

# City Council

## New Business Item 6.1

Selection of Preferred Lot 12 Development Team

5/19/2020

1. Select the preferred development team for the Lot 12 residential/mixed-use development.
2. Authorize the City Manager, or her designee, to execute an Exclusive Right to Negotiate Agreement with the selected development team and commence the negotiation process for development of Lot 12.
3. Authorize the City Manager, or her designee, to execute an amendment to the Exclusive Right to Negotiate Agreement to extend the term for an additional 60 days if negotiations are not complete but are progressing.
4. Adopt a Resolution Reserving \$1,000,000 from the Low- and Moderate-Income Housing Asset Fund to Assist in the Development of Affordable Housing on Lot 12, to be read in title only, further reading waived (Attachment 1 to the Council report).

- City owned 1.5 acre site, acquired/assembled for purpose of redevelopment.
- 160 public parking spaces.
- Downtown Precise Plan, Area C—Bryant Street Mixed-Use Transition Area.



- Website created: [www.mountainview.gov/lot12](http://www.mountainview.gov/lot12)
- May 15 – August 1, 2019: Lot 12 RFQ response period.
- September 10, 2019: Council RFQ meeting and final determination of RFP priorities.

# Lot 12 Development Priorities

- Residential: up to 120 units, with at least 50% of units affordable up to 80% AMI, no target population.
- Nonresidential: up to 10K sq ft, desire for unique/innovative uses to serve Lot 12 residents and broader community.
- Parking: Replace all 160 public parking spaces, sufficiently park new uses, incorporate robust TDM.
- Design: Heights up to six stories allowed, with excellent architecture/design, sensitive transitions.
- Placemaking: Lot 12 elements combining to create strong sense of place.

- Council support for:
  - Affordable housing subsidy
  - Replacement parking subsidy (maximum amount unspecified)
  - Modest non-residential subsidy (maximum amount unspecified)
- Minimize City subsidy
- Maximize external leveraging

- Cost
- Design/tradeoffs
- Future repurposing of parking facility, must meet other Lot 12 objectives
- Clarity of RFP submittal required
- Off-site alternative allowed

- Base scenarios - Required
  - Financing
  - Replacement parking
- Alternative scenarios - Optional
  - Financing
  - Replacement parking



- December 16, 2019 – March 2, 2020: Lot 12 RFP response period.
- January 6, 2020 – Pre-submittal conference
- April 2-3, 2020 – Evaluation of submittals
- April 27-28, 2020 – Interviews

- **Development Program and Design (50 percent):**
  - Responsiveness and completeness (10 percent)
  - Quality of proposed development (40 percent)
- **Financial (50 percent):**
  - Thoroughness and reasonableness (20 percent)
  - Clarity of project financing documents (10 percent)
  - Amount and clarity of subsidy requests and the extent of and competitiveness for external leveraging/funding sources (20 percent)

- Top-Ranked: EAH
- Highly Ranked: Eden, MidPen, Related/PAHC

# Submittal Summaries

Rank	Top Ranked	Highly Ranked (tied)	Highly Ranked (tied)	Highly Ranked (tied)
<b>Development Team</b>	EAH (one scenario)	Eden (two scenarios)	MidPen (one scenario)	Related/PAHC (three scenarios)
	Residential			
<b>Number of Units</b>	120 (all affordable)	120 (all affordable)	120 (all affordable)	120 (all affordable)
<b>Weighted Average AMI</b>	44.8%	47.0% to 58.3%	58.0%	45.0% to 59.0%
	Nonresidential			
<b>Square Feet</b>	6,984	9,133	6,900	4,250
<b>Type</b>	Neighborhood and other community-serving uses	6,787 sq. ft. child care; 2,346 sq. ft. café run by nonprofit for hearing-impaired and teaching kitchen	Child care for 60 children; Alternative location for Farmer's Market corner Bryant/California	Community serving retail, Ada's Café, school, services
	Building Height			
<b>Stories</b>	2 to 5 stories	4 to 5 stories	4 to 6 stories	3 to 5 stories

# Submittal Summaries

Rank	Top Ranked	Highly Ranked (tied)	Highly Ranked (tied)	Highly Ranked (tied)
Development Team	EAH (one scenario)	Eden (two scenarios)	MidPen (one scenario)	Related/PAHC (three scenarios)
	Parking			
Replacement Parking	160	160	160	160
Residential Parking	73	84	90	85
Nonresidential Parking	0	5	7	0
Total Parking Spaces	233	249	257	245
Parking Facility	Above- and below-grade	Above- and below-grade	Stand-alone above-grade only	Above- and below-grade

# Submittal Summaries

Rank	Top Ranked	Highly Ranked (tied)	Highly Ranked (tied)	Highly Ranked (tied)
<b>Development Team</b>	EAH (one scenario)	Eden (two scenarios)	MidPen (one scenario)	Related/PAHC (three scenarios)
	Development Costs			
<b>Total Development Cost</b>	\$101.2 million	\$73.4 million to \$78.6 million	\$88.1 million	\$108.9 million
<b>Total Residential Costs</b>	\$89.3 million	\$62.1 million to \$66.7 million	\$76.1 million	\$97.1 million
<i>Residential Cost/Unit</i>	\$744,300	\$517,700 to \$555,900	\$634,400	\$809,200
<b>Total Nonresidential Costs</b>	\$2.4 million	\$2.8 million	\$4.0 million	1.7 million
<b>Total Public Parking Costs</b>	\$9.5 million	\$9.0 million	\$8.0 million	\$10.1 million

