

West Coast Urban District Forum

Walnut Creek, CA

March 2018



INSPIRED LEADERS
SHAPING CITIES



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Improvement and Benefit for Who? The Hows, Whys and What-To-Dos About Gentrification

Wednesday, March 14 | 10:30am – 12:00pm

Speakers:

Louis Mirante, Legislative and Partnerships Director, California YIMBY (Sacramento, CA)

Kelly Snider, President, Kelly Snider Consulting , San Jose / Silicon Valley



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please
silence your
mobile
phones



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Simulation of a Very Lucky (but very typical)
Property Owner who becomes a MILLIONAIRE
because OTHER PEOPLE put their time, equity,
leveraged funds, and public tax dollars to work.

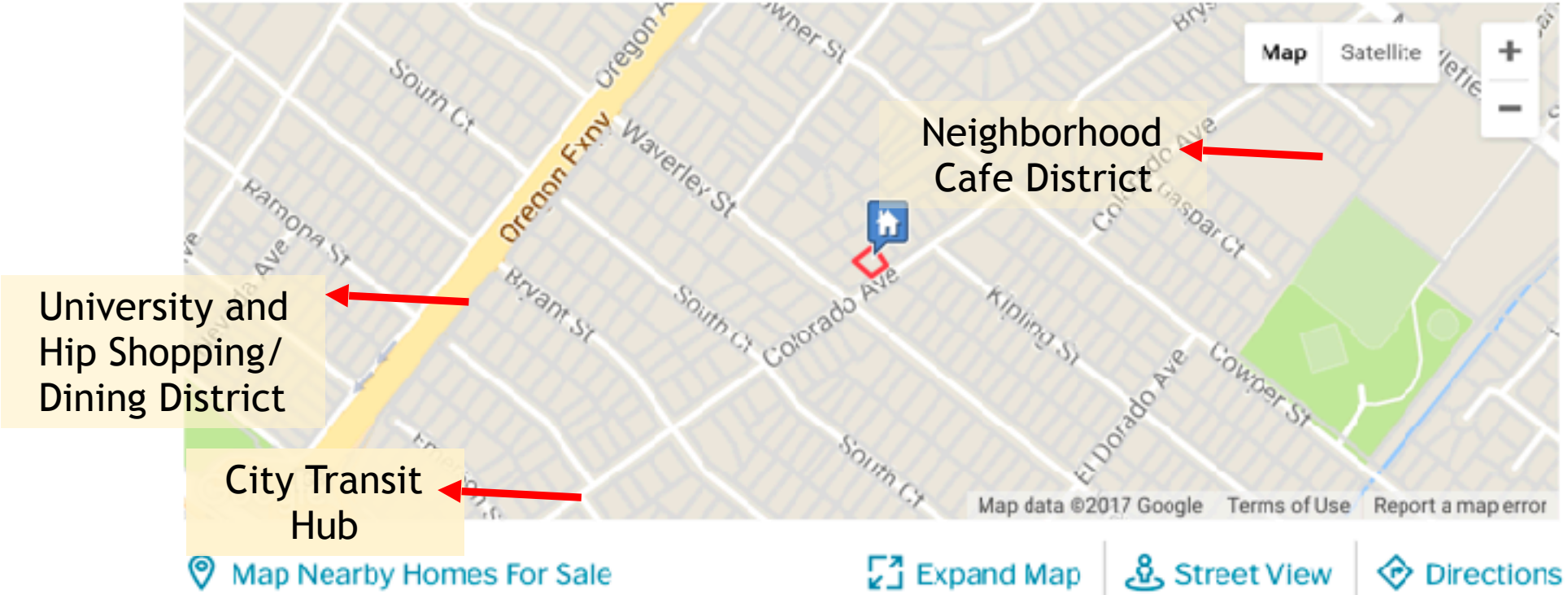
By Kelly Snider

Courtesy: Redfin and County of Santa Clara

Property History for 425 COLORADO Ave

Date	Event & Source	Price	Appreciation
Apr 26, 1999	Delisted MLSListings #ML89910912 	—	—
Apr 23, 1999	Sold (Public Records) Public Records	\$486,000	— 
Mar 27, 1999	Sold (MLS) MLSListings #ML89910912 	\$486,000	—
Mar 18, 1999	Listed MLSListings #ML89910912 	\$485,000	— 

