

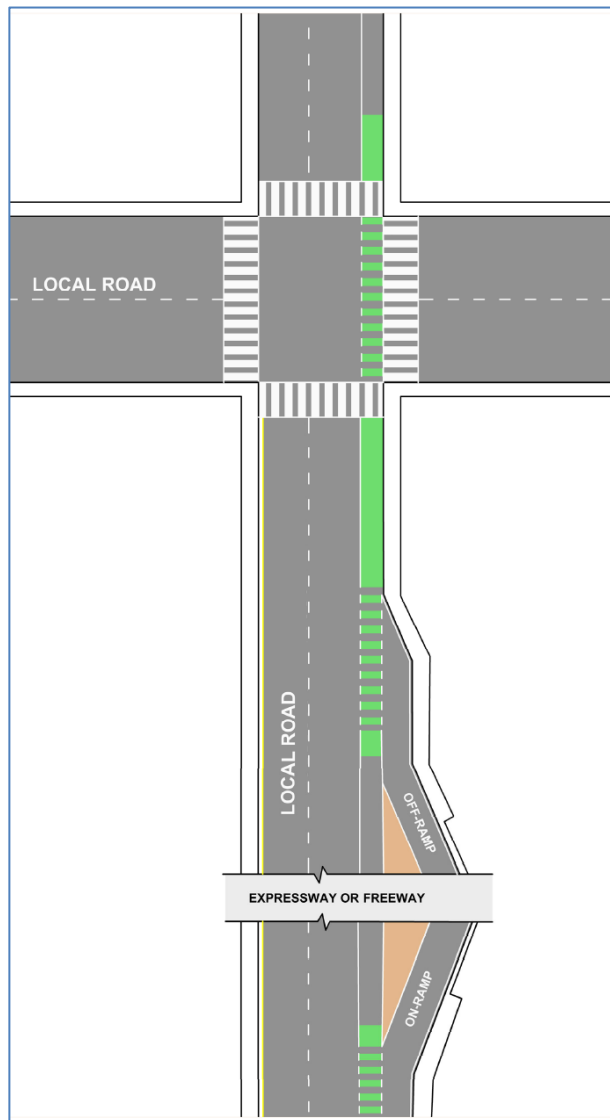
Council Questions

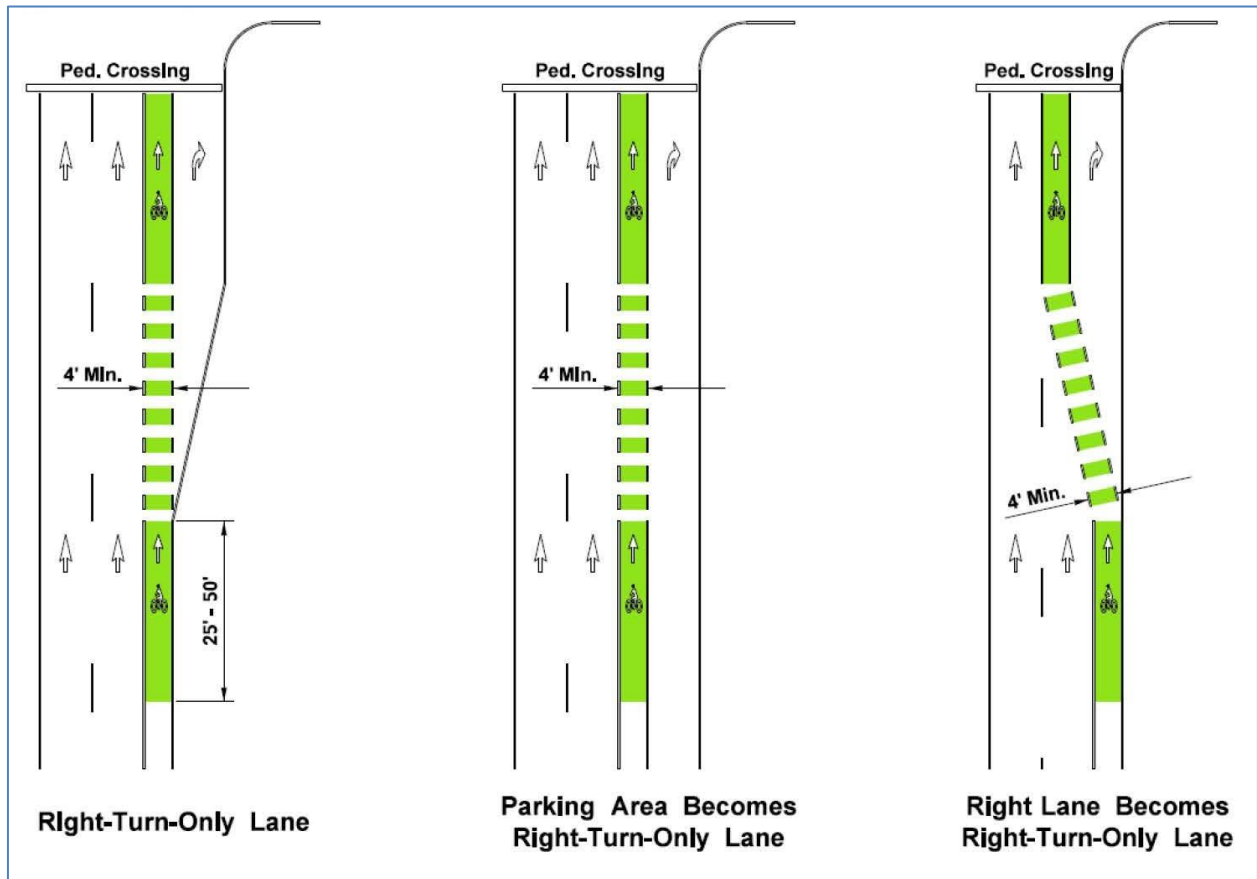
September 26, 2023 - City Council Meeting

