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#### Transmitted via email

April 12, 2016

Honorable Mayor Hendricks and Members of the City Council  
City of Sunnyvale  
456 W. Olive Avenue  
Sunnyvale, CA 94088-3707

Dear Mayor Hendricks, Vice-Mayor Larsson, and Councilmembers Davis, Griffith, Martin-Millius, Meyering, and Whittum:

#### Re: Item 7 – Approve the Issuance of Request for Proposals to Develop a New Affordable Housing Project on City Property Located on Charles Street (Block 15)

SV@Home is the voice of affordable housing in Silicon Valley, representing a broad range of interests, from leading employers who are driving the Bay Area economy to labor and service organizations, to nonprofit and for-profit developers who provide housing and services to those most in need.

**On behalf of our members, I write today to request that the City Council move forward with issuing a Request for Proposals (RFP) for an affordable housing project on Block 15 as recommended by Staff, and that the City ensure that the RFP provides appropriate noticing to affordable housing developers.**

Sunnyvale is located in the heart of Silicon Valley and is home to many thriving technology companies. The City is also positioned squarely in the middle of the housing crisis, with average rents for two-bedroom apartments exceeding \$3,000 per month (source: Rent Jungle). Over the first quarter of 2016, median rent for all properties in Sunnyvale, including all unit sizes, was a staggering \$3,725 a month (source: Trulia)

With these high housing prices, even tech employees, with an average income of \$113,300, must pay more than 30% of income toward rent. And, it is much harder for other workers, both those working in the tech industry and those working in other fields, to afford these high rents. Recent data produced by Working Partnerships shows that white-collar contract industry workers' earnings averaged \$53,200, and blue-collar contract industry workers' earnings averaged \$19,000. At a 30% of income standard, these households could afford rents of \$1,330, and \$475 respectively.

We applaud the City for taking action to respond to the affordability challenge by assembling this key site in the Downtown for affordable housing and are supportive of the action before you today to begin the process of selecting a developer team.

Honorable Mayor and Members of the City Council

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Because this property is City owned, it is considered surplus land, and disposition of the property falls under the State Surplus Lands Act (SLA), which has been law for more than 40 years. The SLA, requires that local agencies selling or leasing publicly-owned land prioritize affordable housing and follow a specific process. As a charter city, Sunnyvale is subject to the SLA.

Recent changes to the SLA strengthen the requirements associated with affordable housing. The stronger provisions require the following:

**Longer Notification Period**-- Local agencies must solicit interest from affordable housing developers (preferred entities) and negotiate for a period of up to 90 days. (§ 54222 (a) and § 54223)

**Affordable Housing Requirement**-- A preferred entity must agree to include at least 25% of the units as affordable to households at 70 percent of median income or below. (§ 54222.5)

**Length of Affordability**-- Rental units must remain affordable for 55 years and ownership units are subject to an equity share agreement. (§ 54233)

The RFP being considered today complies with two of these three requirements-- the affordable housing requirement and the length of affordability requirement. **We urge the City Council to approve moving forward with the RFP, with the following revision-- extend the negotiation period of 75 days to 90 days, as required by the SLA.**

Please accept my apologies for being unable to attend tonight's meeting in person. We would have liked to be there to support you as you take action, and to commend the City of Sunnyvale for continually being a leader in addressing the affordable housing needs of its residents.

We appreciate the opportunity to provide feedback and thank you all, in advance, for your consideration.

Sincerely,

Pilar Lorenzana-Campo, Policy Director, SV@Home

Cc:

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