



COUNCIL REPORT

DATE: September 26, 2023

CATEGORY: New Business

DEPT.: Housing

TITLE: **Selection of Preferred and Alternate Development Teams for 87 East Evelyn Avenue Affordable Housing Project**

RECOMMENDATION

That Council:

1. Select Affirmed Housing as the preferred development team for the 87 East Evelyn Avenue affordable housing residential development.
2. Authorize the City Manager or designee to negotiate and execute an Exclusive Right to Negotiate Agreement (ERNA) with the selected development team and commence the negotiation process for the lease disposition, development, and loan agreement (LDDLA) and ground lease for the 87 East Evelyn Avenue site.
3. Authorize the City Manager or designee to execute an amendment to the ERNA to extend the initial 90-day term for an additional 90 days if negotiations are not completed in the initial term but are progressing.
4. If, after selection of Affirmed Housing as the preferred development team, the City and Affirmed Housing are unable to come to an agreement, authorize with the City Manager or designee to enter into an ERNA and commence negotiations with Charities Housing as the alternate development team.
5. Adopt a Resolution of the City Council of the City of Mountain View Declaring the City-Owned Site at 87 East Evelyn Avenue to be Exempt Surplus Land Pursuant to the Surplus Land Act, to be read in title only, further reading waived (Attachment 1 to the Council report).

BACKGROUND

For the past few years, the City and the Santa Clara Valley Transportation Authority (VTA) have worked together to advance affordable housing on VTA's former park and ride lot located at 87 East Evelyn Avenue (the "Evelyn lot"). On May 7, 2019, Council unanimously authorized the

City Manager to negotiate and execute with VTA a long-term ground lease with an option to purchase the VTA property located at the southwest corner of East Evelyn Avenue and Pioneer Way (APN 160-65-008) for use as future affordable housing. The ground lease with purchase option terms was executed on September 19, 2021. The City's exercise of its purchase option was completed on June 16, 2023, when the City took title to the property.

In 2022, the City Council held a Study Session to determine development priorities for the Evelyn lot and issued and completed the Request for Qualifications (RFQ) as part of the City's developer selection process. In 2023, the City issued the Request for Proposals (RFP) for the Evelyn lot and received proposals from five development teams. Council selection of the preferred and alternate development teams at this meeting will conclude the RFP process.

Site Location

The Evelyn lot is a 2.1-acre, rectangular site bordered by Pioneer Way, East Evelyn Avenue, and office buildings at 57-67 East Evelyn Avenue and 82 Pioneer Way. It is located near the Caltrain railroad tracks and State Route 85, approximately 0.5 mile from the Mountain View Transit Center and 0.2 mile from the Stevens Creek Trail. The site is currently zoned as High-Density Residential (R4), a result of the Zoning Map Amendments adopted by the City Council earlier this year as part of the Housing Element process.



Figure 1: Evelyn Lot (Blue) and Charities Lot (Orange)

As shown in Figure 1 above, Charities Housing owns 57-67 East Evelyn Avenue (the “Charities lot”), which is directly adjacent (to the west) of the Evelyn lot. Charities Housing intends to redevelop its lot with affordable housing, independent of the results of the RFQ/RFP process for the City’s Evelyn lot. The Charities lot and RFP proposal are discussed later in this report as it relates to the City’s intention for a master site plan process including both sites.

Evelyn Lot Development Priorities

On May 10, 2022, the City Council held a Study Session to provide input on development priorities for the Evelyn lot (See Attachment 1). The priorities were included in the Request for Qualifications (RFQ)/Request for Proposals (RFP) process and summarized below:

1. **Residential Population:** Achieve an affordable housing development providing 30% or more of the total units with affordability restrictions for extremely low-income households (i.e., incomes up to 30% of the Santa Clara County Area Median Income (AMI)). Include a significant number of rapid rehousing (RRH) and/or permanent supportive housing (PSH) units.
2. **Density and Height:** Provide a project density of 80 to 110 DU/acre, although there was Council support for a project greater than 110 DU/acre. A project height that exceeds seven to eight stories is supported if the applicant can demonstrate that the proposed project height and density is financially feasible, that an appropriate level of community amenities can be accommodated, and that the developer has the experience building and operating similar high-density residential projects.
3. **Parking:** Include a parking plan that balances proposed parking with other project features. If the proposal includes a lower ratio than is typical in City affordable projects of similar size/type or what would be allowed under the State Density Bonus Law, the applicant shall include a rationale supported by a proposed TDM plan and acknowledge a parking study may be required.
4. **Design and Placemaking:** Demonstrate excellent design and appropriate transitions with the adjacent uses and well-designed circulation plans that account for vehicle, pedestrian, and bicycle circulation needs and safety along all project frontages. Implement a balanced approach that allows for maximizing the number of units while realizing high-quality design, services, and community space. Incorporate placemaking and community building elements in their proposal and are encouraged to propose a range of amenities that would appropriately serve the resident population mix, such as child-care space, playground space, and space to provide mobile food distributions or health services.

5. **Collaboration with Adjacent Affordable Housing Site:** As noted above, Charities owns the adjacent site at 57-67 East Evelyn Avenue. The RFP noted: “Master planning the two sites in a coordinated effort could yield a development that is greater than the sum of their parts. The sites could be developed more efficiently due to shared infrastructure, utilities, open space, amenities, parking, and other design elements.” Applicants were required to describe how their schedule will incorporate a timeline for the collaborative master site planning process.
6. **Pathways for Safe Parking Participants:** Applicants were asked to provide a narrative in the RFP submittal for potential pathways for safe parking participants or Mountain View households who have been or may be displaced from their homes to live in the Evelyn lot development once completed, subject to compliance with applicable State and Federal fair housing laws.
7. **Continuing FTA interest:** The VTA originally purchased the property with a grant from the Federal Transit Administration (FTA), which included certain Federal requirements regarding the use of the site. The City-VTA ground lease and purchase option, which incorporate FTA’s continuing Federal interest and were reviewed and approved by the FTA, include the following provisions: (1) development of the site as affordable housing; (2) minimum density of 75 DU/acre; and (3) subject to compliance with State and Federal fair housing law, and if there is a tenant selection or marketing preference for persons who live or work in Mountain View, the City must also include VTA employees in this preference if legally feasible. All proposals meet the FTA interest and requirements for redeveloping the site into affordable housing.

Request For Qualifications (RFQ) and Request For Proposals (RFP) Process

In 2022, the City initiated the two-step process for selecting a development team to propose residential redevelopment of the 87 East Evelyn Avenue site. The first step involved City issuance of an RFQ, to which the following five development teams submitted responses: Affirmed Housing (Affirmed), Charities Housing (Charities), Alta Housing (Alta), Bridge Housing (Bridge), and The Core Companies (Core). A City review panel met in November 2022 to review the qualifications of each development team and invited all five teams to participate in the second step of the developer selection process—the RFP stage.

The City released the RFP on January 27, 2023, with a submittal deadline of April 27, 2023 (see Attachment 2 for the RFP). A mandatory presubmittal conference was held on February 27, 2023, to address questions from interested respondents. All five development teams from the RFQ process were invited to submit responses to the RFP, and each team did submit a response. Note that between the RFQ and RFP, Eden Housing joined Core and submitted a joint proposal for the RFP. City staff evaluated the submissions and conducted interviews with each team on May 11,

2023. The results of the evaluation process and staff recommendation for the preferred and alternate development teams are summarized in the Analysis section below.