ITEM 4.3 SB-1 Streets, Projects 22-03, and 23-03-Professional Services Agreement

1. Please show a graphic on what all the various green markings mean.

The green markings are used to visibly designate locations where bicyclists are expected to operate. Solid green is used to highlight the bike area approaching potential conflict areas. The dashed green is used to highlight the potential areas of conflicting crossing movements between bicyclists and vehicles, such as through intersections and interchanges, and at weaving or turning movement locations. These markings reinforce that drivers are to yield to bicyclists when entering conflict areas. More information on these treatments is available in this [NACTO Guidelines link](#). Two example figures are shown below illustrating how these can be applied.





ITEM 4.4 Construction Engineering Services, Tanner Pacific Inc.-Professional Services Agreement

1. For how long has the City been contracting with Tanner Pacific, Inc.? Was there an RFP? What has been the total expenditure since the City began contracting with Tanner?

An RFP process was performed in 2019 for construction engineering and inspection services for development and capital projects. Tanner Pacific was selected, and the City has been contracting with this firm since October 2019. The City will typically utilize a consultant for up to 5 years before issuing a new RFP for engineering and inspection services. The City has encumbered \$5.17 million (\$3.87 million paid) over multiple contracts with Tanner Pacific to support both the development and capital projects since 2019. Staff will be initiating a new RFP process for these services in 2024.

ITEM 6.1 Draft Economic Vitality Strategy

1. What does supportable retail space mean (Table 1, page 5)?

People (residents and workers) have a certain amount of disposable income to consume and purchase goods. Analysis can be done to determine how much effective disposable income is available for transactions. Using industry averages for sales per square foot, retail specialists can determine if there is additional capacity for a community to add more retail space based upon the purchasing power of the community. CAI has conducted the analysis using both the City’s resident population and the daytime population and has determined that based upon the City’s daytime population that there is enough buying power to successful support new (additive) retail.

2. Strategy 2.1- 2nd action. Please explain what this is about? For instance, is this about what City could buy from local businesses or about group buys those businesses and the City could work together on to get bulk cost savings? A group buy for compostable foodware would be an example.

The City as an organization purchases supplies and goods from a multitude of vendors to support City operations. The City uses PlanetBids, an online portal, to communicate formal and informal bid opportunities. While the process is easy to register a business and be alerted to bid opportunities, many local businesses are not aware of the potential opportunities to supply the City with goods or resources. This action is about building awareness around the opportunities to sell goods and services to the City of Mountain View from the local vendor population. Furthermore, there are many smaller transactions that occur with credit cards that do not go through PlanetBids. Educating staff on the important of sourcing goods and services locally helps the local economy flourish before purchasing goods from outside the area.

3. Strategy 4.1- 2nd bullet. Why periodically? Seems like we need this on an on-going basis. This would be a good thing for the Chamber to organize for us as they have offered to do.

In this case, "periodically" and "ongoing" are essentially synonymous. The Chamber and City convene regularly to discuss issues, some of which relate to permitting and the City's Municipal Code. Code updates and modifications can be a somewhat time-consuming process, and they don't happen at fixed intervals. The strategy seeks to create a periodic or ongoing process where code-related updates that can streamline processes or update land uses which can be brought to the Council for their review and adoption.

4. Where in this plan would we be helping CSA find the space it needs? Are we thinking of helping some of the vacant office space to be converted into space for CSA?

Assisting CSA or any business falls under Strategy 3.1 in terms of helping small and mid-sized businesses find space for their operations. The strategy includes actions such as helping businesses and non-profits find locations, partnering with developers to provide community benefits in the form of such spaces and providing zoning and leasing guidance to businesses as they seek space. The biggest challenges with businesses are finding space that meets their needs, making sure it is located in a zoning district that allows the use, and the cost of the lease and tenant improvements. In the case of CSA, their operations include diverse functions, including office space, a food pantry, areas for loading and unloading, and other essential needs, which can present considerable challenges. Consequently, addressing these challenges may necessitate employing multiple strategies, such as forging partnerships with developers to carve out space for their operations and considering the allocation of specific operations to alternative locations, particularly for office use, among other potential solutions.

5. Do small business indicate that they don't need parking? Or do they want the city to provide it for free? Or something else? (Page 6 of attachment 1)

Two parking-related issues have been identified. The first pertains to zoning districts or precise plans where parking provisions are established based on generic uses (e.g., retail). In such cases, when a restaurant seeks to set up shop, the existing parking is often deemed insufficient according to the City's parking regulations.

Consequently, businesses must go through a process involving the application for a Conditional Use Permit and a parking study to demonstrate that they meet the parking requirements. This process can be quite lengthy and has been identified as a significant obstacle.

As an additional example, until recently (before the implementation of AB 2097, a law preventing cities from mandating parking near transit), changing the use from retail to a restaurant or establishing a restaurant in a new building could trigger expensive parking in-lieu fees, ranging from \$32,000 to \$60,000 for each required parking space. These fees represented a substantial upfront cost, posing significant challenges for restaurants, many of which struggled to secure leases for vacant spaces in Downtown due to these financial hurdles.

