



COMMUNITY DEVELOPMENT DEPARTMENT

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CITY COUNCIL STAFF REPORT

Meeting: March 15, 2022

Subject

Progress on FY 2021-2022 Council Work Program item to develop ELI and BMR housing units for Developmentally Disabled individuals on City-owned property along Mary Avenue.

Recommended Action

Provide direction to staff on next steps related to potential future development options.

Discussion

Background

Starting with the Fiscal Year (FY) 2019-20 City Council Work Program, the City has included a project item to engage with philanthropic organizations to find a way to facilitate the construction of Extremely Low Income (ELI) housing units for the Developmentally Disabled populations within the City. Specifically, the objective had been to explore the possibility of building 6-8 affordable ownership townhomes for this population. During, the FY 2021-2022 City Work Program update, the project objective evolved to analyze the feasibility of developing housing for this target population on City owned property within the public right-of-way along Mary Avenue.

Analysis

Current Setting

The property being considered is along the westerly edge of the Mary Avenue right-of-way. Highway 85 is to the west, the Mary Avenue Dog Park to the north, Glen Brook Apartments to the east, and the future Westport Development (former Oaks Shopping Center) to the south. The width of an existing landscape buffer, between the soundwall

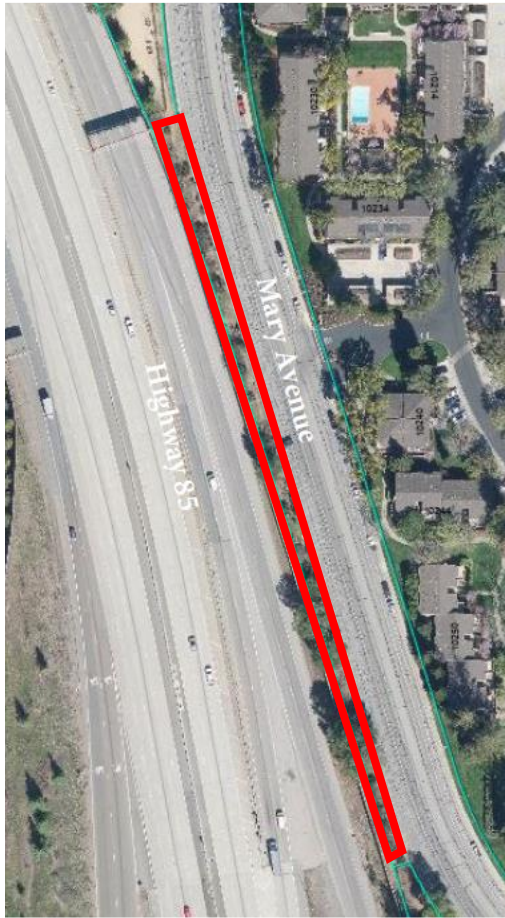


Figure 1 Satellite image of the proposed parcel area.

along Highway 85 and the Mary Avenue pavement is approximately 15 feet, with 93 perpendicular parking spaces along westerly edge of Mary Avenue.

As the property is within the Mary Avenue right-of-way, the General Plan Land Use and Zoning designation is 'Transportation'. Please refer to Figure 1 for a site setting, as well as Attachment B for the Topographic Survey which has mapped out the existing conditions.

Proposed Parcel

Public Works staff had commissioned and completed a Draft Parcel Map (Attachment C). The new parcel, which is identified as 'Parcel 1' on the Draft Parcel Map, has prepared parcel dimensions for use in the housing project while also ensuring adequate right of way to provide multi-modal travel and parking along one side of Mary Avenue. The resulting parcel area and approximate dimensions as indicated in Table 1 below.

Table 1 Proposed Parcel

Approximate Length	860 feet
Approximate Width¹	38 feet
Square Feet/Acreage	34,468 square feet/0.79 acres

The Mary Avenue right-of-way would have a resulting width of 56 feet with one-lane vehicle lanes and bicycle lanes in each direction, sidewalks on both sides of the street as well as parallel parking on the west side of the roadway. Parking would be eliminated

¹ The distance between the Highway 85 sound wall and the western property line is 6.5 feet. This 6.5 feet is part of the Highway 85 right of way.

along the eastern edge of the road. Figure 2 below shows the parcel and right of way dimensions.

