



January 14th, 2015

Suzanne Isé
Housing Officer
City of Sunnyvale Housing Division
456 W. Olive Ave.
Sunnyvale, CA 94086

RE: 460 Persian Drive – Response to City of Sunnyvale Housing Mitigation Funds RFP

Dear Ms. Isé:

MidPen Housing Corporation is pleased to submit this application requesting \$5,000,000 in Housing Mitigation Funds from the City of Sunnyvale to support the development of a 60-unit new construction project at 460 Persian Drive.

460 Persian Drive is an exciting opportunity to build new affordable units in Sunnyvale for low-income families. The proposed project would include a mix of studio, 1, 2, and 3 bedroom units, for households making between 30 and 60 percent of Area Median Income. Families at the property would enjoy immediate access to neighborhood amenities such as a grocery store and VTA light rail station. On-site amenities would include several community spaces, a courtyard and tot lot, structured parking, and on-site social services programming. It would also redevelop an underutilized industrial site that was listed as an available housing site in the City of Sunnyvale's 2015 Housing Element of its General Plan.

The site is also a rare opportunity to obtain land for new affordable housing construction in a competitive property market. MidPen Housing was fortunate enough to win the competition to obtain an executed Letter of Interest from the property's seller. With the support of a City of Sunnyvale HMF award, MidPen would fund a bridge loan to acquire the property. The project is competitive for additional public funding and is zoned appropriately for the proposed project. We believe it is realistic to expect construction to begin on the project within two years of a funding award.

Thank you for your support and partnership thus far in the development of 460 Persian Drive. Should you have any questions about this request and application, please contact me by phone at (650) 356-2900 or email at jlindenthal@midpen-housing.org.

Sincerely,



Jan Lindenthal
Vice President of Real Estate Development
MidPen Housing Corporation

City of Sunnyvale Request for Proposals
Housing Mitigation Funds

APPLICATION FORM

City of Sunnyvale
Request for Proposals

Housing Mitigation Funds for
Affordable Housing Projects



RFP Issued:

February 27, 2014

Proposals Due:

March 21, 2014

City of Sunnyvale Housing Mitigation Funds RFP

APPLICATION FORM Proposals
Due: March 21, 2014**PART I: APPLICATION FORM****PROJECT APPLICANT****1. Project Applicant:**Applicant Name (Organization/Agency): MidPen Housing CorporationPrincipal (with Power of Attorney): Matthew FranklinPrimary Contact Person: Iman NovinAddress: 303 Vintage Park Drive, Suite 250Phone No.: 650-356-2900 Fax No.: 650-242-8825E-Mail: inovin@midpen-housing.org Federal Tax ID No.: 23-7089977What is the role of the Applicant in the project? (*check all that apply*):

- Ownership Entity
 Managing Partner or Managing Member
 Sponsoring Organization
 Developer
 Other (describe):

2. Legal Status of Applicant:

- General Partnership Limited Partnership Corporation
 Joint Venture¹ Nonprofit Organization
 Other (specify):

3. Status of Organization:

- In good standing
 Other (describe):

4. Name(s) of individual(s)/entities who will be General Partner(s) or Principal Owner(s):

(you have only 6 lines worth of text in this box)

The exact ownership entity has not yet been determined, but it will probably take the form of a limited partnership, with a MidPen affiliate as the sole member of the LLC that will serve as the general partner.

¹ If the Applicant is a Joint Venture, a Joint Venture Agreement is required, clearly describing: the roles and responsibilities of each partner. Explain who is the lead partner, or if the responsibilities are approximately equally split between the partners.

PROJECT DESCRIPTION

5. **Project Name:** 460 Persian Drive
Project Address: 460 Persian Drive
Assessor's Parcel No.: 110-29-028
Census Tract: 5048.03

6. **Project Type (check all that apply):**
 Rental Ownership SRO/Studio Apartments
 Family Special Needs
 Senior Other (describe):

7. **Project Activity (check all that apply):**
 Acquisition
 Rehabilitation
 Redevelopment
 New Construction
 Expiring Tax Credit/Section 8 Property
 Mixed Income
 Mixed Use
 Other (please specify):

8. **Project Description:**

No. Units: 60
 No. Res. Bldgs.: 1
 No. Stories: 4.5
 Land Area: 1.32 acres
 Residential Floor Area: 82,000
 Community Room(s) 2
 Floor Areas: 20,500
 Other Uses (specify):

Commercial/Office Uses (specify):

N/A

Commercial Floor Area: 0
 Office Floor Area: 0
 Elevators: 1

5 percent (3 of the 60) of the proposed units in the property will be designated to adults transitioning out of homelessness.

City of Sunnyvale Housing Mitigation Funds RFP

**APPLICATION FORM
Proposals Due: March 21, 2014**

9. Parking:

Total Parking Spaces: 98
 Parking Type: _____

 Residential Spaces and Ratio: 98
 Guest Spaces: 0

 Commercial Spaces and Ratio: 0
 Office Spaces and Ratio: 0

10. Number of Housing Units by Income Category:

Category	Number of Units	Percentage of Units
0% to 30% AMI (Extremely Low-Income)	8	13
31% to 50% AMI (Very Low-Income)	36	60
51% to 80% AMI (Low-Income)	15	25
Unrestricted	1	2

11. Unit Amenities (air conditioning, laundry in unit, balconies, etc.):

Units will feature balconies and air conditioning, as well as Energy-star appliances, including dishwashers.

12. Number of Unit Types:

Studio 4

 1 Bedroom 26

 2 Bedroom 11

 3 Bedroom 19

PROJECT NARRATIVE

13. Project Description:

Provide a brief narrative summary of the proposed project. Please include location, project type (new versus rehab), target population and any unique project characteristics.

