



COUNCIL REPORT

DATE: December 17, 2024

CATEGORY: Consent

DEPT.: Housing

TITLE: **Notice of Funding Availability Proposal—
Charities Housing Affordable Housing
Project at 57-67 East Evelyn Avenue**

RECOMMENDATION

Approve the Council Notice of Funding Availability Review Committee recommendation to the City Council to:

1. Reserve \$11.3 million in Below Market In-Lieu Fees for the development, construction, and long-term financing of the Charities Housing 143-unit affordable housing development located at 57-67 East Evelyn Avenue, of which \$6.3 million shall be immediately appropriated for early activities to advance the project as follows: (Five votes required)
 - a. Appropriate \$1.3 million for eligible predevelopment expenses during the predevelopment period (\$1.0 million for Charities Housing and \$300,000 for staff time, environmental, parking, and other special studies for this project); and
 - b. Appropriate \$5.0 million for an acquisition loan during the predevelopment period.
2. Authorize the City Manager or designee to negotiate the predevelopment loan and loan agreement terms, execute a funding commitment letter, loan agreement, amendments, and related loan documents for each project.

BACKGROUND

Since 2014, the City has implemented an “over-the-counter” Notice of Funding Availability (NOFA) process to support the acquisition, rehabilitation, or new construction of housing that will provide long-term affordability. Rather than issuing a NOFA with a set deadline where a range of applications may be considered at the same time, the over-the-counter process has allowed developers to apply for funding on a first-come, first-served basis based on the timing of their projects. Funding under the NOFA has come from various sources, including the City’s Housing Impact fees (two types—one for High-Tech, Industrial, and Office uses; and the other for Commercial/Entertainment/Hotel/Retail Uses), Below-Market-Rate (BMR) Housing Program In-Lieu fees, and Rental Housing Impact fees (discontinued in 2018). In recent years, the City has

established funding partnerships and received new external grant funding to address the City's affordable housing pipeline funding needs. These new sources have been incorporated as part of the City's funding contribution in more recent projects. Overall, since the initiation of the NOFA process in 2014, the City Council has appropriated approximately \$149.0 million to facilitate the development of 11 fully affordable housing developments for a combined total of 927 affordable housing units.¹

On [August 30, 2022](#), the City Council held a Study Session to provide direction on the 2022-27 Affordable Housing Strategic Plan (Strategic Plan). The Strategic Plan includes advancing the City's existing affordable housing pipeline, which includes the Charities Housing (Charities) affordable housing project at 57-67 East Evelyn Avenue (Project). Staff has worked with Charities over the past two years to advance the Project. The Project was brought to the NOFA Committee for funding consideration on [October 28, 2024](#), at which time the Committee unanimously recommended that Council reserve the staff-recommended funding of \$11.3 million for the Project (discussed further below).

ANALYSIS

This section of the report provides the following:

1. Project overview.
2. Project site plan and other elements.
3. Summary of community meetings.
4. Applicant funding request, staff analysis, and recommendation.
5. NOFA Committee recommendation.

1. Project Overview

In February 2022, Charities acquired the 2.2-acre site at 57-67 East Evelyn Avenue (Charities lot) with plans to redevelop it into affordable housing. The property is adjacent to the City-owned site at 87 East Evelyn Avenue (Evelyn lot). The Charities site is located at the corner of Evelyn Avenue and State Route 85. Both developments offer convenient access to freeways, the Stevens Creek Trail, and Caltrain/VTA light rail located at the Downtown Transit Center, just one-half mile from the site (see Figure 1).

¹ The 11 funded projects include completed projects (Eagle Park, Evelyn Family Apartments, Shorebreeze Apartment (expansion), Luna Vista, and The Heartwood (formerly Crestview Hotel)), and pipeline projects (La Avenida, Montecito Avenue, Lot 12, 96 West El Camino Real, Terra Bella Avenue, and Linda Vista Avenue).



Figure 1: Evelyn Avenue Developments

The 57 East Evelyn Avenue portion of the Charities site currently has approximately 5,000 square feet of vacant office/industrial space and adjacent paved parking areas, including electric vehicle (EV) charging stations. The 67 East Evelyn Avenue portion of the site has approximately 42,000 square feet of commercial/office space located in a two-story commercial/office building along with accompanying paved parking areas. The second floor of the building is currently vacant, and three tenants occupy less than one-half of the first floor. Charities has contracted with Autotemp, Inc., a relocation consultant, to implement a relocation plan for the remaining commercial tenants prior to the start of construction.