Note that selection of a development team for the Evelyn site does not imply approval of the proposal identified in the RFP submittal(s). While the intent of the RFP is for each team to put its best foot forward and submit what they believe to be the most competitive proposal, the selected developer will still need to negotiate and execute deal terms with the City, which would include funding amounts, prepare more detailed project plans, including a collaborative master site plan (described further below), and submit a formal development application for review and approval through the City's entitlement process.

ANALYSIS

Staff recommends Affirmed Housing as the preferred developer. If Council selects Affirmed Housing as the preferred developer, staff will initiate the process to enter into an Exclusive Right to Negotiate Agreement (ERNA) with the developer.

In the event that Affirmed Housing is unable to meet the requirements of the ERNA or City priorities for the project, staff recommends that Council select Charities as the alternate developer. This will allow the process to move forward without needing to return to Council to select another developer.

The remainder of this Analysis section provides a summary of the RFP evaluation process, criteria, and details of each submittal.

RFP Evaluation Process and Criteria

As mentioned, five development teams responded to the RFP: Affirmed, Charities, Alta, Bridge, and Core/Eden. Each team has a strong reputation and history of building/managing high-quality affordable housing developments, and staff believes each team generally has the financial ability and relevant experience to deliver an affordable housing project at the Evelyn lot. However, staff's evaluation of each submittal focused on the overall quality, responsiveness, completeness, and clarity of the teams' submittals to the RFP requirements specific to the Evelyn lot priorities, with particular focus on the following evaluation criteria (described in detail in Attachment 2—Evelyn Lot RFP):

1. Development Team Description and Qualifications (10 points max.)
2. Relevant Development Experience (30 points max.)
3. Proposed Development Concept (40 points max.)
4. Financial Capability (20 points max.)

Additionally, interviews were held with all of the development teams on May 11, 2023, where each development team presented its submittal and responded to questions by an interdepartmental City team composed of staff from the Community Development Department's Housing and Planning Divisions, and the Public Works Department's Land Development Engineering and Real Property Divisions (hereafter "City team"). The City's economic advisory consultant Seifel Consulting assisted with the evaluation process but did not score/rank the submittals. Additionally, per the City-VTA ground lease, one VTA employee attended the interviews to observe and provide input but did not participate in the quantitative scoring/ranking of the submittals.

Recommendation of Preferred and Alternative Developer

This evaluation process resulted in the following final rankings:

- 1. Affirmed Housing (Preferred Developer)**
2. Charities Housing (Alternate Developer)
3. Alta Housing
4. Bridge Housing
5. The Core Companies/Eden Housing

While Alta and Bridge are very capable developers, Affirmed and Charities had stronger proposals overall. Core/Eden, although ranking fifth, are also very capable developers who submitted a competent proposal in a highly competitive group of applicants.

Table 1 below provides a summary comparison of the submittals. Overall, all submittals include at least 200 units, with 100 percent of the units affordable to households between 30% and 60% AMI. Residential densities across the submittals range from approximately 95 DU/ac to 128 DU/ac. Each of the teams also articulated that the design and financing strategy in their submittals are a starting point, and, if selected, intend to work closely with the City to ensure City input is thoughtfully considered and incorporated to the extent possible into the final project. All teams noted their commitment to participating in a master plan process. Staff recommendations for this master plan process and outcome is discussed in more detail below.

Table 1: Summary of Evelyn RFP Submittals and Recommendations

Rank	1 Preferred Developer	2 Alternate Developer	3	4	5
Development Team	Affirmed Housing	Charities Housing	Alta Housing	Bridge Housing	Core Co./Eden Housing
DEVELOPMENT CONCEPT					
Total Number of Units	268	391 Total <small>*265 on City Site</small>	201	238	208
Number of RRH / IDD/PSH	42 RRH / 15 PSH for unhoused households	59 RRH / 39 PSH	29 RRH / 22 at risk senior	62 PSH / 17 IDD	42 PSH / 35 IDD
Populations Served:	Family	Family	Family/Seniors (not an RFP priority)	Family	Family/Seniors (not an RFP priority)
Stories	Phase 1: 7 Stories Phase 2: 12 Stories	Phase 1: 8 Stories Phase 2: 5 Stories Phase 3: 5 Stories	Phase 1: 7 Stories Phase 2: 6 Stories	Phase 1: 6 stories Phase 2: 6 stories	Phase 1: 7 stories Phase 2: 7 stories
Total Unit Mix	Studio: 38 (14%) 1 Bedroom: 89 (33%) 2 Bedroom: 71 (27%) 3 Bedroom: 70 (26%)	Studio: 76 (19%) 1 Bedroom: 105 (27%) 2 Bedroom: 105 (27%) 3 Bedroom: 105 (27%)	Studio: 0 (0%) 1 Bedroom: 135 (67%) 2 Bedroom: 36 (18%) 3 Bedroom: 30 (15%)	Studio: 21 (9%) 1 Bedroom: 94 (40%) 2 Bedroom: 79 (33%) 3 Bedroom: 44 (18%)	Studio: 0 (0%) 1 Bedroom: 152 (73%) 2 Bedroom: 30 (14%) 3 Bedroom: 26 (13%)
Total Residential Parking/	140 (incl. 10 unassigned)	287 (incl. 23 unassigned)	254 (0 unassigned)	238 (incl. 22 unassigned)	183 (0 unassigned)
NON-RESIDENTIAL AMENITIES					
Childcare Center	7,000 sf.	2,580 sf.	6,100 sf.	3,450 sf.	6,200 sf.
Other	3,150 sf. Flexible Community Resource Space- TBD via outreach	8,640 sf. CSA satellite warehouse for food distribution and nutrition services	2,460 sf. CSA Food Dist. Program 15,000 sf. Urban Farm	968 sf. Multipurpose Community Room	1,130 sf. ea. Two Community Rooms. Possible Food Bank Partnership
TOTAL DEVELOPMENT COST					
Total Development Cost (Excluding land)	\$224,800,000	\$360,000,000	\$183,800,000	\$251,100,000	\$184,900,000
Total Development Cost/Unit	\$839,000	\$915,000	\$1,055,000	\$921,000	\$889,000
Total Development Cost/Bedroom	\$469,311	\$509,915	\$618,855	\$620,000	\$637,586
CITY SUBSIDY REQUEST					
City Subsidy	\$8,000,000	\$30,875,000	\$30,000,000	\$17,728,715	\$17,935,073
City Subsidy/Unit	\$29,851	\$78,964	\$149,254	\$74,490	\$86,226
City Subsidy/Bedroom	\$16,701	\$43,732	\$101,010	\$43,774	\$61,845
<small>*The Charities proposal assumes a merged project site with proposed buildings crossing existing property lines. As such, a precise estimate of units on the Evelyn lot cannot be provided for comparison. Per the Charities submittal, there would be 265 units in buildings proposed on the Evelyn lot (including some units in building area on the Charities lot).</small>					

Summaries of Each Submittal

Affirmed Housing—Ranked 1st/Recommended Preferred Developer

Affirmed Housing is recommended as the preferred developer for several key reasons:

1. Most responsive to the City priorities outlined in the RFP including achieving a site and building plan that best balances multiple objectives.
2. Meets the Council objectives of providing larger units to serve families and units that serve both extremely low-income households and those qualifying for PSH Housing units and had the best overall unit mix.
3. Overall lowest development cost per unit supported by a detailed construction cost estimate from Cahill Contractors.
4. Lowest requested City subsidy in total and on a per unit basis, and greatest leveraging of external funding.
5. Creative yet flexible approach to site development with the Phase 2 building envisioned to be 12 stories (to maximize the number units) but adjustable to eight to nine stories if there is a preference or necessity for less height.
6. Thoughtful site plan facilitating integrated circulation and effective master planning with the Charities site, high-quality open space, and a finer grain network of connections through the site.
7. Incorporation of both private and publicly accessible nonresidential uses and open space.
 - Only proposal to include both a letter of intent from a child-care provider, Kids-Konnect Childcare, and a funding commitment of \$2 million toward the development cost of the child-care center from The Low Income Investment Fund (LIIF).
 - Demonstrated a firm commitment to engage in a community-led effort to program their community flex space, with past experience programming space for mobile health clinics, training centers, and for community gathering areas.
8. Strong commitment to incorporating safe parking participants into the development and was the only team to include an opinion from their legal counsel on how to accomplish a preference program for those households.