The proposed is a new construction, 60-unit project for low-income families in Sunnyvale, located at 460 Persian Drive. It would provide critically-needed affordable housing in a fast-developing, amenity-rich neighborhood within a half mile of a VTA light rail station and a grocery store.

City of Sunnyvale Housing Mitigation Funds RFP

APPLICATION FORM
Proposals Due: March 21, 201414. **Project Design:**

Provide a description of the project's architectural and site plan concepts and how these concepts address the opportunities and limitations of the site and location.

The proposed project has a preliminary design but the concept is to build a 60-unit attractive, affordable housing project. The attached site plan is consistent with the current zoning. The site was identified in the City of Sunnyvale's Housing element as an available site for affordable housing.

15. **Green Building Features:**

Describe the green building features that will be incorporated into the project.

Green building will be incorporated throughout the project including the following measures: efficient windows, Energy Star appliances, LED site and interior lighting, and high-efficiency water heaters. The project will be designed to exceed Title 24 by 17.5% and score 100 on Greenpoint Rated.

16. **On-Site Amenities:**

Describe any on-site amenities, including any project characteristics that address the special needs of the population you intend to serve.

Although only preliminary plans are available now, the project will ultimately feature a multipurpose community room, a classroom-style space with computers, a tot lot with open space, a laundry room and an office space for property and social services staff.

17. **Neighborhood/Off-Site Amenities:**

Describe the property location, neighborhood, transportation options, local services and amenities within 1/4-mile and 1/2-mile of the site.

The neighborhood surrounding 460 Persian features many family-friendly amenities. It has a mix of commercial and residential uses, including several newly-constructed multifamily developments and a major office center. Within a 1/4 mile, there is a shopping center that includes a Fresh & Easy grocery store and an adjacent VTA light rail station (Fair Oaks station on the Mountain View-Winchester line), providing access to several employment and shopping centers in Mountain View, Santa Clara and San Jose. Highway 237 is located on the side of Persian Drive opposite to the site and has an onramp within 1/4-mile of the site. An array of office parks are located on the opposite side of Highway 237, giving residents immediate access to employment opportunities. Also, Seven Seas Park, Sunnyvale's newest park, is located within a 1/2 mile. Lakewood Elementary is located within 3/4 mile.

City of Sunnyvale Housing Mitigation Funds RFP

APPLICATION FORM
Proposals Due: March 21, 201418. **Potential Development Obstacles:**

Are there any known issues or circumstances that may delay or create challenges for the project? If yes, list issues below, including an outline of steps that will be taken and the time frame needed to resolve these issues.

None that we are aware of. We anticipate that the project will be eligible for various types of local funding, such as County HOME funds, ASHC funds, and/or TOD/IIG funds because of its proximity to transit, other amenities, and R-4 zoning.

SITE INFORMATION19. **Site Control:**

- a. Site control must be obtained no later than July 1, 2014. What is the level of site control currently held by the applicant?

MidPen Housing Corporation executed a letter of intent to purchase with the current owner.

- b. Will site acquisition be a purchase or long-term lease?

Purchase.

- c. What is the purchase price of the land?
(For proposed leaseholds, indicate the amount of the annual lease payment, the term of the lease, and the basis for determining the annual payment amount).

\$7,561,145

- e. What is the appraised value of the site? Briefly describe the type of valuation cited.

The value of the site is between \$6,950,000 to \$8,900,000 based on CBRE's opinion of value of the highest and best use for the property for medium/high density residential redevelopment and the current R-4 zoning.

City of Sunnyvale Housing Mitigation Funds RFP

APPLICATION FORM
Proposals Due: March 21, 2014

- f. Who is the current property owner and what is their address and contact information?

Baboolal And Gita Patel, 231 Rosilie Street, San Mateo, CA 94403

20. **Site Information:**

- a. Total square footage of site: 57,500
- b. Existing uses on the site and the approximate square footage of all structures:

The site currently contains a 1-story commercial/industrial building and parking lot, with some landscaped areas.

- c. Planned use of on-site existing structures:

- Demolish Rehabilitate
- Other (describe):

- d. Provide the following information for each on-site building to be retained as part of this project:

Square Footage: N/A Date Built: _____ No. of Stories: _____

- e. Provide a brief description of the condition of any buildings to be rehabilitated.

N/A

- f. Describe unique site features (Heritage trees, parcel shape, etc.).

The site currently contains a 1-story commercial/industrial building and parking lot, with some landscaped areas. The parcel is flat and has a regular shape.

City of Sunnyvale Housing Mitigation Funds RFP

APPLICATION FORM Proposals
Due: March 21, 2014

g. Identify problematic site conditions (high noise levels, ingress/egress issues, etc.).

The site is in proximity to Highway 237, which may cause higher-than-normal noise levels at peak commute hours.

h. Is the site in a floodplain? Yes No Map used: City Flood Zone Map

If yes, type of floodplain (number of years): _____

i. Describe adjoining land uses:

West: 1-story office spaces

East: State Highway 237

North: Religious and Community Center

South: Townhouse development

21. Zoning:

a. What is the current zoning of the project site? R-4

b. Is the proposed project consistent with the existing zoning status of the site?

Yes No (explain)

c. Indicate any discretionary review permits required for the project (Special Development Permit, Design Review Permit, etc.).

Most likely a special development permit, which includes design review.

d. If rezoning is required, identify the requested zoning district for the project.

