



CITY OF SUNNYVALE

REQUEST FOR PROPOSALS (RFP)

FOR

AFFORDABLE HOUSING DEVELOPMENT PROPOSALS

**For City Property Located On Charles Street
Within Block 15 of Downtown Specific Plan**

Issued by:

City of Sunnyvale Community Development Department

Housing Division

456 W. Olive Avenue

P.O. Box 3707

Sunnyvale, CA 94088

Housing.InSunnyvale.com

(408) 730-7250

Issued on:

April 15, 2016

Proposals Due:

May 30, 2016

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I. INTRODUCTION

General Information

The City of Sunnyvale hereby requests proposals from qualified and experienced housing developers interested in developing an affordable housing project on a City-owned property of approximately 1.44 acres in area located at the intersection of Charles Street and West Iowa Avenue in Sunnyvale (the "Project Site"). The Project Site consists of several contiguous City-owned parcels on the southerly portion of a block identified as Block 15 in the City's Downtown Specific Plan. A Site Map of the Project Site boundaries and assessor's parcel numbers, as well as a Vicinity Map is provided in Section XII of this RFP.

Experienced affordable housing developers meeting the qualifications described in this RFP which have demonstrated their ability to design, build and manage quality affordable housing projects in Silicon Valley or in the wider Bay Area region, are encouraged to submit proposals in response to this RFP. This RFP is a solicitation of competitive proposals that best serve the public good, meet local affordable housing needs, and make the best public use of a valuable City asset (the Project Site).

The City is seeking housing project proposals that demonstrate an understanding of the Sunnyvale community and its affordable housing needs, the unique attributes and opportunities of the Sunnyvale Downtown Specific Plan (DSP) area and surrounding neighborhoods, and that would provide a high quality affordable housing development on the Project Site. Proposals shall demonstrate a feasible implementation plan and development concept, the proposer's successful experience in developing and managing affordable housing in the area, and a commitment to an inclusive and informative public participation process about the proposed project.

The proposer selected by Council through this RFP process will be invited to begin negotiations with the City and, if successful, enter into an Exclusive Negotiating Agreement (ENA) with the City which would eventually allow proposer to take possession of the Project Site subject to a long-term lease or similar possessory interest. The ENA will allow the selected developer at least one year, with possibility for limited extension of the term under certain circumstances, to complete its due diligence on the Project Site, conduct initial community outreach and other predevelopment tasks, prepare conceptual designs, and, once the due diligence phase has ended, apply for planning permits (entitlements) for the project.

If that process is successful, the City and developer will begin to negotiate an Affordable Housing Developer Agreement (AHDA) for transfer of possessory interest and development of the project. The AHDA would set forth additional detail regarding the terms of the land transfer, performance milestones for the developer, project development timeline, indemnities and insurance requirements, ongoing affordability covenants, refined financing plan, tenant selection plan, and any other miscellaneous City requirements for the project beyond what is typically included in the conditions of approval of a project's entitlements.

Project Objectives

The City desires to facilitate development of an affordable housing project on the Project Site that will:

- Utilize environmentally-friendly and sustainable principles in project design and construction;
- Be attractive and compatible with the character of the neighborhood and larger community, both aesthetically and functionally, and consistent with the DSP;
- Provide a mix of units affordable to lower-income households at various levels, such as extremely low, very low, and low-income households;
- Include some units which could be reserved for and/or generally available to special needs households, which may include seniors, disabled adults, homeless or at-risk households, or other types of households defined as having special housing needs in the City's Housing Element and/or Consolidated Plan.
- Ensure that Sunnyvale residents and/or workers ("Sunnyvale applicants") meeting the project's income and other eligibility criteria will receive priority in the project's application processes and tenant selection plan, including any special needs units, units with operating subsidies or other funding provided by other agencies, and/or general affordable housing units.
- Apply for the State density bonus if necessary to accommodate the proposed project on the site, while complying with DSP development standards.
- Involve the community in the development of the proposed housing program for the site and the physical design of the project.
- Pay state prevailing wages and comply with local wage and/or hiring requirements, and follow the City's competitive procurement procedures for public works projects.
- Incorporate areas for resident services and amenities within the housing project, and a small commercial component of up to 10,000 square feet on the Mathilda Avenue frontage, consistent with the DSP.