In 2023, the City rezoned the site from the General Industrial (MM) to the High-Density Residential (R4) zoning designation as part of the 2023-2031 Housing Element process. This City-initiated action has helped to streamline the process and facilitate affordable housing on this site by allowing residential development at higher densities to maximize the increase in housing supply. As shown in Figure 2 below, Charities proposes a five-story residential development.



Figure 2: View from East Evelyn Avenue

Affordability Mix

The Project will have 143 total units composed of 141 affordable units between 30% and 60% of the area median income (AMI) and two unrestricted units for on-site managers (Table 1). Charities intends to set aside a minimum of 25% or 36 of their total units for Rapid Rehousing (RRH) or a similar County-led program at 30% AMI contingent on receiving funding from the County of Santa Clara (County). RRH programs provide affordable units and support services for households that have experienced short-term episodes of homelessness. Such programs have demonstrated that families can become long-term, successful residents in affordable housing communities with support and targeted services. Another 10 units will be reserved for households earning 30% AMI or less (Table 1).

Table 1: Distribution of Affordability Levels

Affordability Level	Number of Units	Proportion
RRH set-aside (30% AMI)	36	25%
30% AMI	10	7%
40% to 60% AMI	95	66%
Manager’s units	2	1%
TOTAL	143	100%

The Project has an overall weighted average of 42% AMI across the units to achieve deeper affordability levels. While extremely low-income units (30% AMI) are the most challenging

to finance because the rents are the lowest, such units are critically needed. There are approximately 60 of these types of units in the City currently, but the need is significant, especially to serve households at risk of, or experiencing, homelessness. This Project would significantly increase the supply of deeply affordable units to address this need which is identified as a priority in the 2022-27 Affordable Housing Strategic Plan.

Unit Mix

The Project also includes a diverse range of unit sizes with more than one-half of the units being two- and three-bedroom units for larger households (See Table 2). Facilitating the development of larger affordable units is identified as a priority in the 2022-27 Affordable Housing Strategic Plan.

Table 2: Distribution of Unit Sizes

Bedroom Size	Number of Units	Proportion
Studio	22	15%
One-Bedroom	46	32%
Two-Bedroom	38	27%
Three-Bedroom	37	26%
TOTAL	143	100%

Sustainable Design and Development

This Project will be fully electric and incorporate a wide range of sustainability features, including:

- Electric heat pump for water heating, which not only supports sustainability but also lowers operating costs.
- Rooftop photovoltaic system, utilizing at least 90% of the available roof space to significantly reduce energy expenses and enhance financial feasibility.
- Energy Star® appliances.
- Energy-efficient lighting.
- Low-flow plumbing fixtures.
- Native landscaping with a smart drip irrigation system that adjusts based on rainfall.

- EV charging stations.
- Mechanical parking lifts to optimize space and reduce maintenance costs.

These design elements lower operating costs, contribute to a more cost-effective and financially viable project, and advance the City’s sustainability goals.

Live/Work Preference

The City of Mountain View requires that, where feasible, preference be given to households that live and/or work in Mountain View. Charities will incorporate a live/work preference to the extent allowed by external funding sources and fair housing laws.

Several of the units in the proposed development have restrictions that will require other means of tenant selection. For example, all referrals for supportive housing units (including for RRH units, which this Project will include) will come directly from the Santa Clara County Continuum of Care’s Coordinated Entry System, which is managed by the County’s Office of Supportive Housing. There are a significant number of Mountain View residents on this list as extensive outreach has been done to the unhoused community in Mountain View.

Additionally, Charities will be required to submit an affirmative marketing plan to ensure outreach and advertising to households that may qualify for affordable units, including via the City’s interest list, and to Mountain View school districts, neighborhood groups, service providers, and public agencies.

2. Project Site Plan and Other Elements

Charities’ site plan for this Project was developed through a coordinated site plan process with Affirmed Housing. Therefore, this subsection discusses the Project’s site plan and other elements in the context of the coordinated process. A separate item related to the approval of the 87 East Evelyn Avenue Lease, Disposition, Development, and Loan Agreement with Affirmed Housing is before Council for consideration on this same agenda.

