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Title: Action on Affordable Housing Agreements with TOD Brokaw, Inc., for a 725 Unit Apartment Project Located at 1205 Coleman Avenue

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Attachments: 1. Form - Affordable Housing Agreement (Lot 1), 2. Form - Covenants and Restrictions (Lot 1), 3. Form - Affordable Housing Agreement (Lot 2), 4. Form - Covenants and Restrictions (Lot 2)

Date	Ver.	Action By	Action	Result
11/17/2020	1	City Council and Authorities Concurrent	Approved	

REPORT TO COUNCIL

SUBJECT

Action on Affordable Housing Agreements with TOD Brokaw, Inc., for a 725 Unit Apartment Project Located at 1205 Coleman Avenue

COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development

BACKGROUND

Hunter Properties, Inc. (the "Developer") is developing a 725 unit rental apartment project consisting of two buildings, a 318 unit building (hereinafter referred to as "Project 1") and a 407 unit building (hereinafter referred to as the "Project 2"), both located at 1205 Coleman Avenue in the City of Santa Clara, California (the "Projects").

The project was granted land use entitlements in July 2019 consisting of City Council approval of a General Plan Amendment to modify the General Plan land use designations for the site from Regional Commercial, High Density Residential and Very High Density Residential to Very High Density Residential, a Rezone from Light Industrial (ML) to Very High Density Mixed Use (VHDMU), and a Development Agreement to allow phased construction of a mixed use development consisting in total of 1,565 residential units, 152,000 square foot hotel, 45,000 square feet of supporting retail, park and open space, surface and structured parking facilities, private streets, and site improvements.

As a term of the Development Agreement, the Developer has agreed to provide 73 affordable units within the Projects that will be designated for low and median income residents and shall meet affordability requirements for low and median income residents for a period of 55 years (hereinafter referred to as "Affordable Housing Units" or "Units"). The proportion of Units shall be 36 median

income and 37 low income. Median income shall be defined as one hundred percent (100%) of the Area Median Income (AMI) and low income shall be defined as eighty percent of the Area Median Income (80%) AMI.

As a condition of the land use entitlements, the Developer was required to enter into an Affordable Housing Agreement (AHA) with the City to designate 10 percent of the total units (i.e., 72.5 dwelling units) as rent-restricted affordable units to be rented to qualified households at an affordable price based upon Area Median Income (AMI).

DISCUSSION

The proposed AHAs with the Developer use the City's standard form and will enable and guarantee the delivery of seventy-three (73) affordable units for below market rent within Santa Clara. The AHAs fulfill an obligation placed upon the Developer through the City's land use entitlement process.

The City's Affordable Rental Program Policies and Procedures Guidelines provide that in the case of a fractional obligation (e.g., 72.5 units), a developer can either elect to round up (e.g., provide seventy-three (73) affordable units) or pay a fractional in-lieu fee for the fractional units (e.g., provide seventy-two (72) affordable units and pay a fee). In this case, the Developer is proposing to provide seventy-three (73) affordable units. Thirty-six (36) of the affordable units will be rented to households whose income is at or below one hundred percent (100%) of the Area Median Income (AMI) and thirty-seven (37) of the affordable units will be rented to households whose income is at or below eighty percent of the Area Median Income (80%) AMI.

To maintain long-term affordability, the full term of the affordability covenants shall be for a total period of fifty-five (55) years (the "Affordability Period"), effective from the date the of the Issuance of Certificate of Occupancy for the Project.

Approval of the proposed AHAs will implement the City's General Plan inclusionary housing policy consistent with the previous land use entitlements granted for the subject property.

ENVIRONMENTAL REVIEW

A Mitigated Negative Declaration (MND) was prepared and a Notice of Availability was circulated for a 20-day period in accordance with California Environmental Quality Act (CEQA) requirements and approved by City Council in July 2019.

FISCAL IMPACT

There is no cost to the City for processing of the proposed Agreement other than administrative staff time and expense.

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

1. Approve and authorize the City Manager to execute the Affordable Housing Agreements for Project 1 and Project 2 with TOD Brokaw, Inc., to execute amendments thereto, and to take any other action necessary to implement the requirement for the provision of seventy-three (73) affordable located at 1205 Coleman Avenue; and
2. Authorize the recordation thereof.

Reviewed by: Andrew Crabtree, Director, Community Development

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Form - Affordable Housing Agreement (Project 1)
2. Form - Covenants and Restrictions (Project 1)
3. Form - Affordable Housing Agreement (Project 2)
4. Form - Covenants and Restrictions (Project 2)