Value of Land

The property value was appraised at \$7.82 million in December 2014. A new appraisal shall be obtained to reflect current land values. Development proposals shall include proposed long-term lease payment amount and terms. The Council has stated a strong preference for development proposals based on a long-term ground lease structure for a term in the range of 55 to 90 years.

Legal Matters

The transfer of interest in the land contemplated through this RFP and subsequent ENA and/or AHDA would not be a surplus property sale, but rather a City-sponsored development of an affordable housing project on City property.

Any successful proposer will be required to take full responsibility for the costs and execution of any activities needed to take possession and develop the Project Site, which may need to be cleared of structures, vegetation or other debris. The property will be offered “as is” to the selected Developer, who shall have full responsibility for completing a survey, environmental studies, site preparation, permits, relocation of tenants consistent with State law (and federal law, if any federal funding is proposed by applicant), environmental remediation, if needed, and any other predevelopment costs. Any property tax liability during the term of the lease or following Developer’s taking possession of the Project Site shall be the sole responsibility of the Developer.

Property Information

A. Location

Block 15 is located within the Sunnyvale DSP area and is bounded by Mathilda, Iowa, and McKinley Avenues and Charles Street. The Project Site is made up of six City-owned parcels: three single-family homes located on Charles Avenue, as well as one duplex and two vacant parcels fronting Mathilda Avenue. Most of the existing dwelling units on the Project Site are over 55 years old and are generally in fair condition. Some are occupied and some are vacant. Additional details about the existing structures on the Project Site and the surrounding neighborhood are provided in **Attachment 1**.

B. Other Characteristics

- **Site Area:** The Project Site is approximately 62,533 square feet or 1.44 acres. The successful proposer shall confirm the exact site area by commissioning a survey of the Project Site during the due diligence phase.
- **Vicinity:** The Project Site is bordered by single-family residences on Charles Street and cross streets and by Mathilda Avenue, a very busy major commercial thoroughfare, on one side. Within the larger vicinity of the site, across Mathilda, is the Sunnyvale downtown or DSP area. Existing uses within the DSP include Murphy Avenue, a traditional downtown street with shopping, dining and entertainment uses and two department stores. Various nearby residential, office and mixed uses are also within the DSP, including two major office buildings, currently occupied by Apple and Nokia. Transit options include a Caltrain station and several VTA bus routes. Additional new housing and commercial space is in various stages of development throughout the DSP area, including several large market-rate multi-family rental properties, some of which include ground-floor retail, and smaller for-sale housing developments.
- **Floodplain Status:** The site is in Flood Zone X, an area that is determined to be outside the 100-500 year flood plain.
- **Topography:** The site is level.
- **Utilities:** All public utilities including water, sewer, natural gas, and electricity are within proximity to the site. Proposers may contact the Department of Public Works (DPW) with any questions regarding utility connections.

C. Zoning and Land Use Requirements

The Project Site is subject to the zoning provisions of the DSP. The full text of the DSP is available [online](#). The City's municipal codes and General Plan are also available online at Planning.inSunnyvale.com. Proposers may contact the Planning Division for details on the City's development review processes (contact information provided in Section IX).

Environmental Review

Environmental review of the proposed development for compliance with the California Environmental Quality Act (CEQA) will be completed by the City after a complete planning application for the project has been submitted by the selected Developer, which is not anticipated to occur until after an ENA has been executed by the City and selected Developer. If federal funding is included in the proposal's financing plan, the agency providing those federal funds will be required to complete federal environmental review under the National Environmental Protection Act (NEPA). Selection of a developer through this RFP does not constitute "a project" as defined in CEQA.

