

CC 12-02-2025

#12

Study Session on the
Mary Avenue
Project

Staff Presentation

Mary Avenue Project

City Council Study Session



**CITY OF
CUPERTINO**

Michelle Hernandez
Deputy City Attorney
Gian Martire
Senior Planner



Purpose of Study Session

Review History, Status, Legal Framework, and Next Steps

Recommended Actions

- Provide direction on next steps
- Appoint negotiator(s) to negotiate either:
1) a Disposition and Development Agreement with repurchase option or 2) a long-term Ground Lease
- Direct staff to perfect:
Surplus Land Act exemption
Right-of-way vacation, and
Prepare Entitlements for future Council action
- Maintain timeline to support 2026 9% Tax Credit Application

Executive Summary

- 5-year effort to develop ELI/IDD housing on Mary Avenue
- Sole RFP respondent: Rotary Housing, HousingChoices, and Charities Housing
- \$4M+ City financial support; Article 34 allocation received July 2025
- Next approvals: DDA or Ground Lease, SLA exemption, right-of-way vacation, entitlements



Project History: 2021–2022

- 2021: Surplus Land Act legal review
- 2021–22: PLHA agreements executed
- March 2022: Council directed RFP; parcel map introduced
- August 2022: RFP circulated;
- October 2022: Site listed in Housing Element



Project History: 2023–2025

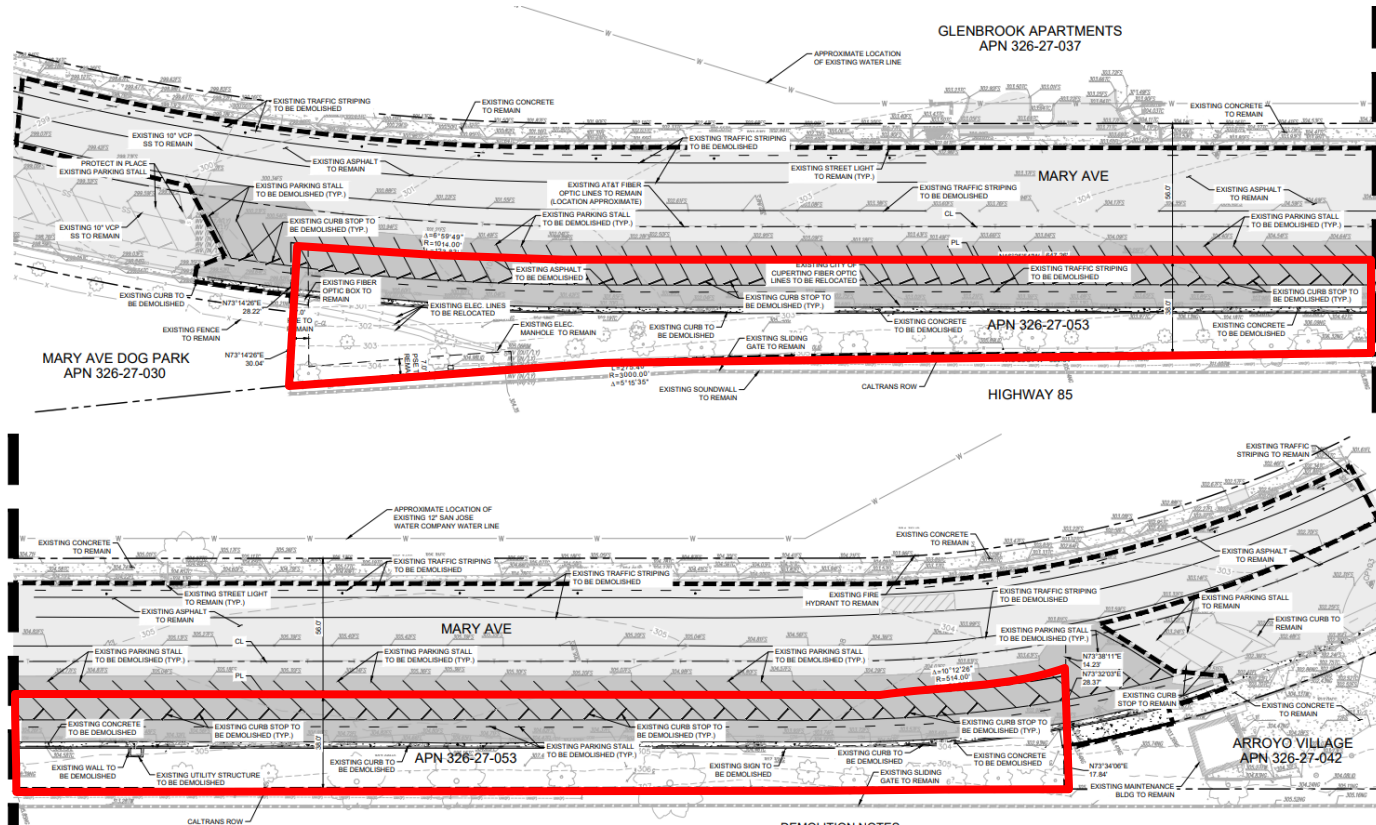
- May 2023: Parcel map recorded
- Feb–Apr 2024: ENA approved and executed
- May 2024: Housing Element adopted; R4 zoning established
- 2024–25: Funding approvals, ASA application, Article 34 allocation



