

City of Santa Clara

City Council Meeting – September 11, 2018

Update on the Selection of a Developer for the 2330 Monroe Street Affordable Housing Site

Item #5 (18-899)



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Santa Clara**
The Center of What's Possible



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2330 Monroe Street

Site Description

- Vacant, City-owned 2.47 acre parcel
- Adjoins rear yards of 11 single-family residences on Sheraton Drive and El Capitan
- New City park on opposite side of San Tomas
- Current General Plan: Public Right-of-Way
- Current Zoning: Single Family R1-6L

POST MEETING MATERIAL



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RFP Timeline

- **Community Engagement** **December 7, 2017**
- **Community Survey** **January, 2018**
- **RFP Available** **March 30, 2018**
- **Question and Answer Period** **April 16, 2018**
- **Proposals due** **May 31, 2018**
- **Evaluation** **June 18, 2018**
- **Selection of Developer** **June/July, 2018**



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2330 Monroe Street Community Engagement



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2330 Monroe Street

Community Engagement

- **650** Flyers to nearby residents
- **50+** Community participants
- **250** Survey Responses
- **250+** Additional written comments

Community Engagement Meeting
December 7, 2017

Community Survey Closed
January 19, 2018

Issue RFP
March 16, 2018

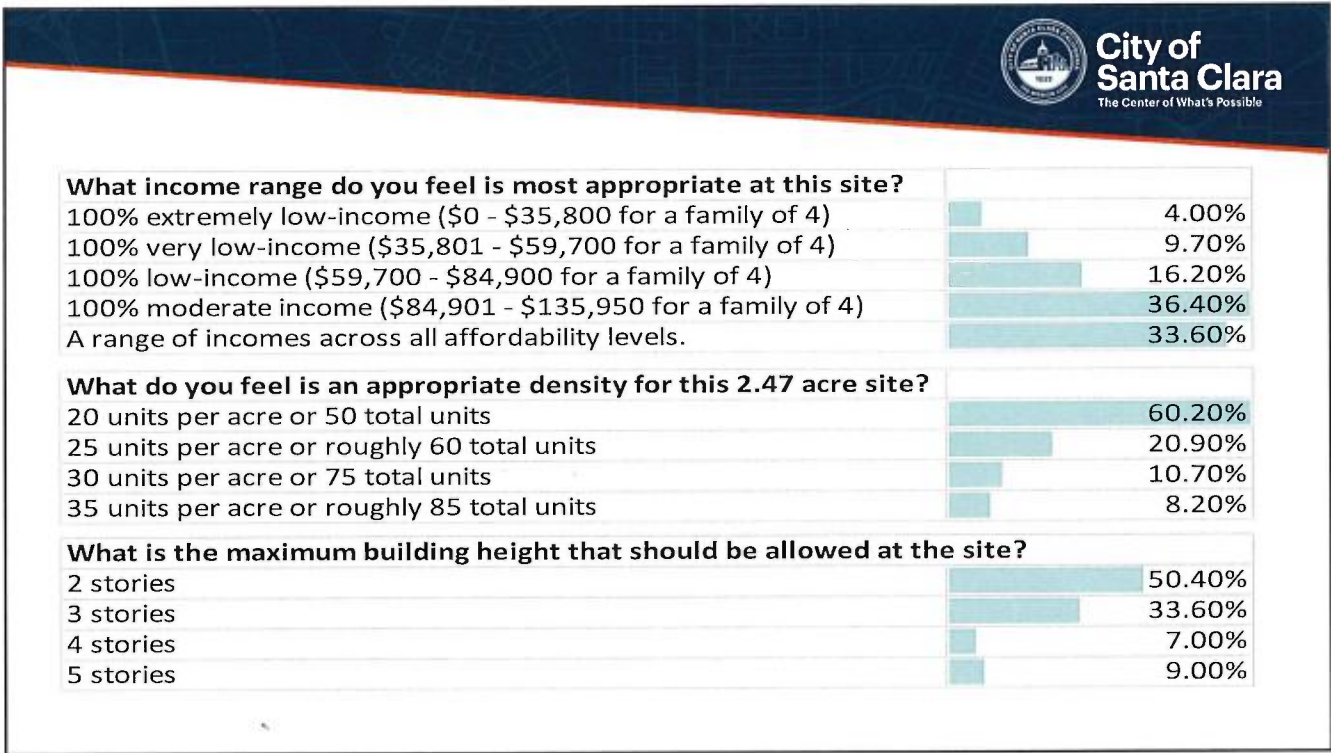
Developer Interviews
June, 2018



December 22, 2017
Community Survey Issued

February 2018
Draft RFP and Community Visioning Report
February

May 31, 2018
Development Proposals Due



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RFP Selection Process

- 8 competitive proposals from highly qualified development firms
- 3 selected for an interview based on financial feasibility, financial competitiveness, and responsiveness to community feedback
- Sent follow-up questions and requested additional info from Freebird Development Company and Santa Clara County Housing Authority
- Freebird Development Company was unanimously selected



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Freebird Development Company

- Freebird is a recently launched joint venture between Robin Zimbler and L+M Development Partners
- Ms. Zimbler is a leader in affordable and mixed-income development with over 15 years of experience and over \$900 million in investment
- Since 1984, L+M is responsible for over \$7 billion in development, construction, and investment in New York and the Bay Area.