6. What specifically is the issue that leads visitors to say that parking is a problem? Is there not enough? Can visitors not find it? Do they not feel safe in the parking lots? Something else? (Page 8 of attachment 1)

The problem related to parking in Downtown revolves around the convenience and accessibility of parking during peak hours. Visitors often struggle to find stores along Castro Street, as they are typically guided towards parking lots situated behind the storefronts. Once visitors have parked, they find it difficult to navigate their way to the storefronts. This situation can be disorienting for newcomers, creating an unwelcoming experience that runs counter to the retailers' goal of attracting customers. While locals may have adapted to this setup over time, it does not offer an ideal experience for visitors who are unfamiliar with the area. This situation is not uncommon in other downtown areas. Nonetheless, there are several strategies, such as implementing effective wayfinding systems, signage improvements, and the use of electronic apps, that can enhance the ease of navigation and overall experience for visitors.

7. What specifically is the issue that leads business owners to say that parking is a problem? Do they not need parking? Do they not want to pay for providing parking? Something else? (Page 8 of attachment 1)

In the case of businesses who are in the parking district and rely on public parking, the issue is about ease and access to available parking at peak periods for their employees.

8. What does triple net rent mean? (Page 18 of attachment 1)

Triple Net Rent (NNN) is a real estate term that refers to the tenant having to pay all the expenses of the property (real estate taxes, insurance, etc.) in addition to the rent and utilities that are paid to lease or rent the property.

9. What does it mean to forcefully address the housing crisis? (Page 21 of attachment 1)

The question relates to a comment on Page 21 of attachment which states that, "Employers and residents would like the housing price crisis addressed forcefully."

This comment above pertains to the challenge of high housing prices, which adds an extra layer of complexity to the housing supply crisis discussed in this section of the Strategy. The City is taking proactive steps to address affordability in the growth of new housing units, as outlined in the 2023-2031 Housing Element.

The goal is to ensure that 40% of these new units are affordable to very low- and low-income households, in accordance with the city's targets. Very low- and low-income households are those earning less than 50% of the Area Median Income (AMI).

Achieving affordability for this group in most urban housing markets typically requires subsidies or incentives since it doesn't occur naturally, meaning that market forces alone won't make housing more affordable in Mountain View. Furthermore, constructing each affordable multi-family unit in this area typically costs around \$1 million. Consequently, obtaining funding for affordable housing involves seeking support from various sources, including local, regional, state, and national resources.

10. Are food and retail not enabled throughout the city? (Page 22 of attachment 1)

Except in residential zones, restaurant and retail uses are enabled in City's commercial and industrial zones along with recent Precise Plan areas such as El Camino Real, San Antonio, and East Whisman Precise Plans. Even though the zoning may allow such uses, other barriers include the cost of leasing space, tenant improvements, health permits and having a readily available workforce.

11. Can examples be provided as to why there is a perception of opposition from the city to locating food and beverage uses in retail areas? (Page 22 of attachment 1)

Independent restaurants function within an environment of extremely narrow profit margins, demanding significant initial investments and carrying a substantial risk of business failure. Any further financial burdens resulting from fees and regulations can be seen as exacerbating the challenges faced by these establishments. A specific instance, as mentioned earlier, was the Parking in Lieu Fee associated with Downtown. Another example involves the procedure of mandating extra parking, Change of Use, Conditional Use Permits, and/or parking studies when transitioning to a restaurant use. In the future, following the Council's adoption of the Strategy, the staff plans to conduct a comprehensive review of the Municipal Code as part of their upcoming initiatives.

12. Can examples be provided of businesses that did not locate in Mountain View because of zoning or parking requirements? Can examples be provided of the uses that are not permitted in some areas in which businesses want to lease space? (Page 19 of attachment 1)

Here are some examples that the staff has information about, along with the reasons for their decision not to establish in these locations, indicated in parentheses:

- A small legal office on Dana Street in Downtown (zoning constraints)
- An attempt to open a Cat Café in Downtown (zoning constraints)
- An architectural office seeking to occupy an elevated ground-floor space at 444 Castro (zoning constraints)
- A commercial kitchen endeavoring to set up shop in a General Industrial zone (zoning constraints)
- Studios for various purposes such as dance, art, music, photography, and martial arts attempting to establish themselves in industrial zoning districts (zoning constraints). *Note that there may be some existing uses that are grandfathered.*
- A proposal for a bar use at 262 Castro Street (incurring parking in-lieu fees).

13. Do city zoning and/or building codes prohibit in any way at-home work or hybrid work? (Page 23 of attachment 1)

Zoning and Building codes do not prohibit traditional work from home activities. Common policies in cities include limits on the number of employees that can visit a residential home at one time, and minimal to no clients or customers. Food service providers expressed particular anxiety about not knowing the City's and County's regulations. Some of the issues may not be the policies themselves, but more the uncertainty and lack of knowledge surfaced in the outreach for this work.

14. If parking is a problem for visitors and business owners, what aspect is the problem? Availability? Cost? Something else? (Page 24 of attachment 1)

The issue is about visibility, ease, and access to available parking at peak periods as noted in earlier responses.

15. For the first item under Strategy 3.1 – small business support services – is the idea for the city to provide these services? Or the city pays for another entity to provide the services? (Page 40 of attachment 1)

The City could partner with an entity or a contractor to provide small business services. One potential example would be to have regularly scheduled office hours in Mountain View with the Small Business Development Center of such a partnership. Other partnerships include coordinating an outreach and retention campaign in partnership Chamber of Commerce.

16. On page 11 of attachment 2 is says downtown is the hub for shopping. How is “hub for shopping” defined and determined?