# Submittal Summaries

Rank	Top Ranked	Highly Ranked (tied)	Highly Ranked (tied)	Highly Ranked (tied)
<b>Development Team</b>	EAH (one scenario)	Eden (two scenarios)	MidPen (one scenario)	Related/PAHC (three scenarios)
	Subsidy Requests			
<b>City Residential Subsidy</b>	\$7.0 million	\$2.5 million to \$23.1 million	\$7.1 million	\$2.6 million to \$10.9 million
<i>Residential Subsidy/Unit</i>	\$58,300	\$20,800 to \$192,100	\$58,900	\$21,600 to \$90,300
<b>City Non-Residential Subsidy</b>	\$0	\$2.8 million	\$0	\$1.7 million
<b>City Parking Subsidy</b>	\$0	\$0 to \$6.2 million	\$8.0 million	\$0
<b>Total City Subsidy Requested</b>	\$7.0 million	\$2.5 million to \$32.1 million	\$15.1 million	\$4.3 million to \$12.5 million
<b>Ratio of Outside Funding to City Funding</b>	13.5	1.45 to 28.3	4.9	7.7 to 24.6







# Eden – Highly Ranked





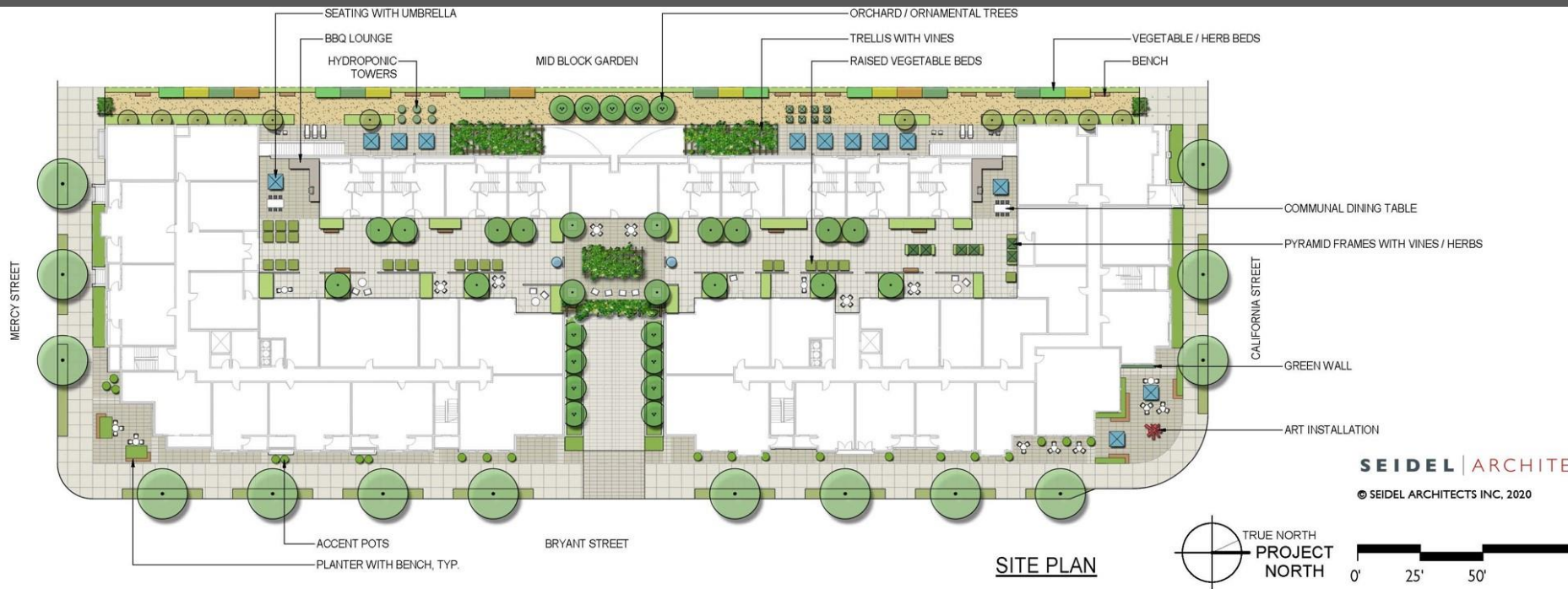




# Related/PAHC – Highly Ranked



# Related/PAHC – Highly Ranked



- Initiate 90-day exclusive right to negotiate process with selected development team.
- Fall 2020 – Council consideration of ground lease and development and disposition agreement (DDA).
- End of 2020 – Submittal of formal planning application.
- Early 2022 – Entitlement hearing.
- Mid-2023 – Building permit process complete.
- Fall 2025 – Construction complete.



1. Select the preferred development team for the Lot 12 residential/mixed-use development.
2. Authorize the City Manager, or her designee, to execute an Exclusive Right to Negotiate Agreement with the selected development team and commence the negotiation process for development of Lot 12.
3. Authorize the City Manager, or her designee, to execute an amendment to the Exclusive Right to Negotiate Agreement to extend the term for an additional 60 days if negotiations are not complete but are progressing.
4. Adopt a Resolution Reserving \$1,000,000 from the Low- and Moderate-Income Housing Asset Fund to Assist in the Development of Affordable Housing on Lot 12, to be read in title only, further reading waived (Attachment 1 to the Council report).

# City Council

## New Business Item 6.1

Selection of Preferred Lot 12 Development Team

5/19/2020