

**March 13, 2020**

**Solicitation ID: JD-011 - Curtner Transit-Oriented Development RFP**

**Addendum No. 1**

**Request for Proposal No. JD-011 - Curtner Transit-Oriented Development RFP**

**General Information - Questions and Answers**

VTA has received the following questions (in bold) in response to the Curtner Transit-Oriented Development RFP released on January 31, 2020. VTA's responses are provided below each question. To the extent any of these answers alter or supplement the RFP, they should be considered an amendment or addendum thereto.

**1) Q. What are VTA's main development goals for this site?**

**A:** VTA is looking for high-quality, mixed-use and mixed-income TOD that will increase ridership, serve as a catalyst to create a transit-oriented community in the area, and generate long-term stable revenue to the agency.

**2) Q. What sustainability goals does VTA have?**

**A:** Proposals should incorporate the requirements and goals in VTA's Green Building and Sustainable Landscape Policies (Appendix 8 to the RFP). VTA seeks the highest LEED level feasible, though certification will not be required. Proposals should take a reach goal approach towards net zero energy standards.

**3) Q. Is VTA interested in townhomes?**

**A:** No. VTA seeks the type of TOD that results in more housing units and has a higher potential for growing ridership at this location than would be possible with townhouses.

**4) Q. Is VTA open to shared parking?**

**A:** Yes. VTA is open to flexible and creative parking solutions, including shared parking programs for the 100 required transit stalls. Overall, VTA aims to minimize parking and leverage the availability of transit at this location.

**5) Q. What are examples of TDM measure that VTA would like to see?**

**A:** Transit passes for residents, bike and car share programs. See additional details on VTA's Smart Pass program here: <https://www.vta.org/go/fares/smartpass>

**6) Q. Will VTA be improving the frequency of the Light Rail or Bus lines that serve the Curtner Station?**

**A:** At this time, there are no proposed changes to the light rail or bus services at Curtner. The station is served by the Blue light rail line as well as the 26 bus line, which was just upgraded to frequent service.

**7) Q. Is VTA interested in senior living programs?**

**A:** VTA supports both affordable and market rate senior housing programs. Proposals must meet VTA's Affordable Housing Policy which requires that at least 20% of units are affordable at 60% AMI or lower. Half of those units must be at 50% AMI or below.

**8) Q. Is VTA interested in higher AMI levels ranging from 80%-120%?**

**A:** Yes. Such units would need to be in addition to VTA's Affordable Housing Policy which requires that at least 20% of units are affordable at 60% AMI or lower. Half of those units must be at 50% AMI or below. A proposal that is out of conformance with the policy would require VTA Board of Directors approval. There can be no guaranty that an exception is available.

**9) Q. Is VTA interested in a full commercial project with no residential?**

**A:** VTA is open to any allowable land uses under the City of San Jose general plan and zoning codes which will meet its project objectives including increased ridership and long-term stable revenue.

**10) Q. Is VTA interested in employee housing?**

**A:** VTA does not currently have an employee housing program or policy. VTA is willing to consider proposals that include employee housing as an additional alternative, illustrating creative approaches, beyond the submittal required by the RFP. Further work and analysis by VTA would be required to inform potential future VTA Board consideration of an employee housing program. In order to be responsive, any proposal including employee housing must meet the RFP requirements.

**11) Q. Has VTA considered relocation of the substation located on Parcel C?**

**A:** VTA will discuss potential relocation of the substation with our Operations team. Costs of any such relocation would be the responsibility of the developer.

**12) Q. Has VTA conducted an analysis of cultural resources on this site?**

**A:** VTA conducted a preliminary analysis which provided for research and review of existing known cultural resource data in the area. There are no existing known cultural resource concerns. The property is being offered "as is." it will be the responsibility of the developer to assess these issues and resolve them, as well as addressing all other development-related issues through developer due diligence.

**13) Q. Is it absolute to replace the minimum 100 existing parking spaces?**

**A:** Yes, 100 parking spaces are required for transit riders during commute periods. VTA is open to shared parking or other creative solutions.

**14) Q. Would VTA be interested in dedicating a small portion of its property to the City in return for the In-Lieu Parkland Impact Fee credits?**

**A:** VTA is willing to consider such a dedication of park land if it provides an overall benefit to VTA and the project. Respondent should frame its proposal without the expectation of such a dedication, and frame it as an alternative economic arrangement.

**15) Q. What is the level of community engagement for this project? How will this impact the entitlements timeline and decision-making process?**

**A:** The review panel for the RFP will include a representative from the community. Once a developer partner has been selected, VTA intends to host a community meeting to introduce the team. Continued community engagement will be required throughout the development process. As the project seeks discretionary approvals, effective community engagement can accelerate the entitlement process. VTA reserves the right to require additional community meetings as it deems necessary. VTA believes that the ability to demonstrate to the community how the project benefits them results in a successful engagement process and overall better project. A VTA approved community engagement plan will be requirement of the project.