This term “hub” refers to the clustering of retail establishments within a compact geographic area or location. The Downtown boasts a notably higher density of retail and dining establishments when compared to several other such hubs throughout the city.

17. On page 11 of attachment 2, is the report saying that it is more important to put new offices near existing retail, than to get worker in existing offices to go to retail that is not withing walking distance of their office?

Placing new offices near existing retail establishments can be more important than encouraging workers from existing offices to travel to retail that is not within walking distance for several reasons:

- **Enhanced Convenience:** Locating new offices near existing retail makes it more convenient for employees to access essential goods and services during their workday.
- **Increased Foot Traffic:** Proximity to offices can significantly increase foot traffic for retail businesses, contributing to their success and growth.
- **Economic Boost:** The synergy between offices and retail results in increased economic activity, benefiting both sectors and the overall community.
- **Reduced Commuting:** Placing offices near retail reduces the need for employees to commute to distant locations, alleviating traffic congestion and reducing environmental impact.
- **Improved Work-Life Balance:** Access to nearby amenities enhances the overall quality of work life for employees, contributing to job satisfaction and well-being.

- **Talent Attraction:** Offering a convenient work environment with nearby retail can make an area more appealing to potential employees, aiding in talent attraction and retention.
- **Urban Development Best Practices:** This approach aligns with modern urban development practices, promoting mixed-use developments that foster walkable and vibrant urban environments.

18. The consultant said that they could provide the city with information on the optimal allocation of land by use (i.e., residential, commercial, industrial, public facilities, etc.). On page 12 of attachment 2 it says the optimal mix should reflect community interest and political will. Can the consultant provide more quantitative data than this statement?

Optimal land allocation in a city depends on various factors, including city goals, population, economics, and the environment. It entails balancing residential, commercial, industrial, and public spaces while fostering sustainability and community engagement, adapting to evolving priorities. When making land use decisions, it is crucial to consider not only the immediate impact but also the long-term economic and fiscal implications. This includes evaluating potential revenue generation, cost implications, and the overall financial sustainability of the city to ensure that land use choices align with the city's economic goals and future viability. A forward-thinking approach to land use planning in Mountain View, should include maintaining flexibility in zoning regulations to adapt to changing needs and economic shifts.

Considerations for some key land uses in the City include:

1. **Residential Allocation:** The city's allocation of land for residential use is significantly shaped by state requirements. Considering the high demand for residential, it's crucial to also account for the availability of land for other uses such as industrial, open space, retail, etc. This will require consideration of the effective utilization of land by allowing for increased population densities, etc.
2. **Retail Allocation -** One method to assess the adequacy of commercial retail land is by conducting a sales tax analysis. This involves calculating a regional average of retail square footage per capita and applying it to Mountain View's population to establish a benchmark, which can then be adjusted based on the city's workforce (daytime population). The leakage analysis detailed on page 28 employs retail sales as the primary indicator for this assessment. It reveals that the allocation of land for commercial retail is sufficient. Nevertheless, future demand and the nature of retail may be influenced by factors such as the return to office work, evolving online shopping patterns, and the growing preference for experiential and mixed-use retail formats.
3. **Industrial Allocation:** Mountain View plays a pivotal regional role, particularly as a technology and innovation hub in Silicon Valley. Its strategic location, near key players, educational institutions, and transportation infrastructure, makes it a major contributor to regional economic development and innovation. As the city explores rezoning industrial areas to create integrated communities with residential and retail components, it's crucial to balance this evolution while preserving the vitality of its industrial sector. This involves ensuring that sufficient land is preserved for industrial/office/R&D uses, revising development standards to accommodate growth, reviewing permitted uses in proximity to industrial operations, and streamlining permitting processes.

4. **Public Facilities:** Prioritizing accessibility and adaptability to residents' needs in allocating land for public facilities, particularly parks, is essential for enhancing residents' quality of life. To address the challenge of costly land, the city can utilize various strategies, including land banking, public-private partnerships, and joint ventures for park acquisition. Additionally, it can explore options like voter-approved parcel taxes, bonds, and land exchanges. Promoting density bonuses and embracing urban greening initiatives can maximize land use efficiency, while community engagement and public-private fundraising efforts can supplement city funds, ensuring that residents have continued access to vital parks and open spaces despite the high land costs.

In summary, the optimal allocation of land by use in a city is a dynamic and multi-faceted process that adapts to the city's unique characteristics and evolving priorities. It requires a careful balance of economic, social, and environmental objectives to create a thriving, sustainable, and inclusive urban environment.

19. Approximately what is the intended timeframe for this Strategy? Will the proposed actions be absorbed into the work plan, or will the Council need to prioritize implementation during a future Strategic Prioritization/Goal-Setting cycle?

The Strategy is proposed to have a 7-10-year span. After staff receives direction from Council at the study session, staff and the consultant, CAI will identify an implementation and phasing strategy for Council's review. Particular Action Items noted in the draft Economic Vitality Strategy could be included by Council in a future Strategic Prioritization and Goal Setting cycle.

20. The staff report says, "Investment in Mountain View requires redevelopment, which is burdened by a lengthy permitting and entitlement process. Lengthy processes kill deal flow and redirect investors to opportunities in other cities. Policy reform for more efficient land use and development processes will encourage private investment in business districts and neighborhoods." Can staff unpack what this paragraph means?