For completeness, Redfin often displays two records for one sale: the MLS record and the public record. [Learn More.](#)



Public Facts for 425 COLORADO Ave

Taxable Value

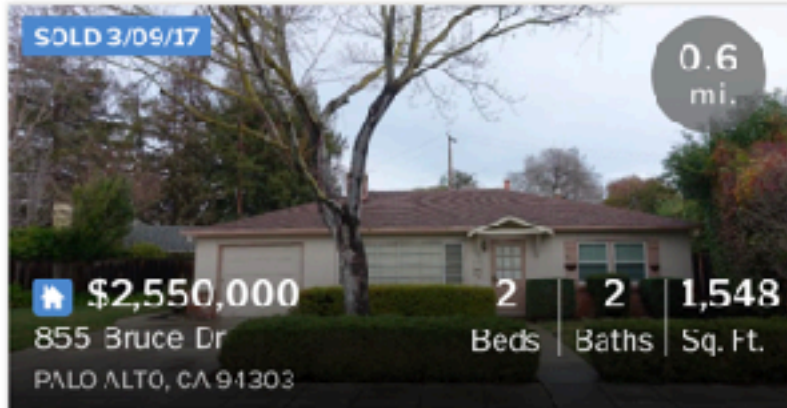
Land	\$459,267	Taxes (2016)
Additions	\$197,208	\$8,431
Total	\$656,475	

Note: Assessed Value has increased \$171,000 in 18 yrs

Courtesy: Redfin and County of Santa Clara

Nearby Sold Homes

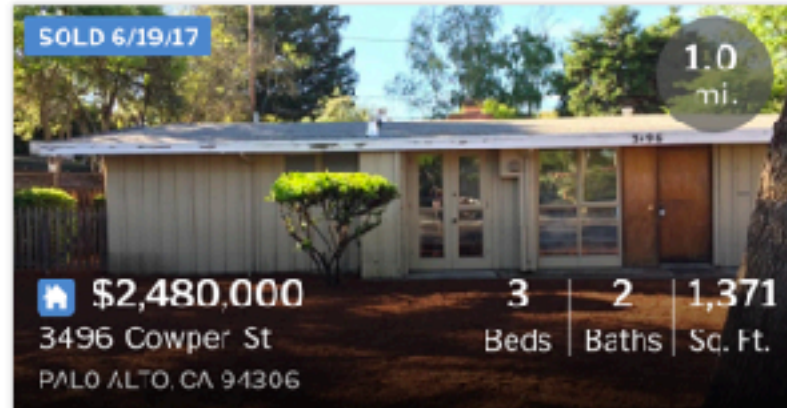
SOLD 3/09/17 0.6 mi.



\$2,550,000 | 2 Beds | 2 Baths | 1,548 Sq. Ft.

855 Bruce Dr
PALO ALTO, CA 94303

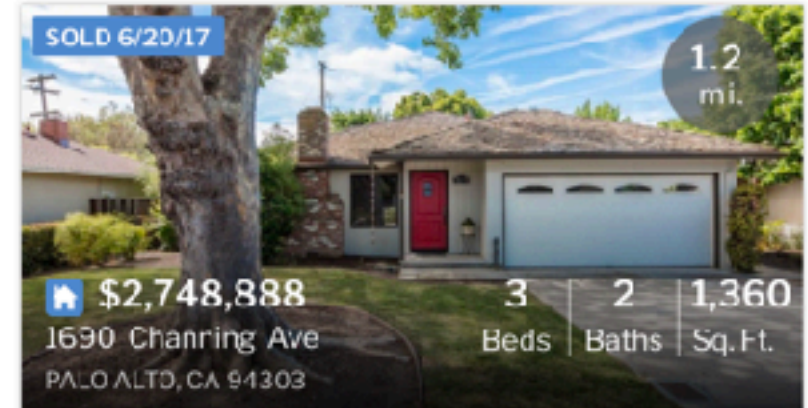
SOLD 6/19/17 1.0 mi.