A Phase I Environmental Site Assessment was completed in June 2015 on four of the six parcels comprising the Project Site and found no environmental conditions of concern. This document is available for review upon request. The successful proposer shall complete a Phase I of the entire Project Site during the due diligence phase.

II. ELIGIBLE APPLICANTS

Eligible proposers (applicants) under this RFP may include one entity or a team of several entities, including any of the following: for-profit or non-profit housing developers, joint ventures, resident services providers or other services agency. Applicants that include several entities must include a lead entity which has demonstrated experience and capacity in the development and management of affordable housing, and shall have successfully completed at least three affordable housing projects of similar size and complexity as the proposed project, within Santa Clara County (preferred), the Bay Area, or another county in Northern California within the past fifteen years, to be eligible to submit a proposal. Applicants with prior experience building residential projects in Sunnyvale are encouraged to submit proposals.

PLEASE NOTE: Proposers intending to use the "design-build" procurement process are not eligible to submit proposals under to this RFP due to conflicts with the procurement provisions of the City charter, and all design-build proposals will be rejected without further review. All proposers must be willing to competitively bid out project all contracts related to construction, including general contractor, sub-contractors, grading and site preparation and associated work. Any proposals using federal or state funds will be required to comply with applicable state and/or federal procurement, wage, and contracting requirements.

III. ELIGIBLE HOUSING PROJECTS

Each proposer/applicant entity and any affiliates of that entity may propose only one housing project proposal through this RFP, whether as a sole applicant or a partner or participant in a joint proposal by a partnership of several entities.

Eligible project types include new construction of affordable rental housing with a required component of street-level commercial space at the corner of Iowa and Mathilda Avenues, not to exceed 5,000 square feet. The housing portion of the project shall include at least some housing opportunities for special needs households (seniors, disabled adults, and/or other special needs households) as well as all-age households, and shall include rental units affordable to extremely low-, very low- and low-income households.

Development Parameters

A. Transit-Oriented Development (TOD)

The site is located within ½ mile of the Sunnyvale Caltrain Station, and within 100 feet from the nearest VTA bus stop. Proposals shall incorporate state of the art TOD concepts and transportation demand management (TDM) measures to the extent feasible within affordable housing financing constraints. Proposed projects shall be consistent with the development standards of the DSP, particularly for Block 15, as well as the Sunnyvale General Plan and local zoning codes.

B. Project Size

Proposed projects may include up to the maximum allowable number of units consistent with the land use policies, objectives, and guidelines set forth by the DSP and the goals of this RFP. Based on the density parameters in the DSP for Block 15, up to 78 dwelling units could be developed within the Project Site. Proposals that qualify for a 35 percent density bonus under State law and a 5 percent bonus under the City's green building incentive, combined, could potentially include approximately 100 units.

C. Unit Size and Tenure

The project may include a range of unit sizes, from studios to multiple-bedroom units. All units are expected to be rental units due to the preferred structure of a long-term ground lease with the developer. Proposals shall explain the basis for the proposed mix of unit sizes in the project and its relationship to the target tenant population described in the proposal.

D. Affordability Requirements

Proposals that provide a significant number of units affordable to very low and/or extremely low income households are encouraged. All units shall be affordable to lower-income households. Income levels are defined using the income limits published by the California Department of Housing and Community Development (HCD) for extremely low, very low, and low income households in Santa Clara County, as published annually by HCD.

E. Length of Affordability Term

The term of affordability will be at least fifty-five (55) years.

F. Green Building and Energy Efficiency Requirements

Proposals shall incorporate CALGreen Mandatory Measures and Build It Green into design, construction and future maintenance of the housing project. The selected project will be required to score at least 110 points on the Green Point Checklist. See Section IX for additional information.

G. On-Site Amenities and/or Commercial Space

Proposals that include resident amenities and/or ancillary commercial space within the project, consistent with City zoning and the DSP, to improve the quality of life of future residents of the proposed housing development and/or the surrounding neighborhood, such as child care centers, classroom and/or meeting space, tot lots and similar amenities, or neighborhood-serving retail or dining space, are encouraged. The DSP requires a small commercial component of up to 10,000 square feet within Block 15.

