

MEMORANDUM OF UNDERSTANDING 330 DISTEL CIRCLE

This Memorandum of Understanding (this “MOU”) is made as of January 28, 2021, by and between the CITY OF LOS ALTOS, a municipal corporation of the State of California (the “City”), and the COUNTY OF SANTA CLARA, a political subdivision of the State of California (the “County”).

WHEREAS, the County expects to enter into a Purchase and Sale Agreement (the “Purchase Agreement”) with MidPeninsula Regional Open Space District to acquire property known as 330 Distel Circle in the City of Los Altos (the “Property”) for the purpose of developing affordable and supportive multifamily housing, utilizing funds from the County’s 2016 Measure A Affordable Housing Bond (“Housing Bond”).

WHEREAS, the Housing Bond is a \$950 million affordable housing bond measure passed by voters in Santa Clara County in 2016. The Housing Bond is part of an ongoing effort to: 1) increase affordable housing opportunities for our community’s most vulnerable and poorest residents; and, 2) to prevent and reduce homelessness throughout Santa Clara County. The Housing Bond builds on key policy shifts and communitywide partnerships that have occurred over the last five years.

WHEREAS, the Purchase Agreement is contingent on the County’s due diligence review of the Property and the potential development, including a commitment from the City on entitlements for the Project (defined below).

WHEREAS, the purpose of this MOU is to set forth the parties’ support for a potential affordable housing development at Property and outline a path for potential waiver of contingencies by the County under the Purchase Agreement.


NOW THEREFORE, the parties hereby declare and acknowledge the following:

1. The County is considering acquiring the Property to develop, or to ground lease to a developer to develop, an affordable housing project (the “Project”).
2. The Project is anticipated to contain a minimum of 90 units, with 100% of the units restricted to occupants earning 80% or less of the area medium income (AMI), with a minimum of 5% earning 30% or less of the area medium income (AMI), 50% earning 50% or less of the area medium income (AMI), and 45% earning 80% or less of the area medium income (AMI). The Parties acknowledge that the final affordability restrictions will depend in part on the requirements of available funding sources, including tax credit financing.
3. The County would solicit an affordable housing developer, either by issuing an RFP or selecting from a pre-approved list, and would impose development requirements and affordable housing restrictions on the Project through a ground lease with the developer and/or conditions set forth in Measure A loans provided to the developer.
4. The City supports the development of affordable housing on the Property and of the Project as described above and will provide transparency and flexibility, to the extent possible, in the entitlement process for the Project. The City shall be the agency responsible for the review and approval of zoning and land use requirements for the Project and shall receive any RHNA credits issued in connection with the Project. The City acknowledges that the County will need

binding entitlements for the Project prior to April 27, 2021 in order for the County to waive contingencies under the Purchase Agreement.


5. In furtherance of its support of the Project, the City intends to provide the Project with a discount of up to 100% from the City's impact fees. The total, non-discounted impact fees for the Project are currently estimated to be \$252,344.08 for traffic fees and \$4,392,000 for park in lieu fees.
6. The parties further declare and acknowledge that the City's and the County's commitment to the Project are subject to compliance with all legal requirements, including but not limited to, compliance with the California Environmental Quality Act. Nothing in this MOU shall be construed to compel the County or City to approve or make any particular findings with respect to any environmental documentation that is prepared, pursuant to CEQA, for any portion of the Project. The City retains its full discretion to refuse to approve any CEQA document prepared to analyze the environmental impacts of the Project.

CITY OF LOS ALTOS

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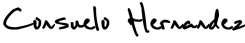
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Title: City Attorney, Los Altos

COUNTY OF SANTA CLARA

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Name: Consuelo Hernandez,
Title: Director of Office of Supportive Housing

APPROVED AS TO FORM AND LEGALITY:

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Karen M. Willis, Deputy County Counsel