



## Agenda Report

19-013

Agenda Date: 2/19/2019

### REPORT TO COUNCIL

#### SUBJECT

Action on an Affordable Housing Agreement with SHAC LS Apartments I, LLC for 3560 Rambla Place Building B (APN# 216-59-003)

#### 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, City Council approved land use entitlements for Summerhill Homes for the development of 988 residential units within the Lawrence Station Area Plan, located at 3505 Kifer Road. 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 B” (APN# 216-59-003), now under construction at 3560 Rambla Place.

The proposed Affordable Housing Agreement (AHA) will designate forty-six (46) affordable rental units within the Project that will be designated for low and moderate income residents for a period of 55 years. Of these units, 90% (41) would be designated as affordable to Moderate Income Households (based on 120% of Area Median Income or AMI) and 10% (5) as affordable to Low Income Households (based on 80% AMI). . As a condition of the land use entitlements, the forty-one Moderate-Income and five Low-income units will be comprised of thirty-four (34), 1-bedroom units and twelve (12), 2-bedroom units comparable to the distribution of market rate units.

The Building B project site is 2.49 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 B will consist of 251 apartment units with approximately 212,472 rentable square feet and approximately 21,758 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 656 to 1,293 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 AHA conforms with the conditions of approval in the number and distribution of affordable units by establishing 46 affordable units in Building B of the Lawrence Station development with the intent that the remainder will be provided in a separate Building A. Summerhill has transferred the entitlements for Building B (3560 Rambla Place) to SHAC LS Apartments I, LLC who will act as developer of the property. The remainder of the obligation (52 units) will be provided in a separate building and governed by a separate AHA (on tonight's agenda) with a different developer entity, SHAC LS Apartments II, LLC. 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.

### **COORDINATION**

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

### **FISCAL IMPACT**

There is no additional cost to the City other than staff time and expenses.

### **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) <<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 I, LLC, to execute amendments thereto, and to take any other action necessary to implement the requirement for the provision of forty-six (46) affordable rental units at 3560 Rambla Place Building B (APN# 216-59-003).

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

**ATTACHMENTS**

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