H. Target Tenant Population

Proposals shall describe the target tenant population for the project, which may include any of the following: general households/families (i.e., units not subject to age restrictions), seniors, disabled people, homeless people, youth aging out of foster care, and/or any other special needs groups. Proposals shall note if any number of the units will be specifically designed and/or reserved for any type of special needs tenants. Proposals shall describe the extent to which the proposed project is expected to provide housing opportunities for seniors and/or disabled adults.

Financial Terms and Assumptions

A. Terms

Proposals shall specify a proposed lease price for the land. Proposals will be evaluated not only on price, but also on the quality of the proposal and the desirability of the public benefits of the proposed development. Proposed lease price shall be included in the project financial pro forma, which shall also identify anticipated funding sources (including possible City sources) that will be sought to finance the project. If any City funds are contemplated in the proposal's financing plan, proposal shall indicate what type of City funding is contemplated, the amount to be requested, and proposed use(s) of such funds (i.e., predevelopment, lease payment, soft costs, and/or construction), as well as a timeline indicating when such funds would be required by Developer.

B. Assumptions

The following assumptions should be used when preparing the financial pro forma, unless alternative funding sources are subject to different and more restrictive terms.

- Construction estimates: Use state prevailing wage requirements and local wage and/or hiring requirements.
- Contingencies: Use at least 15% for hard construction costs and 5% for soft costs

- Operating cash flow projections: use TCAC standards
- Leverage: it is anticipated that the selected developer will obtain the majority of financing for development of the project from non-City sources (leverage). The amount of leverage included in the proposed financing plan will be evaluated competitively against other proposals received, with proposals with higher leverage ratios evaluated favorably.
- Federal requirements: if the proposed financing plan includes federal funding sources such as HOME, CDBG, or Section 8, include costs and time for compliance with all applicable federal requirements (Section 3, Davis Bacon, URA, NEPA, etc.) in project pro forma and timeline.

IV. EVALUATION AND SELECTION CRITERIA

Staff will evaluate proposals received by the submittal deadline based on the qualifications of the proposer/applicant, how well the proposed project concept addresses the goals and objectives of this RFP and the City's Housing Element, Downtown Specific Plan, and other land use and/or policy documents. The staff committee will award points based on the Scoring Sheet provided at the end of this RFP, as well as on the committee's assessment of how well the proposal responds to the criteria below, the goals of this RFP, and overall positive attributes and expected public benefits of the proposal. The scores issued by the staff scoring committee shall be advisory to the City Manager, serving as an evaluation tool in the selection process, but shall not limit the City's discretion in final selection of a developer, and may not be appealed by the proposers or any other party for any reason.

General Requirements:

- Housing units will remain affordable for at least 55 years;
- The project's design, management plan, and on-site services plan promotes a healthy living environment for tenants and a compatible relationship with neighbors;
- The project costs are reasonable, the financing plan and the development and operating pro formas are reasonable and realistic, and it can reasonably be expected to be successful in securing funding from highly competitive sources;
- The project meets the minimum density requirement for the site (at least 75% of the maximum density allowed by the DSP) and includes a commercial component as required by the DSP;
- The project design is attractive, compatible with its surroundings, and will incorporate "Green" building practices and materials to the extent possible;
- Project incorporates TOD design features and TDM best practices in order to minimize potential negative impacts to the neighborhood such as increased traffic, noise, and on-street parking demands.
- The project incorporates appropriate community spaces, amenities and services for the target population, such as child care, vocational counseling, and/or health care;

Priority Housing Needs

- Rental units affordable to extremely low, very low, and low-income households;

- Rental units affordable to and accessible to special needs households (elderly, disabled, homeless, and/or other special needs groups).

