



City of Sunnyvale

Notice and Agenda Housing and Human Services Commission

Wednesday, July 27, 2016

7:00 PM

West Conference Room, City Hall, 456 W. Olive
Ave., Sunnyvale, CA 94086

CALL TO ORDER

SALUTE TO THE FLAG

ROLL CALL

ORAL COMMUNICATIONS

This category provides an opportunity for members of the public to address the commission on items not listed on the agenda and is limited to 15 minutes (may be extended or continued after the public hearings/general business section of the agenda at the discretion of the Chair) with a maximum of up to three minutes per speaker. Please note the Brown Act (Open Meeting Law) does not allow commissioners to take action on an item not listed on the agenda. If you wish to address the commission, please complete a speaker card and give it to the Recording Secretary. Individuals are limited to one appearance during this section.

CONSENT CALENDAR

- 1.A [16-0710](#) Approve the Housing and Human Services Commission Minutes of May 18, 2016

Recommendation: Approve the Housing and Human Services Commission Minutes of May 18, 2016 as submitted.

PUBLIC HEARINGS/GENERAL BUSINESS

- 2 [16-0712](#) Overview of the Lawrence Station Area Plan and Draft Environmental Impact Report (EIR)

- 3 [16-0574](#) Consider Charities Housing Development Corporation Proposal for \$403,000 in BMR In-Lieu Fee (BIF) Funds for Rehabilitation of Stoney Pine Villa Apartments at 267 W. California Ave.

Recommendation: Recommend to Council Alternative 1: Award a one-year conditional commitment of BIF in the amount of \$403,000 to Charities for rehabilitation of Stoney Pine consistent with the terms described in Attachment 4.

- 4 [16-0711](#) Election of Officers for FY 2016-2017

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

NON-AGENDA ITEMS & COMMENTS

-Commissioner Comments

-Staff Comments

ADJOURNMENT

Notice to the Public:

Any agenda related writings or documents distributed to members of this meeting body regarding any item on this agenda will be made available for public inspection in the originating department or can be accessed through the Office of the City Clerk located at 603 All America Way, Sunnyvale, CA. during normal business hours and at the meeting location on the evening of the board or commission meeting, pursuant to Government Code §54957.5.

Agenda information is available by contacting Edith Alanis at (408) 730-7254. Agendas and associated reports are also available on the City's website at sunnyvale.ca.gov or at the Sunnyvale Public Library, 665 W. Olive Ave., Sunnyvale, 72 hours before the meeting.

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact Edith Alanis at (408) 730-7254. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (29 CFR 35.106 ADA Title II)



City of Sunnyvale

Agenda Item

16-0710

Agenda Date: 7/27/2016

SUBJECT

Approve the Housing and Human Services Commission Minutes of May 18, 2016

RECOMMENDATION

Approve the Housing and Human Services Commission Minutes of May 18, 2016 as submitted.



City of Sunnyvale

Meeting Minutes - Draft

Housing and Human Services Commission

Wednesday, May 18, 2016

7:00 PM

West Conference Room, City Hall, 456 W.
Olive Ave., Sunnyvale, CA 94086

Special Meeting

CALL TO ORDER

Chair Evans called the meeting to order at 7:10 p.m.

SALUTE TO THE FLAG

Chair Evans led the salute to the flag.

ROLL CALL

Present: 5 - Chair Patti Evans
Vice Chair Barbara Schmidt
Commissioner Diana Gilbert
Commissioner Minjung Kwok
Commissioner Narendra Pathak
Absent: 2 - Commissioner Dennis Chiu
Commissioner Younil Jeong

Council Liaison Griffith (present)
Commissioner Chiu (unexcused absence)
Commissioner Jeong (excused absence)

PRESENTATION

[16-0482](#) Recognition of Service

Chair Evans introduced Councilmember Jim Griffith who presented Vice Chair Barbara Schmidt, whose term expires at the end of June, with a certificate of recognition for her service on the Housing and Human Services Commission.

Mayor Griffith also thanked the rest of the Commissioners for their service.

Staff also acknowledged that Commissioner Jeong's term was also expiring at the end of June.

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

- 1.A** [16-0446](#) Approve the Housing and Human Services Commission Minutes of April 20, 2016

Chair Evans asked if anyone wanted to discuss the item on the consent calendar, or for a motion.