N/A

City of Sunnyvale Housing Mitigation Funds RFP

**APPLICATION FORM
Proposals Due: March 21, 2014**

22. Community Priorities:

- a. Explain how this project meets the objectives of the housing goals and priorities identified in this RFP and the goals and objectives of the Housing Element of the City's General Plan.

The redevelopment of this site as housing would help the City meet its RHNA goals for low income housing. Indeed, the property was specifically identified in the Sites Inventory of the Housing Element to be converted to residential and was highlighted because it could produce sufficient density.

PROJECT FUNDING

23. Project Budget:

- a. City Funds Requested: \$ 5,000,000 City Funds Per Assisted Unit: \$ 84,745
- b. Total Project Cost: \$ 33,075,793 Total Cost Per Assisted Unit: \$ 560,607
- c. Other Sources of Permanent Financing (not including private bank loans):

Type of Funding	Amount
<input checked="" type="checkbox"/> 9% Low-Income Housing Tax Credits	<u>19,184,191</u>
<input type="checkbox"/> 4% Low-Income Housing Tax Credits	<u> </u>
<input checked="" type="checkbox"/> CalHFA/Conventional Lender	<u>3,301,900</u>
<input type="checkbox"/> Tax-Exempt Multi-Family Bonds	<u> </u>
<input type="checkbox"/> Multi-Family Housing Program (MHP)	<u> </u>
<input checked="" type="checkbox"/> Affordable Housing Program (AHP)	<u>600,000</u>
<input checked="" type="checkbox"/> County of Santa Clara, Office of Affordable Housing	<u>1,400,000</u>
<input type="checkbox"/> Santa Clara County Housing Trust	<u> </u>
<input checked="" type="checkbox"/> Other: Infill Grant and/or AHSC/Misc. Local	<u>3,860,230</u>

- d. How will the requested City funding be used?

It will be used to defray the cost of acquisition, which MidPen Housing Corporation will pay for initially through a bridge loan.

City of Sunnyvale Housing Mitigation Funds RFP

**APPLICATION FORM
Proposals Due: March 21, 2014**

e. Amount of developer fee and percentage of project cost:

\$1,400,000, which includes \$300,000 in deferred fees. 4.2%.

f. Assess the chances of the project securing required funding and steps that will be taken to make the project competitive. What is the self-scored nine percent (9%) tax credit tie breaker score for the project (if applicable)?

The project scores about a 52.29% on its tiebreaker. This provides it with an excellent chance to secure tax credit funding.

DEVELOPER EXPERIENCE

Developers must have successfully completed a minimum of three affordable housing projects of similar size and complexity as the proposed project to qualify for this RFP.

24. Provide a summary of affordable housing experience:

Years Experience:	43
Number of Projects:	109
Number of Projects in Santa Clara County:	40
Average Size of Projects:	65
Number of Units Placed in Service:	7,065

25. Describe awards given to projects completed in the last 10 years.

MidPen Housing Corporation has a long-standing history of developing noteworthy developments throughout the Silicon Valley and Bay Area. In the last 10 years, MidPen has received over 20 local and national awards recognizing its ability and dedication to develop beautiful, sustainable affordable housing for a wide range of communities with varying needs. In 2013, 636 El Camino in South San Francisco won the Sustainable San Mateo County Award. Our Station Center property in Union City is certified LEED Platinum. In the last three years, the Urban Land Institute has given two MidPen communities its Award for Excellence. In 2012, Fair Oaks in Sunnyvale received Affordable Housing Finance Magazine's award for senior project of the year. In 2011, Main Street Village in Fremont received the highest score of 218 for any multifamily project in California for Build It Green's GreenPoint-rated system.

City of Sunnyvale Housing Mitigation Funds RFP

APPLICATION FORM
Proposals Due: March 21, 2014

26. Describe three projects completed in the last ten years that are similar to the proposed project and provide photographs of each project:

a. Project 1

Name of Project: Delaware Pacific
 Location: 1990 S. Delaware St., San Mateo CA
 Number of Units: 60
 Type of Development (senior, family, etc.): Family
 Name of Project Manager: Polo Munoz
 Number of Stories: 5
 Unit Types (studio, 1-bedroom, etc.): 18 1-bdrm, 22 2-bdrm, 20 3-bdrm
 Type of Construction: Type V over podium
 Project Amenities: On site laundry, community room, after school space, fitness cen
 Entitlement Date: 5/16/2011
 Occupancy Date: 11/4/2013
 Funding Sources: 9% tax credits, City RDA, CDBG, AHP, MHSA, Conv. Mortgage

b. Project 2

Name of Project: Peninsula Station
 Location: 2901 S. El Camino Real, San Mateo, CA
 Number of Units: 64
 Type of Development (senior, family, etc.): Family
 Name of Project Manager: Nevada Merriman
 Number of Stories: 4 stories over underground podium
 Unit Types (studio, 1-bedroom, etc.): 20 1-bdrm, 14 2-bdrm, 30 3-bdrm
 Type of Construction: Type V over podium
 Project Amenities: Community room, computer lab, community garden, services
 Entitlement Date: 2008
 Occupancy Date: 2011
 Funding Sources: 9% tax credits, RDA, HOME, CDBG

City of Sunnyvale Housing Mitigation Funds RFP

APPLICATION FORM
Proposals Due: March 21, 2014c. Project 3

Name of Project: 636 El Camino (Phase II)

Location: 636 El Camino, South San Francisco

Number of Units: 47

Type of Development (senior, family, etc.): Family and special needs

Name of Project Manager: Abby Goldware

Number of Stories: 3 and 4 story building

Unit Types (studio, 1-bedroom, etc.): 13 1-bdrm, 15 2-bdrm, 20 3-bdrm

Type of Construction: Type V over podium

Project Amenities: Community room, after school space, playground

Entitlement Date: June 2010

Occupancy Date: August 2012

Funding Sources: 4% tax credits, RDA, HOME, CDBG, MHSA, Convention Debt

27. **Personnel:**

List the names of key members of the applicant's development team, their titles, responsibilities and their years of experience in affordable housing:

Project Staff	Name	Role in Proposed Project	Years of Hsg Devt Experience	Years with this Developer
Project Manager	Iman Novin	Acquisitions, Funding Applications	10	1
Director of Real Estate Development	Jan Lindenthal	Oversight of Development team	23	6
Executive Director	Matthew Franklin	President	20	7
Chief Financial Officer	Arthur Fatum	Finance/accounting	9	1
Other	Hua Fang	Development accountant, CPA	6	6
Other				
Other				

City of Sunnyvale Housing Mitigation Funds RFP

**APPLICATION FORM
Proposals Due: March 21, 2014**

28. Other Team Members:

Indicate which of the following development team members have been selected and identify them:

Developer, if Different from Applicant MidPen Housing Corporation
 Architect(s)/Engineer(s) TBD
 Attorney(s) and/or Tax Professionals TBD
 Property Management Agent MidPen Property Management Corporation
 Financial and Other Consultant(s) TBD
 General Contractor TBD
 Investor TBD

29. List all other participants and affiliates (people, businesses and organizations) proposing to participate in the project:

Name	Address
MidPen Property Management Corporation	303 Vintage Park Drive, Suite 250, Foster City, CA 94404
MidPen Resident Services Corporation	303 Vintage Park Drive, Suite 250, Foster City, CA 94404

30. Property Management:

Describe how the property will be managed, including the number of staff, locations and management office hours.

The property will be managed by MidPen Management Corporation. It will be staffed by a community manager and a maintenance technician. A onsite manager will reside at the property.

City of Sunnyvale Housing Mitigation Funds RFP

APPLICATION FORM
Proposals Due: March 21, 2014

31. If the project will be managed by a company other than the project applicant, describe the project applicant's role in the ongoing management of the project and resolution of management issues.

The project will be managed by MidPen Property Management Corporation, which is an affiliate of the applicant.

32. List the names of key property management staff, their titles, responsibilities and their years of experience managing affordable housing:

Name	Title (e.g., project manager, intake staff)	Job Responsibilities	Years Experience in Affordable Housing
Debra Sobeck	VP of Prop. Management	Oversees portfolio	20 years
Evelyn Catalan	Director of Compliance	Oversees regulatory compliance	20 years
To be assigned	Community Manager		
To be assigned	Regional Property Manager		
To be assigned	Director of Prop. Manager		
To be assigned	Facilities Manager		

33. Explain your marketing strategy and tenant selection process, and the establishment and management of waiting lists.

Due to high demand for affordable housing and rapidly rising rents in Silicon Valley, we expect this project will maintain almost full occupancy. (Note: Text box will not allow for more content. Please see separate page.)

33. Explain your marketing strategy and tenant selection process, and establishment and management of waiting lists.

MidPen Property Management Corporation follows the prescribed process outlined in the resident selection criteria to fill the vacancy. First, MidPen Property Management staff members refer to waitlists to determine the next qualified tenant. When there are no longer any qualified tenants on the waitlist, staff members follow the company's affirmative marketing plan to revamp the property's waiting lists. The affirmative marketing plan is used for recruitment and is designed to assure equal access to eligible applicants in all categories protected by federal, state, or local anti-discrimination laws. In an effort to ensure a diversity of tenants, an outreach program is initiated to reach underrepresented clientele.

Ads for vacant units will be advertised online, such as on Craigslist and MidPen Housing's corporate website, and sent to the community organizations or in other mediums as outlined in the affirmative fair housing marketing plan.

Advertisements will include the following:

- Equal Housing Opportunity logos and affirmative marketing slogans and statements on all marketing and advertising materials;
- Display of Fair Housing posters in rental offices and locations;
- Notice of nondiscrimination on the basis of disability on all marketing and advertising materials.

The Community Manager, fully familiar with established selection criteria included in the applicable regulatory agreements for the property, in collaboration with MidPen Property Management compliance support is responsible for resident qualifications. Per these regulatory agreements, extensive waitlists are compiled and are first used to select potential tenants in the case of any vacancies in the property. In the case that there are no eligible potential tenants from the waitlist, management can contact the appropriate regulatory body to revise the affirmative fair housing marketing plan. The Community Manager, under supervision of the Regional Property Manager, is responsible for careful review of all lease conditions, development regulations, and services with new and existing tenants. Typically, orientation to operation of appliances and building systems is the function of the Community Manager coincidental with completion of the move-in condition report with the resident.

City of Sunnyvale Housing Mitigation Funds RFP

**APPLICATION FORM
Proposals Due: March 21, 2014**

34. Scoring

Please provide a description of your proposal's attributes for each of the categories below. You have 5 lines of text in each box. You may attach up to one page of additional supporting material for each category. For categories 5 and 6, simply fill out the blanks provided. The category descriptions and maximum points available are provided in the "Scoring Sheet" on page 8 of the RFP.

Category:

1. Organizational Capacity and Relevant Experience

Please see attached separate page for response.

2. Project Need

Please see attached separate page for response.

3. Project Design and Readiness

Please see attached separate page for response.

4. Budget and Financial Management

Please see attached separate page for response.