\$2,480,000 | 3 Beds | 2 Baths | 1,371 Sq. Ft.

3496 Cowper St
PALO ALTO, CA 94306

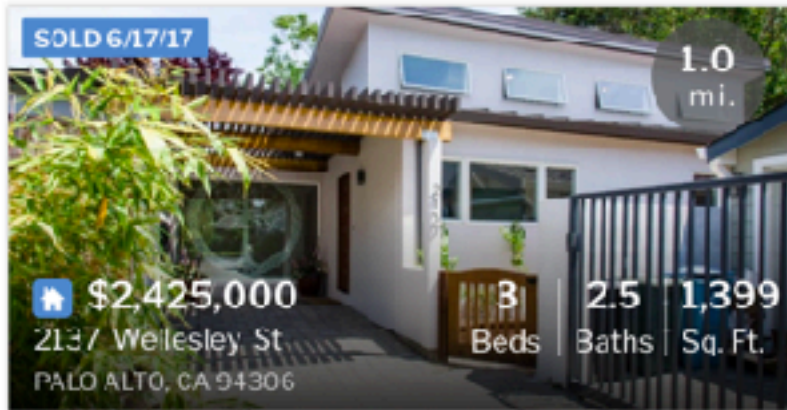
SOLD 6/20/17 1.2 mi.



\$2,748,888 | 3 Beds | 2 Baths | 1,360 Sq. Ft.

1690 Channing Ave
PALO ALTO, CA 94303

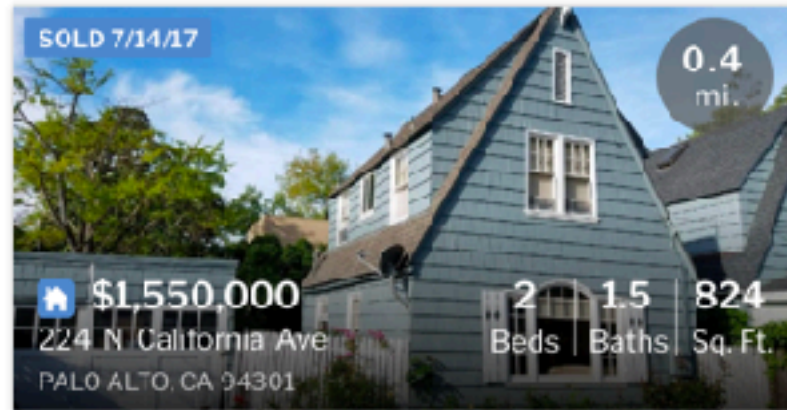
SOLD 6/17/17 1.0 mi.



\$2,425,000 | 3 Beds | 2.5 Baths | 1,399 Sq. Ft.

2137 Wellesley St
PALO ALTO, CA 94306

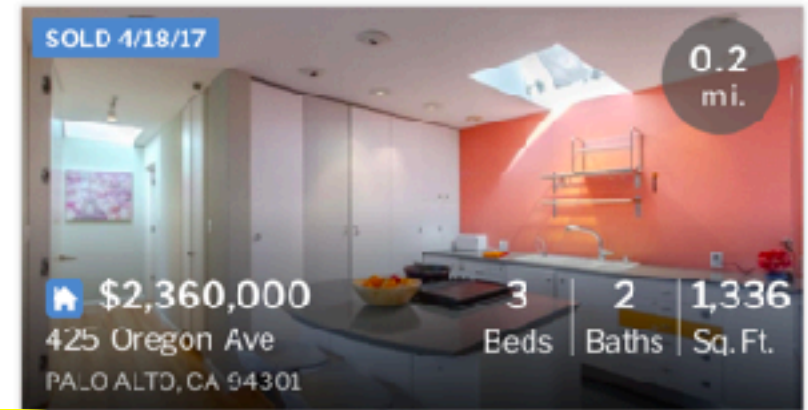
SOLD 7/14/17 0.4 mi.



\$1,550,000 | 2 Beds | 1.5 Baths | 824 Sq. Ft.

224 N California Ave
PALO ALTO, CA 94301

SOLD 4/18/17 0.2 mi.

