



Agenda Report

19-012

Agenda Date: 2/19/2019

REPORT TO COUNCIL

SUBJECT

Action on an Affordable Housing Agreement with SHAC LS Apartments II, LLC for 3580 Rambla Place Building A (APN# 216-59-001)

BACKGROUND

This is one of two Affordable Housing Agreements for City Council consideration for projects located within the Lawrence Station Area. The projects are referred to as “3580 Rambla Place Building A” and “3560 Rambla Place Building B”. A separate report has been prepared for each Agreement.

On November 29, 2016, the City Council approved land use entitlements for Summerhill Homes for the development of 988 residential units within the Lawrence Station Area Plan. As part of those entitlements Summerhill was required to designate 98 rental units as affordable housing. Summerhill has proposed to provide these units within two buildings. The subject Affordable Housing Agreement (AHA) would partially implement the requirement to provide affordable units in the project by formalizing the process and providing more detail for the delivery of affordable units within one of those buildings, “Building A” (APN# 216-59-001), now under construction at 3580 Rambla Place.

The proposed Affordable Housing Agreement (AHA) will designate fifty-two (52) affordable rental units within Building A for low and moderate income residents for a period of 55 years. Of these units, 90% (47 units) would be designated as affordable to Moderate Income Households (based on 120% of the Area Median Income or AMI) and 10% (5 units) as affordable to Low Income households. (based on 80% of the AMI). As a condition of the land use entitlements, the forty-seven (47) Moderate-Income and five (5) Low-income units will be distributed between thirty-six (36), 1-bedroom units and sixteen (16), 2-bedroom units comparable to the distribution of market rate units.

The Building A project site is 2.58 acres in size and part of the first phase of construction for the Lawrence Station Area Plan. The site has been demolished and the majority of the infrastructure to serve the site has been completed. Building A will consist of 286 apartment units with approximately 249,721 rentable square feet and approximately 2,301 square feet of retail space for neighborhood serving commercial uses. The residential units will be constructed in 5-story wood-frame building above two floors of structured parking that is partially below grade. There is a mix of 1- and 2-bedroom units ranging in size from 653 to 1,266 square feet. Common amenities for the residential project include a swimming pool, spa, and exercise room.

Unit amenities will include:

- Washer/dryer in each unit
- General Electric “Star” Appliances or equivalent, including oven/range, microwave, dishwasher, disposal, and refrigerator
- Recessed lighting

- Quality carpeting
- Central heat and air conditioning
- Pergo, or equivalent wood entry flooring
- High quality cabinets in kitchen and bathrooms
- Designer color-coordinated kitchens with laminated or acrylic countertops and quality flooring

DISCUSSION

The overall project's affordability requirement was determined as part of the land use entitlement action granted in November 2016. The proposed AHA conforms with the conditions of approval in the number and distribution of affordable units by establishing 52 affordable units in Building A of the Lawrence Station development with the intent that the remainder will be provided in a separate Building B. Summerhill has transferred the entitlements for Building A (3580 Rambla Place) to Shac LS Apartments II, LLC who will act as developer of the property. The remainder of the affordable rental units obligation (46 units) will be provided in a separate building and governed by a separate AHA with a different developer entity, SHAC LS apartments I, LLC (on tonight's Agenda). The City requires that the two AHAs are completed prior to issuance of final Building Permits for the associated buildings.

The affordable housing component of the project will benefit through its integration into the market rate project through access to a high level of common and in-unit amenities, as well as the high level of access to transit facilities and jobs provided throughout the Lawrence Station Area.

ENVIRONMENTAL REVIEW

The potential environmental impacts of the project were addressed in an Environmental Impact Report/Mitigated Negative Declaration/ Negative Declaration prepared for the project, which was certified/approved on November 29, 2016.

FISCAL IMPACT

There is no fiscal or economic impact to the City other than administrative staff time and expenses.

COORDINATION

This report has been coordinated with 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>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve and authorize the City Manager to execute the Affordable Housing Agreement with SHAC LS Apartments II, LLC, to execute amendments thereto, and to take any other action necessary to implement the requirement for the provision of fifty-two (52) affordable rental units at 3580 Rambla Place Building A (APN# 216-59-001)

Reviewed by: Andrew Crabtree, Director, Community Development
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Affordable Housing Agreement with SHAC LS Apartments II, LLC
2. Covenant Restrictions with Shac LS Apartments II, LLC