Applicant Experience and Capacity

Proposers' capacity and experience will be evaluated based on, but not limited to the following:

- Prior experience and technical competence of the proposer in completing and managing affordable housing developments of similar scope, complexity, and magnitude;
- Proposer's experience in partnering with the City of Sunnyvale or other local agencies, and
- Proposer's track record in use of public funds, properties or other public resources.
- Proposer's experience in working with the community to garner support for residential developments.
- Proposer's financial standing, financial references, possibly including review of materials such as audited financial statements, annual reports, operating budgets, available resources;
- Proposer's capacity to work cooperatively with City representatives and the community in design and development of the project;
- Proposer's track record in obtaining required financing and permits within time frames similar to those to be set forth in the ENA, and ability to complete development of the project within the time frames set forth in the AHDA, based on applicant's track record on similar projects.

Proposed Preliminary Financing Plan and Development Budget

Proposals will be evaluated in this category based on proposed price and terms for the City property; the minimum City funding contribution (if any) needed to finance the proposed project and/or acquisition costs; and the degree to which any City contribution is leveraged with other funding sources. These factors will be evaluated in light of the proposal's relative public benefits and other positive attributes, such as the quality of the community outreach and tenant selection plans.

V. SUBMITTAL REQUIREMENTS

Proposals must include the following materials:

- Three printed copies of the proposal and any supporting materials, double-sided and each copy bound separately, with one cover letter with an original signature from a principal or executive director of proposer. If proposer consists of a team of several entities, an authorized representative of each entity shall sign the cover letter.
- All application materials must also be submitted on a thumb drive in the form of one or more .pdf files. PDF files shall not exceed 5 MB in size.

PLEASE NOTE: *The City may, at its sole discretion, request that proposers modify or supplement their proposal with additional information following initial submittal. The City reserves the right to reject any or all proposals submitted, to cancel this RFP, and/or to modify and reissue the RFP at any time.*

PUBLIC RECORDS:

Pursuant to the California Public Records Act, all documents submitted in response to this RFP will be considered public records and will be made available to the public upon request. Proposals received may be posted on the city's website as part of the review process. Please do not submit any information to the City that you wish to keep confidential.

VI. SUBMISSION COMPONENTS

- 1. Statement of Interest:** Provide a statement of proposer's interest in development of the project; highlights of the proposer's qualifications; proposer's understanding of the objectives of the RFP; and a brief description of project team.
- 2. Applicant Qualifications:** Provide an organizational chart describing the entities and key personnel on the proposer's team; CV's for lead personnel, and a brief description of similar projects completed by the team in the past fifteen years. Provide at least three letters of reference for each entity included on the project team from parties or agencies involved in the projects listed.
- 3. Project Description:** Provide a narrative description of the general development concept and affordable housing program proposed for the Project Site, addressing the details noted in Section III and IV of this RFP, such as unit mix, target clientele, financing plan, etc. Describe how the proposed concept addresses the objectives listed in this RFP. Renderings or graphic portrayals of the proposed project and/or preliminary site plans may be submitted but are not required.
- 4. Financial Terms:** Describe the general terms applicant proposes for the land transfer and the approximate amount and form of any City assistance applicant deems necessary to finance the project, including for site acquisition or other development costs. Include a financing plan, development pro forma and operating pro forma.
- 5. Other Items:** Include a detailed community outreach plan and proposed tenant selection plan for the project.

Deadline to Submit:

5:00 P.M. on May 30, 2016

Proposals received after this time will not be considered.

Proposals must be delivered in person or by mail or other delivery service to:

City of Sunnyvale Housing Division
Attn: Shila Behzadaria, Assistant Planner
456 West Olive Avenue / PO Box 3707
Sunnyvale, CA 94088-3707

Proposals delivered by fax, email, or other electronic means will not be accepted. Incomplete and/or late proposals (those which do not fully meet Sections V and VI above) will not be accepted or evaluated.

