

SANTA CLARA COUNTY PLANNING DEVELOPMENT APPLICATION

PROPERTY OWNER'S NAME	Phone	Email	Prefer correspondence: Email <input checked="" type="checkbox"/>
Catherine Palter for Stanford University	(650) 723-0199	cpalter@stanford.edu	Mail <input type="checkbox"/>
Mailing Address	City	Zip	
3160 Porter Dr Suite 200	Palo Alto	94304	
APPLICANT OR APPELLANT NAME	Phone	Email	Prefer correspondence: Email <input type="checkbox"/>
same as above			Mail <input type="checkbox"/>
Mailing Address	City	Zip	
ADDRESS OF SUBJECT PROPERTY: <u>Stanford University</u>		APN: <u>Various, see Attachment 3</u>	
EXISTING USE OF PROPERTY: <u>Various, Academic Campus</u>		ACCESS RESTRICTIONS (gate, dog, etc.): <u>N/A</u>	
The ACKNOWLEDGEMENTS AND AGREEMENTS FORM on the reverse side of this application must be completed and signed by the property owner(s).			

FOR DEPARTMENT USE ONLY

FILE NUMBER: _____ - _____

PROJECT DESCRIPTION: Development Agreement Application for 2018 General Use Permit.

Please see Attachments 1 (Basic Terms) and 2 (Affordable Housing Proposal).

APPLICATION TYPES	FEE(S)	COMMENTS / SUBMITTAL MATERIALS
Architecture and Site Approval / ASX		
Building Site Approval / BA (Urban / Rural)		
Certificate of Compliance		
Design Review / DRX		
CEQA (EA / Cat Ex / Prior CEQA / EIR)		
Compatible Use Determination (WA / OSE)		
Geologic Report / Letter		
Grading Approval / Abatement		
Lot Line Adjustment / Lot Merger		
Pre-Screening		
Special Permit		
Subdivision		
Use Permit		
Variance		
<input checked="" type="checkbox"/> Other: Development Agreement Application	TBD	Stanford is prepared to wire transfer the funds after notification of the amount.
TOTAL FEES		

Application fees are not refundable.

Submittal reviewed
and received by: _____
Date: _____

Coordinates: X _____ Y _____
Zoning: _____
General Plan: _____
Parcel Size: _____

USA / SOI _____
WA / OSE / HCP _____
Early Outreach: L1 / L2 _____
Previous Files: _____

ACKNOWLEDGEMENTS AND AGREEMENTS

FILE NUMBER: _____

I. INDEMNITY

Applies to all Planning applications.

As it relates to the above referenced application, pursuant to County of Santa Clara Ordinance Code Section A33-6, except where otherwise expressly prohibited by state or federal law, I hereby agree to defend, indemnify and hold harmless the County and its officers, agents, employees, boards and commissions from any claim, action or proceeding brought by any person or entity other than the applicant ("third party") against the County or its officers, agents, employees, boards and commissions that arises from or is in any way related to the approval of this application, including but not limited to claims, actions or proceedings to attack, set aside, void or annul the approval. If a third party claim, action or proceeding is filed, the County will promptly notify the applicant of the claim, action or proceeding and will cooperate fully in the defense. Notwithstanding the above, the County has the right to participate in the defense of any claim, action or proceeding provided the County bears its own costs and attorney fees directly associated with such participation and defend the action in good faith. The applicant will not be required to pay or perform any settlement unless the applicant agrees to the settlement.

II. FEES

Applies to hourly billable application types. Refer to Department of Planning and Development fee schedule.

- a. I/We the Owner(s) of the subject property, understand that my/our application requires payment of a minimum non-refundable fee, plus additional funds when staff hours devoted to the application exhaust the initial payment. Staff hours are billed at the hourly rate in effect at the time the staff hours are accrued.
- b. Typical tasks charged to an application include, but are not limited to, the following: intake and distribution of application, staff review of plans and other relevant materials; correspondence; discussions/ meetings with owner, applicant and/or other interested parties; visits to the project site by authorized agency staff; file maintenance; environmental assessment; staff report preparation; agenda and meeting preparation; meeting attendance; presentations to boards, commissions, and community groups; contract administration.
- c. The minimum nonrefundable fees for development applications are based on staff billing rates and staff hours needed to process a typical application. Staff hours may exceed a base application fee (requiring additional billing) due to project complexity and public interest on a project. This could include the need to review technical reports, conduct several meetings with the owner / applicant, and respond to public inquiries.
- d. Invoiced fees are due within 30 days of the date on the billing letter. **Fees not paid within 30 days are considered late and are subject to collection at the expense of the Owner.** While such fees are outstanding, the Planning Office reserves the right to cease all work on a project until said fees are paid in full.
- e. Any fees not paid within 45 days of invoicing shall be subject to interest charged at a rate equal to that earned by the County Treasury investment pool for that period.
- f. The owner and applicant are encouraged to periodically check on the status of their projects and fees. Questions regarding the status of hours charged to an application may be addressed to the planner assigned to the project.
- g. For more information on Planning Office application fees and how they are calculated, visit the County Planning Office web site at www.sccplanning.org.