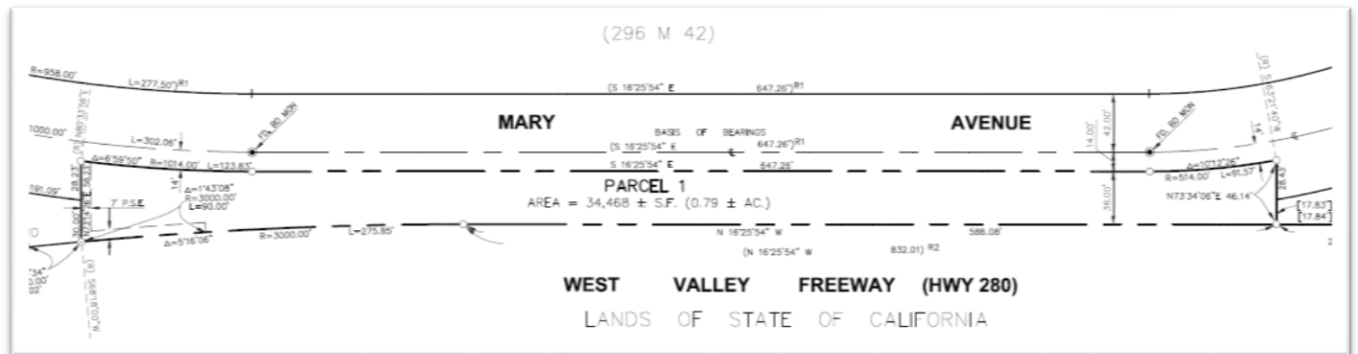


Figure 2 Proposed Parcel (Draft Parcel Map)

Process for Disposition and Development of Surplus Land and Other Options

The State of California defines “surplus land” as “land owned in fee simple by any local agency for which the local agency’s governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency’s use.” (Gov. Code, § 54221(b)(1).) The Surplus Land Act imposes procedural requirements of the disposition of surplus land by local agencies. However, property may be declared “exempt surplus land” and disposed of through a competitive bidding process, without complying with other requirements of the Surplus Land Act if the land will be used for certain affordable housing purposes. Eligible affordable housing uses include “[a] housing development . . . that restricts 100 percent of the residential units to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households . . . for a minimum of 55 years for rental housing.” (Gov. Code, § 54221(f)(1)(F)(i).) The local agency must invite any local public entity within whose jurisdiction the surplus land is located and housing sponsors that have notified the State Department of Housing and Community Development of their interest in the surplus land to participate in the bidding process. (*Ibid.*)

As the project is envisioned by City Council to be 100 percent affordable to very low-income households, would include a rental-rate restricted for at least 55 years, and the project developer would be selected through an RFQ/RFP process, the disposition of the property would meet the criteria for “exempt surplus land” if the notice requirements of the Surplus Land Act are followed. If Council wishes to move forward with the

disposition of the property for the proposed ELI housing use, staff recommends that the City take the following steps:

- Circulate an RFQ/RFP for qualified housing developers in accordance with the State's Surplus Land Act.
- Following the selection of a qualified housing developer, initiate concurrently the following processes:
 - Parcel map for the division of the Mary Avenue right-of-way.
 - General Plan and Zoning Map amendments.
 - Any necessary CEQA evaluation.
 - Associated Planning entitlements that may include a Development Permit, Use Permit, and/or Architectural Site Approval.
 - A City Council declaration that the site is exempt surplus land.

City Council will also need to provide direction as to the whether the city will dispose of the parcel through a sale to a qualified developer or enter into a lease agreement.

Sustainability Impact

No sustainability impacts.

Fiscal Impact

The Mary Ave. parcel for ELI/Developmental Disability Housing Council work program item was originally adopted in Fiscal Year 2019-20 (FY20) at \$150,000 (page 360 of FY20 Final Budget) in the Housing Services, BMR Affordable Housing budget as a special project (265-72-711 750-052). Those funds remained unspent and unencumbered for FY20 and FY21 and were carried over in both years. As part of the FY22 Final adopted budget (page 429) an additional \$100,000 was allocated bringing total funding to date to \$250,000. To date a total of \$12,540 has been spent or encumbered.

Next Steps

Upon direction from City Council, an RFP/RFQ process would be initiated for qualified affordable housing developers.

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Attachments:

A – FY 2021-2022 City Work Program

B - Topographic Survey – Existing Conditions

C – Draft Parcel Map