



File #: 16-0526, Version: 1

### REPORT TO COUNCIL

#### SUBJECT

Adopt Resolution Authorizing Application for Affordable Housing Sustainable Communities (AHSC) Grant for Edwina Benner Plaza and Persian Drive Sidewalk Extension

#### BACKGROUND

On February 23, 2016 (RTC No. 15-1009), Council adopted Resolution 737-16 to authorize City staff and MidPen Housing to submit a joint application for up to \$10 million in AHSC funding for an affordable housing and transportation infrastructure project. At the same hearing, Council also committed to providing a loan of \$5 million in Housing Mitigation funds to MidPen Housing for the affordable housing project. The AHSC application requests funding for a 66-unit affordable rental housing development known as Edwina Benner Plaza to be constructed at 460 Persian Drive, and installation of new sidewalk along the south side of Persian Drive between Morse and Borregas Avenues. The sidewalk project is referred to as a Sustainable Transportation Infrastructure (STI) project in the application and draft resolution. The STI project would provide residents of Benner Plaza and the surrounding neighborhood with safe pedestrian access to the Borregas Avenue bike/pedestrian bridge into Moffett Park, and is contingent on an award of AHSC funds for the Benner Plaza project.

#### 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.

**Policy A.2:** Facilitate the development of affordable housing through regulatory incentives and concessions, and/or financial assistance.

##### **General Plan, Land Use Element**

**Policy LT-5.7:** Pursue local, state and federal transportation funding sources to finance City transportation capital improvement projects consistent with City priorities.

**Policy LT-5.8:** Provide a safe and comfortable system of pedestrian and bicycle pathways.

##### **Climate Action Plan**

**LUP-2.1:** Continue to plan for most new residential, commercial, and industrial developments in specific plan areas, near transit, and close to employment and activity centers.

**Goal:** Modify the transportation infrastructure such that bicycling, walking, and transit are viable options regularly used by all Sunnyvale residents and employees.

#### ENVIRONMENTAL REVIEW

An initial study of the proposed housing project and STI project was prepared pursuant to the California Environmental Quality Act ("CEQA"), and a Mitigated Negative Declaration pursuant to

Public Resources Code Section 21080(c) was adopted by the Planning Commission on January 25, 2016.

## **DISCUSSION**

The AHSC application process consists of two phases: concept proposals were due in March 2016, and only those proposals that passed the initial review phase were invited to submit a full application in June 2016. The City and MidPen Housing proposal passed the concept review phase, and staff of both entities submitted a full application on June 20, 2016. Several weeks ago the AHSC staff informed applicants that the resolution template had been revised and that all applicants would need to adopt and submit revised resolutions no later than July 30, 2016 in order to be eligible for a potential AHSC funding award. Staff has prepared a revised resolution to comply with AHSC's new requirement, which is provided in Attachment 1 to this report.

The revisions clarify the funding amount requested for each AHSC program eligible use category and must also show the total amount of AHSC funding requested. The AHSC use categories and amounts requested in the City's joint application include:

- Affordable Housing Development (AHD): \$7,469,748
- Housing Related Infrastructure (HRI), which includes costs for items such as parking and site utilities for the housing project: \$1,360,000
- Sustainable Transportation Infrastructure (STI), which consists of the sidewalk extension: \$800,750; and
- Program (PGM), which consists of funding for transit passes and other sustainability measures included in the joint proposal: \$48,200. The AHSC Guidelines encourage, but do not require the developer to continue providing transit passes beyond the three-year period covered by the grant. However, MidPen plans to fund them from operating cash flow after the third year, to the extent sufficient cash flow or another funding source is available for this purpose.

City staff has collaborated with MidPen Housing staff and the City Attorney to make revisions to the previously adopted resolution to comply with the new requirements. The revised resolution must be adopted and delivered to HCD by July 31, 2016.

## **FISCAL IMPACT**

The recommended action would not create any new fiscal impacts for the City. The proposed action provides additional detail to a previously adopted resolution. If the AHSC application is successful, it would provide new funding to the City for the proposed sidewalk extension and green street improvements, which are currently unfunded, and would provide critical matching funding for the affordable housing project. All City matching funds for this joint application were conditionally committed and appropriated as part of the FY 2016/17 budget.

## **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

## **RECOMMENDATION**

Adopt the resolution authorizing application for an Affordable Housing Sustainable Communities

(AHSC) Grant for Edwina Benner Plaza and Persian Drive sidewalk extension.

Adoption of this resolution is necessary in order for the City's application to remain eligible for consideration for an award of AHSC funds.

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Reviewed by: Trudi Ryan, Director, Community Development

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

**ATTACHMENT**

1. Resolution