III. APPLICATION AUTHORIZATION AND AGREEMENT TO PAY

I (We), the Owner(s) of the subject property, hereby authorize(s) the filing of this application and on-site visit by authorized staff. In addition I (We) acknowledge and understand the information above related to fees and agree to pay all application fees. I (We) certify and accept the terms and conditions as described above.

OWNER'S NAME(S) (Please Print)

Catherine Palter for Stanford University

OWNER'S SIGNATURE(S)



DATE

7/27/18



Stanford University

Application for Development Agreement for the 2018 General Use Permit

Attachment 1 – Proposed Basic Terms of Development Agreement

Stanford University proposes to enter into a Development Agreement to provide reasonable assurance that the university will be able to proceed with development under its proposed 2018 General Use Permit in accordance with existing Santa Clara County policies, rules and regulations. By letter dated July 27, 2018, Stanford has proposed substantial community benefits in the form of provision of affordable housing in exchange for execution of a Development Agreement.

The proposed Development Agreement would apply to all land owned in fee by Stanford University that is located within the boundaries of the Stanford University Community Plan (“the Property”). Assessor parcel numbers are attached as **Attachment 2**. Stanford will provide a legal description and map depicting the Property under separate cover at a later date.

Stanford’s proposed 2018 General Use Permit (“the Project”) is described at Tab 3 of Stanford’s application for general plan amendments, zoning amendments and modification to its existing use permit. Consistent with the Stanford University Community Plan, Stanford desires to develop and use the Property, by continuing all existing uses and implementing the Project.

The Project is the subject of the Draft Environmental Impact Report (“EIR”) circulated for public review by Santa Clara County, commencing on October 6, 2017, pursuant to the California Environmental Quality Act (“CEQA”). The Final EIR for the Project would serve as the CEQA document for the County’s consideration of the Development Agreement. As such, a Development Agreement would be added to the list of project approvals in the Final EIR’s project description. No further revisions to the Final EIR are anticipated to be required.

If the terms of a Development Agreement are mutually agreed upon, the Board of Supervisors would approve the Development Agreement concurrently with certification of the Final EIR for the Project and issuance of the “Project Approvals” (amendment to the Stanford University Community Plan, zoning amendments, and modification of the use permit). This application for a Development Agreement is not intended to delay the County’s schedule for considering the Project Approvals.

Continued use and development of the Property will provide substantial employment, economic and public benefits to Santa Clara County. In addition, by letter dated July 27, 2018, Stanford has offered community benefits in the form of affordable housing assurances that could not be achieved through traditional legislative and quasi-adjudicative land use approvals.

Stanford proposes the following basic terms:

Effective Date: The effective date would be the later of (i) the date that is 30 days after the date the ordinance approving the Development Agreement is adopted; or (ii) the date the Development Agreement is fully executed by the parties.

Term: The Development Agreement would remain in place until the earlier of (i) completion of the full amount of net new academic and academic support space and housing units authorized by the Project; or (ii) 30 years.

Vested Right: For the duration of the term of the Development Agreement, Stanford would have the vested right to develop, construct and use on the Property the improvements authorized by the Project Approvals and the Development Agreement.

Development Standards: The permitted uses of the Property and the intensity and intensity of use of the Property would be as set forth in the County's existing regulations, the Project Approvals, and any mutually agreed upon amendments thereto.

Subsequent Site-Specific Approvals: The process for the County's consideration of site-specific architectural and site assessment, grading, building, tree removal and other approvals ("Subsequent Project Approvals") would be as set forth in the County's existing regulations, the Project Approvals, and any mutually agreed upon amendments thereto. The County would process applications for Subsequent Project Approvals promptly and diligently. The County would not impose requirements or conditions on Subsequent Project Approvals that are inconsistent with the Project Approvals and Development Agreement, and the County would not exercise discretion in determining whether or how to grant Subsequent Project Approvals in a manner that would prevent development of the Project for the uses and to the maximum intensity of development set forth in the Project Approvals.

Processing Fees: The County would be able to charge reasonable fees for processing development project applications and monitoring compliance with the Project Approvals, including reasonable costs of outside consultants.

Timing of Development: Stanford would have no obligation to construct the Project or any component of the Project, except that Stanford would be required to comply with the linkage ratio set forth in its Project application to ensure that housing is constructed on pace with academic facilities. As long as it complies with the linkage ratio, Stanford would be able to construct the Project in such order and at such rate and at such times as Stanford deems appropriate in its sole discretion.