Commissioner Pathak moved and Vice Chair Schmidt seconded the motion to Approve the Housing and Human Services Commission Minutes of April 20, 2016 as submitted. The motion carried by the following vote:

Yes: 4 - Chair Evans
 Vice Chair Schmidt
 Commissioner Kwok
 Commissioner Pathak

No: 0

Absent: 2 - Commissioner Chiu
 Commissioner Jeong

Abstain: 1 - Commissioner Gilbert

Commissioner Gilbert abstained because she was not present at the meeting of April 20, 2016.

PUBLIC HEARINGS/GENERAL BUSINESS

- 2** [16-0487](#) Review of Fiscal Year 2016/17 Recommended Budget

Housing Officer Suzanne Isé gave an overview of the housing-related budget sections provided to the commissioners, and shared two additional sections that had not been included in their packets: Budget Supplement No. 3, Funding for Tenant-Landlord and Community Mediation Services, and Budget Supplement No. 6, Inflation Adjustment for Planned Supplemental Human Services Funding.

Chair Evans opened the public hearing at 8:05 p.m.

No speakers.

Chair Evans closed the public hearing at 8:05 p.m.

After some discussion and clarification questions of staff, Chair Evans asked for a motion.

Commissioner Gilbert moved and Vice Chair Schmidt seconded the motion to provide the following recommendations to Council regarding the Budget:

- a) Correct the Project Worksheet for Project 819720: Outside Group Funding Support (General Fund) to provide \$135,000 for FY 16-17, consistent with Council's FY 2015 human services funding awards and RTC 16-0041;
- b) Increase the "Future Housing Projects" line item in the long-term financial plan for the Housing Mitigation Fund so that more of the available funding is expended each year rather than accruing in the reserve;
- c) Approve Alternative 1 on Budget Supplement No. 3; and
- d) Approve Alternative 1 on Budget Supplement No. 6 in order to maintain a consistent level of community impact from the human services funding over the years, accounting for inflation.

The motion carried by the following vote:

Yes: 5 - Chair Evans
Vice Chair Schmidt
Commissioner Gilbert
Commissioner Kwok
Commissioner Pathak

No: 0

Absent: 2 - Commissioner Chiu
Commissioner Jeong

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

Chair Evans asked if commissioners were prepared to discuss the potential study issue previously proposed by Commissioner Pathak regarding rent control. After some discussion, Commissioners decided they were not.

Commissioner Kwok suggested they plan to discuss this at a specific meeting date to make sure everyone comes prepared to discuss the topic at that time. The commission agreed to add this item to their September meeting agenda.

Commissioner Gilbert asked staff for some background materials on the topic to help them prepare for the September meeting.

NON-AGENDA ITEMS & COMMENTS

-Commissioner Comments

None.

-Staff Comments

None.

ADJOURNMENT

Chair Evans adjourned the meeting at 8:21 p.m.



City of Sunnyvale

Agenda Item

16-0712

Agenda Date: 7/27/2016

Overview of the Lawrence Station Area Plan and Draft Environmental Impact Report (EIR)

Presentation by Planning staff.

Commissioners may learn more about the Lawrence Station Area Plan process and review the draft EIR in its entirety at lawrencestationinsunnyvale.org.



City of Sunnyvale

Agenda Item

16-0574

Agenda Date: 7/27/2016

REPORT TO HOUSING AND HUMAN SERVICES COMMISSION

SUBJECT

Consider Charities Housing Development Corporation Proposal for \$403,000 in BMR In-Lieu Fee (BIF) Funds for Rehabilitation of Stoney Pine Villa Apartments at 267 W. California Ave.

BACKGROUND

On March 5, 2015, staff issued a Request for Proposals (RFP) for affordable housing projects to be funded with the City's Housing Mitigation Funds (HMF). Nine million in HMF and \$1 million in BIF were made available for new affordable housing (capital project) proposals through that RFP. One proposal was received in late 2015 and Council awarded \$6 million in HMF to First Community Housing for the proposed redevelopment of Orchard Gardens, located at 245 Weddell Drive (RTC 16-0302). The balance of three million in funding set aside for that RFP remains available. In June 2016, staff received another proposal, in response to March 2015 RFP, from Charities Housing Development Corporation (Charities), for rehabilitation of Stoney Pine Villa Apartments (Stoney Pine).