5. Percentage of Matching Funds (Leverage)

Total Project Cost* as stated in Project Budget: \$	33346321
<i>* Include capital costs only, not long-term operating costs</i>	<hr/>
Amount of City HM Funds Requested:	5000000
Amount of Matching Funds (<i>Project Cost - City HM Funds Requested</i>) =	28346321
Percentage of Matching Funds (<i>Matching Funds / Project Cost</i>) =	85

6. Affordability Level

	60	
Total # of Units in Project:	<hr/>	
# units affordable to ELI households	8	= 13 % of total units in Project
# units affordable to VLI households	36	= 60 % of total units in Project

Please round all numbers provided to the nearest whole number or percentage (i.e., 15%, not 15.34%).

34. Scoring

1. Organizational Capacity and Relevant Experience

MidPen Housing is one of the largest, most trusted developers and owners of high-quality affordable rental housing in Northern California. MidPen and its affiliates play a leading role in the growth of the affordable housing industry in California, consistently setting new standards for best practices in development, property management, and resident services. Since its formation over 40 years ago, it has developed over 7,400 affordable units in ten counties and has acquired/rehabilitated many properties to maintain affordability. Despite uncertain economic and funding environments, MidPen has been successful and committed to engaging with local partners to create thriving communities. More importantly, it has helped it fulfill its mission: to provide safe, affordable housing of high quality to those in need; to establish stability and opportunity in the lives of our residents; and to foster diverse communities that allow people from all ethnic, social and economic backgrounds to live in dignity, harmony, and mutual respect. To fulfill this mission, the development team brings extensive and diversified experience to developing and managing affordable housing; some of whom specialize in acquisition/rehab projects. Alongside the development team, MidPen's Asset Management, Property Management, and Accounting Department have extensive federal grant management experience, managing millions in federal funding from a variety of government programs, such as HUD 202, HOME, CDBG, HUD Green Retrofit Program, Section 8, and ARRA funds. MidPen's solid financial position also allows it to deliver on its mission to develop and maintain quality affordable housing. These assets allow MidPen and affiliates to set aside sufficient operating reserves and provide discretionary working capital for asset management and new development.

MidPen Housing has collaborated with the City of Sunnyvale to expand affordable housing and strengthen communities on many projects. MidPen recently completed the renovation of Homestead Park with City of Sunnyvale funds, and this winter we broke ground on a new construction currently known as The Armory for families and the chronically homeless. In 2013 MidPen developed a city-funded rehab of Garland Plaza and a new construction senior affordable housing property called Fair Oaks Plaza. Prior to Fair Oaks Plaza, MidPen Housing also developed and/or renovated projects such as Carroll Inn, Moulton Plaza, Homestead Park, and Aster Park with city investments and a wide range of other funding sources. Such projects demonstrate MidPen Housing's capacity and experience to complete the proposed project.

2. Project Need

460 Persian Drive is a proposed multifamily affordable housing development with 60 units for low-income families earning between 30 and 60% of AMI. Under the City's RHNA goals, the units at 460 Persian will represent 8 extremely low, 36 very low, and 15 low income units. 5% of the units would be made accessible for mobility-impaired residents and 2% would be accessible for sensory-impaired residents.

The project meets several of the housing priorities listed in the NOFA announcement. 68% of households would have incomes at or below 50% AMI. On site supportive services will ensure family stability and promote educational and employment opportunities. It will intensify development on an underutilized site that is in close proximity to a major employment center. 460 Persian will promote transit ridership given its location within 1/2 mile of the Fair Oaks VTA light rail station.

By creating new affordable units, 460 Persian Drive will provide opportunities for low-income individuals and families to access affordable housing in a job-rich region in the midst of an economic boom. Providing affordable housing will put low-income residents in physical proximity to growing employment centers, potentially creating employment opportunities and reducing commute length. Low-income children will also have the opportunity to attend schools in a high-performing, diverse school district. Neighborhood amenities such as a local grocery store and transit access will also increase quality of life.

In response to recent economic growth, however, rental increases in Santa Clara County have been mounting at an alarming pace. Most Sunnyvale housing in market rate developments are out of reach for low-income households. In response, occupancy rates are high and waitlists are long at local affordable housing communities. In a 2014 survey of 15 affordable housing communities in the Sunnyvale area, the Concord Group found that 13 were fully occupied, and most had wait lists. It also estimated that market rents for a nearby Sunnyvale site (the Armory apartments) were \$2,200 for a 1 bedroom, \$2,575 for a 2 bedroom, and \$3,000 for a 3 bedroom unit. For a family earning \$40,000 per year, these rents would consume between 66 to 90% of their annual income.

Collecting data from MidPen Housing properties also in Sunnyvale, it is evident that the need for additional units of affordable housing is deep and ongoing. For all our Sunnyvale properties, the average occupancy is 99.4%. Aster Park, a 96-unit multifamily and senior affordable housing property completed in 1975, currently has 320 applicants on the waitlist, even though its wait list has been closed for 3 years. At Homestead Park, a 211-unit property for families, there are a total of 1,202 applicants on the waitlist, which is also closed. Morse Court, a 35-unit property for families, also has a closed wait list of 299 people. And 20-unit Garland Plaza, which was recently renovated and re-opened in 2013, already has 207 people on its waitlist.

3. Project Design and Readiness

460 Persian Drive is an excellent site for affordable housing and is positioned to begin construction within two years. It will attract support from State and County funding programs because of its desirable location in a City that needs additional units of affordable family housing. MidPen is confident that the project compete well for tax credits. Our financing plan projects a high TCAC tiebreaker score of 52%. Its proximity to transit and other amenities make it eligible for transit-oriented and infill development funds. MidPen staff is seeking other financing sources from other public agencies and programs including County of Santa Clara Housing Authority project-based vouchers and other City and federal funds to leverage the construction of a three to four story garden style apartments with podium parking garage with a computer lab, community space, and common areas for onsite resident services.