Conflicting Enactments: The County would not impose on the Project any new law that is in conflict with the Development Agreement or Project Approvals.

Other: Terms pertaining to indemnity, annual review, default, assignments, and other matters would be subject to negotiation.

Conditions to Stanford's July 27, 2018 Community Benefits Proposal:

All components of Stanford's July 27, 2018 proposal and this Development Agreement application depend on reaching final mutually acceptable agreement on (1) all terms of the Development Agreement; (2) all terms and conditions of the Project Approvals for the proposed 2018 General Use Permit; and (3) the amount of the affordable housing contribution that Stanford is required to pay under its current, 2000 General Use Permit. Because Stanford has proposed a Development Agreement as an alternative to traditional legislative approaches, Stanford's July 27, 2018 proposal automatically is

rescinded if the County adopts an affordable housing fee ordinance or inclusionary housing ordinance that applies to Stanford's lands.

Stanford has reviewed the mitigation measures in the Draft Environmental Impact Report, and agrees to them. Any substantive modifications to those measures or new requirements that diminish the value of the 2018 General Use Permit to Stanford or increase costs to Stanford would reduce Stanford's ability and willingness to provide the affordable housing benefits that the university has offered, and would affect the terms of Stanford's housing proposal. The quantity of affordable housing that Stanford has proposed to provide on its land and the amount of money that Stanford has proposed to pay for housing in the community is based upon Stanford's assumption that (1) Stanford's application will be approved in full; (2) the final permit and approvals will not be substantially different from the 2018 General Use Permit project description and the July 27 proposal; (3) the Draft EIR's mitigation measures for the proposed Project will not be substantially modified; and (4) the July 27 proposal is documented in the form of a Development Agreement that extends for the life of the 2018 General Use Permit.

Stanford's July 27, 2018 proposal is also based on the assumption that no additional requirements pertaining to Moderate Income housing or other inclusionary requirements beyond the 200 affordable housing units Stanford proposes to provide on its land would be imposed by the County for the life of the 2018 General Use Permit for the following reasons:

- Stanford's housing stock meets County standards for affordability, which obviates the need for such requirements. The County Housing Element recognizes that Stanford's graduate student apartments meet state law requirements for affordable housing.
- In addition to building approximately 450 more of these affordable units, Stanford proposes to construct up to 550 high density rental units for faculty and staff as part of the 2018 General Use Permit. Stanford is doing its fair share to meet demand for housing affordable at Moderate Income levels.
- On top of that, within two years of issuance of the 2018 General Use Permit, Stanford will be adding another 1,300 graduate student apartments for which the County may take credit toward its Regional Housing Needs Allocation.



Stanford University

July 27, 2018

Supervisor S. Joseph Simitian, President
Supervisor Cindy Chavez
Supervisor Dave Cortese
Supervisor Mike Wasserman
Supervisor Ken Yeager

70 West Hedding Street, East Wing, 11th Floor
San Jose, CA 95110

Re: Stanford's Proposal to Deliver Affordable Housing Units

Dear President Simitian and Members of the Board of Supervisors:

Stanford University shares the Santa Clara County Board of Supervisors' view that the region is experiencing a housing crisis that is severe and urgent. It requires innovative solutions that have the potential to be more impactful than traditional means.

Stanford has spent considerable time over the past several months thinking creatively about new ways to approach not only addressing its own affordable housing demand resulting from the proposed 2018 General Use Permit application, but also to find ways to accelerate the provision of that housing in the near term. Our framework in developing this proposal has been founded on our desire to develop solutions that provide expedient, cost effective, and nimble resources to meet the challenges of this regional housing market.

To begin, we reiterate what we have heard clearly expressed by the Board of Supervisors:

- Stanford should fully address its affordable housing demand for units at 80% of Area Median Income (AMI) and below.
- The Board prefers units over money and, therefore, would like to incentivize provision of units over paying a fee.
- The Board is interested in solutions, and is not wedded to a particular mechanism.

We believe our proposal fully achieves our collective objectives through three important means:

- Stanford committing to provide affordable housing units on its land well before occupying new academic square footage under the 2018 General Use Permit;

- Stanford committing to immediately provide funds to the County for affordable housing in the community;
- Stanford committing to immediately establish and capitalize an innovative evergreen fund to provide affordable housing in the community now and continually add to that inventory in the future, with the potential to garner additional investment by other institutions.

In summary, Stanford is committed to fully address the 2018 General Use Permit’s demand for affordable housing at 80% of AMI and below – defined by the County nexus study as 575 Extremely Low, Very Low, and Low Income housing units.¹ And we propose to do so in a manner that exceeds the benefits of paying an impact fee while enabling affordable housing to be provided far faster than otherwise could be achieved. The terms of this offer would be documented in a mutually acceptable Development Agreement.