Figure 2: Affirmed Housing Proposal—Conceptual Design

The project showcases strong development and financial capabilities. If selected, staff will work closely with Affirmed to advance the proposed project as well as evaluating the potential impact on the housing program if Phase 2 of the development needed to be scaled down to eight to nine stories and refinements to the circulation design concept to ensure emergency vehicle and solid waste access needs are fully addressed. Furthermore, the project’s parking proposal will be assessed to confirm appropriate parking as well as transportation demand management (TDM) options for future residents, and project financing will be assessed to determine if additional subsidies are necessary to finance the proposed project as outlined in the submission. Below is a summary of the proposal’s key components.

The Affirmed Housing team consists of:

Architect:	Van Meter William Pollack LLP
General Contractor:	Cahill Contractors
Property Management:	Solari Enterprises
Resident Services:	Not Stated

Key Components of Affirmed Housing RFP Submittal:

1. **Residential and Nonresidential Proposal:** The Affirmed Housing proposal would construct 268 affordable units in two phases/buildings:
 - Phase 1: The West Building would have 27 studios, 50 one-bedroom, 42 two-bedroom, and 42 three-bedroom units. Out of these 161 units, 30 units will be set

aside for Santa Clara County’s Rapid Rehousing (RRH) Program and assigned to ELI individuals and families. Parking for both phases would be provided in the West Building, most of which would be provided on its ground floor.

- Phase 2: The East Building would have 11 studios, 39 one-bedroom, 29 two-bedroom and 28 three-bedroom units. Of these 107 units, 12 units will be set aside for Santa Clara County’s RRH Program for ELI individuals and families and 15 PSH units reserved for unhoused households utilizing project-based vouchers.
- Nonresidential programming includes approximately 7,000 square feet of both indoor and outdoor space for a community day-care facility and 3,150 square feet of community resource space, open to both residents and the community, which they intend to program following feedback and consideration via a comprehensive community outreach effort. The space is intended to satisfy the Council goal for creating an amenity serving the broader community. Community space in other Affirmed developments are programmed to serve mobile health clinics, training centers, and community gathering spaces.

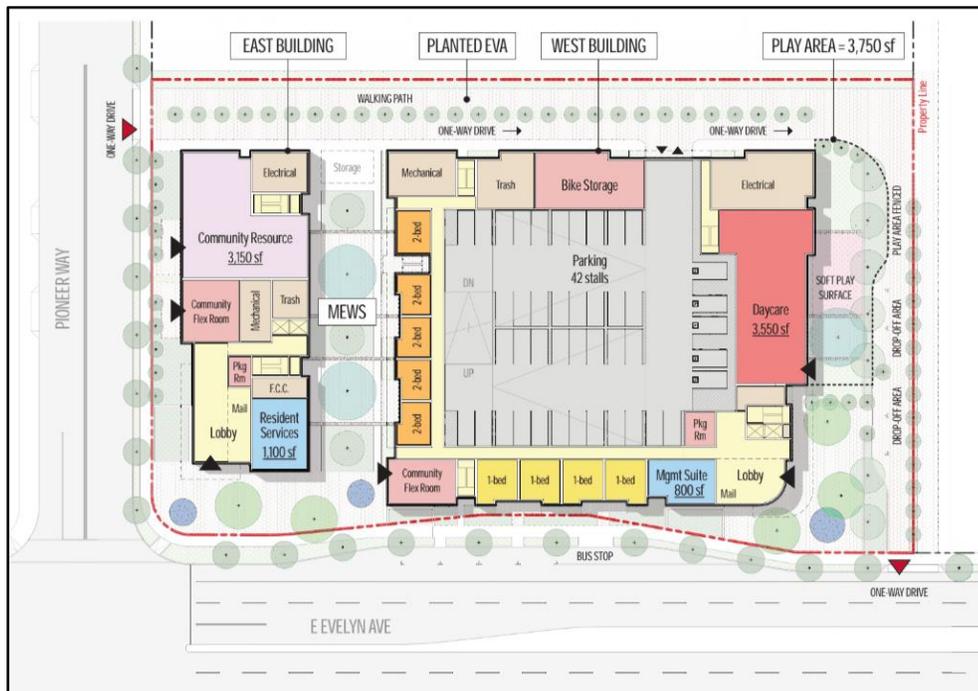


Figure 3: Affirmed Housing Proposal—Site Plan

2. **Site Plan:** The Affirmed Housing site plan features an “L-shaped” planted entry drive and emergency vehicle access (EVA), between Pioneer Way and East Evelyn Avenue, along with an open pedestrian mews between the two proposed buildings and connecting to a corner

plaza along the Phase 2 building frontage. The Phase 1 building entrance is also situated toward East Evelyn Avenue with a public plaza. Interior community/flex spaces are oriented towards different open space and street frontages, and the developer also plans for a jogging path along the planted EVA/entry drive. This design allows for potential on-site day care drop-off—between the Evelyn and Charities sites—as well as flexibility for different configurations of shared EVA and open spaces between the two sites. It is proposed that the rear entry drive could also potentially be shared with Charities, reducing the number/type of required on-site roadways and public street curb cuts. The overall landscape concept seeks to prioritize nonvehicle movement through the site and connections to the adjacent Charities development, sustainability, and elements relating to the history of the site and area.

3. **Design:** The West buildings (Phase 1) are seven stories and create a distinctive presence at the Evelyn/Pioneer corner. The East building (Phase 2) is proposed to be 12 stories. Affirmed noted it could be reduced to eight to nine stories as needed based on City and community feedback or for financing purposes.