Project Description

- 40-unit 100% affordable special needs housing project
- At least 45% of units for Intellectually Developmentally Disabled population
- Affordability: 30–60% AMI
- Two, two-story buildings with a 22-parking stalls onsite.
- Net lot area - .76 acres

SEE ABOVE FOR CONTINUATION



Project Description

- Right-of-way modifications necessary with net loss of 89 parking spaces.
 - Parking on westside of Mary Ave. parallel.
 - Parking on eastside of Mary Ave. removed.
- Vehicle travel lanes 11-feet in width.
- Maintaining bicycle lanes in both direction, and adding a sidewalk on westside of Mary Ave.

38.0' PROJECT PARCEL

56.0' MARY AVE RIGHT-OF-WAY

21.0' CL 35.0'

25' 2 STORY BLDG

W VARIES
MAX ELEV 318.87

LANDSCAPE BUFFER

7.1' PATHWAY

2.5' SIDEWALK

4.0'

RETAINING WALL
HEIGHT VARIES,
1.0' TO 2.0'

3 307.0±

BLDG 1
FF 306.0

4' LANDSCAPE BUFFER

4.5' SIDEWALK

5' BIKE LANE

BIKE BUFFER

8' PARKING LANE

2.5'

11' MARY AVE.

11' MARY AVE.

2.0' BIKE BUFFER

5' BIKE LANE

5' SIDEWALK

7.0'

1'

TC 305.43
FL 304.93

RELOCATED STREET LIGHTING CONDUIT

RELOCATED CITY OF CUPERTINO FIBER OPTIC

EXISTING AT&T FIBER OPTIC

11/11/2011

Financial Status

Independent pro forma review validated assumptions

- City commitments:
 - \$1 land conveyance
 - \$3M BMR loan at 3% interest
 - \$908K PLHA funds
 - \$174K CDBG funds
 - \$2.16M Park Fee Waiver
- Total City Allocation: \$4,083,250



Recent Community Outreach

Listening Session #1

July 23, 2024

Listening Session #2

January 28, 2025

Community Open House

September 11, 2025

Current Status

- Architectural Site Approval - objective standard review underway
- Applicant to submit plans in time to secure 2025 building code requirements
- 9% Tax Credit application deadlines: April 2026
- City actions ideally completed by late Feb/early March 2026

Legal: Right-of-Way Vacation Process

- Non-summary vacation of right-of-way required
- Planning Commission reviews conformity (within 40 days of submission)
- Council hearing after 15-day notice period
- If Council adopts the resolution, it will be recorded with the County Recorder to complete the vacation

Legal: Surplus Land Act Compliance

- Property must be declared "surplus" or "exempt surplus"
- Project has been structured to meet the exemption criteria under Government Code §54220(f)(1)(A) or (F)
- Notice to HCD required 30+ days before disposition

DDA vs. Development Agreement

Disposition and Development Agreement may be approved by Council resolution

- Development Agreement:
statutory, vests rights, approved by ordinance
- Disposition and Development Agreement:
contractual, governs property transfer and obligations



Future Required Actions

- Negotiate and Approve either a DDA or long-term Ground Lease
- Declare exempt surplus land and file notice with HCD
- Approve right-of-way vacation
- Approve project entitlements



Rationale for Recommended Action

- Housing Element identifies site as Priority Housing Site
- Housing Element has Policies & Strategies that encourage housing for low income and special needs communities:
 - HE-2.3 - Development of Affordable Housing and Housing for Persons with Special Needs.
 - HE-2.3.1 - Support Affordable Housing Development
 - HE-2.3.10 - Extremely Low-income Housing
 - HE-2.3.11 - Assistance For Persons with Developmental Disabilities

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Questions



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