- Housing Choices Coalition will serve as the non-profit partner, supporting an active database of 168 Santa Clara residents with development disabilities.



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Conceptual Site Plan

- 55 - 65 Units
- 75 Parking Spaces
- 2 - 3 Story Height
- Central Open Space
- Mitigates Impact
- Accessible Design





2330 Monroe Street

Proposal

- City retains long-term ownership through ground lease
- Limits City's capital contribution to \$75,000 per unit
- Leverages other subsidies (\$12.2 million from Tax Credits / MHP)
- Provides the City a return of its principal plus interest at a rate of 3%
- Supports broad income range including moderate income households (80% - 120% AMI)
- 20% of units set aside for Santa Clara's growing population of adults with developmental disabilities



2330 Monroe Street

Proposed Unit Mix and Financing Sources

Unit Mix		
	Total	Percentage
30% AMI	13	20%
50% AMI	8	12%
60% AMI	13	20%
80% AMI	9	14%
100% AMI	11	17%
120% AMI	10	15%
Manager	1	2%
Total	65	100%

Permanent Sources	
	Amount
Tax Credit Equity	\$ 9,628,467
CalHFA Take-Out Loan	\$ 15,205,168
City of Santa Clara Loan	\$ 4,466,535
Measure A or MHP	\$ 2,606,829
Deferred Developer Fee	\$ 1,300,000
Deferred Oper Reserve	\$ -
Deferred Rep Reserve	\$ -
Total Sources	\$ 33,206,998



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Considerations

- Implements General Plan goals for providing affordable housing that meets the needs of Santa Clara residents
- Includes extensive Community Engagement Plan with 5 community meetings during initial design and quarterly project updates post entitlements
- Aligns with the community objectives identified in the Community Visioning Report
- Strong feasibility / financial performance



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Next Steps...

- Negotiate an Exclusive Negotiation Agreement (ENA) with Freebird Development for future Council consideration
- Council Consideration of ENA
- Continue engagement opportunities for the public
- Further refine project design and transaction details
- City Council and/or Planning Commission hearings for General Plan Amendment, Rezoning, Architectural and Environmental Review
- Council Consideration of Development Agreement (DA)



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Recommendation

- 1) Note and File Staff's Recommendation of Freebird Development's Proposal for the Development of 2330 Monroe Street.
- 2) Direct Staff to initiate negotiation on an Exclusive Negotiation Agreement (ENA) with Freebird Development for future Council consideration.

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