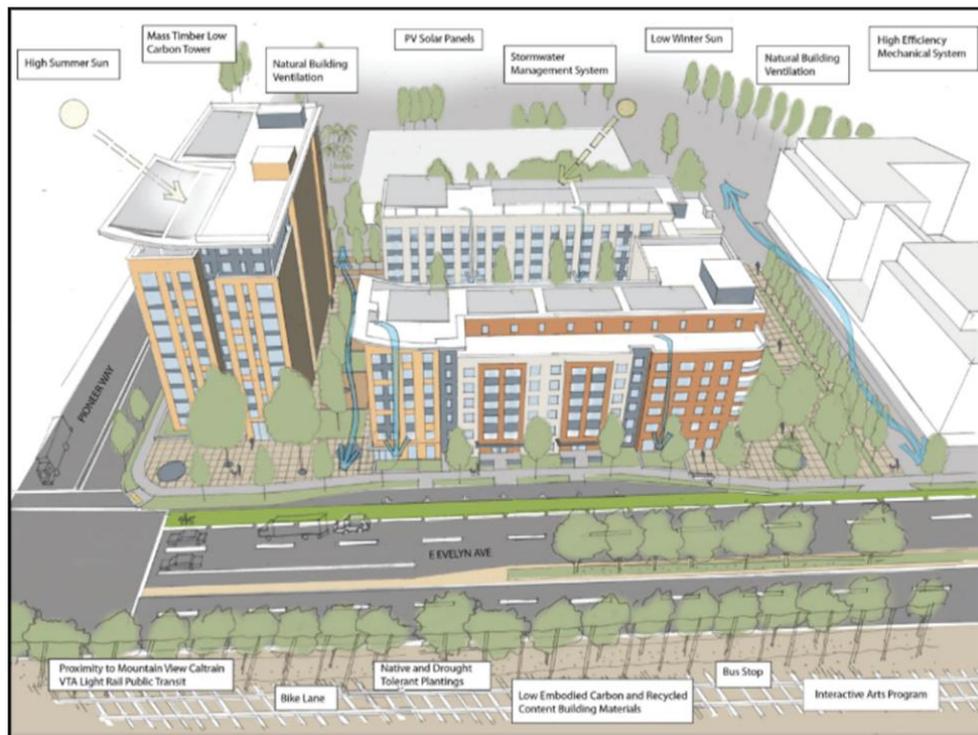


Figure 4: Affirmed Housing Proposal—Design and Sustainability Plan

4. **Master Site Planning:** Affirmed Housing and their architect have demonstrated their experience and willingness to work with other developer/architect teams, particularly on residential/mixed use master plans. They have highlighted early collaborative design

processes as an important opportunity to identify options and priorities for potential shared approaches to site access (as mentioned above), street frontage improvements, program overlap and consolidation (i.e. one child care center etc.) and possible joint activities: community gardening, teen center, after school programs, health services, expanded open space located jointly between the development sites, as well as potential savings on infrastructure improvements.

5. **Parking:** The efficient provision of 140 parking spaces for both phases in the West Building (Phase 1) allows flexibility in assigning parking spaces and a smaller East Building footprint and excavation. The design includes a bike storage room, and the rear drive from Pioneer Way is meant to promote pedestrian/bicycle circulation through the site along with active recreation and emergency/service vehicle access. Limited surface parking is proposed for day care pick-up and drop-off purposes. The low proposed parking ratio will need to be evaluated through a parking study. Securing funding to build all parking spaces in Phase 1 will also need to be evaluated. The development will encourage the use of alternate modes of transportation through convenient on-site bicycle storage, access to nearby Caltrain station and other transit options, and improved sidewalks at the nearby bus stop.
6. **Pathways for Safe Parking Participants:** Affirmed included with their submittal a letter from their counsel, Kattan, regarding their proposed preference program and its permissibility under Federal fair housing laws. Affirmed proposes to offer two occupancy preferences in the tenant selection procedures at the proposed project: (1) a preference for Safe Parking participants who are living on the Property immediately prior to the Property being cleared for construction (the “Safe Parking Preference”); and (2) a preference for employees of the child-care center (the “Employee Preference”). Preferences will be used in evaluating a potential tenant’s ability to occupy a unit in addition to other criteria, including tenant income. If selected, the City will review these preferences and permissibility under State and Federal fair housing laws.
7. **Subsidy Request:** Affirmed Housing is requesting a City subsidy of \$4,000,000 for each phase of the project. The project’s funding structure includes 4% Federal and State Credits, Santa Clara County funds, State HCD funds, Developer Equity, City funds, and conventional construction and permanent debt financing. These funding sources will cover the acquisition, predevelopment, development, and operations of the 87 East Evelyn Avenue site in two phases. Additionally, if there is agreement from the City to have an on-site child-care center, the project has secured a \$2,000,000 permanent financing Letter of Intent from Low Income Investment Fund (LIIF) to support the construction of the child-care facility.

Summary of Charities Submittal—Ranked 2nd/Recommended Alternate Developer

Charities submitted a strong and highly ranked proposal and staff recommends the team as the alternate developer. Their proposal included the following:

1. Master planned development between the Charities lot and the Evelyn lot, allowing consideration and proposal of design concepts beyond the City-owned parcel boundaries.
2. Merging the Charities lot with the Evelyn lot, creating a 391-unit affordable housing development across the combined 4.3-acre site.
3. Development with four residential structures is planned in three phases, showcasing a development option that blends resources between the Evelyn and Charities sites, and a freestanding parking garage in the first phase that would provide parking for the entire project.
4. Proposed density is 90 units per acre.
5. Letter of support from Catalyst Kids child care expressing willingness to collaborate with Charities Housing if selected.
6. Committed to exploring fair housing-compliant options to prioritize existing safe parking participants.
7. Included a memorandum of understanding (MOU) with Community Services Agency (CSA) to operate a satellite warehouse for food distribution and an on-site food pantry for low-income individuals and families facing food insecurity.
8. Thorough and reasonable financial proposal, with a subsidy request that, while not the lowest, is comparable to other developments in terms of subsidy cost per unit.



Figure 5: Charities Housing Proposal—Conceptual Community Plaza

Although the submittal showcased strong design elements, such as higher density situated away from existing lower density neighborhoods, ground-level nonvehicle circulation and potential shared open space areas, providing amenities for both tenants and the community, there were concerns from staff regarding how architectural variety would be accomplished as well as livability and convenience. In particular, the distance between the stand-alone garage and the residential units on the City-owned parcel raised issues. Moreover, Charities Housing was unclear about their ability to finance the construction of the stand-alone parking garage in Phase 1—which is intended to provide parking for all of the affordable housing units—well before the completion of the remaining units in Phases 2A, 2B, and 3. While the team expressed willingness to assess site options and parking plans based on City input, their plan assumes buildings that straddle parcel lines; however, the feasibility of straddling parcel lines would require further evaluation as part of the master plan process in coordination with VTA and Charities due to the continuing FTA interest on the Evelyn lot.

The Charities Housing team consists of:

Architect:	David Baker Associates
General Contractor:	Nibbi Brothers General Contractors
Property Management:	Charities Housing
Resident Services:	Charities Housing

Key Components of the Charities Housing Proposal:

1. **Residential and Nonresidential Proposal:** The Charities Housing proposal would construct 391 affordable units in three phases/buildings:
 - Phase 1 (Charities lot): The Phase 1 area would feature one residential building with 23 studios, 28 one-bedroom, 39 two-bedroom and 36 three-bedroom units. Out of these 126 units, 13 units will be designated as PSH units, 19 set aside for Santa Clara County's RRH Program, which will be assigned to ELI individuals and families and 33 units reserved for households utilizing project-based vouchers. Charities is proposing to request 46 project-based vouchers in this phase. Phase 1 also includes a parking garage serving all three phases of housing.
 - Phase 2 (Evelyn lot): Phase 2 would feature two, connected residential building areas containing 27 studios, 33 one-bedroom, 32 two-bedroom and 33 three-bedroom units. Out of the 125 units in Phase 2, 12 units will be designated as PSH Housing units and 19 set aside for Santa Clara County's RRH Program which will be assigned to ELI individuals and families and 42 units reserved for households utilizing project-based vouchers.
 - Phase 3 (Evelyn lot): Phase 3 would feature one residential building with 26 studios, 44 one-bedroom, 34 two-bedroom and 36 three-bedroom units. Out of the 140 units in Phase 3, 14 units would be designated as PSH units and, 19 set aside for Santa Clara County's RRH Program which will be assigned to ELI individuals and families, and 51 units reserved for households utilizing project-based vouchers.
 - Proposed nonresidential programming includes approximately 10,820 square feet of commercial space for childcare and a food distribution pantry. Charities intends to partner with CSA to operate the warehouse and pantry, which would serve individuals and households experiencing food insecurity.
2. **Site Plan:** The Charities Housing proposal is essentially a master site plan concept, combining their adjacent site at 57-67 East Evelyn Avenue with the Evelyn lot. The three-phase approach includes centralized parking in a garage structure at the south corner of the Charities lot, accessed via an access drive (with cul-de-sac turnaround) from Pioneer Way, through the Evelyn site. A food warehouse and pantry facility will be situated along Pioneer Way, creating a smooth transition to adjacent light industrial uses. Along East Evelyn Avenue, five- to eight-story residential buildings front the street, with "paseos" between the buildings providing a range of open space and nonvehicle circulation through the site. The site design prioritizes multi-modal transit, emphasizing pedestrian, bicycle, and alternative modes of transportation over personal automobiles.



Figure 6: Charities Housing Proposal—Site Plan

3. **Design:** In Phase 1, an eight-story residential building and a stand-alone parking garage will be located at the western edge of the Charities lot, serving as a buffer between State Route 85 and the freeway ramp and the open spaces and other development on the Evelyn site (to the east). In Phases 2 and 3 (predominantly on the Evelyn lot), three 5-story building areas are situated on the northerly portion of the site. Through all three phases, exclude driveways along the entire East Evelyn Avenue frontage to enhance the pedestrian experience along with widened sidewalks, landscaped setbacks with residential entrances and stoops, and shared common amenity spaces facing a large, shared plaza. These ground-floor elements along East Evelyn Avenue facilitate connections to nearby residential areas and can help create a more vibrant streetscape.
4. **Master Site Planning:** Charities stated it would collaborate with the selected developer of the Evelyn lot even if they are not selected as the preferred developer (as staff recommends). Charities' commitment to a master plan process was also noted in the May 2022 Study Session report. In either case, the master site plan proposed by Charities would be revised to reflect the potential for shared resources across property lines, address staff's concerns with parking feasibility/convenience for the residents, other opportunities to provide enhanced shared resources, and to account for input received through the required community outreach process.



Figure 7: Charities Housing Proposal—Conceptual Design

- Parking:** Phase 1 includes 287 parking spaces in a stand-alone, above-grade garage structure. This approach eliminates the need for podium parking in the residential buildings, achieving the desired unit count and density in more compact buildings. Charities has indicated this parking strategy would also reduce construction costs due to less site excavation and because it allows primarily Type V (wood) construction for the residential buildings. However, as noted, staff has concerns about how Charities would fund the Phase 1 garage upfront, which is intended to provide for all of the parking across the three master plan phases. The parking proposal also does not appear feasible or convenient for residents who would live farther away from the parking garage, particularly residents in Phase 3 and especially if they have special needs. Verifying if the site plan accommodates emergency vehicle access will also be needed. The development will have bicycle infrastructure, with each building featuring ample secured bike parking for residents. The parking site will include additional guest spaces distributed throughout the landscape design. Additionally, a bike “fix it” station will be included as an amenity in the shared plaza. The current proposal assumes vehicle access through Pioneer Way and includes options for repurposing of the existing, unused East Evelyn Avenue bus duck-out. The pedestrian- and bike-oriented pathways throughout the site extend to the nearby bike lane on East Evelyn Avenue, the Caltrain station one-half mile away, and the nearby Stevens Creek Train network.

6. **Pathways for Safe Parking Participants:** Charities Housing is actively exploring ways to incorporate a Safe Parking Participant preference into the development's regulatory agreements, ensuring compliance with fair housing laws. Additionally, their proposal aims to provide 187 units that can be directly allocated using the City of Mountain View live/work preference.
7. **Subsidy Request:** Charities is requesting approximately \$30 million from the City of Mountain View for all three phases. Additionally, Charities intends on applying for HCD Infill Infrastructure Grant (IIG) funding for Phase I, considering the eligible expense of the parking garage. The proposal also includes a plan to obtain 100 project-based vouchers (PBVs) from the Santa Clara County Housing Authority. For Phase III, \$31 million in funding is proposed to be allocated from the HCD Multifamily Housing Program (MHP) loan through the State's "Super NOFA" funding process.

Summary of Alta Housing Submittal—Ranked 3rd

The Alta proposal included the following:

1. Two phases: Phase 1 includes a -story family-oriented building, while Phase 2 consists of a six-story senior housing building.
2. 201 units and includes a stand-alone garage.
3. Plans to integrate support services into the community by partnering and providing space for the Community Services Agency for food services.
4. Incorporates an on-site child-care facility.
5. Unique experience with safe parking, including at its Terra Bella project, and transitioning safe parking residents in a project outside of Mountain View.
6. Significant amount of ground-level open space along with a 15,000 square foot urban farm on the top floor of the proposed stand-alone garage, which will provide residents with opportunities to plant and grow food and flowers.



Figure 8: Alta Housing Proposal—Aerial View of Project

Despite the commendable quality and effort demonstrated by Alta, its proposed affordable housing program was less responsive to the development priorities specified in the RFP when compared with Affirmed’s proposal. The RFP emphasized the importance of family-sized units, including both RRH and PSH units; however, the Alta proposal included a significant number of one-bedroom units for senior housing and PSH units. While the proposal showcased a high level of design detail and an innovative sustainability approach, there were areas of incompleteness and inconsistency throughout its RFP submittal. Finally, Alta’s request for City subsidy (\$30,000,000) was by far the highest on a per-unit (\$149,254/unit) and per-bedroom (\$101,010/bedroom) basis. Although the stand-alone garage was presented as a cost-effective development solution, it did not appear to positively impact the amount of requested City subsidy as compared to other submittals with parking integrated into the buildings (which are typically considered to be more costly to build).

The Alta Housing team consists of:

Architect:	Pyatok
General Contractor:	Not Identified
Property Management:	Alta Housing
Resident Services:	Alta Housing

Key Components of the Alta Housing Proposal:

1. **Residential and Nonresidential Proposal:** The Alta Housing proposal would construct 201 affordable units in two phases/buildings:
 - Phase 1: The Phase 1 building is programmed for individuals and families. It proposes 49 one-bedroom, 36 two-bedroom, and 29 three-bedroom units. Out of these 114 units, 29 units will be set aside for Santa Clara County's RRH Program.
 - Phase 2: The Phase 2 building is programmed for senior housing. It proposes 86 one-bedroom units and 1 three-bedroom manager unit. Of these 87 units, there would be 22 units set-aside for at risk seniors.
 - The nonresidential programming includes an on-site child-care facility in their development plans for the site in Phase 1. The proposal also includes a community room that will serve as a multi-functional space for resident activities and as a location for a food distribution program in collaboration with the Community Services Agency (CSA). The roof of the garage will be an urban farm, coordinated and managed by Farmscapes.
2. **Site Plan:** The Alta Housing design proposes its Phase 1 building at the corner of East Evelyn Avenue and Pioneer Way; the Phase 1 residential building connects to a stand-alone garage, which contains all the parking for their proposed development and has direct access from Pioneer Way. The Phase B building is positioned over 30 feet back from Evelyn Avenue, creating space for a landscape buffer, stormwater treatment zones, and paved pathways that encircle the entire property, including an east-west bicycle/pedestrian connection between the Charities site and Pioneer Way. The site plan accommodates entry plazas, visually connected private and publicly-accessible open spaces, and community rooms oriented toward on-site pathways. In Phase 2, ground-level units and an extended entry plaza along East Evelyn Avenue provide opportunities for integrating the Evelyn site development with the Charities site to the west. Courtyard open spaces are configured to maximize daylight throughout the year.



