



Sunnyvale

Award \$16M in Housing Loans for Four Affordable Housing Developments

Jenny Carloni
Housing Officer
October 25, 2022



Background

- \$16 Million Notice of Funding Availability (NOFA)
 - ◆ Released July 18
- Housing Mitigation Funds (HMF) collected from non-residential and residential development
- BMR In-Lieu Funds collected from residential developers who pay fee or pay fractional fee
- Funds used for Pre-development, Development, and/or Rehabilitation of Deed Restricted Affordable Housing Developments.
- Minimum loan is \$500,000; 55-year restriction

Funding Applications Received

- Four applications received, totaling \$18.5M
- Orchard Gardens: \$2.5M Requested
 - ◆ Redevelopment and New Construction, 123 units
- 1178 Sonora Court: \$15M Requested
 - ◆ New construction of 176 new units (City owned land)
- 1171 Sonora Court: \$500,000 Requested
 - ◆ Predevelopment, 192 units
- Carroll Street Inn: \$500,000 Requested
 - ◆ Rehab of 121 units

Ranking and Recommendation

Applicant	Project	Funding Amount Requested	Final Score	Committee Recommendation	Recommended Funds Per Unit
First Community Housing	Orchard Gardens	\$2.5 million	1	\$2.5 million	\$20,325
MidPen Housing	Sonora Court (1178)	\$15 million	2	\$12.5 million	\$71,023
MidPen Housing	Sonora Court (1171)	\$500,000*	3	\$500,000	\$2,604
MidPen Housing	Carroll St. Inn	\$500,000*	4	\$500,000	\$4,100
Total		\$18,500,000		\$16,000,000	

City Funding Totals per Unit If Loans Approved

Project Name	Unit Total	City Funds to Date	City Funds Recommended in 2022	Total City Funds per Unit
Orchard Gardens	123	\$7,500,000	\$2,500,000	\$81,300
1178 Sonora	176	\$14,000,000	\$12,500,000	\$164,773
1171 Sonora	192	0	\$500,000	\$2,604
Carroll St.	122	\$964,750	\$500,000	\$12,006

Next Steps

- Staff will issue Conditional Loan Award Letters
- Developers have two years to close escrow and begin construction

HHSC & Staff Recommendation

- HHSC recommended Alternative 1 at their September meeting.
- Staff Recommendation:
 - ◆ Alternative 1:
 - Award conditional funding commitments for \$16 Million in Housing Mitigation Funds and Below Market Rate In-lieu Funds for the pre-development, development and/or rehabilitation to the projects listed in Attachment 3 to the report.