Currently, the property's design only consists of a preliminary site plan because MidPen Housing has not acquired the title to the property. After the acquisition, schematic plans will be developed and refined as the project is reviewed for land use permits. It will be designed to conform with the current R-4 zoning and will not require a new zoning designation, which will potentially expedite the project review.

The current use of the property is an older commercial/industrial building that may require the relocation of existing commercial tenants prior to construction start of the project. In addition, MidPen staff plans to complete due diligence work that will require an environmental review and phase one study to verify no pre-existing conditions that would preclude the development of the project.

4. Budget and Financial Management

MidPen's solid financial position allows it to deliver on its mission to develop and maintain high-quality affordable housing. MidPen and affiliates have the capacity to set aside sufficient operating reserves and provide discretionary working capital for asset management and new development projects. Furthermore, MidPen has a strong standing of financial and regulatory compliance for its portfolio and day-to-day operation of the organization. MidPen also has accounting capacity for financial management, which allows it to thoroughly track budgets, liens, insurance, change orders, and sub-contractor contracts.

City of Sunnyvale Housing Mitigation Funds RFP

APPLICATION FORM
Proposals Due: March 21, 2014

Applicant Certification

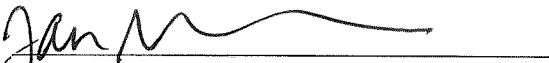
I certify that the information submitted in this application and all supporting materials is true, accurate and complete to the best of my knowledge. I acknowledge that if facts and/or information herein are found to be misrepresented, it shall constitute grounds for disqualification of my proposal.

I further certify that all of the following statements are true, except if I have indicated otherwise on this certification:

- a. I have not sold any of the projects listed on the "10-Year Projects" list;
- b. No mortgage on a project listed on this application has ever been in default, assigned to the government or foreclosed, nor has mortgage relief by the mortgagee been given;
- c. I have not experienced defaults or noncompliance under any contract or regulatory agreement nor issued IRS Form 8823 on any Low-Income Housing Tax Credit (LIHTC) project on the "10-Year Projects" list;
- d. To the best of my knowledge, there are no unresolved findings raised as a result of Agencies' audits, management reviews or other investigations concerning me or my projects for the past ten years;
- e. I have not been suspended, debarred or otherwise restricted by any state agency from participating in the LIHTC program or other affordable housing programs; and
- f. I have not failed to use state funds or LIHTC allocated to me in any state.

Statements above (if any) to which I cannot certify have been deleted by striking through the words with a pen. I have initialed each deletion (if any) and have attached a true and accurate signed statement (if applicable) to explain the facts and circumstances which I think helps to qualify me as a responsible principal for participation in this RFP.

Applicant Name(s)



Signature/Date

Jan M. Lindenthal, Assistant Secretary

Print Name and Title

This application and all supporting material are regarded as public records under the California Public Records Act.

460 Persian Drive, Sunnyvale CA - 9% Family Project

SOURCES AND USES				
CONSTRUCTION SOURCES (Assumes State Prevailing Wages)				
			per unit	
Construction Loan	\$	18,984,622		264,648
City of Sunnyval HMF	\$	5,000,000		83,333
TBD TOD/IIG Source	\$	1,500,000		25,000
County HOME	\$	1,400,000		23,333
AHP	\$	600,000		
Tax Credit Investor Proceeds	\$	1,918,419		
			per unit	
	<i>total</i>	\$	29,403,041	
PERMANENT SOURCES				
			per unit	
Amortizing Perm Loan	\$	3,301,900		49,763
City of Sunnyval HMF	\$	5,000,000		83,333
TBD TOD/IIG Source	\$	1,500,000		25,000
County HOME	\$	1,400,000		23,333
AHP	\$	600,000		10,000
Tax Credit Investor Proceeds	\$	19,184,192		319,477
GP Equity	\$	100		2
Deferred Developer Fee	\$	300,000		5,000
Other Local/Regional Funding	\$	2,060,130		
	<i>total</i>	\$	33,346,322	\$ 598,921
PERMANENT USES				
	ACQUISITION	total	per unit	per SF
Land	\$	7,561,145	\$ 126,019	\$ 118
Other Acquisition Costs	\$	405,611	\$ 6,760	\$ 6
	<i>Total Acquisition Costs</i>	\$	7,966,756	\$ 124
	HARD COSTS			
Resid. Site Work and Structures	\$	14,464,844	\$ 239,791	\$ 224
Commercial Costs	\$	-	\$ -	\$ -
Escalation Contingency	\$	738,242	\$ 12,240	\$ 11
Overhead & Profit/GC/Ins. Bond	\$	2,092,917	\$ 35,984	\$ 34
Owner Contingency	\$	1,759,600	\$ 29,302	\$ 27
	<i>Total Hard Costs</i>	\$	19,055,603	\$ 317,317
	SOFT COSTS			
Architecture and Engineering	\$	1,280,000	\$ 21,333	\$ 20
Construction Loan interest and fees	\$	941,784	\$ 13,768	\$ 13
Permanent Financing	\$	34,010	\$ 540	\$ 1
Legal Fees	\$	110,500	\$ 1,842	\$ 2
Reserves	\$	662,140	\$ 10,941	\$ 10
Permits and Fees	\$	1,007,959	\$ 14,863	\$ 14
Other Soft Costs	\$	758,570	\$ 62,204	\$ 58
Relocation	\$	129,000		
Developer Fee	\$	1,400,000	\$ 23,333	\$ 22
	<i>Total Soft Costs</i>	\$	6,323,963	\$ 148,825
TOTAL DEVELOPMENT COSTS	\$	33,346,322	\$ 598,921	\$ 559
SURPLUS / (GAP)	\$		0	