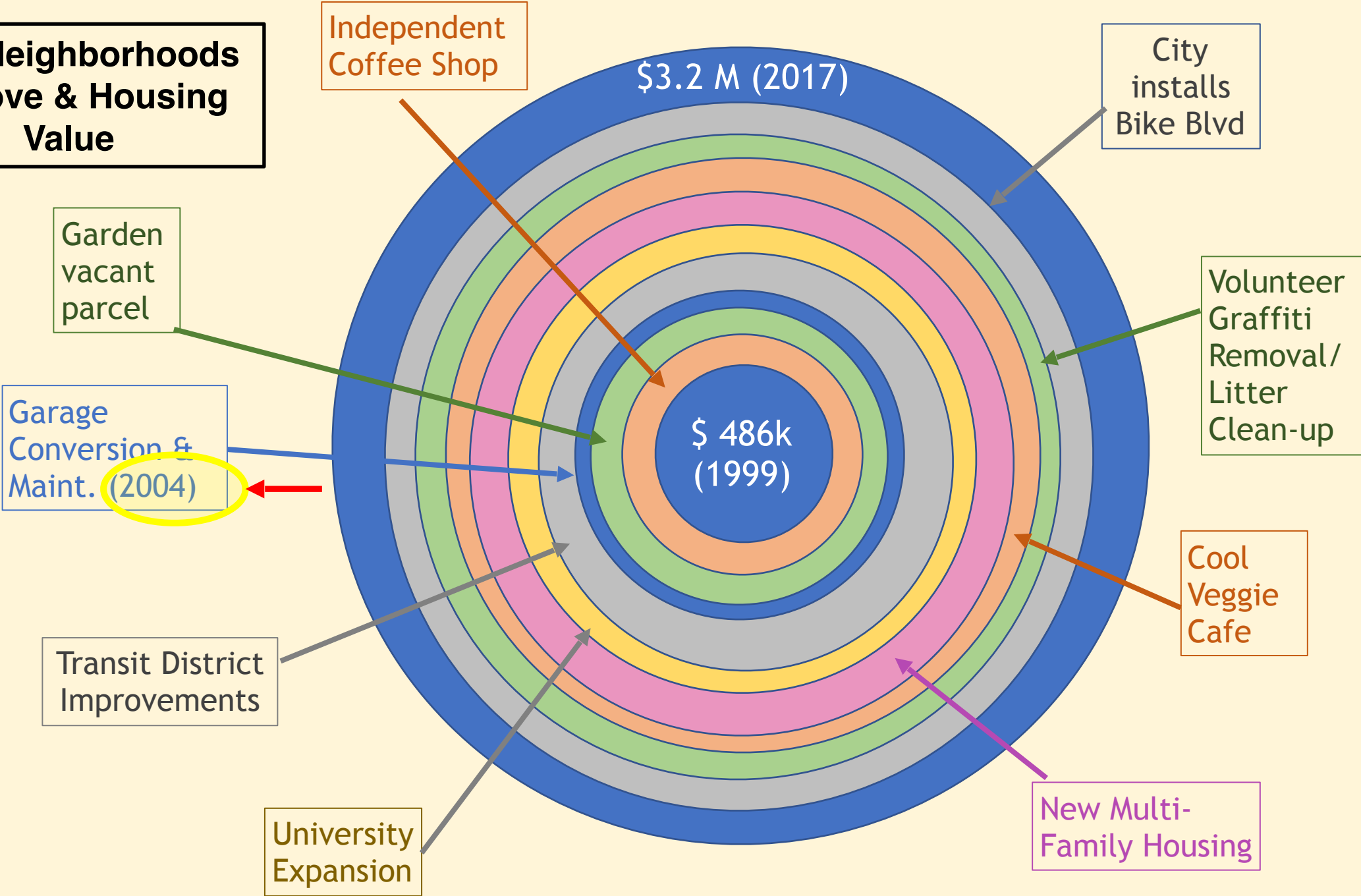


\$2,360,000 | 3 Beds | 2 Baths | 1,336 Sq. Ft.