Figure 9: Alta Housing Proposal—Site Plan

3. **Design:** The Phase 1 building is a seven-story, “L-shaped” structure along Evelyn Avenue and Pioneer Way, which helps to buffer interior open spaces from road and train noise to the north. It is connected to the six-level above-grade parking garage, which is proposed to be covered with a tensile fabric mesh and features a rooftop “urban farm.” Facing East Evelyn Avenue, ground-floor unit entries, main building entries and a large community room (flexibly planned to serve on-site residents and house the CSA food distribution program) activate the street edge of Phase 1. Phase 2, located on the west side of the site, is slightly shorter at six stories, allowing for increased western solar access to resident open spaces. The proposed building setback preserves two larger existing trees, and ground-level unit entries are intended to create an integrated building interface with the Charities site.
4. **Master Site Planning:** Alta is willing to collaborate on a master site plan to create cohesive and active sites. Its submittal includes a conceptual design that emphasizes street-level interaction and includes a proposed “woonerf” (traffic calming) vehicular passageway that could connect the open spaces and pedestrian pathways on both properties while also providing for vehicle access for the Charities project. Ground floor stoops are intended to promote social interaction between the sites. The design would evolve through mutual consultation between the owners. If selected, a few particular areas of master site planning focus would be studying options to reduce curb cuts on East Evelyn Avenue, review for adequacy of emergency vehicle access, and improvements to the east-west bicycle and pedestrian environment along the southerly property line.



Figure 10: Alta Housing Proposal—Conceptual Design

5. **Parking:** Phase 1 will include a proposed stand-alone parking garage with 254 covered spaces for residents, staff, and guests. Alta suggests reducing parking due to the site’s proximity to the Downtown Transit Center. Each parking space will be equipped for future electric vehicle Level 2 charging. Additionally, the garage will accommodate 150 bicycle parking spaces for Phase 1 residents, including provisions for electric bicycle charging and a “fix it” station for bicycle repairs. A transportation demand management program for the entire site would include Green Trip certification, transit passes, and car-share programs. A parking and traffic study may be required during the entitlement phase to validate or update this program element.

6. **Pathways for Safe Parking Participants:** Alta has relevant experience from their involvement in Casa Esperanza, a rehabilitation project in Redwood City with State Project Homekey funding. During this project, Alta collaborated with Redwood City and San Mateo County staff, community leaders, and stakeholders. While adhering to State and Federal fair housing laws, Alta prioritized the development of pathways for Redwood City’s safe parking program. They worked closely with LifeMoves case managers to facilitate the transition of families and individuals into units. This unique experience sets Alta Housing as the only developer in the RFP process with this specific expertise. They have expressed their commitment to collaborate with Move MV and City staff to establish similar pathways for safe parking participants to transition into permanent housing.

7. **Subsidy Request:** Project financing assumes a \$30 million City contribution for the entire project, which will be primarily front-loaded \$27 million for Phase 1, and a smaller \$3 million contribution for Phase B. The project also assumes one-quarter of the units could receive PBVs, subject to availability from the Santa Clara County Housing Authority. In addition to the City of Mountain View, Low-Income Housing Tax Credits, and PBV rental subsidy, Alta will also pursue local, State, and Federal funding for both phases. Among those considered include MHP, IIG, and an anticipated regional measure in 2024 by the Bay Area Housing Finance Authority (BAHFA), which may reduce City or HCD funding requests if passed by the voters.

Summary of Bridge Housing Submittal—Ranked 4th

The Bridge Housing proposal included the following:

1. Includes a large family and permanent supportive housing building, exceeding the requested number of PSH units requested.
2. Two 6-story buildings, providing a total of 238 dwelling units, surrounded by ample open space that will be carefully programmed and designed.
3. The plan aims to preserve 57% of the site as open area and offer 0.84 acre of common open space.
4. Showcased a unique and inviting design concept and housing program that closely aligned with the development priorities outlined in the RFP.
5. Total and per-unit City subsidy request that is among the lowest of the submittals and greater leveraging of external funding.



Figure 11: Bridge Housing Proposal—Conceptual Design

The Bridge Housing proposal showcased notable qualities and merits, including a strong emphasis on deeper affordability levels and serving individuals with developmental disabilities. Some of the concerns raised about the overall proposal were that the project was enclosed, providing less permeability for bike and pedestrian circulation through the site and fewer overall master planning opportunities than some more highly ranked proposals.

The Bridge Housing team consists of:

Architect:	Seidel Architects
General Contractor:	L&D Construction
Property Management:	Bridge Housing
Resident Services:	Abode Services

Key Components of the Bridge Housing Proposal:

1. **Residential and Nonresidential Proposal:** Bridge Housing is proposing a total of 238 apartments in two phases/buildings.
 - Phase 1: The East Building is programmed for 163 family units that would include 24 PSH units and 17 units for individuals with developmental disabilities (IDD). The unit mix would include 10 studios, 45 one-bedroom, 64 two-bedroom, and 44 three-bedroom units.

- Phase 2: The West Building is programmed for 38 PSH units and would have 11 studios, 49 one-bedroom, and 15 two-bedroom units.
 - Each of the two buildings provide common spaces and resident-serving facilities. The East Building dedicates approximately 9,850 square feet to the following uses, including, but not limited to: bike storage and maintenance (1,700 square feet) and a community room at the ground level available to both residents as well as the larger Mountain View community (968 square feet). In addition, a 1,200 square foot child-care space (with 2,250 square foot outdoor play area) has been located at grade. Among the many outdoor use areas in the over one acre of open area on the site will be a children's play area of at least 1,300 square feet as well as outdoor areas for socializing, cooking and dining, and outdoor recreation and exercise areas.
2. **Site Plan:** The site plan places two building areas (East and West Buildings, respectively) above ground-level podium parking wrapped by active building areas along the public street and Charities site frontages of the project. Garage access is taken directly from Pioneer Way and includes an on-site loading zone. Road improvements along East Evelyn Avenue entail widened public sidewalks and street trees; ground-level stoops and the main building entry are oriented towards this frontage, capitalizing on the street improvements and public transit options to encourage alternative transportation. A secondary entry is located at the public street corner with a corner plaza and linear open space in the building setback providing active frontage areas for the community room and child-care facility. Podium courtyards open toward East Evelyn Avenue and the southerly property line. Tree preservation and planting feature heavily into planned outdoor spaces.



Figure 12: Bridge Housing Proposal—Site Plan

- Design:** The Bridge team plans to incorporate a variety of design elements to achieve an attractive and welcoming residential architectural character, including ground-level stoops and common amenity rooms, a regular pattern of vertical bays, modulating the building with setbacks and residential roof forms, and incorporating variation in high-quality building materials and colors. The six-story buildings are designed to be wood frame construction over a one-level concrete podium. The developer believes the PSH housing component could lend itself to modular construction for economy of scale.