Considering that Mountain View is largely developed, most projects including "redevelopment" which can include the reuse, renovation, expansion, or replacement of existing structures. The zoning code requires Conditional Use permits in certain cases to change a land use or to change to an allowed land use which requires additional parking. One such example is when a space transitions from retail to a restaurant, which can necessitate additional parking studies and consume up to six months for processing. This can be particularly challenging for small businesses, as it potentially entails covering contingency or lease expenses for six months or more without generating income. Furthermore, the time required for projects that propose to demolish and rebuild, ranges from nine to eighteen months, contingent on the type of environmental review involved. While these timelines are not uncommon in Bay Area cities, they do tend to be lengthier compared to processes in markets outside the Bay Area and the state.

21. Redevelopment is defined as “demolishing existing buildings and construction of new ones.” Does this mean that the City should further enable this everywhere or in targeted areas or targeted ways? Who is claiming this? Is it a particular set of stakeholders and if so, who are they?

Given that Mountain View is predominantly built out, the majority of projects fall under the category of "redevelopment." This term encompasses a range of activities such as reusing, renovating, expanding, or replacing existing structures. Therefore, any proposed change essentially falls within the realm of redevelopment in one way or another.

The objective of the strategy is to acknowledge this intricate situation and promote policies that enable the city to accomplish its objectives. These policies may involve updating land use regulations, streamlining administrative processes, and other measures designed to facilitate responsible and efficient redevelopment efforts.

22. Can staff provide a list of stakeholders interviewed for the Draft Economic Vitality Strategy?

Below is a list of the stakeholders from interviews and focus groups that were interviewed.

The following City Councilmembers were interviewed:

- Mayor Lucas Ramirez
- Vice Mayor Alison Hicks
- CM Margaret Abe-Koga
- CM Ellen Kamei
- CM Lisa Matichak
- CM Pat Showalter

The following residents and leaders were interviewed as a part of the Orientation Interviews:

- Ronit Bryant
- Kevin Duggan
- Katie Ferrick
- Mike Kasperzak
- Kimbra McCarthy
- Randy Tsuda

Other individuals were contacted for interviews but were unavailable to meet.

Focus groups were organized around the following topics. CAI ensured anonymity to participants. More than fifty people were invited amongst the following groups; roughly half of those invited participated.

- Developers and Business Owners
- Food and Retail
- Health and BioTech
- Office and Tech
- Real Estate Professionals and Brokers
- Small/Micro Businesses and Entrepreneurs
- Travel and Hospitality

ITEM 8.1 Selection of Preferred and Alternate Development Teams for 87 East Evelyn Avenue Affordable Housing Project

1. The subsidies that the respondents estimate will be needed from the City vary wildly. Why do they vary so dramatically?

The variation in estimated subsidies can be attributed to several factors. First, the total development costs for each proposal differs based on the characteristics and scope of the project. Additionally, each applicant has made their own decisions regarding funding sources they will utilize and the extent to which they leverage external resources, including grants, tax credits, and private financing. These decisions are typically internal to the applicants, and as city staff, we cannot speak to their specific rationales related to the requested subsidy from the City.

All applicants were required to adhere to the RFP evaluation criteria, which mandated them to provide reasonable cost estimates and proforma assumptions while maximizing external leveraging to submit their most competitive proposals. Given the variations in the housing programs and designs of projects, it is typical to see a wide range of costs and funding requests in response to RFPs.

2. Do we believe that the low numbers from Affirm are realistic?

All applicants were asked to explain why their financial proposal was reasonable. Upon staff review and our economic consultants review of their submittal, Affirmed stands out in part due to their leveraging of funding resources, proposed execution of their development concept, and total development cost. Their proforma and sources of funding appear sound and realistic. However, staff have not discussed with Affirmed or with any applicant about the details of their proposal due to the competitive RFP process. If Council selects Affirmed, staff will begin detailed discussions with them about their proposal and funding.

3. Two affordable housing developers who are very familiar with Mountain View included senior housing in their plans. How many senior units are currently available in Mountain View? What % is that of the total number available?

The City currently has about 1,628 affordable housing units, with roughly 39% of these existing units designated for senior households. However, seniors are also eligible to apply for all affordable housing units, including those without age restrictions.

Additionally, seniors can apply for and occupy the future units on the city-owned site at the Evelyn lot, subject to eligibility criteria. The development priorities for this site, as decided by the Council, primarily focus on including a substantial amount family unit that are not limited by age restrictions but will also include smaller units' studio and 1-bedroom units, which can serve a range of populations including senior individuals and households.

4. The number of seniors who are rent challenged has been growing here. Also, that the number of homeless seniors is growing. What are the statistics on these changes?

According to the Santa Clara County biannual Point-in-Time (PIT) count, approximately 10% of the homeless population in the County is aged 65 or older.

It is important to emphasize that the primary driver of homelessness is the insufficient availability of affordable housing, which impacts not only seniors but also individuals and families across the community. Therefore, addressing the affordable housing shortage is crucial to combat homelessness and ensure housing stability for all demographics.

5. What is the relationship between Solari Enterprises and Affirm?

Solari Enterprises is Affirmed's chosen property management service provider. Our research indicates that Affirmed has previously engaged Solari Enterprises for property management in their affordable housing projects, both in the Bay Area and Southern California. These projects are similar to the proposed Evelyn project in terms of being 100% affordable projects serving formerly homeless individuals and coordinating with supportive service providers.

6. The \$30.9M subsidy estimated by Charities Housing is for the two sites together, correct?

Correct. Charities is requesting a subsidy of \$30.9 million for their proposed project, which includes their parcel and the city parcel.

7. If Charities is not chosen, what would be the subsidy they would need for the development of the site they already own?