425 Oregon Ave
PALO ALTO, CA 94301

Nearby homes similar to 425 COLORADO Ave have recently sold between \$1,550K to \$2,749K at an average of \$1,900 per square foot. **\$3,200,000**

How Neighborhoods Improve & Housing Value



Independent Coffee Shop

City installs Bike Blvd

Garden vacant parcel

Volunteer Graffiti Removal/Litter Clean-up

Garage Conversion & Maint. (2004)

Cool Veggie Cafe

Transit District Improvements

New Multi-Family Housing

University Expansion

Who's paid for Cool revitalized neighborhood?

Private Entrepreneur (Coffee Shop)

Sales Tax Revenue (Bike Boulevard)

Volunteers (Community Garden)

Property Owner (Garage Conversion and Maint.)

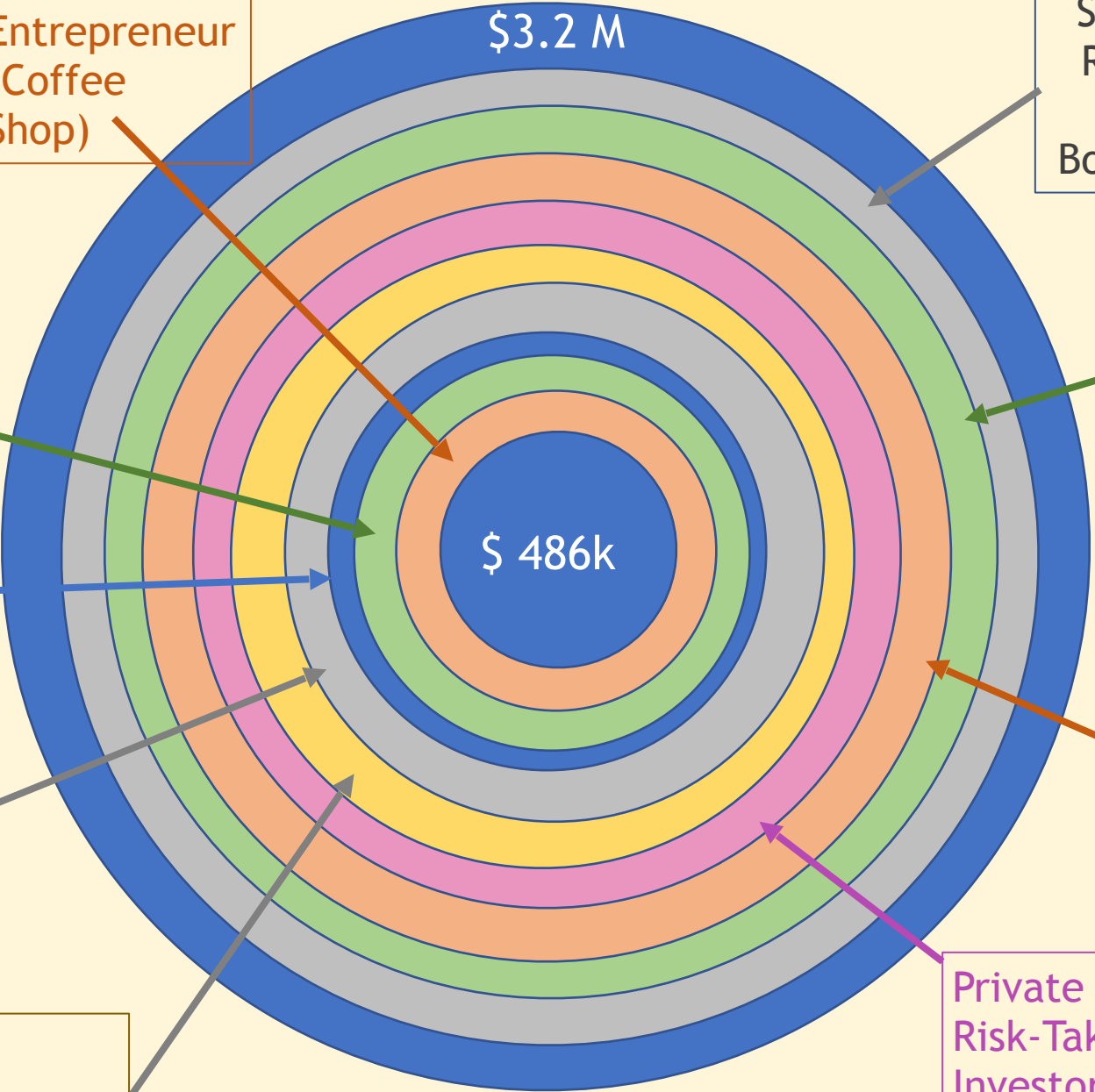
Community Volunteers with City staff (Graffiti & Litter)

