

VALLCO
TOWN CENTER





Project Overview

51-acre 7 million sq. ft. residential mixed-use project
2,402 housing units, **50%** of which are affordable to lower incomes
400,000 sq. ft. retail / dining / entertainment
1.8 million sq. ft. office
26 acres of open space (**22** of which are elevated on structure).
\$4 Billion in total costs

Status

- Mall Demolition Commenced in October
- Permit Applications for Shoring, Excavation, and Building into the City
- Construction will occur in 2 sequences over a 6-year timeline.





Path To Approval

- **2012:** Cupertino initiates General Plan and Housing Element Update
- **2014:** SHP assembles Vallco Mall Properties
- **2015:** “The Hills at Vallco” unveiled...but anti-growth “Better Cupertino” introduces ballot box challenge to preserve failed mall (Measure C)
- **2016:** The Hills at Vallco repackaged as a counter ballot measure (Measure D), beginning a year of campaigning – Both Measures C & D Fail
- **2017:** SB 35 Enacted. At city’s request, SHP applies for Community Plan; Cupertino considers down-zoning Vallco in light of SB 35
- **2018:** Amid threats of Community Plan referendum by Better Cupertino, Sand Hill submits SB 35 Project Application – Both Specific Plan & SB 35 Project Applications approved. Community Plan is promptly put up on referendum

Why SB 35 Works for Vallco

- Certainty of approval and clarity on standards
- Labor (Prevailing Wage) was a foregone conclusion
- Allows mixed-use, which was key for project viability
- Supports State Density Bonus Law and Subdivisions
- Patient Capital





Why SB 35 is Justified for Vallco

- Meets all planning standards and achieves Cupertino's vision for a mixed-use town center
- Revitalizes a 50 acre dead mall, which has blighted Cupertino for decades
- Provides of a wealth of what Cupertino needs most: **affordable homes**

Cupertino's Crisis is one of Affordability

- Cupertino's **1.1 to 1** Jobs per Employed Residents is ideal (SCC Civil Grand Jury Report)
- But Cupertino's "Jobs / Housing Fit" is a disaster: **14 to 1** (SV @ Home)

With our project, Cupertino's Jobs / Housing Fit Falls below Santa Clara County average.
Without our project, that Jobs / Housing Fit ratio is set to skyrocket.



The Fight's Not Over

- Political Sea Change on the Council in November: we are now facing a “**Better Cupertino**” **Super Majority**
- “Better Cupertino” filed **Litigation** against City over SB 35 approval
- Nevertheless, we are moving full speed (hard cost escalation of **\$700K** per day!)
- **Help Wanted:** from the legislature, from the Governor, from the agencies, from the advocates