Charities Housing has not submitted a standalone proposal for their property at 57-67 E. Evelyn Avenue. If they were to develop a standalone affordable housing project on their site only, their project would likely change. Charities would need to go through the City's NOFA/informal application review process to request funding and discuss their project with staff. The \$30.9 million for the proposed project assumes both sites being used.

8. Are there any plans to rezone the area around this site (237, 85, Evelyn) to residential, or mixed use?

There are no current residential/mixed-use rezoning plans for this area in the Council-approved Planning Division workplan.

9. What is the length of time each of the current safe parking participants at this lot have been at this lot?

The City received annual reporting data on safe parking program outcomes from the County of Santa Clara, per the City's contract with the County. The analysis for FY 22-23 showed the average length of enrollment (time measured in days) for the 37 households who exited in FY 22-23 was **154 days**. This number is a combined average across ALL active City-owned safe parking sites, including Lord's Grace Church, Shoreline Lot B, Terra Bella, and Evelyn lot. The annual reporting does not provide this breakdown per safe parking site.

10. If Alta Housing has been successful at transitioning safe parking participants to more stable housing, are the case workers working with safe parking participants knowledgeable about how Alta Housing is accomplishing this and trying to replicate the process? If not, why not?

The partners and providers (such as the County, Move MV, case workers, etc.) for the City’s overall Safe Parking program are also working on developing a plan specifically for the program located on Alta’s Terra Bella affordable housing project. While there are certain operational similarities between the safe parking programs at Evelyn and Terra Bella, the Evelyn project includes RFP priorities for safe parking that may be unique and not part of the Terra Bella scope of work. The City’s Safe Parking partners will be involved and working with the Evelyn selected developer. Relevant experience from other Safe Parking sites can be brought to bear for the Evelyn project and transition plan.

11. What are the parking ratios (# of spaces/# of units and # of spaces/# of bedrooms) of other affordable housing developments in Mountain View?

Staff are gathering this information on recent affordable housing developments in Mountain View and will provide this information to Council before tonight’s meeting.

12. How was CSA’s request for space for its food pantry shared with the applicants? Was it shared with all of them? If not, why not?

City staff has not discussed any request from CSA regarding the need for additional space with any of the developer teams.

13. What is the proposed density (du/acre) for each of the 5 proposals?

The approximate proposed density (du/acre) for each proposal is listed below. All of them meet the minimum density requirement/goal for the Evelyn site:

	Affirmed Housing	Charities Housing	Alta Housing	Bridge Housing	Core/Eden Housing
DU/AC	127 DU/AC	- 90 DU/AC (combined) - Est 126 DU/AC (City site)	95 DU/AC	113 DU/AC	99 DU/AC

14. What is the walking distance from the parking structure to the unit furthest away from the parking structure in the Charities proposal?

Charities did not provide this information in their proposal. Staff made a rough estimate of the walking distance from the nearest corner of the parking lot in the Charities proposal to the furthest unit at the corner of Evelyn and Pioneer (in Phase 3). Based on Charities proposed design/site plan, the distance appears to be roughly two city blocks (approximately 600’ straight line distance). Note that the actual walking path may vary from this estimate depending on the final site plan, how the parking spaces will be assigned, which floor a resident lives on, etc., potentially resulting in a longer distance than staff’s initial estimate.

15. What would Charities proposal be for their lot if they are not selected as the developer for the city's lot?

Charities Housing has not submitted a standalone proposal for their property at 57-67 E. Evelyn Avenue. If they decide to move forward with affordable housing on their site, Charities will need to go through the City's NOFA/informal application review process to request funding and to discuss their project with staff.

16. Do different affordable housing developers have access to different sources of funding? If so, why?

Each of the affordable housing developers have equal access to publicly available sources of funding, including State and Federal grant funding. However, developers may have their own relationships with different lenders and other entities where they may access additional resources and funding, such as banks, private equity, philanthropy, etc.

17. Can you please share a copy of the RFQ?

Yes, the RFQ can be found [here](#).

18. Can you please share the letter from Kattan, Affirmed's counsel, regarding transitioning safe parking participants into affordable housing.

The letter from Katten is included as an attachment to this document.

19. Were applicants told to not meet with councilmembers? If so, why were they told this?

The RFP included the following language:

"CONFIDENTIAL SOLICITATION

The City will not share details of individual responses to this solicitation with competing applicants during the selection process. Once a preferred developer is selected and prior to legislative action on any resulting agreement, all solicitations become public information (except portions otherwise deemed confidential as noted above). Additionally, the applicant shall not influence the decision process by lobbying or otherwise influencing decision makers, be it elected officials, City officials or staff, or any other member of the decision-making body. By submitting a response to this RFP, the applicant agrees to keep the applicant's response confidential and not engage in any activity to influence the decision outside of the process outlined in the RFP, as may be amended from time to time."

This provision was incorporated into the Evelyn developer selection based on staff's review of best practices for RFQ/RFP processes across multiple jurisdictions and government agencies to ensure the integrity of a competitive selection process and that it is fair and transparent. Upon receipt of a clarification request from the development teams on how to comply with this RFP provision, staff clarified in a communication to all development teams that meeting with individual Council was allowed provided that the information shared is consistent with what was included in their RFP submittal. As part of the Housing Element workplan and Affordable Housing 5 Year Strategy, staff will be reviewing the NOFA and RFQ/RFP process this fiscal year to identify opportunities to further streamline the developer selection process while continuing to ensure fairness and transparency.

