

CHARITIES HOUSING

October 21, 2022

Ms. Cynthia Bojorquez
Assistant City Manager
City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

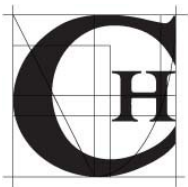
RE: 1601 Civic Center Drive Santa Clara

Dear Ms. Bojorquez,

Charities Housing is the owner of the property located at 1601 Civic Center Drive, Santa Clara. The property was purchase from a private party in January 2020 for \$12,500,000. The site contains a vacant, two-story commercial building. Charities intends to develop this property with a total of 108 apartments; 106 will be affordable for families earning between 30% and 50% Area Median Income and will remain affordable for a minimum of 55 years. The remaining two apartments will be for onsite staff.

The City of Santa Clara has asked Charities Housing if they would be willing to sell the site to the City for the purpose of developing a park. Charities would prefer not the sell 1601 Civic Center Drive. Finding and purchasing an ideal property for affordable housing is a difficult and time-consuming process. In addition, Charities initially expected this site to be granted authority to develop under the Specific Plan that the City had been processing for over two years. When that failed to be adopted, Charities pursued a General Plan and rezoning change and CEQA approval. After many months and considerable expense, we are finally nearing completion of the entitlement process.

However, in the spirit of cooperation, Charities would consider selling the property to the City for \$18,900,000. This will allow us to recoup the cost of the land, out of pocket expenses incurred to date and reimbursement for staff time spent for the almost 3 years of effort. We would also ask that the City provide an appropriate, alternative site for a new affordable housing development. For a site to be an appropriate alternative, it needs several key characteristic but the most important would be: 1) consistency with the general plan and/or zoning to enable the site to be rapidly entitled under an expedited process, 2) affordable on a per unit basis for the land, and 3) similar neighborhood amenities as the Civic Center site. What makes the Civic Center site so ideal for affordable housing is its proximity to public transportation, schools, retail including a minimum 25,000 square foot grocery store, pharmacy, parks and medical facilities. Without these characteristics an affordable development would not be competitive for the other funding sources required to build affordable housing. If the City were interested in discussing and providing an appropriate alternative site, Charites would need to be part of the site selection process.



CHARITIES HOUSING

Charities' mission is to develop, own and manage affordable housing. If we were to sell the Civic Center property without a replacement site, it would be in direct conflict with our mission and responsibility to provide desperately needed homes for those most vulnerable in our community.

Sincerely,

Kathy A Robinson

Kathy Robinson
Director of Development