Parcel Tax and State Funds (Transit Improvements)

Philanthropic Endowment (University)

REIT Private Investor (Veggie Café)

Private Equity and Risk-Taking Investors (Apt. Bldg.)



Secured Taxes Payment History

Parcel Number

13208018

Property Address

425 COLORADO AV PALO ALTO

Notice: The payment information below does not include any refunds you may have received.

The Total Paid amount does not include any credit/debit convenience fees charged.

Fiscal Year ▲	APN Suffix	Installment Number	Tax Amount	Additional Charges	My Payments	Payment Posted ±
2017	00	2	\$4,215.81	\$0.00	\$4,215.81	12/09/2016
2017	00	1	\$4,215.81	\$0.00	\$4,215.81	12/09/2016
2016	00	2	\$4,172.16	\$0.00	\$4,172.16	12/10/2015
2016	00	1	\$4,172.16	\$0.00	\$4,172.16	12/10/2015
2015	00	2	\$4,052.46	\$0.00	\$4,052.46	12/16/2014
2015	00	1	\$4,052.46	\$425.24	\$4,477.70	12/16/2014
2014	00	2	\$4,042.24	\$0.00	\$4,042.24	04/09/2014
2014	00	1	\$4,042.24	\$424.22	\$4,466.46	01/19/2014
2013	00	2	\$3,971.56	\$0.00	\$3,971.56	12/10/2012
2013	00	1	\$3,971.56	\$0.00	\$3,971.56	12/10/2012

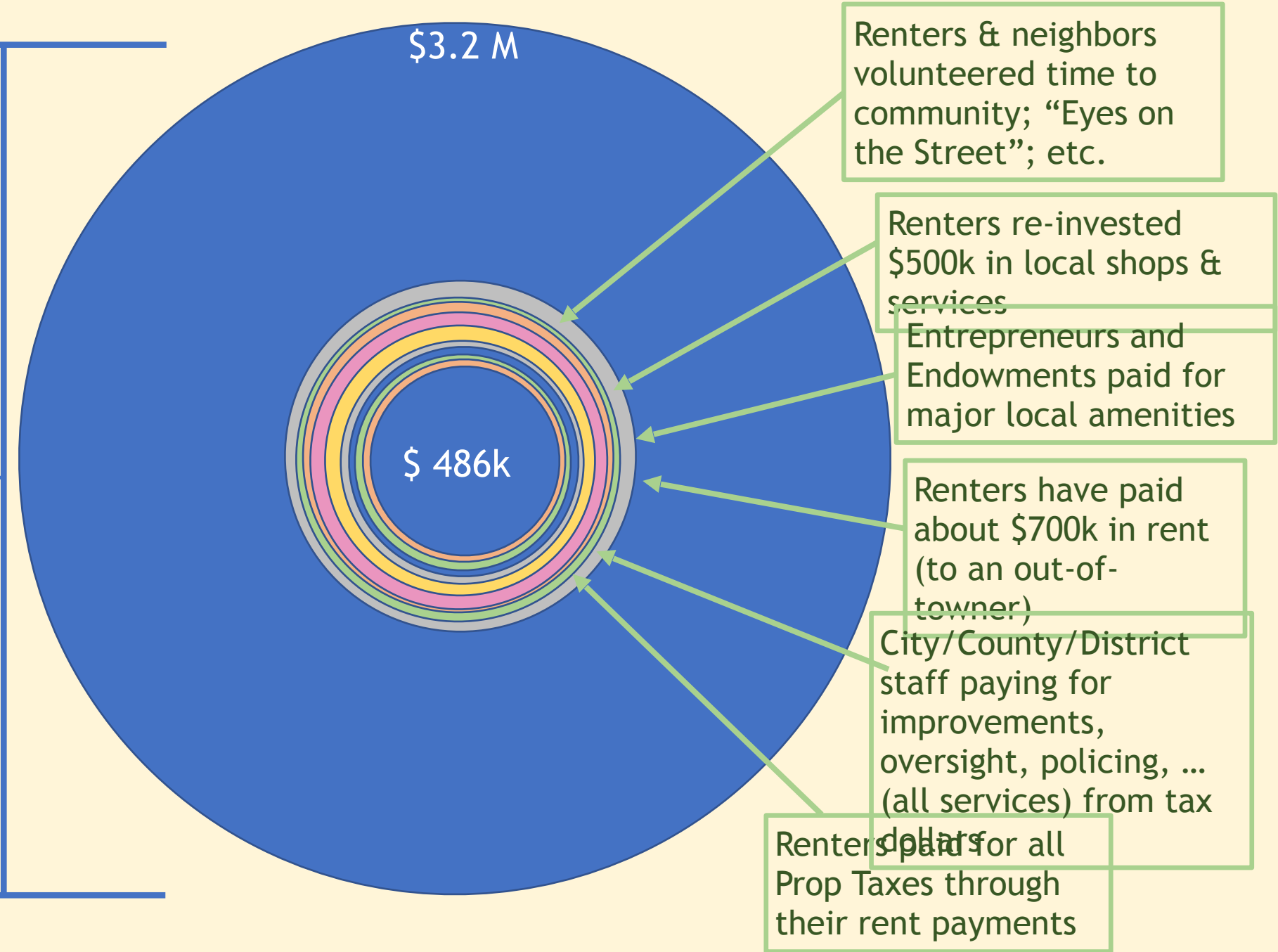
In 2005 - Owner moves to Laguna Beach and starts RENTING garage to a single professional and rents house to a couple. Now an “Active RE Manager”, and pays some income tax on the rental income.

