

Kathy Kleinbaum

From: Paul Ring <pring@thecorecompanies.com>
Sent: Friday, December 15, 2017 4:36 PM
To: Kathy Kleinbaum
Cc: Chris Neale; Iman Novin
Subject: Re: Follow-up Questions from Downtown Opportunity Sites RFP submittal

Kathy,

Thank you again for the questions regarding Core's proposal. We continue to be excited about the opportunity to provide an rich, transit-oriented mix of programming for the downtown opportunity sites that integrates sound public and private financing solutions. Below are the questions you asked, followed by our responses:

Q1. Please provide more information on the affordable housing parking replacement fund contribution of \$1.2 M listed as a source on page 40.

A1. We have assumed that the cost to replace the 125 spaces on 480 E. 4th Ave are a required project cost. The pro-rata share of the 125 spaces to the affordable project are 31 replacement spaces. Since replacement parking is a requirement of the development on the 480 E 4th Ave parcel, the 31 replacement parking spaces attributable to the affordable component can be included in the project off-site costs for the affordable housing development and are an eligible cost for leveraging tax credits. As such \$1.2M represents the affordable housing developments contribution to the replacement parking.

Q2. If you were to obtain commitments for Section 8 vouchers, would that impact the required contribution from the City of San Mateo?

A2. Yes it would potentially reduce the local gap depending on what percentage of units receive a voucher and as long as the Section 8 is awarded as a project based commitment with a minimum 15 year term (preferably 30). In this instance the difference between the tax credit rent and section 8 payment standard (called the Section 8 increment) can be used to size a second Tranche of Permanent Debt that will reduce the overall project gap and increase the tie-breaker. Section 8 vouchers however often include a requirement to serve special needs populations which also increases the need for more robust services that increase operating costs. Therefore how much of an impact Section 8 vouchers has in terms of reducing the local gap depends on 1) how many vouchers are committed 2) what sort of added social services they carry 3) what the Section 8 payment standard is compared with the base TCAC rent.

Q3. What is the definition of special needs units as discussed on page 42 in the Section 8 description?

A3. The definition depends on the Housing Authority of San Mateo County NOFA priorities for their vouchers at the time they issue a NOFA. Broadly the definition of special needs could include: Seniors, Veterans, Youth transitioning out of foster care, anyone with physical or developmental disabilities, formerly Homeless or those at risk of homelessness. Based on San Mateo County's most recent NOFA 5.0, released on August 31, 2017, some of the their priorities include: 1) Create more housing within walking distance of services, amenities, and transit – particularly in locations qualifying for Affordable Housing & Sustainable Communities (AHSC) state funding 2) Create more extremely low-income and/or supportive housing for homeless households and those

at imminent risk of homelessness, including housing opportunities for at-risk former foster youth, persons with serious mental health challenges who are homeless or at-risk of homelessness, and other County clients in need of affordable housing.

Core has had an initial conversation with the County, and they have encouraged us to apply for Section 8 vouchers after entering an ENA. Upon being selected as the Developer by the City, Core will engage the County to define the financial impact and special needs populations being served so that the Section 8 program can build the success of the financing plan, operations plan, and public benefits of the project.

Thank you,

Paul Ring

Vice President of Development

THE CORE companies

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From: Kathy Kleinbaum <kkleinbaum@cityofsanmateo.org>

Sent: Thursday, December 14, 2017 4:50 PM

To: Paul Ring

Subject: RE: Follow-up Questions from Downtown Opportunity Sites RFP submittal

Paul,

I just got your message. Sorry I didn't have a chance to call back. I've been in meetings all afternoon but I did want to send you a quick note to respond. I don't have any more details or insight on the questions below. They are pretty straightforward, as you mentioned. I'm looking forward to getting your response!

Thanks,

Kathy Kleinbaum

Deputy City Manager

City of San Mateo

330 W. 20th Ave.

San Mateo, CA 94403

(650) 522-7153

From: Paul Ring [mailto:pring@thecorecompanies.com]

Sent: Friday, December 08, 2017 5:50 PM

To: Kathy Kleinbaum <kkleinbaum@cityofsanmateo.org>

Subject: Fw: Follow-up Questions from Downtown Opportunity Sites RFP submittal

Kathy,

Great to hear from you. Thank you for the comments.

We are working on our responses.

Best,

Paul Ring

Vice President of Development

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From: Kathy Kleinbaum [<mailto:kkleinbaum@cityofsanmateo.org>]

Sent: Monday, December 4, 2017 4:00 PM

To: Chris Neale <chris@thecorecompanies.com>

Subject: Follow-up Questions from Downtown Opportunity Sites RFP submittal

Chris,

Thanks so much for your RFP submittal. Staff has reviewed the proposal and has some clarifying questions listed below. Please get the response back to me by the end of the day, Monday, December 18th. Once we get the responses, we plan to go to a closed session of City Council on January 16th to get some direction on criteria to short list the development teams.

1. Please provide more information on the affordable housing parking replacement fund contribution of \$1.2 M listed as a source on page 40.
2. If you were to obtain commitments for Section 8 vouchers, would that impact the required contribution from the City of San Mateo?
3. What is the definition of special needs units as discussed on page 42 in the Section 8 description?

If you have any questions about these questions or the process, feel free to reach out to me.

Thanks,

Kathy Kleinbaum

Deputy City Manager

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