

Block 15 Affordable Housing Site
**Exclusive Negotiating
Agreement (ENA)
with Related CA**

Public Hearing

February 28, 2017 City Council Meeting



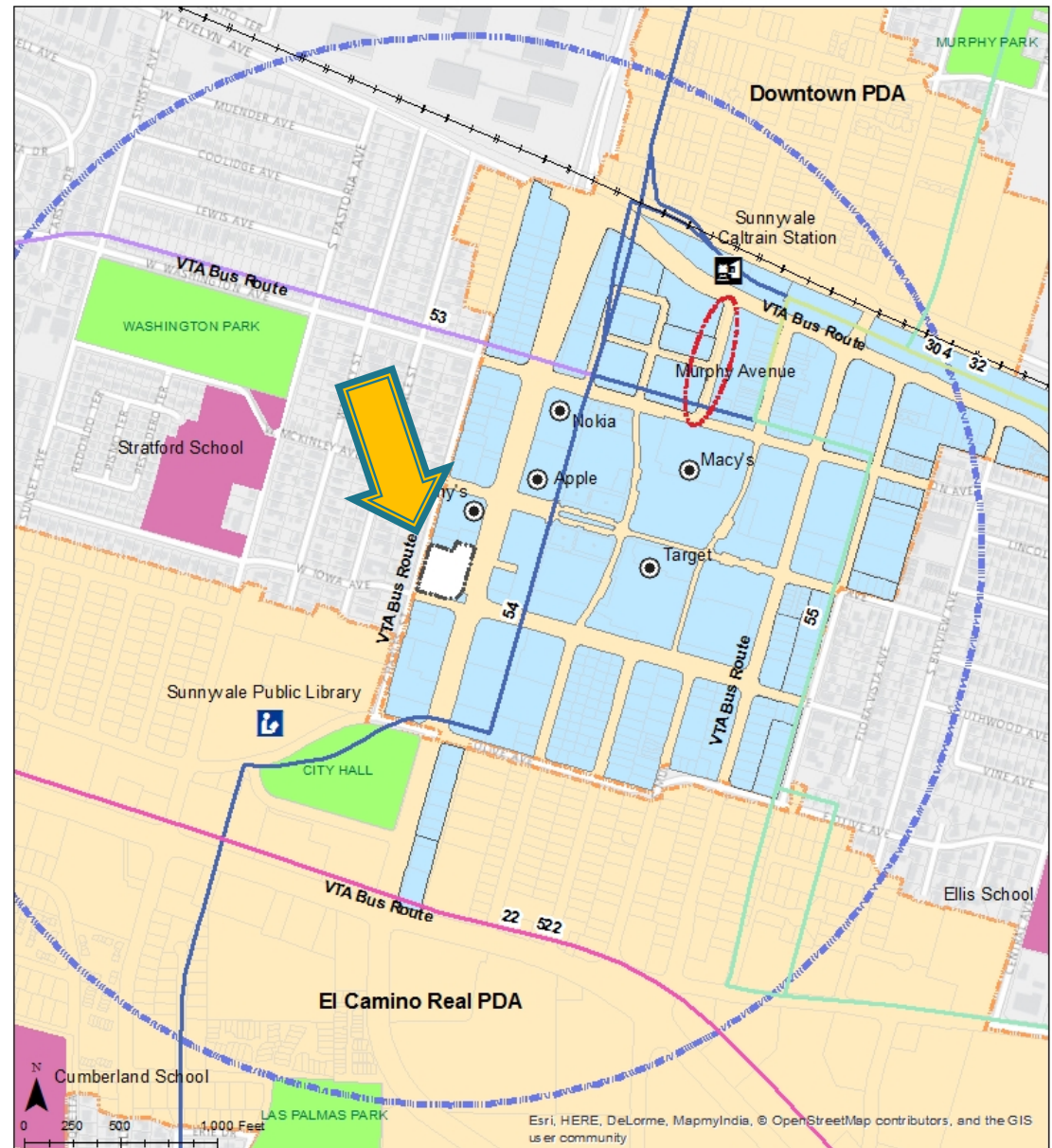
Overview

- Project Background
- Parties Involved
- Contents of ENA
- Next Steps

Project Background

Location

- Downtown Sunnyvale
- Mathilda & Iowa Aves. & Charles St.