Figure 13: Bridge Housing Proposal—East Evelyn Elevation

4. **Master Site Planning:** The Bridge team proposes open space along the westerly edge of the proposed development as a primary means to develop a strong connection with the Charities site. The proposal includes potential collaboration with Charities to create a shared central “paseo” roughly 80 feet wide between the sites, to promote healthy living with flexible lawns, workout stations, and edible gardens and provide opportunities for dining, recreation uses, and stormwater management. The design benefits of this concept would be impacted by the necessary vehicle access to the Charities project, which is not otherwise considered in Bridge’s site plan concept. The team confirmed their willingness to collaborate with Charities Housing through a master site plan process.
5. **Parking:** The project proposes 238 parking spaces. Parking is in a single level above-grade podium structure for efficiency and economy. The garage is “encased” by active street-facing uses so that it is effectively fully screened from view from any public vantage point. The proposed parking is intended to provide for both residential and nonresidential uses as well as potentially to provide parking for safe parking participants to assist with their transition to other housing options, including at the Evelyn lot development once completed.
6. **Pathways for Safe Parking Participants:** Bridge plans to work with the Safe Parking service providers and agencies to conduct outreach to Safe Parking participants, ensuring that they are aware of the housing opportunity. Outreach includes distributing flyers, holding community meetings, and other communication avenues appropriate to the population. Bridge will also make clear in the tenant selection policies that homelessness is not a barrier to entry. In addition, the Bridge compliance staff will determine if a housing preference can be established for safe parking participants and/or VTA staff to the extent feasible under applicable State and Federal fair housing laws.
7. **Subsidy Request:** Bridge proposes to construct the project with 4% Federal Tax Credits paired with State HCD SuperNOFA sources (MHP/IIG) and with contributions from Santa Clara County and the City of Mountain View. The anticipated City subsidy is \$17,728,715 with a per unit subsidy of \$74,490. Bridge also plans to conduct due diligence and meet HCD’s Multifamily Housing Program and Infill Infrastructure Grant standards.

Summary of The Core Companies/Eden Housing Submittal—Ranked 5th

The Core Companies and Eden Housing partnered together on this RFP submittal. Their proposal included the following:

1. Two separate, yet connected, buildings: a 101-unit building would prioritize units for large families with more than 50% of the units designated as two- and three-bedroom units.

2. A second, 107-unit building would be an independent living senior community.
3. A total for the entire site of 208 homes or 99 homes/acre.
4. Includes a 30-child day-care center of 3,200 square feet interior area and 3,000 square feet exterior play area.
5. Experience of both Eden Housing Management, Inc. (EHMI) and Eden Housing Resident Services, Inc., as both the residential service provider and the property manager for the development.



Figure 14: Core/Eden Housing Proposal—Conceptual Design

The Core/Eden affordable housing development proposal, despite being competitive, did not fully align with the City’s priorities and goals, resulting in its fifth-place ranking. The RFP prioritized family-sized units and units for RRH/PSH, which were not adequately addressed in the Core/Eden proposal, given its focus on fully affordable senior housing in Phase 2. Furthermore, the site plan was more closed off and less conducive for master planning than the other submittals, and their community spaces were designed primarily for residents rather than the broader community. Although their submission had strengths, it fell short in addressing the priorities outlined in the RFP when compared to other proposals.

The Core Companies and Eden Housing team consists of:

Architect: HKIT
General Contractor: Core Builders
Property Management: Eden Housing
Resident Services: Eden Housing

Key Components of the Core Companies and Eden Housing Proposal:

1. **Residential and Nonresidential Proposal:** The proposed CORE/Eden development includes 208 apartments in two phases/buildings:
 - Phase 1: The affordable housing building for large families would have 49 one-bedroom, 26 two-bedroom, and 26 three-bedroom units. Out of these 101 units, 42 will be designated as PSH units and 20 as IDD units.
 - Phase 2: The independent senior housing development would have 103 one-bedroom and 4 two-bedroom units. The 107 total units will consist of affordable units between 20% to 60% AMI and include 15 IDD units.
 - Both buildings include amenities and support spaces for residents. Included in the design for each building are large community rooms that include an open kitchen with an island for community events as well as cooking classes. The community rooms include storage rooms for food pantries and distribution to assist with food insecurities that residents face from time to time. A 30-child day-care center (3,200 square feet) is proposed with a 3,000 square foot exterior play area.



Figure 15: Core/Eden Housing Proposal—Site Plan

- Site Plan:** The proposed site plan is designed around two separate yet connected buildings, each with ground-level podium parking wrapped by active uses on each street frontage and the interface with the Charities site. The seniors building is situated on the west side of the Evelyn site (next to the Charities site) and the family-oriented building on the east side, with a ground-level day-care facility along Pioneer Way. The seniors building features a larger setback to the west, providing for an enhanced landscape buffer with the Charities site. Pedestrian and biking access is provided for along all sides of the building, including a new street along the south property line, which provides access to project parking and facilitates connectivity and multi-modal access between the Core/Eden community/Pioneer Way and the Charities site to the west.
- Design:** The proposed design concept is to connect families to seniors, connecting on-site residents to each other, the broader neighborhood and the Charities development. The proposed buildings are seven stories, with five stories of wood-framed Type III construction over a two-story concrete podium. The buildings step down one story in height to the south and feature a wider south-facing opening (between the buildings) to increase solar access to the interior podium courtyard. Each building also features an upper-floor “portal” providing a break in the building walls accented by decorative stair/corridor improvements that are intended to provide a “window” between on-site courtyard improvements and the neighborhood and Charities site, respectively.



Figure 16: Core/Eden Housing Proposal—Aerial View of Project

4. **Master Site Planning:** The Eden/Core development team indicated they would participate in a joint master-planning process with Charities Housing and acknowledged the potential to achieve savings for either site through further collaboration. The proposed development includes an access drive that would facilitate vehicle access to the Charities site, which they highlight as a means to connect the two developments and create a unified neighborhood, but the podium parking configuration creates fewer opportunities for more permeable bike and pedestrian circulation through the site and less accessible ground-level shared open space than other more highly-ranked proposals.
5. **Parking:** The design provides a total of 183 parking spaces, which will be shared by the families and seniors building. This will allow for an approximate ratio of 1.2 cars/unit for the families and 0.6 cars/unit for the seniors. The development team anticipates incorporating a Transportation Demand Management Plan and studying strategies to formulate alternative and varied methods of transportation to serve the residents.
6. **Pathways for Safe Parking Participants:** Eden/Core indicate that they will plan for the inclusion of permanent homes for Safe Parking participants. They propose to begin outreach and preplanning immediately with the Safe Parking participants on the site to identify both short-term and long-term housing solutions. As such, they will comply with Federal fair housing laws to devise a preference category to any user of the City of Mountain View's Safe Parking Program, provided they are otherwise qualified by either age, income, or household size.

7. **Subsidy Request:** The Eden/Core team propose financing Phase 1, the large family apartment building, with a bank loan, 42 project-based Section 8 vouchers, 4% tax credits, County of Santa Clara (Special IDD allocation), HCD State Sources (AHSC, IIG and MHP), and City of Mountain View contribution of \$9 million. Phase 2, the senior apartment building will be financed with a bank loan, 52 project-based Section 8 vouchers, 4% tax credits, HCD State Sources (AHSC, IIG and MHP), and a City of Mountain View subsidy of \$8.9 million and County of Santa Clara Special IDD allocation of \$3 million.

