



1 North San Antonio Road
Los Altos, California 94022-3087

MEMORANDUM

DATE: January 18, 2024
TO: City Council
FROM: Nick Zornes, Development Services Director
SUBJECT: **PROJECT STATUS – 330 DISTEL CIRCLE**

On January 9, 2024, the City Council requested that the Development Services Director make contact with the development team EAH Housing regarding the project status of 330 Distel Circle a 100% affordable housing project to find out how the City of Los Altos can contribute or support moving this project across the finish line and break ground for construction.

On January 11, 2024, the Development Services Director made contact Welton Jordan, Chief Real Estate Development Officer of EAH Housing. The following information helps to provide a high-level overview of the discussion and information received:

- EAH Housing applied for a Super NOFA (Notice of Funding Availability) in July 2023
 - The release of the Super NOFA was delayed by the State of California
 - Showing good signs and responsiveness to the application for 330 Distel Circle
 - Full award of monies from Super NOFA would be Feb. 2024
- 330 Distel Circle is in need of \$25-30 million for construction of the project at this time.
- EAH Housing will already be pursuing the Property Tax Welfare Exemption as allowed by State law and frequently approved by the County Assessors office.

EAH Housing did make clear that the project is still moving forward, but the funding sources are required to be multi-prong for the creation of affordable housing.

Additional discussion regarding “what else could the City of Los Altos do to help 330 Distel Circle progress” was also had. One idea that was discussed is that the City of Los Altos could reduce the required parking for the project, which would significantly reduce the overall construction cost of the project and the ongoing operation and maintenance for 330 Distel Circle once open for occupancy. The approved project included 82 parking stalls provided by a double stack mechanical parking lift system. As a way to help close the funding gap the City of Los Altos could reduce the approved parking from 82 to 41, plus the existing approved 8 stalls that were not approved utilizing mechanical lifts.

The Development Services Director is prepared to return to the City Council to discuss the project modification in reducing the required parking which would include how to make it happen, what the reduction would entail fully, and how this is supported by State law.