Charities is a non-profit affordable housing developer based in San Jose which has developed more than 1,100 housing units at 18 sites throughout Santa Clara County in the past 22 years. Charities has developed two projects to date in Sunnyvale, both with financing from various City Housing funds: Stoney Pine, in 2001, and Parkside Studios, completed in July 2015. Charities also owns two group homes for seniors on Klee Court and Wolfe Road, which were acquired in 2014 from another non-profit agency. Charities provides property management and resident services at all of its Sunnyvale properties.

In 2014 Charities applied for and was awarded \$201,000 in CDBG Revolving Loan funds by the City to complete a limited rehabilitation of Stoney Pine. Charities did not begin the project as soon as initially planned due to workload issues related to other projects then underway, including Parkside Studios and a large project in San Jose. Since receiving the CDBG award, Charities has determined that construction costs have increased and a slightly larger scope of work is needed. Therefore, after consultation with Housing staff, Charities decided to apply for a slightly larger award of BIF. If the new proposal is awarded the requested funding, the prior award of CDBG funds would be rescinded and become available for reallocation to other projects in the FY 2017-18 Action Plan.

EXISTING POLICY

General Plan, Housing Element

Goal A: Assist in the provision of adequate housing to meet the diverse needs of Sunnyvale's households of all income levels.

Goal B: Maintain and enhance the condition and affordability of existing housing in Sunnyvale.

ENVIRONMENTAL REVIEW

This project is exempt from the requirements of the California Environmental Quality Act (CEQA) as a Class 1 project involving only rehabilitation of existing structures. (CEQA Guidelines section 15301 (d).) No federal funds will be used for this project, therefore federal environmental review under the National Environmental Policy Act (NEPA) is not required.

DISCUSSION

Stoney Pine is a 23-unit affordable rental complex located at 267 W. California Avenue. A vicinity map is provided in **Attachment 1**. The project was developed with financing from the federal "Section 811" program for development of housing for disabled tenants, and with City financing in junior lien position. Twenty-two of the units are occupied by developmentally disabled tenants and in some cases their family members, and there is one unrestricted manager's unit. Most of the units are occupied by the original tenants who moved in when the project was newly built in 2001. The property consists of four buildings massed around an open square. Three buildings are strictly residential; the fourth building contains the common room, rental and case manager offices, laundry, restroom, and one residential unit. The property includes 12 one-bedroom units, 8 two-bedroom units and 3 three-bedroom units.

Charities recently completed a physical needs assessment of the property, which determined that the property was constructed within industry standards of the time, has been well maintained over the years, and is in good overall condition. However, as the property is now 15 years old, many exterior and interior finishes are in need of repair or replacement, including: exterior painting, dry rot repair, parking lot sealing and striping, dwelling unit entry doors, carpeting, flooring, kitchen and bathroom cabinetry, all of which show signs of wear and tear. The total cost of the project is estimated at approximately \$534,000. Charities has secured a matching funding commitment of \$55,000 from the Housing Trust Silicon Valley, and has committed a match of property reserves in the amount of \$79,180. A detailed scope of work, project budget, and timeline is provided in the Project Description (**Attachment 2**).

Housing staff evaluated the proposal based on the qualifications of the proposer, the need for the proposed project, and other criteria set forth in the RFP. Stoney Pine has had clean financial audits, and other projects developed and managed by Charities also have a strong record of financial and regulatory compliance. In addition, this is a 100% special needs project, serving mostly extremely low income, disabled tenants who would have a very difficult time obtaining housing on the market anywhere in the region. The scoring committee awarded the proposal an average score of 75 points (out of 100), as shown in **Attachment 3**.

The proposed loan term is consistent with the City's terms typically used for housing rehabilitation loans on smaller projects: three percent (3%) simple annual interest, deferred for a term of 30 years, with option to extend in exchange for an extension of the affordability term. The term of affordability runs with the land for the term, and does not terminate early if the loan is paid off early. The precise terms of the loan will be negotiated between staff and the applicant and will be outlined in the Report to Council for City Council consideration, substantially consistent with the terms outlined in **Attachment 4**.

Before the rehabilitation work starts, Charities will hold outreach meetings with the tenants to discuss the rehabilitation work and address any questions or concerns. Service providers will assist tenants with packing and any support tenants might need during the construction period. Funding for this

tenant assistance is included in the budget.

The proposed project aligns with the goals and objectives of the RFP and City policy. The rehabilitation work will create a safer and better living environment for residents and maintain this affordable housing development for the rest of its affordability term.