Vicinity Map
In Downtown Specific Plan Area

- 0.5 Mile Buffer
- Development Site
- Downtown Specific Plan Area
- Approved PDAs



Council Policy Direction:



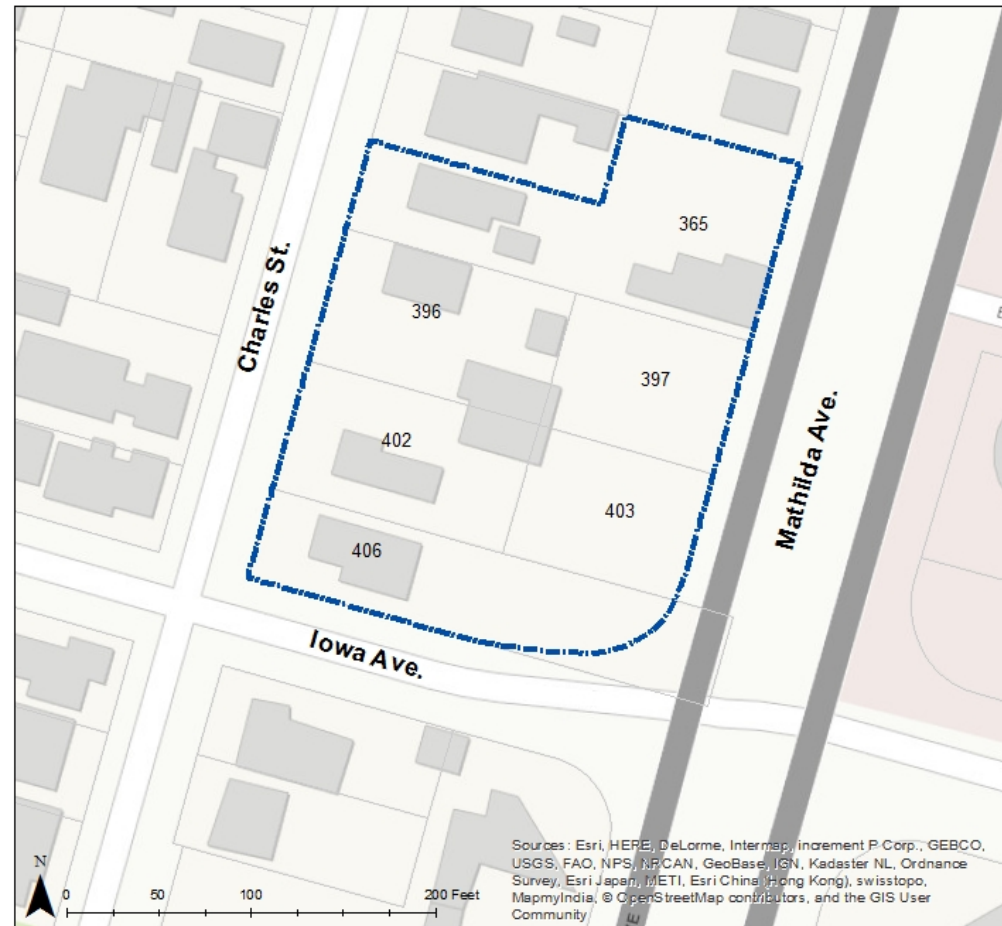
Use Site for Affordable Housing Development:

- Long-term Ground Lease
- Very Low Income & Special Needs Units
- Consistent with DSP
- Sustainability / TOD
- Market Value for Land (Lump sum lease payment)

Site History

- Parcels on Block 15 acquired
 - 1980's through 2015
- Study Session / Policy Direction
 - December 2015
- Request for Proposals approved by Council
 - April 12, 2016
- Proposal Evaluation Process
 - Summer 2016
- Preferred Developer Recommended
 - November 15, 2016