Background

On [September 26, 2023](#), the City Council selected Affirmed Housing as the preferred development team for the 87 East Evelyn lot following a competitive Request for Proposals (RFP) process. The Affirmed Housing proposal included a two-phased affordable housing project, consisting of an estimated 268 affordable housing units, a child-care center, and several community-serving spaces. The RFP for the 87 East Evelyn lot included a requirement that all interested development teams provide their approach and

commitment to participating in a coordinated planning effort with the neighboring property owner, Charities. Charities submitted a proposal for the City-owned site and was not selected. Subsequently, they committed to and engaged in the coordinated planning effort with Affirmed Housing.

Coordinated Charities and Affirmed Housing Planning Effort

The coordinated planning effort kicked off in December 2023 and included City staff and the development and design teams from both Charities and Affirmed Housing. The meetings were held on a biweekly basis and concluded in August 2024. The coordinated site planning process has enabled both developers to work with City staff and make progress on various planning elements, resulting in the projects being further along than NOFA projects typically are at this stage. Both development teams demonstrated strong collaboration throughout the process and made good-faith efforts to be responsive to City feedback. Overall, the coordinated planning was a successful process that resulted in the following design and planning elements:

- **Landscape and Streetscape**

Throughout the site planning process, the architecture, landscape, and engineering teams for both developers proactively collaborated on the layout and design of open space areas, tree preservation, and public streetscape improvements. To ensure cohesion in their efforts, the development teams hired the same arborist and landscape architects for their tree preservation and landscape design work. They worked extensively together on the public streetscape design, focusing on the interfaces between the projects and the street frontages.

As a result, Charities will coordinate with Affirmed Housing to create a shared plaza and green space that connects the pedestrian entrances of both projects. Additionally, the teams are discussing a potential art piece to be placed in the shared plaza. Both teams are designing the public streetscapes—such as sidewalks and planter strips—in collaboration with each other and the City’s Public Works Department. Their primary goals are to preserve Heritage trees along the public street frontages, to widen sidewalks, and to provide planter strips where feasible, taking into account tree preservation and the proposed housing program.

- **Trees**

Both Charities and Affirmed Housing engaged HortScience/Bartlett Consulting to assess and survey the trees on both sites, guiding decisions on retention and removal

based on factors such as tree health, survival prospects if transplanted, retention costs, and overall impact on the development plans.

The existing tree conditions on the Charities site presented some challenges for preservation as many of the on-site trees were located within the development area, making them difficult to retain. Despite these constraints, Charities made efforts to preserve as many trees as possible. Those that could not be preserved will be replaced in accordance with City codes and requirements. The City arborist, staff, development teams, and their consultant worked extensively to refine the site plan—including the placement of buildings, access roads, parking, and utilities—to minimize impacts on the existing tree population. The Charities tree strategy, outlined in Table 3, includes preserving existing trees, planting new trees, and incorporating green infrastructure in common areas.

Table 3: Proposed On-Site Tree Preservation and Replacement Plan

Existing On-Site Trees	No.	Trees to Be Preserved	Trees to Be Transplanted	Trees to Be Removed	Proposed Replacement Trees
Heritage Trees	15	11	0	4	8 (2:1 Ratio)
Non-Heritage Trees	11	3	0	8	8 (1:1 Ratio)
TOTAL	26	14	0	12	16

- **Parking/Circulation**

The coordinated site planning effort included the incorporation of safe and convenient pedestrian circulation across the two proposed developments along Evelyn Avenue.

Charities plans to orient the primary pedestrian building entrances toward a common open space between the developments. The overall site configuration of the Charities lot lends itself to surface parking at the tip of the site, accommodating 105 spaces. In addition, the Charities design team has coordinated efforts with the adjacent development at 87 East Evelyn Avenue for a shared-vehicular access off of Pioneer Way (shown in Figure 3 below), to provide for necessary vehicle movement and minimize conflicts with pedestrian bicycle improvements along Evelyn Avenue as well as green space and a shared paseo.