MASTER SITE PLAN PROCESS

As noted above, the RFP required all developers to provide their approach to a coordinated master planning effort for both sites. This requirement is based on Council direction from the May 2022 Study Session, during which the potential benefits of a master plan were articulated, including: connected open spaces; shared amenities, infrastructure, and utilities; construction staging coordination; coordinated land use processes; or collaborative efforts to seek outside funds. In turn, the coordinated approach would increase the efficient use of land, reduce the cost of development, increase the number of housing units, and enhance site design and functionality. The primary objective of this collaborative design work is to recognize possibilities for coordination, enabling the two lots to form a unified and coherent development that surpasses the outcomes of separate projects developed on each site.

Once the preferred developer is selected for the Evelyn site, staff will incorporate the collaborative process into the typical NOFA/informal application review for affordable housing projects. The collaborative approach would integrate the site plan process for the Evelyn and Charities projects; however, each could then move forward with project details based on their own timeline. In other words, the collaborative process would not delay development of affordable housing on the two sites.

Master Site Plan—Process and Expectations

The following general process will be used to achieve a master site plan for both parcels:

1. *Project Kickoff and Schedule:* A kickoff meeting will be held with the developers shortly following selection of the preferred developer for the Evelyn site to discuss project objectives, next steps, and schedule for the collaborative master site plan and project design.
2. *Master Site Plan Development and Informal Application Review:* The City and both development teams (Evelyn lot preferred developer and Charities) will collaborate to identify shared resources and integrated design options. The master site plan and

preliminary development plans for each project will undergo the typical informal development application review process for affordable housing projects. The master site plan will incorporate shared amenities, resources, and phased delivery of key features so that each project can move forward on its own timeline. Due consideration will be given to the implications of FTA interest in the Evelyn lot.

3. *Community Outreach:* As the two projects move forward, Affirmed and Charities will be required to conduct community outreach on the master site plan and their project designs. Outreach for each project proposal can be coordinated or separate based on each developer’s timeline.
4. *City Endorsement:* The master site plan and project design for each project will be presented to Council for review and input as part of the standard City funding process. City funding for the Evelyn lot will be determined through Council approval of the key deal terms. Funding authorization for the Charities lot would be determined separately through the City’s NOFA process.

NEXT STEPS

After Council selects the preferred development team, the City and developer will enter into an Exclusive Right to Negotiate Agreement (ERNA), begin the 90-day negotiation period, proceed with design and the master site plan process, and develop the lease disposition, development, and loan agreement (LDDLA) per the timeline below. As stated in the RFP, the selected developer shall submit a good-faith deposit of \$50,000 to offset costs associated with developing the ground lease/DDA prior to entering into the ERNA with the City. Should the process take longer than 90 days, a 90-day extension may be considered if there is forward progress, and an additional \$25,000 good-faith deposit would be required. These terms were included in the RFP, and each of the recommended development teams have already agreed to these terms as part of their submittals. After the execution of the LDDLA, the selected team will submit a formal planning application, currently targeted for Q1 2025.

Below is the anticipated development timeline included in the RFP:

TIMELINE	ACTIVITY
2023	
Q3 2023	City and selected developer commence negotiations regarding ENA, which will form the foundation for the LDDLA.
Q4 2023	City and selected developer enter into ENA.

TIMELINE	ACTIVITY
2024	
Q1 2024	Develop master site plan and provide informal application review.
Q2/Q3 2024	City Council Study Session—Design.
Q3/Q4 2024	City Council Meeting: Closed Session—Key Deal Terms; Open Session—Approval of Key Deal Terms.
2025	
Q1 2025	City and developer execute a ground lease and LDDLA.
Q1 2025	Developer submits SB 35 development application.
Q2 2025	Entitlements and environmental review complete.
Q3 2025	Submit construction drawings and apply for building permit.
Q4 2025	Building permit approval.
2026	
Q1 2026	Construction begins.
2028	
Q1 2028	Project complete/issuance of final Certificate of Occupancy.

EXEMPT SURPLUS LAND

Prior to the disposition of City-owned land through a long-term ground lease with a developer, the City must declare the property as exempt surplus land, pursuant to the Surplus Land Act set forth in Government Code Section 54220, *et seq.* Local agencies are required to follow certain procedures to dispose of “surplus land” or declare land to be “exempt surplus land” at a regular public meeting prior to disposition. Surplus land that is transferred pursuant to Government Code Section 37364, which authorizes cities to sell, lease, or otherwise dispose of real property to provide housing affordable to persons and families of low or moderate income, qualifies as “exempt surplus land.” Staff recommends the City Council adopt a resolution declaring the Evelyn lot to be exempt surplus land under Government Code Section 54221(f)(1)(A) as property transferred pursuant to Government Code Section 37364. Because the City intends to ground-lease the property for the development of a 100% affordable housing project, the property meets the criteria for “exempt surplus land” under Government Code Section 54221(f)(1)(A).

FISCAL IMPACT

The selection of a preferred developer will have no fiscal impact. However, the project will require City funding, as discussed below. On May 7, 2019, the City Council approved a long-term lease and option to purchase the property at 87 East Evelyn Avenue from the Santa Clara Valley

Transportation Authority. The lease cost, totaling \$11,000,000, was prepaid, and the purchase option was approximately \$2,010,000, resulting in a total purchase price of \$13,010,000. The City completed the purchase of the property on June 16, 2023. The total value of the land will serve as an indirect financial contribution to the project.

It is anticipated that the 87 East Evelyn Avenue project will require an additional City contribution. The City currently has approximately \$36 million of total unencumbered housing funds available, with projected housing impact fee revenues anticipated in Fiscal Year 2023-24 of approximately \$13 million. Estimated funding for this site and the adjacent Charities site was factored into the August 2022 affordable housing strategy Study Session. Therefore, sufficient City funding is expected to be available for the 87 East Evelyn Avenue lot based on the staff recommendation of Affirmed as the preferred developer. As noted above, funding commitments for the Evelyn lot will be part of the ground lease/development agreement negotiations with the selected developer.

CONCLUSION

In conclusion, staff recommends that the City Council select Affirmed Housing as the preferred development team for the 87 East Evelyn Avenue affordable housing residential development and to select Charities Housing as the alternate developer should negotiations with Affirmed not progress. In addition, staff recommends authorization to execute the ERNA agreement and to proceed with the master site plan process. Finally, staff recommends that the City Council adopt a resolution declaring the Evelyn lot exempt surplus land pursuant to the Surplus Land Act.

ALTERNATIVES

1. Select a different preferred development team and/or alternate development team.
2. Do not select a preferred development team and/or alternate development team.
3. Provide other direction.

PUBLIC NOTICING

The City Council’s agenda is advertised on Channel 26, and the agenda and this report appear on the City’s website. The meeting was also announced on the City’s 87 East Evelyn Avenue residential project webpage.

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DT/6/CAM
845-09-26-23CR
202755

- Attachments:
1. Resolution Declaring the City-Owned Site at 87 East Evelyn Avenue Exempt Surplus Land
 2. May 10, 2022 Council Study Session Report
 3. Request for Proposals