The following is a more detailed description of Stanford’s proposal:

1. Provide 200 affordable housing units on land owned or controlled by Stanford before Stanford occupies its associated academic square footage under the 2018 General Use Permit:

- Stanford commits to provide 200 affordable housing units for Very Low and Low Income university staff and postdoctoral students on land owned or controlled by Stanford, as follows:
 - 100 of these affordable housing units would be for our staff.
 - Stanford is prepared to begin construction of or otherwise provide the 100 staff units *prior to* occupying any new academic and academic support facilities authorized by the 2018 General Use Permit (beyond the square footage remaining under Stanford’s current 2000 General Use Permit); and to begin construction of or otherwise provide the second 100 units prior to occupying more than 1,000,000 net new square feet of academic and academic support facilities authorized by the 2018 General Use Permit.
 - All 200 of these affordable housing units would be located on land currently owned by Stanford (whether within or outside of unincorporated Santa Clara County lands) or on other land that Stanford purchases or develops along a transit corridor. To enable Stanford to deliver affordable housing quickly, Stanford could provide these units at an existing or permitted project, above any Below Market Rate units that may be otherwise required by that existing or permitted project. (Examples of existing and permitted projects include Stanford West and

¹ On top of that, within two years of issuance of the 2018 General Use Permit, Stanford will be adding another 1,300 graduate student apartments for which the County may take credit toward its Regional Housing Needs Allocation.

Middle Plaza, where market-rate units could be converted to below market income and rent-restricted units.)

- Rents at 40 of these 200 affordable housing units would be restricted such that the units are affordable to Very Low Income households; rents at 160 of these 200 affordable housing units would be restricted such that the units are affordable to Low Income households.
 - Stanford, County staff, and the Board of Supervisors are in alignment that providing units on Stanford's land is more valuable than paying a fee, and Stanford should be incentivized to provide housing over paying a fee. An incentive is necessary because Stanford cannot avail itself of tax credits that typically comprise 30% to 50% of the sources of capital to support affordable housing construction. As such, we propose that Stanford be credited for meeting its 2018 General Use Permit housing demand at a ratio of 1.6 to 1 for the units it provides. This multiplier incentive recognizes a) the additional cost to Stanford to provide units given the lack of tax credit equity and b) the value of providing the units well in advance of when the demand for them is created.
 - Any income and rent restrictions placed on existing or future housing units would be relocatable, such that the restriction could be moved from one housing project to another as long as the new site meets criteria established through the negotiations.
- 2. Provide to the County immediately upon 2018 General Use Permit approval, the amount of \$14,300,000², representing the full amount of the subsidy to meet Stanford's demand for Extremely Low Income units:**
- The County will ensure that these funds are used to support the development or provision of 38 Extremely Low Income units or other high priority affordable housing projects.
 - The County will agree to have a goal to commit these funds to housing projects within five years of the 2018 General Use Permit approval.
 - By providing funding for this category, Stanford believes many more units could be provided for the same cost than if Stanford were to provide these units. The Extremely Low Income category has significantly more public subsidies available to it than the traditional tax credit bond funds that are available for Low and Very Low Income units.
- 3. Fully capitalize immediately upon 2018 General Use Permit approval, an independent evergreen housing fund in the amount of \$21.7 million to accelerate the provision of affordable housing in the community:**

A detailed outline of the evergreen fund is attached to this letter (Attachment A). We have consulted with affordable housing developers, investors, and lenders, and have received

² The \$14,300,000 fund represents the full amount of subsidy calculated by the County's consultant, Keyser Marsten Associates (KMA), for each Extremely Low Income unit multiplied by 38 units, i.e. \$376,500/unit x 38 units.

enthusiastic feedback for this concept. The highlights of the fund that these affordable housing stakeholders are most excited about include:

- The *flexibility* for the fund to provide the “missing slice” of financing that prevents many not-for-profit developers from accelerating the delivery of much needed affordable units today;
 - The ability for the capital to be deployed *nimbly and quickly* (30-90 days) with few strings attached;
 - The *low-cost of capital* the fund can provide because Stanford is not stipulating a rate of return on the evergreen fund capital;
 - The broad parameters of the fund that will allow for *creativity* in meeting the unique needs of affordable housing projects, i.e. to provide capital to affordable housing developers when and in the manner most needed;
 - The ability for project financing capital from the fund to be *long term, subordinate and equity-like*; and
 - The fact that moneys returned from each project to the fund will be *recycled* to produce additional affordable housing in the future, and not returned to Stanford.
- Stanford is prepared to guarantee through monitoring reports that, at a minimum, the capital fund has enabled provision of all of Stanford’s remaining affordable housing demand after accounting for the 200 units Stanford provides on its land, the multiplier incentive described above, and the payment of \$14.3M to the County for the 38 Extremely Low Income units.
 - More specifically, Stanford is prepared to guarantee that the fund has enabled provision of a minimum of 217 affordable housing units, which is the entirety of the remaining affordable housing demand created by Stanford’s proposed academic growth ($575-200-120-38 = 217$ units).
 - The fund would enable provision of at least:
 - 44 units at Very Low Income affordability levels, and
 - 173 units at Low Income affordability levels.
- Stanford expects that the fund will enable provision of substantially more units than these minimums. In addition to the 217 units described above, Stanford anticipates that the fund could enable double this amount, or an additional 217 units, with the initial capital funding, and still more affordable units over time as trust loans or equity are repaid and reissued.
- The evergreen fund amount of \$21.7M reflects the following components:

- The permanent subsidy expected to produce the 217 guaranteed units based upon accurate and supportable data and industry-standard financing practices related to affordable housing development.
 - The monetary value of the incentive multiplier that the university would have received for providing affordable units on its campus (i.e. the permanent subsidy to provide 120 “incentive” units (200 Stanford units x 1.6 incentive ratio less 200 Stanford units = the increment or “incentive” units).
 - An additional sum that, when added to the incentive multiplier value, would create the potential to double the guaranteed number of units.
- A distinguishing and beneficial element of this permanent evergreen fund is that all capital returned to the fund from an individual project, through a tax credit re-syndication, residual cash flow, sale of the property, etc. will stay with the evergreen fund to be redeployed to create more units. If monitoring demonstrates, as Stanford expects it will, that Stanford’s contribution to the evergreen fund produces more units than the minimum number that Stanford guarantees, Stanford would expect to be credited toward any future County-imposed affordable housing requirements beyond the life of the 2018 General Use Permit.
 - The evergreen fund would have a high likelihood of attracting investments from other institutions or non-profit foundations, further expanding upon its benefits.

All components of this proposal depend on reaching a final mutually acceptable agreement of all terms and a set of approvals for the proposed 2018 General Use Permit that would be vested through the Development Agreement’s term. This proposal also depends on reaching a mutually acceptable agreement as to the amount of the affordable housing contribution that Stanford pays under its current, 2000 General Use Permit. Because this proposal is intended to obviate the need for traditional legislative mechanisms, this proposal automatically is rescinded if the County adopts an affordable housing fee ordinance or inclusionary housing ordinance that applies to Stanford’s lands.

Stanford has reviewed the mitigation measures in the Draft Environmental Impact Report and agrees to them. Any substantive modifications to those measures or new requirements that diminish the value of the 2018 General Use Permit approvals to Stanford or increase costs to Stanford would reduce Stanford’s ability and willingness to provide the affordable housing benefits that the university has proposed in this letter, and would affect this proposal.

Benefits of a Development Agreement in Accelerating Affordable Housing

A Development Agreement will enable us to craft a solution that can bring affordable housing to the community sooner than would occur absent such an agreement. Under a fee ordinance, inclusionary ordinance, or condition of approval, Stanford would contribute affordable housing fees over time as academic facilities are added or housing is developed. Because we anticipate that it will take 17 years or longer to complete our academic and housing development, these

fees and units would be metered out over almost two decades. In addition, the County would need to wait until sufficient fees are collected to disperse them, resulting in additional delays.

In sum, under traditional ordinances, provision of affordable housing would be completely dependent on the pace of Stanford's academic growth. By contrast, through a Development Agreement, Stanford would commit to affordable housing benefits up front without regard to the timing of its future growth, and Stanford would commit to provide a substantial portion of these benefits on its land. Attachment B provides a summary comparison of how affordable housing could be provided by Stanford's proposal under a Development Agreement versus how it would be provided under a traditional fee ordinance.

We enter into these negotiations out of strength in our conviction that we share common goals to benefit our communities, and that, together, we can craft solutions that will provide far greater benefits than can be achieved through traditional means. We reiterate that by enabling Stanford to provide and fund affordable housing far more quickly than could be achieved under an ordinance or condition of approval, our suggested approach offers our communities substantial advantages over more conventional approaches.

This proposal does not constitute a concession that Santa Clara County can lawfully single out Stanford's property for imposition of an affordable housing impact fee or inclusionary housing requirement. Nor does this proposal concede that the fee calculated by the County's nexus study bears a reasonable relationship to the impacts of Stanford's academic facilities, much less that the proposed fee or inclusionary housing requirement is based on an essential nexus and rough proportionality to such impacts. Rather, this proposal is provided as a good faith effort to avoid such disputes, and to focus our attention on solving problems rather than engaging in conflict and debate.