\$\$ INTO the “Public Pot” - improving the Neighborhood - over 17 years

Prop Tax: \$ 97,000
Income Tax: \$ 150,000
Sales Tax: \$ 25,000
\$ 272,000

2017 – Owner Sells!
So “The Public Pot” got
a \$275k influx – will the
profit distributions go to
all?

Property Owner	
\$ 3,200,000	
486,000	
(income tax) 150,000	
(sales tax) 25,000	
-	
<u>10,000</u>	
\$2,529,000	
<i>(Owner sells & trades into a 1031. Dividends on that go to Orange County GOP candidates)</i>	



Result:

\$3.2 M

Renters Move Away!

Now - Let's Go Build Some
Community!

	4,500	Lot Size				
	1,200	Home Size				
	400	Converted Garage size				
	\$2,000	Per Square Foot Value (b/c County doesn't know about the garage!)				
	1999 Value	1999 Cost	Today's Cost	Notes		
	\$486,000	\$486,000				
		\$10,000		In 2004, convert garage to a 1-BR Apartment (No Permits)		
			\$3,200,000	\$2k * 1,600 sq. ft.		
	Rental Income					
	Garage	House				
	\$1k month	\$2,000 ,				
	4% annual increase	4% annual increase				
				1999		
				2000		
				2001		
				2002	2000	
				2003	0.04	
	\$12,000	0		2004	14	
	\$12,480	\$24,960		2005	3463	
	\$12,972	\$25,980		2006		
	\$13,500	\$27,000		2007		
	\$14,040	\$28,080		2008		
	\$14,604	\$29,220		2009		
	\$15,180	\$30,360		2010		
	\$15,780	\$31,560		2011		
	\$16,440	\$32,760		2012		
	\$17,100	\$34,140		2013		
	\$17,760	\$35,520		2014		
	\$18,480	\$36,900		2015		
	\$19,200	\$38,400		2016		
	\$19,980	\$39,960		2017		
	\$20,700	\$41,580		2018		
	\$240,216	\$456,420				
	\$696,636.00					
	\$63,737	Garage tenant's income if they are paying 33% to rent				

Contact Information:

Presenter Name 18 pt Bold , Title Unbolded

Email

Phone number (if applicable)

Website (if applicable)



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