \$1.2 billion
- Cash on the company's balance sheet totaling \$1.2 billion
- 23,232 homes sold, representing 3% of new homes in the U.S.
- 863 active new home communities in 23 states
- 12,122 homes in production as of December 31, 2019

**To:** Debbie Potter

February 18, 2020

**Subject:** Pulte as a Qualified Developer Pursuant to Section 8.11 of the Alameda  
Landing DDA

Page 3

Pulte is actively developing more than twenty different residential communities in California including those listed below:

**Northern California**

- Alameda Landing / Bay37– Alameda (subject property)
- Parkside Heights – Hayward
- Spindrift at Eden Shores – Hayward
- Renato – Fremont
- Boulevard Heights – Fremont
- Montecito – Fremont
- Flats at Metro – Milpitas
- The Capitol – San Jose
- The Residences at UrbanOak – San Jose
- Daybreak at River Islands – Lathrop
- Bella Verde – Brentwood
- Terrene – Brentwood

**Southern California**

- Sterling at West Hills – West Hills
- Icon at Grace Park – Inglewood
- Dorado – Long Beach
- Evergreen at Rise – Irvine
- Apex at Rise – Irvine
- Duet at Cadence Park – Irvine
- Belrose – Fontana
- Monterra – Fontana
- Cascade – Ontario
- Aurora at Park Place – Ontario
- Cloverdale Estates – Eastvale
- Hacienda at Audie Murphy Ranch – Manifee
- Reflections at the Lakes – Manifee
- Brixton – Manifee
- Aspen at Spencer's Crossing – Murrieta
- Verbena at Eagle Crest – French Valley

Pulte's extensive experience in home building and substantial financial resources warrant acceptance as a Qualified Developer under the DDA.