We look forward to continuing our discussions, with the goal of negotiating an agreement that we can present to County decision-makers in early fall 2018. We commit to making our representatives fully available to meet with your staff throughout the summer. We appreciate your time and attention, and that of your staff.

Regards,



Robert C. Reidy
Vice President, Land, Buildings and Real Estate
Stanford University

cc:

- Heather Wilson, Policy Aide, District 1
- Scott Strickland, Chief of Staff, District 2
- Mike Donohoe, Chief of Staff, District 3
- Brian Darrow, Policy Director, District 4
- Kristina Loquist, Policy Aide, District 5

Sylvia M. Gallegos, Deputy County Executive
Elizabeth Pianca, Lead Deputy County Counsel
Kirk Girard, Director of Planning and Development

ATTACHMENT A EVERGREEN LOAN FUND OUTLINE

Evergreen Loan Fund Summary

To accelerate the provision of affordable housing in the region, Stanford is prepared to establish an evergreen loan fund *with the goal of committing all funds to new affordable housing projects within the next five years*. The fund is considered evergreen because any capital returned to the fund from a housing project will stay with the fund and be used to create additional affordable housing beyond any initial projects. The fund will also be a vehicle in which other institutions can invest to address the regional affordable housing shortage.

Fund Management

The Fund will be managed by a Community Development Financial Institution (CDFI) that has the capacity to administer and deploy the funds efficiently and expeditiously, to raise additional capital for the fund from other entities, and to provide products responsive to the unique needs of the region's affordable housing market. The CDFI shall be compensated for reasonable administrative costs to administer the fund and its investment.

Fund Objectives

The purpose of the fund is to creatively and flexibly fill the financing gaps in the affordable housing industry that create a barrier to the provision of units. Most affordable housing financing sources today are limited to acquisition and predevelopment funds that are expected to be fully repaid within 5 to 10 years. The Evergreen Loan Fund is different. It will focus on the need for flexible and longer-term equity-like financing. Capital contributed to the fund would remain in the fund indefinitely. Loan repayments from affordable housing projects would be revolved into new projects such that each dollar contributed to the fund will have the potential to turn into future dollars for future affordable housing. The Evergreen Fund will be composed of low interest deferred debt or equity with a longer repayment term to meet a project's specific and unique requirements.

Fund Priorities

In descending order, the fund will prioritize the following types of affordable housing projects:

- 1) The construction of net new affordable housing units.
- 2) The conversion of market rate housing units to affordable units.
- 3) The preservation of affordable housing units in danger of losing their affordability covenant.

Project Types

Projects can be 100% affordable or mixed-income as long as the absolute number of income-restricted units described below are achieved through placement of fund capital.

Income restrictions

The initial deployment of fund capital will support at least 44 units restricted to very low income (50% of AMI) and 173 units to low income (80% of AMI), referred to as the "Stanford Units".

These income restricted units can be located in mixed-income projects that include a moderate income (120% of AMI) component and/or market rate units.

Deed Restrictions

All affordable housing units supported by the fund will include regulatory agreements that require income-qualified residents to meet the specified affordability requirement. The regulatory agreement will have a term of at least 55 years or other term required by California's Tax Credit Allocation Committee.

Eligible Borrowers

Eligible borrowers may include nonprofit organizations, limited partnerships and single-asset entities with nonprofit sponsors, and/or mission-aligned for-profit entities.

Geography

Projects supported by the Evergreen Fund shall be located within either Santa Clara or San Mateo counties.

Per Unit Investment Amounts

Loan amounts will vary by project and will likely average \$50,000 per affordable housing unit.

Investment Terms

Terms of the debt or equity investment will vary by project, and can be up to 20 years per project.

Collateral

Project financing provided by the fund shall be collateralized by a subordinate lien against the property.

Repayment

Repayment provisions will be structured to fit the specific project, including some period of deferred payment, interest-only payments, and/or amortizing payments.

Stanford Involvement

Until the Stanford Units have been fully funded, to the extent any project funding exceeds \$100,000 per affordable housing unit, Stanford's reasonable approval will be required.

Independent Tranche of Financing

Capital deployed from the fund will not be dependent upon the use of funds from any other capital source provided by the CDFI. The loan or equity capital provided to a project from the fund will have its own set of terms, conditions, repayment obligations, and subordination agreement. The fund will not be pooled with any other fund in a way that makes the evergreen fund's capital more expensive to the housing project than would be the case if it was a stand-alone source of funds for the project.