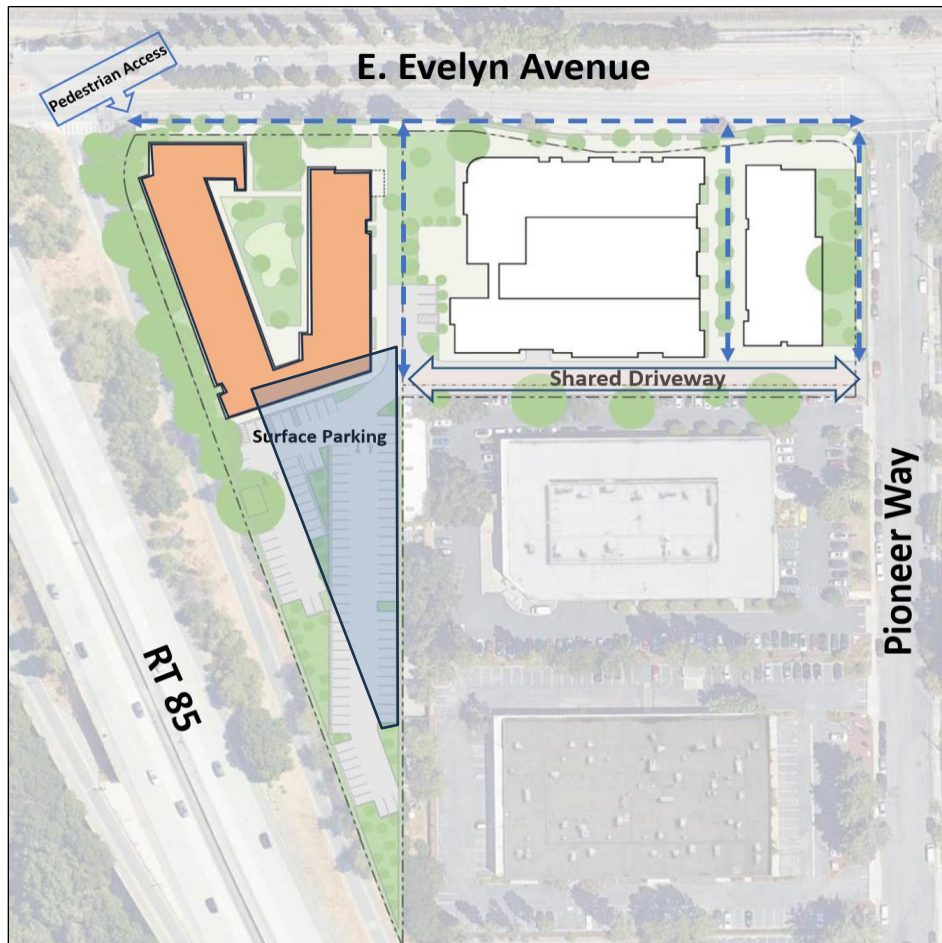


Figure 3: Site Plan Parking/Circulation

- **Joint On-Site Utilities and Fire/Service Vehicle Access**

The teams have contracted with the same civil engineer and utility consultant to plan for shared on-site utility corridors and fire/service vehicle access locations. In addition, Charities will work with Affirmed Housing to establish shared on-site utilities wherever possible. Once each individual project site plan has progressed beyond site schematics, further coordination may be required.

The development teams are also planning for joint utility corridors that connect to the public infrastructure on Pioneer Way and run under the shared access driveway. A utility corridor is a designated pathway or area within a development where various utility lines, such as water, sewer, electricity, gas, and telecommunications, are installed and managed. Sharing utility corridors between projects can make the

projects more efficient by reducing the overall costs associated with trenching, installation, and maintenance of utility lines.

- **Amenities and Community Space**

The Charities project includes amenities that prioritize engagement, recreation, and well-being. As shown in Figure 4 below, the first floor will house a community gathering room and a complementing small activity room for workshops or group activities. The development will also offer an on-site gym to promote wellness. A dedicated area for resident services is also located on the first floor. In addition, the site includes various outdoor amenity spaces, such as a children’s play area, landscaped courtyard, and picnic and barbecue area.



Figure 4: Amenities and Community Space

- **Resident Services**

Both the Charities and Affirmed Housing projects will share a resident services provider, Catholic Charities. Charities and Catholic Charities operate under the same

umbrella organization with Charities specializing in development and Catholic Charities managing resident services and property management.