20. If the preferred development team's proposal changes significantly during review, at what point would the City need to go back and conduct a new RFP? Wouldn't it be unfair to the other applicants if they were not also provided an opportunity to significantly alter their proposals after selection?

Because this was a competitive process, staff was not able to discuss project details with any of the applicants, unlike a non-competitive process where a potential applicant can meet with staff to discuss ideas and concepts before submitting a planning application. Therefore, some changes should be expected.

The review panel felt that Affirmed as the recommended preferred developer provided an intentional, thoughtful RFP submittal. In their submittal, the developer provided their reasoning and approach for their proposal and development concept to meet the identified RFP priorities, and reasons and options for alternatives.

After selection by Council, the City will engage in negotiations with the selected developer on key deal terms as well as to refine project details, such as site plans, design and housing program, with more detailed staff review and input. This process can lead to project modifications to ensure it aligns with the City's goals and community needs. In addition, the specifics of the development project may depend on factors that could not be fully anticipated or known during the initial proposal preparation and submission. For example, site conditions, community feedback, funding availability, economic conditions and other variables may necessitate adjustments to the project plan.

As indicated in the staff report, each of the development 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. Should the selected developer's proposed project change significantly, resulting in the project no longer meeting the objectives of the RFP, staff would return to Council to discuss these changes as a New Business item.

21. Can staff help explain why Affirmed's subsidy request is so much lower than the other applicants' requests?

Affirmed Housings lower subsidy request stems from their utilization of external funding sources (including state and federal tax credits), and the inclusion of unique funding sources, like the Low Income Invest Fund (LIIF) for their daycare financing. Affirmed also proposed the lowest number of parking spaces, which reduces the total development cost, and has an efficient site plan that staff believe helped with project economics. Affirmed intends to use new building technology, specifically compressed laminated timber (CLT) for Phase 2, with the intent that it will be a sustainable, cost effective, and viable construction method. If Affirmed is chosen, a more comprehensive evaluation of their overall cost, subsidy request, and proposed execution of their project will be conducted. All teams were required to provide a narrative justifying the reasonableness of the information they submitted, as mentioned in the staff report and their proformas were vetted by City staff and the City's economic advisory consultant.

22. If the Council selects a developer other than Charities, approximately how much funding should we expect Charities to request for their stand-alone project on Evelyn?

Charities Housing has not submitted a standalone proposal for their property at 57-67 E. Evelyn Avenue. If they decided to move forward with affordable housing on the site, Charities would need to go through the City's NOFA/informal application review process to request funding and to discuss their project with staff.

23. Which proposals can accommodate a food pantry on site?

The answer depends in part on what a "food pantry" is. Each of the teams incorporated placemaking and community building elements in their proposals that would appropriately serve the resident population mix, such as child-care space, playground space, and space to provide food distributions or health services, as needed. The sizes of the proposed community spaces vary. Some developers proposed larger spaces that could incorporate larger operations related to food pantry/distribution or a warehouse component such as the one proposed by Charities.

24. The staff report describes different ways each nonprofit applicant plans to implement a Safe Parking Participant preference into the development's regulatory agreements, ensuring compliance with fair housing laws. Does the city have, or will it have, a set of guidelines or rules consistent for all affordable housing providers to address this preference? Also, how does the City of Mountain View live/work preference fit into this? One applicant mentions this, but the others do not.

Staff will review and evaluate the City's ability to implement a Safe Parking participant preference, in light of State and Federal fair housing laws, what guidelines could be developed, and determine what provisions can be incorporated into the affordable housing regulatory agreement during the negotiation and development review process following developer selection. Staff plans to continue review and incorporate work on the local live/work preference, including a Safe Parking participant preference, as part of the City's implementation of affirmatively furthering fair housing.

25. What is the city plan to improve the sidewalk along Evelyn so that the hundreds (or thousands?) of people who live or will soon live along the street are more likely to walk to the train station or downtown amenities? How will this project contribute to that plan? How will bike infrastructure be improved?

Continuous sidewalks are provided along the south side of Evelyn Avenue from the Sunnyvale City limit at Bernardo through to Castro Street. Recent new developments on Evelyn Avenue have enhanced their sidewalk frontages. Sidewalks are not planned for the north side of Evelyn Avenue east of Stevens Creek/Highway 85 because this is along the Caltrain train tracks with no land uses on this side of the street.

Staff requested that each development team provide ideas about how the project frontage could be improved to provide for enhanced bike and pedestrian conditions along the frontage. Most responses included some mix of gracious setbacks, ground-level stoops, tree preservation, and wider sidewalks as part of their proposals with some additional offering ideas about how shuttles or other mobility solutions might use the old VTA bus duckout.

The City's five-year Capital Improvement Program includes the study, design and construction of two-way cycle tracks on the north side of Evelyn Avenue with a bike lane on the south side. This project would connect to Sunnyvale's planned Evelyn bikeway project. Feasibility study and design is planned for Fiscal Year 2024-25 and construction in Fiscal Year 2026-27.