FISCAL IMPACT

The recommended action will not impact the General Fund. The action would conditionally award \$403,000 in BIF to the project with the terms described in **Attachment 4**. This fund exists for the purpose of funding affordable housing projects, therefore the recommended action is consistent with its purpose and various city policies regarding affordable housing. The requested funding is available in the BIF fund. If recommended for approval by the commission, staff will include a budget modification for this project with the Council report.

PUBLIC CONTACT

Public contact was made through posting of the Housing and Human Services Commission agenda on the City's official-notice bulletin board, on the City's website, and the availability of the agenda and report in the Office of the City Clerk.

ALTERNATIVES

1. Award a one-year conditional commitment of BIF in the amount of \$403,000 to Charities for rehabilitation of Stoney Pine consistent with the terms described in **Attachment 4**.
2. Award a conditional commitment to Charities with modified terms.
3. Provide other direction to staff regarding this proposal.

RECOMMENDATION

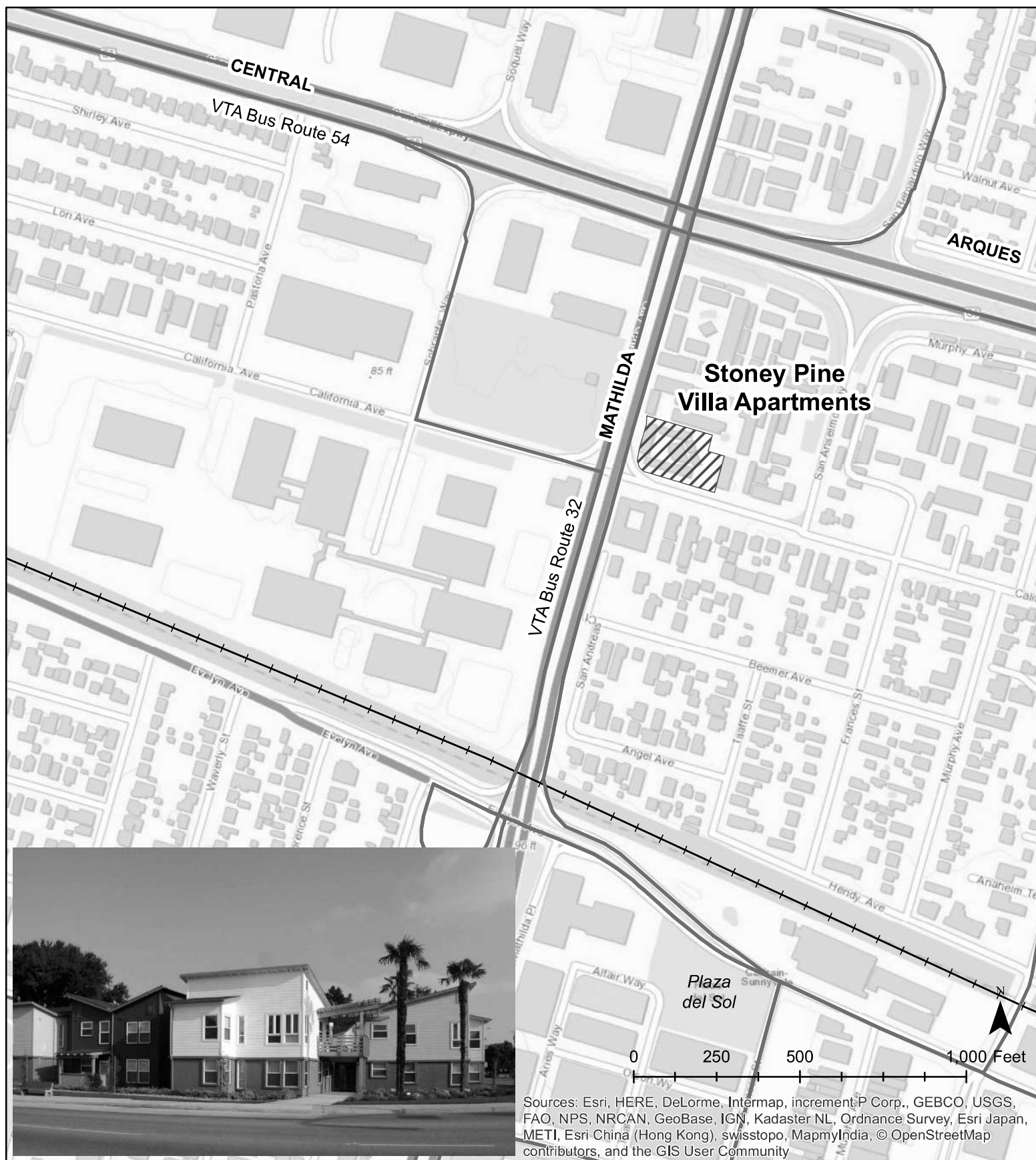
Recommend to Council Alternative 1: Award a one-year conditional commitment of BIF in the amount of \$403,000 to Charities for rehabilitation of Stoney Pine consistent with the terms described in **Attachment 4**.