460 Persian Drive, Sunnyvale CA
Proposed Due Diligence and Development Schedule

Purchase & Due Diligence Schedule

	Projected Date
Date of Signed LOI	1/6/2015
Execute Option Agreement	2/4/2015
Place First Deposit in Escrow (\$100,000)	2/4/2015
Conduct Due Diligence	3/21/2015
Second Deposit (\$150,000) & Release of both deposits	3/21/2015
Close Escrow (\$7.5M purchase)	4/5/2015

City Funding Schedule - \$5M

Funding Application Due	1/14/2015
Housing & Human Services Commission Hearing	1/28/2015
City Council Hearing	3/17/2015
Conditional Commitment of Funds Awarded	3/18/2015
Close on \$5M City Loan	TBD 2016

Design & Entitlements

Begin discussions with Planning Department	1/16/2015
Apply for State funds	7/1/2015
Apply for County of Santa Clara funds	1/1/2016
Entitlements Approved	3/1/2016
Begin Design Development of Architectural Plans	4/1/2016
Apply for AHP	4/1/2016
Apply for 9% TCAC credits (Second Round)	7/1/2016
Receive TCAC Award Letter	9/23/2016
Close construction loan/start construction	3/1/2017
Finish Construction/Occupancy Certificate	8/1/2018
Complete Lease-up	1/1/2019

Attachment 8. Application Supporting Material Item 8

Community Outreach Plan

MidPen Housing Corporation (MidPen) takes great pride in its ability to navigate through complex public entitlement processes while at the same time creating enduring relationships in the communities we work. We believe in initiating and maintaining clear channels of communication, speaking honestly and frequently with the community, and soliciting and incorporating as much feedback as possible during the development of the building's design and program. We have found that this kind of consistent and personal face-to-face communication is instrumental in building and maintaining strong community relationships. Establishing a pattern of clear communication and organizational accountability can reassure those community members who may have concerns about the project.

Rather than attempting to avoid such communication with our neighbors, we relish it. If awarded by the City of Sunnyvale, MidPen will immediately initiate community outreach to current neighbors prior to any public meetings. As is our practice in all of our projects, we will meet with every residential and commercial stakeholder adjacent to our project to describe our proposed plan, and personally invite them to the neighborhood meeting. This practice of going door to door in advance of a neighborhood meeting not only ensures residents are aware of the meeting but also helps to ensure that we truly understand their concerns and can accurately address them in the meeting. For the meeting itself we will prepare an informative and professional presentation introducing MidPen's track record, the initial design concept, and address common neighborhood concerns which often revolve around traffic and parking issues, building shadows, and neighborhood compatibility. Given MidPen's long track record we can also highlight existing MidPen properties that have been in operation for some time clearly demonstrating our ability to manage our properties well and be good neighbors.

As we develop our plan for this project, we have already anticipated several issues which we would highlight in the neighborhood meeting as follows:

Traffic and Parking

In response to this potentially challenging question we will emphasize that 460 Persian Road will provide a 1:1 parking ratio for studios and one bedrooms and a 2:1 parking ratio for 2 and 3 bedrooms. This is consistent with what the City's design standards for family units requires, and from our experience is what is necessary to ensure that the project "self-parks." This means there should be no additional street parking generated by overflow cars from the project. Additionally, given the proximity to the VTA Fair Oaks Station light rail station, we will encourage our residents to take public transportation to work and shop. We have just recently implemented this kind of a "public transit education program" at our Peninsula Station project. As with any major life change – sometimes residents need some extra support to help them feel comfortable with a new way of doing this. By helping our residents map out their routes from home to

work and providing current route maps, we de-mystify public transit for our residents, making it more accessible to them.

Shadows

This issue can also be of concern to immediate neighbors and is one that we address early on in our site planning and building design. In this instance we will emphasize that at 60 units and four stories, our building is in compliance with the height limit and local zoning ordinances, and is similar to what exists currently at other locations in the neighborhood, such as the new developments near the corner of Tasman Drive and Fair Oaks. In addition, we will have our architect develop shadow studies to be shared at the neighborhood meeting so that community members can see any shadow impact from all directions.

Affordable Housing as a Community Asset

One of the more intangible issues that comes up during these kinds of meetings is the importance of affordable housing for the community and the concerns that neighbors may have about living near an affordable housing complex. In response to this concern, MidPen will emphasize two points:

The first is that we provide outstanding on-site tenant services at no cost to our residents. These education programs enable our residents to flourish as active and productive members of the community. MidPen Resident Services Corporation (MPRSC), a 501c3 non-profit affiliate of MidPen Housing Corporation (MidPen), will provide these enhanced services in partnership with local service providers to help residents increase their personal and financial resources.

The track record of our Services Corporation is impressive. Annually we invest more than \$3M in resident services at our properties. We have an extensive network of over 500 award-winning service provider partners. In 2010, MPRSC provided direct services to 10,294 residents at 67 family, senior citizen, special needs, and single room occupancy properties. MPRSC's core programs include after school and summer educational programs; computer learning, financial education, health and wellness, community building, and vocational development programs for both adults and children, referrals to off-site social services, benefits and resources, and volunteer opportunities and training. All of these programs are tailored to meet the needs of residents at any particular property.

Second, we'll emphasize the capabilities of our property management company, MidPen Property Management Corporation (MPPMC). Established in 1981 as an affiliate of MidPen, MPPMC currently manages 5,400 units at 87 properties from Napa County to Monterey. We manage our own properties and offer fee-based management for other owners. We strongly believe that our greatest obligation in a community is to be exceptional neighbors, and our strong property management department ensures that we are.