Property Details



Appraised Value:

- ~\$7.8M as of December 22, 2014

School Districts:

- Sunnyvale School District
- Fremont Union High School District

Land Use Policy: Downtown Specific Plan (DSP)

Project Site: ~1.4 acres, southern half of Block 15

- **Zoning (DSP):** Residential/Retail
 - Approx. 54 dwelling units/acre
 - Up to 10,000 SF retail allowed for entire block
- **Height Limits:**
 - 2 stories along Charles Ave.
 - 4 stories along Mathilda Ave.
- **Parking / Driveways:**
 - Underground parking preferred
 - Driveway on Iowa Ave.

Preliminary Concept

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- An architectural rendering of a modern building with a curved facade and a sidewalk. The building has a textured, metallic or wood-like exterior. A person is pushing a stroller on the sidewalk in the foreground. The scene is set in a bright, sunny environment with some greenery.
- 92 Units: Studios to 3-bedroom units
 - Income Range: Very Low and Extremely Low Income Households
 - Special Needs Units for Developmentally Disabled Tenants
 - 55-year affordability term
 - 5,400 SF commercial component
 - Community Benefits
 - \$56M Total Cost (Estimated)

Parties Involved

The logo for RELATED, featuring a blue square icon with a white 'R' followed by the word 'RELATED' in blue, uppercase, sans-serif font.The logo for STEINBERG, featuring the word 'STEINBERG' in black, uppercase, sans-serif font with a small orange triangle under the letter 'I'.The logo for aha., featuring three overlapping circles (grey, green, and blue) to the left of the lowercase text 'aha.' in a bold, black, sans-serif font. Below 'aha.' is the tagline 'affordable housing access' in a smaller, black, sans-serif font.

Housing Choices Coalition

Educating, Advocating and Creating Housing Opportunities
for People with Developmental Disabilities

Lead Entity/Developer:

The Related Companies of California, LLC
("Related CA") of Irvine, CA:

- Signatory to the ENA

Architect:

Steinberg Architects (San Jose)

Non-Profit Partners:

Affordable Housing Access (Newport Beach, CA)

- Property Management, Resident Services

Housing Choices Coalition (San Jose)

- Housing placement and supportive services for special needs tenants

Purpose of ENA

- Allows City to **negotiate** with developer
- **Limited time** period
- Gives developer confidence to **expend funds**
- Allows developer to **apply** for matching funds
- Requires “**good faith**” performance of terms
- **Does not bind** either party

Major Terms of Draft ENA

- One Year Term with possibility of 6-Month Extension at City Manager's discretion
- \$100,000 Good Faith Deposit by Related
 - Predevelopment Budget of Allowed Expenditures
- Due Diligence Tasks*
- Items to be Negotiated*
- Termination and Indemnity Clauses
- Community Engagement Plan
- Timeline
- Right of Entry Agreement

**Discussed in subsequent slides*

Due Diligence Tasks

- New Appraisal
- Property Title Review
- Phase I Environmental Investigation
- Tenant Relocation Plan (2 Households)
- Estimate Property Clearance, Security and Remediation (if needed) Costs
- Refine Financing Plan
- Refine Project Design, Cost Estimates
- Clarify Costs & Timing of Development Review Process (including Environmental Review)

Terms to be Negotiated

- Project size, design, amenities, green features, etc.
- Final Community Engagement Plan
- Affordability Restrictions
- Tenant Selection Plan
- Project Completion Timeline
- Ground Lease Price and Terms
- Amount and Terms of City Financing
- Community Benefits Contribution

Next Steps



Next Steps

City

- Sign ENA
- Provide background reports, etc. to Related
- Support Community Engagement Efforts
- Begin Negotiation of Terms for Lease, Funding

Related CA

- Sign ENA
- Begin Due Diligence Tasks
- Complete Community Engagement Plan
- Begin Community Engagement
- Refine Project Concept, Financing Plans
- Prepare Planning Application