Catholic Charities will assign a Resident Services Coordinator responsible for connecting residents of both developments to community resources, organizing community-building events, and developing educational programs on topics, such as health, nutrition, and financial skills. These services will be provided at no cost to residents, with programs, classes, and workshops rotating between the development sites. Resident services will be promoted both during initial lease-up, and on an ongoing basis, with schedules and information posted in common areas and emailed to residents.

3. Summary of Community Meetings

Two community meetings have been held in relation to this Project:

- Joint Meeting—Coordinated Site Plan: Charities and Affirmed Housing conducted a joint community meeting to seek input from the public on the coordinated site plan elements, as noted above. The community meeting was held on March 28, 2024 at Landels Elementary School. Notices were mailed to property owners and residents within a 750 square foot radius. Flyers were placed on each Safe Parking vehicle that occupies a space at the Evelyn lot. Interpretation services were available at the meeting for those who required language assistance.

A total of 18 individuals participated in the public meeting, all of whom were Safe Parking participants. City staff from the Planning Division (Community Development Department), Urban Forest Division (Community Services Department), and Housing Department were on hand to assist with questions from the community. Questions were primarily related to current Safe Parking program operations, and County staff responded to the questions.

- NOFA Community Meeting: Charities hosted a virtual neighborhood meeting on October 1, 2024, focused on its Project. Residents and property owners within a 750 square foot radius from the Project site were noticed by mail and encouraged to attend to ask questions and provide input. Interpretation services in Spanish were available at the meeting for those who required language assistance. Although no community members attended the meeting, City staff and Charities presented and recorded the meeting, which was made available on the Housing Department website.

4. **Applicant Funding Request, Staff Analysis, and Recommendation**

Charities submitted its NOFA application on July 14, 2024, requesting \$18.0 million in City funding.² Subsequently, staff conducted due diligence to assess project eligibility and viability, financing, compliance with state and federal requirements, and other factors. This involved meeting with Charities, collaborating and providing feedback with the City’s affordable housing economic consultant, and coordinating review of the Project with various City departments to ensure the Project could be feasibly developed.

Staff Analysis and Recommendation

This Project is eligible for funding as it aligns with the City’s affordable housing priorities and NOFA requirements, including providing units at deep-affordability levels, incorporating a substantial number of family-sized units, incorporating sustainable design elements, maximizing external funding leverage, and implementing the City’s live/work preference to the extent allowable by external funding sources and fair housing laws.

However, due to limited housing funds, staff recommends reserving \$11.3 million for the development, construction, and long-term financing for the Project instead of the \$18.0 million requested by Charities. Of the \$11.3 million total, staff recommends appropriating \$6.3 million to be available immediately for early predevelopment activities (\$1.3 million) and acquisition funding (\$5.0 million) to advance the Project. An additional \$5.0 million for the construction and permanent financing will be appropriated at a later time. The financing will include the City’s standard low- and no-interest loan terms to help with project feasibility. Table 4 summarizes staff’s funding recommendation.

² Note that Charities is the first applicant to utilize a recently updated NOFA application form, which included a new template-based pro forma and the standard application information, such as the details on their proposed affordable housing program, key development characteristics, and the financing strategy. The updated application form was discussed with the Council NOFA Committee on June 17, 2024 as part of updates to the NOFA process required by the City’s state-certified 2023-2031 Housing Element. The updates are intended to clarify and streamline the NOFA process, and steps have already been incorporated into this Project.

Table 4: Summary of Recommended City Funding Contribution

Loan Type	Amount	Interest Rate	City Underwriting Guidelines
Predevelopment	\$1.3 million (reserved and appropriated now).	Zero percent (0%) predevelopment, three percent (3%) thereafter.	No interest accrued or payable during predevelopment period.
Acquisition	\$5.0 million (reserved and appropriated now).	Zero percent (0%) predevelopment, three percent (3%) thereafter.	No interest accrued or payable during predevelopment period.
Construction/ Permanent Financing ³	\$5.0 million ⁴ (reserved now and appropriated at a later time).	Three percent (3%) simple, accrued.	Interest accrues, but no payment due during construction period.
TOTAL	\$11,300,000		

The rationale for this funding recommendation is as follows:

Total Funding

A total funding amount of \$11.3 million translates to approximately \$79,000 per unit. This per-unit amount is lower than in past projects (See Attachment 1) and aligns with the anticipated per-unit contribution for the adjacent Affirmed Housing development at 87 East Evelyn on the City-owned site. The total City contribution for the 87 East Evelyn project is anticipated to be \$21.0 million—consisting of \$8.0 million in City funding (based on Affirmed Housing’s proposal as discussed during the [September 26, 2023](#) Council meeting to select the preferred developer) as well as contributing the full value of the City-owned land (\$13.0 million)—for 268 units, which is nearly \$79,000 per unit. Having funding parity between the Charities project and the Affirmed Housing project on the City-owned site allows for an equitable funding methodology because the projects have been planned and will be developed through a coordinated process as discussed above.

³ “Permanent” financing is the most important type of financing for affordable housing because it remains with the project and does not require a new funding source to replace it later.

⁴ City funding for the early acquisition and predevelopment activities will convert in the future as the Project progresses and be combined with the longer-term construction/permanent loan to achieve an overall funding amount of \$11.3 million.

Predevelopment/Acquisition Funding

The City’s underwriting guidelines specify that a maximum of \$1.3 million may be allocated for early predevelopment activities with the flexibility to exceed this amount on an as-needed basis. The reason for limiting the amount of early funding is to limit the City’s funding that is subject to the risk that a particular project may ultimately not move forward. For example, projects at this early stage may face uncertainty around securing external financing and responding to fluctuations in market conditions, which may cause project delays or make them infeasible. Financing that comes later for construction and long-term (“permanent”) funding is generally considered less risky because the Project has advanced significantly or has already been completed and delivered.

Charities purchased the 2.2-acre property for \$18.1 million in February 2022 using external financing and is making monthly interest payments of approximately \$51,600 (which is partially offset by \$31,000 in rental income from the existing commercial tenants). A \$5.0 million City acquisition loan will allow Charities to decrease the external acquisition financing amount, partially lower the interest rate, and reduce monthly interest charges by 30% (a \$15,000 reduction from \$51,600 to \$36,600). The total estimated financing savings is approximately \$360,000, ultimately lowering overall development costs.

Although early-stage financing has more risk than later-stage financing, Charities has a proven track record of successful projects in Mountain View and the wider region, establishing them as a good-faith partner in this affordable housing development with the necessary expertise and experience to deliver the Project. Staff and the City’s affordable housing economic and legal consultants have conducted thorough due diligence to assess the Project’s financial viability and will follow the standard practice of securing the loans against the property via a deed of trust, thereby protecting the City’s interests. The recommended structure in Table 4 above also allows for careful monitoring of the Project’s progress and financial health throughout the early stages of the Project.

In summary, staff recommends using the flexibility provided in the City’s underwriting guidelines to allow \$6.3 million of the \$11.3 million for predevelopment/acquisition funding, exceeding the standard \$1.3 million predevelopment funding cap for the reasons outlined above.

Overall Project Financing

Funding for affordable housing developers has become increasingly challenging due to the depletion of Measure A funding from the County, the removal of the \$20.0 billion Bay Area Housing Finance Authority regional funding measure from the November 2024 ballot, and

extraordinary competition for limited state and federal tax credit financing. These changes have significantly reduced the available financial resources for new projects.

However, Charities has put together a strategy to secure financing using a combination of public and private funding. The total development cost for the Project is estimated at approximately \$137.0 million. These costs translate to approximately \$957,000 per unit, which is in line with current market conditions. Table 5 below shows the total development costs and anticipated sources of funding for the Project. Based on the anticipated funding sources outlined, a \$11.3 million City contribution is reasonable and would achieve significant leveraging of external funding.

Table 5: Overall Project Funding Sources

Funding Sources	Funding Amount
Tax Credit Equity	\$65,348,065
State of CA HCD Grant Funding (AHSC) ⁵	27,000,000
Bank Loan	22,807,000
City of Mountain View	11,300,000
Other Sources	5,015,435
County of Santa Clara	4,000,000
Federal Home Loan Bank AHP	1,430,000
TOTAL	\$136,900,500

As previously mentioned, given the current funding landscape, and a significant projected-funding gap needed to advance the City’s affordable housing pipeline, the City is strategically leveraging all of its funding sources to facilitate the pipeline, which includes this Project. Staff anticipates utilizing Below-Market-Rate In-Lieu Fees for the Project. The City has sufficient available funding for the recommended \$11.3 million loan amount.

