



24-4302

DATE: February 6, 2024 (Item No. 64)
TO: Board of Supervisors
FROM: Consuelo Hernandez, Director, Office of Supportive Housing
SUBJECT: Delegation of Authority for 10333 N. Wolfe Road

RECOMMENDED ACTION

Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate agreements, such as exclusive negotiating agreements or development agreements with Eden Housing, or their affiliate(s), in connection with the planning of a potential affordable housing development of approximately 5 acres of property located at 10333 N. Wolfe Road, Cupertino, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on December 31, 2026.

FISCAL IMPLICATIONS

There is no impact to the General Fund as a result of the recommended action.

REASONS FOR RECOMMENDATION AND BACKGROUND

The recommended action advances the County goal of creating and expanding affordable and supportive housing opportunities throughout Santa Clara County. If approved, the recommended action would authorize the Administration to enter into pre-development agreements with Eden Housing to plan for the potential development of 10333 N. Wolfe Road, Cupertino (the Property) as affordable housing.

Developer Selection

On December 15, 2023, the Office of Supportive Housing (OSH) issued a Request for Offers (RFO) to the established Tier 1 and Tier 2 Developer Qualified Pool to select a development partner that can deliver an entitled site for a mixed income community that includes educator workforce housing by December 2024 through a robust community engagement strategy. Proposals were due on January 17, 2024, and seven respondents submitted proposals.

A four-person Evaluation Committee convened to evaluate proposals on January 25, 2024, including three voting members, and one consulting expert. The interviews were conducted with all respondents on January 23, 2024. All responses were evaluated based on the following four criteria:

1. Respondent Capacity: The respondent's demonstrated organizational and staff capacity to secure entitlements by December 2024.
2. Development Strategy: The respondent's demonstrated organizational and staff capacity to develop and finance a project.
3. Community Engagement: The suitability of the respondent's community outreach plan, including the level of detail contained within.
4. Responsiveness: The overall responsiveness of the respondent's proposal.

The top score was given to Eden Housing. The selected development team provided the best proposal that balances the criteria noted above. Specifically, the team's development proposal takes into consideration the staff capacity to secure entitlements by December 2024, a detailed community engagement strategy and plan, and strong responsiveness to the needs of the project.

Reasons for Delegation of Authority

Although delegations of authority are discouraged except under certain circumstances, this delegation of authority is necessary to allow the Administration to swiftly commence planning and community engagement for the project and execute an exclusive negotiating agreement and/or other predevelopment agreements with Eden Housing. Administration would come back to the Board for approval of a more definitive project, and associated funding, if and when the project is ready to move forward.

Property Background

The Property is comprised of approximately 5.13 acres located at 10333 N. Wolfe Road bounded by N. Wolfe Road, and Perimeter Road in Cupertino (APN: 316-20-088). As part of its agenda on March 14, 2023 (Item No. 78), the Board approved a delegation of authority for administration to enter into a Property Exchange Agreement with Wolfe Properties, LLC, to potentially exchange County-owned real property located at 10591 N. De Anza Boulevard, Cupertino for real property located at 10333 N. Wolfe Road, Cupertino.

Closing on the exchange transaction remains subject to due diligence investigations by Administration and approval by the Board. If the exchange occurs, land use entitlements are estimated to be completed by December 2024.

Developer Qualified Pool Background

On September 4, 2019, OSH issued a Request for Qualifications (RFQ) in search of qualified housing developers interested in developing permanent affordable and supportive housing on County-owned, County-controlled, or County-affiliated properties (e.g., properties owned by other public agencies and co-developed by the County). The goal of the RFQ is to maximize the supportive and extremely low-income units on subject sites. However, the County solicited developers with the capacity to develop projects of various types (i.e., varying income levels, unit types, rental and for-sale, and mix of uses) because not all properties may be optimal for supportive housing. Proposals were due on October 22, 2019, and a five-person Evaluation Committee convened to evaluate proposals on February 26, 2020.

Responses were evaluated based on development experience, mission alignment with the County, developer qualifying project count, developer capacity, and local preference. A total of 18 proposals were submitted. Twelve developers have been placed in the Developer QP and four others may be invited to participate in an RFO depending on the number and quality of proposals submitted by the other 12 developers.

CHILD IMPACT

The recommended action would have a positive impact on children. Selecting a developer to explore housing opportunities on the Property allows the County an opportunity to explore future uses that could benefit children in the community.

SENIOR IMPACT

The recommended action may have a positive impact on seniors. Selecting a developer to explore housing opportunities on the Property allows the County an opportunity to explore future uses that could benefit seniors in the community.

SUSTAINABILITY IMPLICATIONS

The recommended action balances public policy and program interests and enhances the Board's sustainability goal of social equity by improving access to permanent affordable housing.

CONSEQUENCES OF NEGATIVE ACTION

If the recommended action is not approved, the County would not move forward with development planning with Eden Housing at this time.

STEPS FOLLOWING APPROVAL

Upon Approval, the Clerk of the Board is asked to notify Consuelo Hernandez, Natalie Monk, and Colleen Tsuchimoto with the Office of Supportive Housing.