ATTACHMENT B
Stanford's Housing Proposal Compared to
County Ordinance
(Based on Provision of Affordable Units at <80%AMI)

	Stanford's Proposal (Front-loaded)	County Ordinance (Over 17+ years)
Timing	Front-loaded through enforceable Development Agreement	Dependent on pace of academic development over 17 years
Guaranteed Very Low and Low Income Workforce Units on Stanford Land	200 units (100 staff units up front and 100 more units before more than 1 million gsf of academic facilities is occupied)	0
\$14.3M provided to County for Extremely Low Income units	38 units funded immediately	0-38 units funded over 17+ years, depending upon Stanford's future academic development
\$21.7M provided to Evergreen Fund	217 units guaranteed	N/A
Additional Units Anticipated from initial Evergreen Funding	217 units expected with initial capital funding	N/A
Ability to recycle money into future housing projects	More units as trust loans are repaid and reissued	No
Mechanism to attract other investor dollars	More units created from other investor dollars	No
Total units delivered	572 up-front 672 total within 10 years More units in future based on Evergreen Fund and other investor dollars	0 to 575 over 17+ years, depending upon Stanford's future academic development No guarantee how many units will be delivered

Attachment 3 - List of APNs in Project Area

APN	APN	APN	APN	APN	APN
14204010	14207018	14207081	14208050	14208104	14210003
14204013	14207019	14207082	14208051	14208105	14210004
14204015	14207020	14207083	14208052	14208106	14210005
14204017	14207021	14207084	14208053	14208107	14210006
14204018	14207022	14207085	14208054	14208108	14210007
14204021	14207023	14207086	14208055	14208109	14210008
14204036	14207024	14207087	14208056	14208110	14210009
14205002	14207025	14208001	14208057	14208111	14210010
14205003	14207026	14208002	14208058	14208112	14210011
14205004	14207027	14208003	14208059	14208113	14210012
14205005	14207028	14208004	14208060	14208114	14210013
14205006	14207029	14208005	14208061	14208115	14210014
14205007	14207030	14208006	14208062	14208116	14210015
14205008	14207031	14208007	14208063	14208117	14210016
14205009	14207032	14208008	14208064	14208118	14210017
14205010	14207033	14208010	14208065	14208119	14210018
14205011	14207034	14208011	14208066	14208120	14210019
14205012	14207035	14208012	14208067	14208121	14210020
14205013	14207036	14208013	14208068	14208122	14210021
14205014	14207037	14208014	14208069	14208123	14210022
14205015	14207038	14208015	14208070	14208124	14210023
14205016	14207039	14208019	14208071	14208125	14210024
14205020	14207040	14208020	14208072	14208126	14210025
14205021	14207041	14208021	14208073	14208127	14210026
14205022	14207042	14208022	14208074	14208128	14210027
14205024	14207050	14208023	14208076	14208129	14210028
14205025	14207051	14208024	14208077	14208130	14210029
14205027	14207054	14208025	14208078	14208131	14210030
14205028	14207055	14208026	14208079	14208132	14210031
14205029	14207056	14208027	14208080	14208133	14210032
14205030	14207057	14208028	14208081	14208134	14210033
14205033	14207058	14208029	14208082	14208135	14210034
14205034	14207059	14208030	14208083	14208136	14210035
14205045	14207060	14208031	14208084	14208137	14210036
14206001	14207061	14208032	14208085	14208138	14210037
14206002	14207062	14208033	14208086	14208139	14210038
14206003	14207063	14208034	14208087	14208140	14210039
14207001	14207064	14208035	14208090	14208141	14210040
14207004	14207065	14208036	14208091	14208142	14210041
14207005	14207066	14208037	14208092	14208143	14210042
14207006	14207067	14208038	14208094	14208144	14210043
14207007	14207068	14208039	14208095	14208145	14210044
14207008	14207069	14208040	14208096	14208146	14210045
14207009	14207070	14208041	14208097	14209003	14210046
14207010	14207071	14208042	14208098	14209006	14210047
14207011	14207072	14208045	14208099	14209008	14210048
14207014	14207073	14208046	14208100	14209009	14210049
14207015	14207074	14208047	14208101	14209010	14210050
14207016	14207075	14208048	14208102	14210001	14210051
14207017	14207080	14208049	14208103	14210002	14210052