MidPen Housing's Track Record

In addition to addressing these potential concerns, we will introduce our company to community residents and our track record for building and managing high-quality affordable housing in Sunnyvale and throughout the Bay Area, and our initial design concepts for this development. We will record all feedback and incorporate as much as we can in our design and program, while being honest about what suggestions (if any) we cannot incorporate. Subsequent to the meeting we will thank and stay in touch with all community members through email addresses and phone numbers gathered at the meeting.

If selected by the City of Sunnyvale, as MidPen develops architectural plans we will meet with community residents and local stakeholders two or three times prior to submission of entitlements to the planning department. We hope to use these meetings as both ways to communicate our latest ideas on design and program and solicit input and feedback on our work. During construction we will meet frequently with neighbors to ensure that construction activity does not negatively impact their neighborhood. Finally, upon construction completion we will be sure to invite community members to the building's grand opening to both thank them for their participation, and for them to meet their new neighbors.

Attachment 10

460 Persian Drive Resident Services Summary

MidPen Resident Services Corporation (MidPen Services), a 501c3 non-profit organization affiliate of MidPen Housing Corporation (MidPen), provides extensive, on-site social services for MidPen residents. The goal of MidPen Services is to help individuals and families meet needs that extend beyond that of basic shelter by assisting them in achieving self-sufficiency and a higher quality of life. In 2014, MidPen Services provided resident service contacts to MidPen residents at family, senior, and special needs properties, offering service coordination, after school and summer educational programs, computer learning, financial education, health and wellness classes, literacy programs and a number of other services that are tailored to the specific needs of our residents.

Residents at 460 Persian Drive will benefit from onsite services for families, youth, and adults through a combination of MidPen's Academic and Family Services, After School Program, and Special Needs Housing Program for those adults transitioning out of homelessness.

Academic and Family Services Coordination

At 460 Persian Drive, we will provide an Academic and Family Services Coordination Manager who will oversee support and educational programs, provide information and referral to residents, as well as crisis intervention and mediation of disputes between residents, and between residents and property management. The Services Coordination Manager will conduct needs assessments at the property and develop, maintain, and evaluate partnerships with external organizations including governmental and non-governmental social services agencies that offer their services to our residents on-site and free of charge to our residents. The Services Coordination Manager will be available on-site at least 20 hours per week. (Based on a split position it is proposed to be a 50% Family Service Program/ 50% Academic Service Program). Examples of referred services include: career planning & assessment, job placement assistance, referrals to training programs, college readiness support, budgeting, asset building strategies, educational workshops on health, and obtaining rental assistance for those at risk losing housing.

After School Program Services Coordination

The After School Program targets school-age youth living in MidPen properties and is designed to improve youth's academic achievement and career aspirations. The Program operates during the after school hours and the summer months when schools are closed. It provides youth with a wide variety of services and activities in a welcoming, safe, and productive environment. Demand for this program is high at MidPen family properties since parents do not always have the time or ability to help their children with homework and quality recreational options are financially out-of-reach for most residents.

The Program will be offered for at least ten hours per week, Monday to Friday, and will focus on three core areas: literacy learning, enrichment opportunities, and higher education awareness. An Academic Coach will provide these services directly as well as bring in available outside resources.

The programming that will be offered is outcome based. Each program area will have specific benchmarks that will be set in an effort to effectively analyze the impact of the service program. Program

data will be kept securely in a database called Salesforce that is utilized by MidPen Services to track outcomes.

Special Needs Housing Program

MidPen Services will offer services to adults who have experienced homelessness. We expect these individuals to have significant disabilities. The services approach is designed to assist individuals in maintaining stable housing, and is also viewed as an opportunity to empower individuals/families to become more socially and economically self-determined and independent. It is anticipated that some individuals will be able to move on to other less subsidized/supported housing situations over time.

Accordingly, resident services offered will be a case management variation of Strengths Based Case Management which is based on the belief that individuals possess abilities and inner resources that allow them to cope effectively with the challenges of living; and Motivational Interviewing, a goal-oriented, client-centered counseling style for eliciting behavior change by helping clients to explore and resolve ambivalence. The staff, in partnership with each resident, will develop service plans that will be designed to meet the person's specific needs and life goals. Critical components of the resident services approach will include:

- Trusting relationships: A critical component of the program is development of a trusting relationship between the tenants and the Case Manager. A key attribute of the Case Manager (CM) and other service staff will be respect for confidentiality and a genuine commitment to helping individuals bring about positive change in their lives. On-site staff will celebrate small steps toward self-sufficiency and will push tenants to progress further.
- Functional Assessment: Providing a blueprint to assist the Case Manager in obtaining information regarding the individual's specific needs is deemed to be critical in goal planning and development. The administering of Functional Assessments which are designed to identify needs in the lives of individuals is a tool that will be used. The CM will seek to partner with each tenant to develop an Individualized Service Plan (ISP). The ISP will detail goals that are created with input from the resident and the CM, and contain a plan of action for achieving the goals.
- Community partnerships: Forging partnerships with the primary and secondary service providers and many other resources in the City of Sunnyvale is critical to helping our tenants maintain stable housing and achieve greater self-sufficiency including a sense of connection to community.
- Program flexibility: A diverse array of personal and tenant challenges influences an individual's ability/inability to be stable socially and/or economically. Every tenant also has different strengths on which they can draw to become self-sufficient. Because these individuals' circumstances are so diverse, a broad range of services and approaches to strengthening individuals is needed to help them achieve self-sufficiency, greater independence, and self-determination.