This funding award will enable Charities to complete the needed rehabilitation work. The project is consistent with the City's Housing Element goals to maintain the quality of the City's existing affordable rental housing stock and assist special needs housing projects.

Prepared by: Shila Behzadiaria, Assistant Housing Planner
Reviewed by: Suzanne Isé, Housing Officer
Reviewed by: Trudi Ryan, Director, Community Development
Reviewed by: Kent Steffens, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Vicinity Map
2. Project Description
3. Scoring Sheet
4. Term Sheet



Vicinity Map

— VTA Bus Route
+ + Caltrain

Stoney Pine Villa Apartments
267 W. California Avenue
Sunnyvale, CA 94086



Stoney Pine Villa Apartments
267 W. California Ave., Sunnyvale, CA 94086
Rehabilitation
Preliminary Scope of Work
5.4.16

Exterior	Unit Exterior	QTY
	Pressure wash and prepare unit exterior surfaces *Hand wash surfaces if no water available Fill hairline cracks with paint, larger gaps with caulking compound Hand scrape or wire bush to remove rust, scale and loose/peeling paint Apply primer compound for paint preparation Paint all unit exterior in 4 colors (excluding green) *Paint codes to be supplied by customer	1
Units	Living Area & Bedrooms	QTY
	Remove residents belongings Remove and dispose of existing carpeting Provide and install new carpeting	23
	Kitchen & Bath	
	Remove and dispose of existing linoleum flooring Prepare surface as needed Provide and install new linoleum flooring	23
	Kitchen	
	Remove and dispose of existing cabinet doors Remove existing sink, cap off plumbing and store for reinstall Demolish existing cabinet finish and countertops Provide and install new solid wood cabinet finish Provide and install new countertop Provide and install new wood cabinet doors and replacement hinges	23
	General Area	
	Paint unit interior *Paint codes to be supplied by customer	23
	Provide and install new AC unit support bracketing	23
Common	Community Room	QTY
	Remove and dispose of existing carpet flooring Prepare surface as needed Provide and install new resilient flooring	1
	Demolish and dispose existing finish cabinets under sink area Provide and install ADA compliant sink cabinet	1
	Prepare and paint community room interior *Paint codes to be supplied by customer	1
	Laundry Area	
	Demolish and dispose of existing countertop Provide and install new countertop	1
	Parking Lot and Carports	
	Prepare light post surface and repaint	5
	Clean asphalt surface to prepare for sealing Apply two coats of asphalt sealer Restripe and paint parking area	1

Stoney Pine Villa Apartments
267 W. California Ave., Sunnyvale, CA 94086
Rehabilitation
Development Budget
5.9.16

Sources	Amount
Housing Trust Silicon Valley	\$55,000
Stoney Pine Villa Apartments	\$79,180
City of Sunnyvale Housing Mitigation Funds	\$402,539
Total	\$536,718

Uses	Amount
Construction including OH&P and General Requirements	\$468,137
Contractor Insurance	\$11,607
Owner Hard Cost Contingency (10%)	\$47,974
Resident Assistance	\$3,500
Closing Fees	\$3,000
Local Permit Fees	\$2,500
Total	\$536,718

**Stoney Pine Villa Apartments
267 W. California Ave., Sunnyvale, CA 94086**

**Rehabilitation
Development Schedule**

7.1.16

Description: This is a rehabilitation project of 23 family housing apartments, which includes 12 one bedroom units, 8 two bedroom units and 3 three bedroom units. Project currently has site control, and no rezoning is required.

