

FIRST AMENDMENT TO
DISPOSITION AND DEVELOPMENT AGREEMENT
SUNNYVALE BLOCK 15-HOUSING PROJECT

This First Amendment to Disposition and Development Agreement- Sunnyvale Block 15-Housing Project ("Amendment") is entered into as of this _____ day of _____, 2021 by and between the City of Sunnyvale, a municipal corporation (the "City") and Sunnyvale Block 15 Housing Partners, L.P., a California limited partnership (the "Partnership") with reference to the following:

RECITALS

A. The City owns fee title to 1.44 acres of improved land located at 365-388 Charles Street (APN# 165-130-74), 396 Charles Street (APN# 165-130-46), 397 South Mathilda Avenue (APN# 165-130-68), 402 Charles Street (APN# 165-130-45), 406 Charles Street (APN# 165-130-73), and 403 South Mathilda Avenue (APN# 165-130-69) in the City of Sunnyvale and legally described as Parcel A on Exhibit A attached hereto (collectively, the "Property")

B. The City and the Partnership entered into that certain Disposition and Development Agreement dated as of January ____ 2019 ("Agreement") whereby the City agreed to ground lease the Property to the Partnership pursuant to the terms of a ground lease attached to and incorporated into the DDA ("Ground Lease") and the Partnership agreed to develop on the Property a 90-unit affordable rental housing projects with office space and interior amenities for residents that are no less than 4,000 square feet of floor area and an additional 1,500 square feet of floor are that may be used as either resident-serving or commercial space (the "Project").

C. The City also agreed to provide to the Partnership certain financial assistance in the form of a loan in the amount of Twelve Million Five Hundred Thousand Dollars (\$12,500,000) in accordance with the terms and conditions set forth in the DDA.

D. The City, pursuant to prior City Council Actions, has increased its financial assistance to the Project by allocating an additional Four Million Five Hundred Dollars (\$4,500,000) from Housing Mitigation Funds and Four Hundred Eighty Three Thousand Dollars (\$483,000) in Home Investment Partnership Funding (HOME) to bring the City's total financial commitment to the Project to Seventeen Million Four Hundred Eighty Three Thousand Dollars (\$17,483,000). The HOME funds will be evidenced by a separate agreement between the City and the Partnership. The additional Housing Mitigation Funds will be provided to the Partnership on the same terms and conditions as the funds previously committed to the Partnership in the DDA.

E. The Partnership has been proceeding with the Project and has received the Land Use Entitlements for the Project. In addition the Partnership has obtained financing commitments from various sources for a portion of the costs of constructing the Project, including a commitment for a loan from the California Department of Developmental Services/San Andreas Regional Center ("SARC Loan").

F. The SARC Loan requires certain amendments to the DDA to allow for the loan to be secured by the Property.

G. The City and the Partnership now desire to amend the DDA to address the increased City commitment of Housing Trust Funds and to make changes necessary to allow the Partnership to obtain the SARC Loan.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and conditions herein contained the City and the Partnership agree as follows:

1. Section 12.1 of the DDA is hereby amended to change the amount of the City Subordinate Loan from Twelve Million Five Hundred Thousand Dollars (\$12,500,000) to Seventeen Million Dollars (\$17,000,000).

2. Notwithstanding anything set forth in the DDA or the Ground Lease, the City agrees that the Partnership may secure the SARC Loan in the amount of \$1,000,000 with a deed of trust encumbering the City's fee interest in the Property provided that the City Manager approves the terms of the SARC Loan and the terms of any deed of trust recorded on the City's fee interest in the Property.

3. Effect of Amendment. The Amendment shall be effective as of the date set forth herein. In the event of a conflict between this Amendment and the Agreement or Ground Lease, this Amendment shall control. Unless otherwise amended by this Amendment, the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the dates hereinafter respectively set forth.

PARTNERSHIP:

SUNNYVALE BLOCK 15 HOUSING PARTNERS,
L.P., a California limited partnership

By: **RELATED/SUNNYVALE DEVELOPMENT**
CO., LLC, a California limited liability company, its
general partner

By: _____
Ann Silverberg, Vice President

[signatures continue on next page]

CITY:

CITY OF SUNNYVALE,
a municipal corporation

By: _____
Its City Manager

APPROVED AS TO FORM:

City Attorney