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## Kennedy Wilson Multifamily Finds Solutions on Difficult Alameda Redevelopment Project

**T**he story of the Summer House redevelopment project in Alameda is a study in perseverance.

In September 2005, Kennedy Wilson Multifamily, the apartment division of the international real estate services and investment company Kennedy Wilson, undertook a challenging redevelopment and repositioning assignment, which has paid off handsomely for the company and its partners.

KWMF and its partners purchased Summer House (previously known as Harbor Island), one of the largest multifamily properties in the East Bay area of Northern California.

Summer House is located in Alameda. It contains 615 units on 20 acres and was originally built in 1965 as low-cost housing for nearby Alameda Point Naval Air Station.

The complex's previous owner did little to stop it from becoming drug infested and crime ridden, according to KWMF spokesman Clive Hoffman. In fact, at one time over 50% of Alameda's 911 calls emanated from the project. In 2004, the project's ownership decided to renovate the property. While seeking entitlements from the city to redevelop Summer House, it summarily evicted over 2,000 low income and minority tenants, almost causing the closure of two elementary schools in the process. The resulting furor led to lawsuits and protests. Having alienated Alameda decision makers, the ownership found it impossible to redevelop the embattled property and placed it on the market in 2005.

Although the Summer House had suffered abuse and neglect, KWMF immediately saw the potential to redevelop it into a major market-rate project. The company has had years of experience in adding value to what others perceive as troubled assets. First of all, according to Hoffman, KWMF noted that most of the property's deterioration was "cosmetic." Second, it was located in the epicenter of a vibrant \$100-million renaissance taking place in Alameda and in Oakland's Jack London Square. As an example, a new development of single family homes in the \$800,000 price range, was being constructed across the street from the property.



*Before (above) and after at Summer House.*