VII. SELECTION AND NEGOTIATION PROCESS

1. A staff evaluation committee established by the City Manager for this purpose will review proposals for completeness and to verify that both the applicant and the proposed project respond to the requirements of this RFP. Proposals determined to be non-responsive will not be considered or evaluated. Any proposals deemed ineligible or non-responsive may appeal to the City Manager for reconsideration at the City Manager's sole discretion.
2. The staff evaluation committee may invite applicants for brief interviews with the staff evaluation committee to clarify or discuss any aspects of the proposals, at its discretion. The committee will evaluate those proposals deemed eligible and responsive to the RFP based on the major evaluation categories noted above and the Scoring Sheet provided at the end of this RFP.
3. Staff will select the preferred developer from among the responsive proposers and begin preliminary discussions regarding the terms of a potential ENA with that developer. If staff is not able to reach preliminary consensus with the first developer, staff may, in staff's sole discretion, terminate those discussions, release the first preferred developer from the list of potential candidates, and begin discussions with the next most-preferred developer on a potential ENA.
4. Once staff has reached initial consensus with a preferred developer regarding the terms of a potential ENA, staff will schedule a Council hearing on the draft ENA with the preferred developer. The ENA will be valid for an initial period of one year, and may be extended by the Council at its sole discretion.
5. Following Council approval of the ENA, the selected developer will be authorized to work with City staff to further develop a project proposal, begin the land use entitlement process, conduct community outreach, and negotiate the AHDA. The AHDA would establish the preliminary terms for the ground lease, loan and regulatory agreements and other project prerequisites.
6. Following Council approval of the AHDA, the preferred developer would complete the land use entitlement process (as needed), finalize its financing of the project, obtain the City building permits and other agency approvals, and schedule the execution and recording of the ground lease and loan and regulatory agreements. This step is subject to further refinement upon discussion with the preferred developer.

VIII. PROPOSAL REVIEW TIMELINE

The approximate timeline for evaluating and selecting proposals is provided below. This timeline may be adjusted by the City at any time. Please contact the Housing Division to

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verify the current timeline. Further milestones for the development will be set forth in the ENA.

Task	Target Date
Issue RFP	April 15, 2016
Pre-Submittal Meeting for Proposers	April 25, 2016
Proposals Due	May 30, 2016
Staff Evaluation Period	June 2016
Select Proposer & Begin ENA Negotiations	Mid-July 2016
Council Approval of ENA/Proposer	September 2016

Pre-Submittal Meeting

Applicants are highly encouraged to attend this meeting for more information about the RFP and the application and evaluation process, followed by a question and answer session. Staff from Planning, Housing, and possibly other City departments will attend to answer questions.

Meeting Time: 2:30 pm to 4:00 pm

Monday, April 25

Location: West Conference Room

Sunnyvale City Hall

456 W. Olive Avenue, Sunnyvale, CA 94087

Please RSVP if you plan to attend by contacting Shila Behzadiaria at (408) 730-7456 or sbehzadi@sunnyvale.ca.gov with your name, organization, email and phone number.

IX. CITY CONTACTS AND RESOURCES

For further information about this RFP, please contact Suzanne Isé, Housing Officer at (408) 730-7698 or by email to sise@sunnyvale.ca.gov.

For information regarding the City's development review procedures, zoning, and other Planning information relevant to the Project Site, please contact Gerri Caruso, Principal Planner, at (408) 730-7591 or by email to gcaruso@sunnyvale.ca.org.

Other resources available online:

- Links to the City's Zoning Code, General Plan, Downtown Specific Plan, and related requirements are available online at Planning.inSunnyvale.com
- Green Building requirements are available at GreenBuilding.inSunnyvale.com
- For Building information or additional assistance, please contact the City's One Stop Permit Center at (408) 730-7444.

X. DISCLOSURES AND CHANGES TO RFP PROCESS

All proposals will become the property of the City, and may be reproduced **in full or part and/or** published online and/or on paper for public review, and will not be returned to the proposers. Proposals will be public records. Please do not submit any information that is confidential.