List of APNs in Project Area

APN	APN	APN	APN	APN	APN
14210053	14210104	14211026	14211076	14211126	14221018
14210054	14210105	14211027	14211077	14211127	14221019
14210055	14210106	14211028	14211078	14211128	14221020
14210056	14210107	14211029	14211079	14211129	14221021
14210057	14210108	14211030	14211080	14211130	14221022
14210058	14210109	14211031	14211081	14211131	14221023
14210059	14210110	14211032	14211082	14211132	14221024
14210060	14210111	14211033	14211083	14211133	14221025
14210061	14210112	14211034	14211084	14211134	14221026
14210062	14210113	14211035	14211085	14211135	14221027
14210063	14210114	14211036	14211086	14212002	14221028
14210064	14210115	14211037	14211087	14212003	14221029
14210065	14210116	14211038	14211088	14212006	14221030
14210066	14210117	14211039	14211089	14212007	14221031
14210067	14210118	14211040	14211090	14212008	14221032
14210068	14210119	14211041	14211091	14212009	14221033
14210069	14210120	14211042	14211092	14213001	14221034
14210070	14210121	14211043	14211093	14213007	14221035
14210071	14210122	14211044	14211094	14213007	14221036
14210072	14210123	14211045	14211095	14213008	14221037
14210073	14210124	14211046	14211096	14214009	14221038
14210074	14210125	14211047	14211097	14214015	14221039
14210075	14210126	14211048	14211098	14214016	14221040
14210076	14210127	14211049	14211099	14215007	14221041
14210077	14210128	14211050	14211100	14215008	14221042
14210078	14210129	14211051	14211101	14215009	14221043
14210079	14210130	14211052	14211102	14216010	14221044
14210080	14211001	14211053	14211103	14216036	14221045
14210081	14211002	14211054	14211104	14216037	14221046
14210082	14211005	14211055	14211105	14216041	14221047
14210083	14211006	14211056	14211106	14216070	14221048
14210084	14211007	14211057	14211107	14216071	14221049
14210086	14211008	14211058	14211108	14216072	14221050
14210087	14211009	14211059	14211109	14216076	14221051
14210088	14211010	14211060	14211110	14216077	14221052
14210089	14211011	14211061	14211111	14221002	14221053
14210090	14211012	14211062	14211112	14221004	14221054
14210091	14211013	14211063	14211113	14221005	14221055
14210092	14211014	14211064	14211114	14221006	14221056
14210093	14211015	14211065	14211115	14221007	14221057
14210094	14211016	14211066	14211116	14221008	14221058
14210095	14211017	14211067	14211117	14221009	14221059
14210096	14211018	14211068	14211118	14221010	14221060
14210097	14211019	14211069	14211119	14221011	14221061
14210098	14211020	14211070	14211120	14221012	14221062
14210099	14211021	14211071	14211121	14221013	14221063
14210100	14211022	14211072	14211122	14221014	14221064
14210101	14211023	14211073	14211123	14221015	14221065
14210102	14211024	14211074	14211124	14221016	14221066
14210103	14211025	14211075	14211125	14221017	14221067

List of APNs in Project Area

APN	APN	APN	APN	APN
14221068	14222033	14222083	14226009	14227033
14221069	14222034	14222084	14226010	14227034
14221070	14222035	14222085	14226011	14227035
14221071	14222036	14222086	14226012	14227036
14221072	14222037	14222087	14226013	14227037
14221073	14222038	14222088	14226014	14227038
14221074	14222039	14222089	14226015	14227039
14221075	14222040	14222090	14226016	
14221076	14222041	14222091	14226017	Note: These APNs
14221077	14222042	14222092	14226018	are overflow parcels.
14221078	14222043	14222093	14226019	14204013
14221079	14222044	14222094	14226020	14204015
14221080	14222045	14222095	14226021	14204017
14221081	14222046	14222096	14226022	14204018
14221082	14222047	14222097	14226023	14204021
14221083	14222048	14222098	14226024	14205022
14221084	14222049	14222099	14226025	14205025
14221085	14222050	14222100	14226026	14205027
14222001	14222051	14222101	14227001	14205028
14222002	14222052	14222102	14227002	14205029
14222003	14222053	14222103	14227003	14205030
14222004	14222054	14222104	14227004	14205033
14222005	14222055	14222105	14227005	14205034
14222006	14222056	14222106	14227006	
14222007	14222057	14222107	14227007	
14222008	14222058	14222108	14227008	Mailing labels for parcels
14222009	14222059	14222109	14227009	within 1000 feet of project
14222010	14222060	14222110	14227010	area are provided under
14222011	14222061	14222111	14227011	separate cover to the County.
14222012	14222062	14222112	14227012	
14222013	14222063	14222113	14227013	
14222014	14222064	14222114	14227014	
14222015	14222065	14222115	14227015	
14222016	14222066	14222116	14227016	
14222017	14222067	14222117	14227017	
14222018	14222068	14222118	14227018	
14222019	14222069	14222119	14227019	
14222020	14222070	14222120	14227020	
14222021	14222071	14222121	14227021	
14222022	14222072	14222122	14227022	
14222023	14222073	14222123	14227023	
14222024	14222074	14222124	14227024	
14222025	14222075	14226001	14227025	
14222026	14222076	14226002	14227026	
14222027	14222077	14226003	14227027	
14222028	14222078	14226004	14227028	
14222029	14222079	14226005	14227029	
14222030	14222080	14226006	14227030	
14222031	14222081	14226007	14227031	
14222032	14222082	14226008	14227032	