5. NOFA COMMITTEE RECOMMENDATION

The Council NOFA Committee’s role is to review proposals submitted through the NOFA process, assess whether they align with the City’s housing priorities, and determine whether the proposal should be forwarded to the City Council for consideration and funding approval.

On [October 28, 2024](#), the NOFA Committee convened to review the proposed project. Housing staff provided a presentation, and Charities Housing presented an overview of their

⁵ AHSC is the state’s Affordable Housing and Sustainable Communities program.

proposal to the Committee. The NOFA Review Committee voted unanimously to recommend the project for funding approval by the City Council, with no issues raised.

NEXT STEPS

Charities will continue to concurrently pursue entitlements for the Project. Charities submitted the formal SB 35 application on October 22, 2024. Submitting the SB 35 application prior to the December Council meeting does not compel Council to approve funding for the Project in full or in part. Pursuant to SB 35, the Project will be reviewed, processed, and approved ministerially; is not subject to environmental review pursuant to the California Environmental Quality Act (CEQA); and will include the state-mandated tribal consultation process for SB 35 projects. Table 6 below outlines the projected development schedule for the Project.

Table 6: Charities—Projected Schedule

Development Schedule	Estimated Timeline
NOFA Committee Funding Recommendation	October 2024
SB 35 Formal Application Submittal	October 2024
City Council Meeting—Reservation of Funds	December 2024
Tentative SB 35 Application Approval	February 2025
Building Permit/Construction Loan Closing	October 2026
Tentative Construction Start	December 2026
Tentative Construction Completion	August 2028

FISCAL IMPACT

The City Council is being asked to reserve \$11.3 million in Below-Market-Rate In-Lieu (BMR) Fees for the Charities Affordable Housing Project at 57-67 East Evelyn Avenue and appropriate \$6.3 million from these reserved funds for predevelopment expenses during the development and design review phase and acquisition costs. The funding would be provided in the form of a deferred low-interest residual receipt loan. The loan payments would begin once the development begins producing excess revenue. Currently, the City has a balance of approximately \$14.3 million in BMR funds available, which is sufficient to fund this project.

LEVINE ACT

California Government Code Section 84308 (also known as the Levine Act) prohibits city officials from participating in any proceeding involving a “license, permit, or other entitlement for use” if the official has received a campaign contribution exceeding \$250 from a party, participant, or agent of a party or participant in the proceeding within the last 12 months. A city official is

similarly prohibited from accepting, soliciting, or directing a campaign contribution exceeding \$250 from a party, participant, or agent of a party or participant to any proceeding involving a license, permit, or other entitlement for use for 12 months after a final decision is rendered in said proceeding.

Please refer to the “X” in the checklist below for information about whether the recommended action for this agenda item is subject to or exempt from the Levine Act.

SUBJECT TO THE LEVINE ACT

- Land development entitlements
- Other permit, license, or entitlement for use
- Contract or franchise

EXEMPT FROM THE LEVINE ACT

- Competitively bid contract
- Labor or personal employment contract
- General policy and legislative actions

For more information about the Levine Act, please see the Fair Political Practices Commission website: www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html.

CONCLUSION

The proposed development at 57-67 East Evelyn Avenue will provide 143 units of affordable housing for households at or below 60% AMI. Staff recommends the City Council reserve \$11.3 million in Below-Market-Rate In-Lieu Fees, then appropriate \$6.3 million from the \$11.3 million reserve in the following loan amounts:

- \$1.3 million will be used for approved predevelopment activities.
- \$5.0 million will be used for acquisition costs.

ALTERNATIVES

1. Provide a funding recommendation of a different City contribution amount and/or funding source.
2. Provide a standard funding recommendation of \$1.3 million in predevelopment expenses and a \$10.0 million construction/permanent loan.
3. Choose not to fund this project.
4. Provide other direction.

PUBLIC NOTICING

The meeting agenda and Council report have been posted on the City’s website and announced on Channel 26 cable television.

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DT-HR-JB/4/CAM
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Attachment: 1. Cost Analysis Comparisons for NOFA and City-Owned Projects