[Exhibit to Below Market Rate Developer Agreement for Home Ownership Project]

ALTERNATIVE COMPLIANCE PLAN

On [insert Council meeting date] Developer received Council approval to comply with the requirements of Sunnyvale Municipal Code ("SMC") Chapter 19.67 through the alternative method indicated below:

Payment of In-Lieu Fees pursuant to SMC Section19.67.090 (b) and Exhibit C to this Agreement.

This Project consists of two components: 8 duet homes and 1 single-family home (the "Homes") as well as 40 rental/condominium units (the "Flats"). Developer has notified City of his intention to sell the 9 Homes upon completion, but retain and operate the 40 Flats as rental apartments for the foreseeable future. Developer has filed a Vesting Tentative Map with City [Tract Map # 11396] identifying the 40 Flats as airspace condominium units which may be sold separately, as well as identifying the 9 homes as separate parcels which may be sold separately.

1. Payment of in-lieu fees for the <u>1.125</u> BMR units owed among the 9 Homes shall be satisfied shortly after Project completion, concurrently with the initial sales of the Homes in the Project.

2. Payment of In-Lieu Fees for the remaining <u>5</u> BMR unit obligation owed among the 40 Flats shall be deferred until Developer (or Developer's successor(s)-in-interest to the Property) begins the sales process for the 40 Flats in the Project.

    a) "Beginning the sales process" means filing a Condominium Plan and/or "Notice of Intention", or comparable form as then may be required, with the California Bureau of Real Estate (BRE), for the 40 Flats;

    b) Developer shall provide City and Tenants of the Flats with a written Notice of Condominium Conversion delivered by Certified Mail at least 12 months prior to beginning the sales process, and shall provide all other tenant notices and protections required under State and local law, including but not limited to, California Government Code Section 66427.1, and Sunnyvale Municipal Code provisions relating to condominium conversions.

    c) Concurrently with filing of the Condominium Plan to BRE, Developer shall provide City Housing staff with the name and contact information of the escrow officer who will handle the escrows for the sales of the Flats; and

    d) Developer shall sign joint escrow instructions prepared by the City that outline the process for payment of Developer's in-lieu fee per each Flat (7% of contract sales price) to the City, as explained further in Exhibit C to this Agreement.

Developer has reviewed and agreed to the provisions herein:

DEVELOPER: _____   Date: _____

Print Name & Title: _____

B-1

EXHIBIT C   **ATTACHMENT 2**

PAYMENT PROCEDURES AND AMOUNT OF IN-LIEU FEE
Top portion will be completed by City.

In-Lieu Fee Amount Due:

☐   ~~Fractional Unit Fee only: N/A BMR Units~~
       ~~Estimated Fractional Fee Amount Due = $ N/A~~

X   In-Lieu Fees for Entire BMR Obligation: 6.125 BMR Units
       (Dollar amount to be determined at close of escrow for each unit.)

Verified by Housing Officer: _____
                                Signature   *Date*

Payment Procedures

In-Lieu Fees for Entire BMR Obligation

1. Developer shall provide City Housing Division with name, title and contact information for the primary escrow officer handling project sales prior to issuance of the first building permit for the Project, or if not available at that time, within six months of the first building permit issuance.

2. A copy of this Exhibit C will be included in the joint escrow instructions prepared by City for the Project's unit sales.

3. City staff shall place a payment demand in escrow for each of the Market-Rate Units for a BMR in-lieu fee, due from seller's proceeds, equal to seven percent (7.0%) of the **contract sales price of each unit** and payable to the City of Sunnyvale BMR In-Lieu Fee Fund.

4. After payment is received for each unit, City shall provide Developer or Developer's designee (escrow officer or home buyer) with a recordable Release of Restrictions signed by the City releasing the unit from the lien created by the BMR Housing Developer Agreement recorded against the Property.

Developer has reviewed and agreed to the provisions herein:

DEVELOPER: _____   Date: _____

Print Name & Title: _____