The City of Sunnyvale reserves the right to request additional information from applicants, reject any and all submittals, waive any irregularities in the submittal requirements, or cancel, suspend or amend the provisions of this RFP at any time. If such an action occurs, the City will notify all applicants, and any other parties requesting such notice, by posting updates online at:

Housing.inSunnyvale.com

SCORING SHEET

Category	Maximum Points
<p>1. Organizational Capacity and Relevant Experience of Applicant</p> <ul style="list-style-type: none"> • Development team members are well qualified to complete and operate project, considering years of relevant experience and number of similar projects completed. • Applicant has the appropriate technical and professional staff available to implement the proposed outreach plan, explore various project design alternatives, operational and programmatic alternatives, financing options, etc. and prepare a complete Planning application package, refined financing plan, tenant selection plan, and other required materials within a reasonable timeframe following approval of the ENA. • Applicant's track record on similar projects demonstrates applicant's ability to successfully obtain highly competitive funding sources and complete projects of similar magnitude, complexity, and in similar contexts to that of the Project Site. 	<p>20</p>
<p>2. Addressing Housing Needs</p> <ul style="list-style-type: none"> • Project clearly addresses one or more housing goals or priority needs identified in the RFP, City's Housing Element and/or Consolidated Plan (ConPlan). Stated need for project and proposed project are supported by letters from community members or local organizations other than applicant. Proposed project would provide significant public benefits compared to competing proposals, and/or addresses an urgent housing need in the community. • Up to half of the points in this category will be awarded only to proposals committing to reserve at least 15% of the units for special needs tenants, which may include: seniors, developmentally disabled adults, other adults with a serious physical or mental disability, and/or adults transitioning out of homelessness, youth aging out of foster care, or other special needs groups identified in Housing Element and/or ConPlan. Proposals must address how units reserved for such tenants will be made affordable to such tenants based on current information about the average income level of the particular special needs group identified in applicant's proposal (i.e., through use of project-based subsidies or other operating subsidies, etc.). 	<p>15</p>
<p>3. Project Objectives</p> <ul style="list-style-type: none"> • Degree to which project meets the Development Parameters and General Project Requirements listed in Sections III and IV of RFP; • Project concept (physical, programmatic, and operational) is cost-effective, feasible, compatible with the neighborhood, consistent with the DSP, provides significant public benefits, effectively utilizes the Project Site, and addresses the goals stated in the RFP and related City goals. • Quality and effectiveness of community outreach plan; effectiveness of proposed tenant selection plan in addressing Sunnyvale housing needs. 	<p>20</p>

Category	Maximum Points
<p>4. Budget and Financial Capacity</p> <ul style="list-style-type: none"> Financial capacity points based on applicant's strong record of financial and regulatory compliance at other projects owned or managed by applicant, availability of staff with requisite expertise in development financing, rental property management, and fiscal matters on applicant's team. Budget scores based on realistic cost estimates and budget for development and operation of project, and projected competitiveness of project in obtaining proposed sources of matching funds. 	10
<p>5. Leverage</p> <p>Points awarded based on percent of Total Project Cost to be funded with non-City* sources, multiplied by the number of points available (15). Total Project Cost must include the full market value of the City land (even if City assistance is requested to cover part or all of the land cost). City assistance, regardless of form (direct funding or land write-down) <u>does not count as leverage</u>.</p> <p><i>* Federal funds controlled by the City (CDBG, HOME) are also considered City sources.</i></p> <p><i>Example: Total project cost = \$50 million, including \$8 million in land cost. Proposer's financing plan shows City assistance for the project in the amount of \$10 million, and other, non-City sources for the remaining \$40 million required for the project. In this example, the project's Leverage ratio equals 80%: \$40 million / \$50 million = 0.80 0.80 x 15 = 12 points</i></p> <p>The staff scoring committee, in its sole discretion, may opt to modify the formula or method for awarding Leverage points, so long as the modified method is applied consistently to all proposals and is substantially similar in intent to the above formula.</p>	15
<p>6. Affordability Level</p> <p>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.</p>	20
Total Points Available	100