April 26, 2023

VIA E-MAIL

Shashank Agrawal
Project Manager
Affirmed Housing Group, Inc.
13520 Evening Creek Dr. N, Suite 160
San Diego, CA 92128

Re: 87 East Evelyn Avenue, Mountain View, California, 94041 (the "Property")
City of Mountain View Request for Proposals (RFP No. R230921-A)

Dear Mr. Agrawal:

You have requested that we, as counsel to Affirmed Housing Group, Inc. ("Affirmed"), provide this letter to you relating to Affirmed's response to the City of Mountain View Request for Proposal No. R230921-A (the "RFP"). The purpose of this letter is to discuss whether certain occupancy preferences which Affirmed proposes to implement in its response to the RFP are permissible under federal fair housing laws. This letter is based on information that Affirmed has provided to us regarding the proposed project including:

1. The project will consist of approximately two hundred and sixty (268) units across two development phases (the "Project"). Thirty percent (30%) of the Project units will be set-aside as permanent supportive housing and the remaining will be large family units.
2. The Project will have a child care center on-site which will service the Project tenants and the greater community. The child care center will be run by a third party company and is expected to be staffed by ten or fewer employees.
3. The Property is owned by the Valley Transportation Authority and currently used as a "safe parking lot" under the City of Mountain View's Safe Parking Program which permits a certain number of homeless individuals and families (the "Safe Parking Tenants") living out of their vehicles to park and live on the Property on a semi-permanent basis.
4. Affirmed plans to offer two occupancy preferences in the tenant selection procedures at the proposed Project: (1) a preference for Safe Parking Tenants 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"), and together with the Safe Parking Preference, the "Preferences"). The

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Preferences will be used in evaluating a potential tenant's ability to occupy a unit in addition to other criteria, including tenant income. The Preferences will not exclude any class of tenants and it is reasonable to assume that a number of Project tenants will not qualify for the Preferences. The program described above is referred to herein as the "Preference Program".

The federal Fair Housing Act (together with all implementing regulations, the "Fair Housing Laws") prohibits policies and practices in rental housing which have a discriminatory intent directed at certain protected classes *and* policies and practices which have a discriminatory effect on such protected classes (42 U.S.C. §§ 3601 et seq.; 24 CFR §§ Part 100). With respect to occupancy preferences, the Fair Housing Laws prohibits an owner from doing the following:

Mak[ing], print[ing] or publish[ing], or caus[ing] to be made, printed or published, any notice, statement or advertisement with respect to the sale or rental of a dwelling that indicates any preference, limitation or discrimination because of race, color, religion, sex, handicap, familial status, or national origin, or an intention to make any such preference, limitation or discrimination (24 CFR §§ 100.50).

As the Preferences proposed by Affirmed are not based on an applicant's non-membership or membership in a particular protected class these Preferences do not directly discriminate against protected classes in violation of the Fair Housing Laws.

The Fair Housing Laws also prohibits policies or practices which have a discriminatory effect on members of a protected class, even if the specific policy or practice was not motivated by a discriminatory intent (24 CFR §§ 100.500(a)). Whether or not a policy has a discriminatory effect rising to a violation of the Fair Housing Laws, is determined by establishing the following:

(1) That the challenged policy or practice is arbitrary, artificial, and unnecessary to achieve a valid interest or legitimate objective such as a practical business, profit, policy consideration, or requirement of law;

(2) That the challenged policy or practice has a disproportionately adverse effect on members of a protected class;

(3) That there is a robust causal link between the challenged policy or practice and the adverse effect on members of a protected class, meaning that the specific policy or practice is the direct cause of the discriminatory effect;

(4) That the alleged disparity caused by the policy or practice is significant; and

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(5) That there is a direct relation between the injury asserted and the injurious conduct alleged. (24 CFR §§ 100.500(b)).

Affirmed's proposed Preferences is not arbitrary under criteria (1) above. The Safe Park Preference is proposed in direct response to the RFP which requests solutions to rehousing the Safe Park Tenants. Further the Employee Preference is necessary to assist the child care center in recruiting employees because the cost prohibitive rental market in Mountain View would otherwise severely limit the employee applicant pool.

The balance of the discriminatory effect determination requires statistical analyses of the populations benefited by the Preferences compared to the populations of the protected classes in the Project area. However, if such statistical analysis shows, as a threshold matter, that the demographic make-up of the benefited populations under the Preferences is equivalent to or more diverse than the make-up of the general population, the Preference should not have a disproportionate adverse effect on protected classes and therefore should be permissible under the Fair Housing Laws.

For the reasons stated above, the Preference Program proposed by Affirmed can be implemented at the Project absent any overriding state or local laws so long as, prior to implementing the Preferences, Affirmed determines through statistical analysis of the Project area demographics, that the application of the Preferences to the benefited populations will not have a disproportionately adverse effect on a protected class.

Please contact me if you have any questions regarding this letter.

Sincerely,



David P. Cohen

NOFA PROJECT PARKING RATIO COMPARISONS

Sponsor (Year Completed)	Development Name	No. of Units	No. of Bdrms.	Parking Spaces	Parking Ratio Per Unit	Parking Ratio Per Bedroom
Danco Communities (Under Consideration-2023)	West El Camino Family Apartments	79	142	81	1.03	0.57
Alta Housing (Under Consideration- 2023)	Linda Vista Apartments	70	128	66	0.94	0.52
Alta Housing (Funding Reserved 9/13/2022)	Terra Bella Apartments	108	193	105	0.97	0.54
Charities Housing (Funding Reserved 6/22/21)	Montecito Apartments	85	150	63	0.74	0.42
Eden Housing (Funding Reserved 12/8/20)	La Avenida Apartments	100	119	45	0.45	0.38
Alta Housing (2021)	Luna Vista Apartments	71	72	32	0.45	0.44
MidPen Housing (2020)	Shorebreeze Apartments Expansion	62	94	124	2.00	1.32
ROEM Development Corp. (2019)	Evelyn Family Apartments	116	191	203	1.75	1.06
Alta Housing (2019)	Eagle Park Apartments	67	68	30	0.45	0.44