Funding

Housing Trust SV Commitment	February 2014
Submittal of Housing Mitigation Funds Application	May 2016
Award of Housing Mitigation Funds	August 2016
Closing all Financing	October 2016

Community Outreach

Outreach to Existing Tenants	September 2016
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Construction

Select General Contractor	August 2016
Bid Construction Project	October 2016
Start Construction	November 2016
Complete Construction (3 mo)	January 2017

Sunnyvale 2015 RFP HM, BMRI, and LMH Funds

PROJECT PROPOSAL SCORING SHEET

Project: Stoney Pine Villa Apartments

Category	Maximum Points	Points
1. Organizational Capacity and Relevant Experience Organization's staff, board members and project team are well qualified to complete and operate project, considering years of relevant experience and number of similar projects completed.	15	15
2. Project Need Project clearly addresses one or more goals or needs identified in Housing Element. Stated need for project and proposed project are supported by letters from community members or organizations other than applicant. Proposed project would provide significant public benefits, such as increased affordability compared to existing conditions at the site, or addressing an urgent housing need in the community. Up to ten of 20 points in this category will be awarded only to proposals committing to reserve at least 5% of units for developmentally disabled adults, other adults with a serious physical or mental disability, and/or adults transitioning out of homelessness. Proposals must address how units reserved for such tenants will be made affordable to those with incomes between 0% to 30% of AMI (i.e., through use of project-based subsidies or other means).	20	17
3. Project Design and Readiness Project design (physical and operational) is cost-effective, feasible, compatible with the neighborhood, and effective in meeting the stated goals and objectives. Applicant is ready and able to apply for planning permits and other financing upon issuance of conditional funding award, and has or will have site control by that time. For rehabilitation-only projects: all lien-holders, owners, and/or agencies with an ownership or security interest in the property have reviewed and approved this proposal, and are willing to provide any required written approvals of the proposed rehabilitation project within 90 days of funding award.	15	13
4. Budget and Financial Management Financial management points based on clean financial audits and a strong record of financial and regulatory compliance at other projects owned or managed by applicant. Budget scores based on realistic cost estimates and budget for development and operation of project, and projected competitiveness of project costs in tax credit applications, etc.	15	15
5. Percentage of Matching Funds (Leverage) Points awarded based on the following formula: 5 points for the minimum required match (25%); 10 points for a 50% match; and 15 points for a match of 75% or more. Proposals with match ratios in between these percentages will be awarded 1 point for every 5% of match up to 15 points maximum. Matching percentage is determined by the percent of project cost to be funded by sources other than the requested City funds, according to applicant's proposed project budget.	15	5

6. Affordability Level Percentage of units in the project that will be reserved for extremely low income (ELI) and very low income (VLI) households. Points will be awarded as follows: Up to 10 points shall be awarded for the percentage of ELI units, and up to 10 points for the percent of VLI units. In each category, 1 point will be awarded for every 5 percent of ELI/VLI units, as applicable, up to a maximum of 10 points for 50% ELI or VLI units, as applicable (e.g., to earn a score of 20 points, the project would need to include 50% ELI and 50% VLI units). Unit affordability is based on restricted rent limits, not current occupants' income levels.	20	10
Total Points Available	100	75

Proposed Term Sheet
Stoney Pine Rehabilitation Loan

Terms of Award:

Applicant: Charities Housing Development Corporation

Project Site: Stoney Pine Villa, 267 W. California Avenue, Sunnyvale

Project Type: Rehabilitation project consisting of exterior building painting, parking lot sealing and restriping, replacement of entry doors, carpeting and resilient flooring in dwelling units, kitchen and bathroom cabinetry replacement, and other repairs needed

Funding Amount: \$403,000 in BMR In-Lieu Funds (BIF)

Deadline to satisfy conditions: One year from date of award letter

Conditions for Closing:

1. Obtain building permits and any other permits required to begin the work;
2. Secure commitment letters from all sources of matching funds required to build the project;
3. Enter into City loan and regulatory agreements in form provided by the City;
4. Provide documentation of all City-required insurance policies, bonds, etc. prior to loan closing;
5. Comply with applicable wage compliance provisions of any/all funders;
6. Competitively bid construction contract(s) consistent with City procurement policy as applicable to City-assisted affordable housing projects

Form of Funding: Permanent loan subordinate to existing HUD and City loans

Principal \$403,000

Interest Rate 3% simple deferred

Payment Terms Fully deferred, principal and interest due in full at end of term

Loan Term 30 years with option to extend

Affordability 30 years with option to extend

Eligible Uses Project rehabilitation as described in scope of work



City of Sunnyvale

Agenda Item

16-0711

Agenda Date: 7/27/2016

Election of Officers for FY 2016-2017