**16) Q. Can you tell us more about the community outreach process, who you met with, how many meetings and general issues raised and ultimately the consensus and related conditions.**

**A:** VTA has hosted two community meetings, in January 2018 and October 2018. Feedback from these meetings have been included in Appendix 11 of the RFP. Major concerns that were highlighted from community attendees were traffic and parking. Community attendees also provided feedback on the types of retail and community benefits they would like included in the project.

**17) Q. In VTA's outreach to the community what level of affordability was discussed? Were Measure A levels of affordability discussed?**

**A:** VTA reviewed the requirements of the Affordable Housing Policy with attendees. Specific affordability levels for this site were not discussed. VTA understands from discussions with community representatives that there may not be community support for permanent supportive housing as required to obtain Measure A funding. Respondents are encouraged to reach out to Council Districts 6 and 7 for further insight on community perspectives.

**18) Q. Was a target population of the affordable community discussed? Family, studio, seniors, etc.**

**A:** These details were not discussed during the community meetings.

**19) Q. Is the Mill Pond neighborhood also in District 6?**

**A:** No, the Mill Pond community is in District 7.

**20) Q. What is the term of the ground lease?**

**A:** VTA intends to enter into a ground lease with a maximum initial term of 65 years, which VTA believes to be sufficient for funding. VTA is open to extension options if the Developer can show how it would enhance the project and benefits to VTA.

**21) Q. What are examples of revenue structures that VTA is looking for?**

**A:** VTA expects option payments during the option period, rents during construction and stabilization, and annual ground lease payments with escalation. In addition, VTA seeks to include market resets, capital event participation, participation rents based on gross revenues.

**22) Q. How does VTA look at proposed revenue?**

**A:** VTA evaluates proposals on an NPV basis with the evaluation based on common assumptions applied by VTA's economic consultant.

**23) Q. Is VTA open to deferred land payments (ex. land payment in year 30 of ground lease)?**

**A:** VTA would be willing to consider deferred land payments for affordable housing projects, as long as the proposal addresses all goals established in the RFP, including revenue goals. Proposals should consider all available funding sources to identify options for upfront or annual payments.

**24) Q. Is VTA open to an upfront payment in lieu of annual lease payments?**

**A:** VTA would be willing to consider an upfront payment for an affordable housing project. The VTA Board of Directors has previously accepted an upfront payment in lieu of

annual payments for a 100% affordable housing project on a VTA site that would be developed by a local jurisdiction.

**25) Q. What are VTA's expectations in terms of land value?**

**A:** VTA expects to receive fair market value for its land. VTA is willing to consider a potential rent credit on land for affordable housing projects only, but is unable to fully write down land value.

**26) Q. Will the VTA Community Workforce Agreement Policy, staff, and/or Board of Directors require entering into a full Project Labor Agreement with the Santa Clara & San Benito Counties Building & Construction Trades Council for construction of the project (both horizontal and vertical improvements)?**

**A:** The current policy requires that proposals commit to a specific number of apprenticeship opportunities as well as details on how the project will achieve labor peace. VTA seeks a minimum of 25% apprenticeship hours. It is possible that the current policy may change to require additional labor commitments. VTA staff will work with the Board of Directors throughout the development process to achieve a solution that considers all stakeholders.

**27) Q. Is there federal interest in this property?**

**A:** Yes, there is a federal interest in the property. VTA will seek Federal Transit Administration (FTA) concurrence on the project pursuant to the Joint Development Circular (Appendix 13 to the RFP). FTA will require continuing control language in the Option to Ground Lease and Ground Lease documents. VTA has worked with FTA to obtain concurrence on other projects.

**28) Q. What is VTA looking for in an affordable housing partner?**

**A:** A developer who will maximize VTA's stated goals. VTA evaluates affordable housing developers on experience such as developer's track record, development capacity, financial capacity and discipline, and successful long-term asset management experience.

**29) Q. Have VTA Real Estate Department staff had the opportunity to provide their feedback to the City of San Jose's Housing Departments on the proposed Inclusionary Housing Policy revisions?**

**A:** Yes. VTA has ongoing discussions with the City of San Jose's Housing Department staff and VTA appreciates the city's support on its projects.

**30) Q. Does this project qualify for AB 3194 – Permit Streamline with the City?**

**A:** City staff have indicated that this project will qualify for streamlining by the City pursuant to its interpretation of AB 3194.

All other items in the RFP remain the same.

**Please acknowledge receipt of this addendum by signing the attached acknowledgement form and returning it with your proposal.**

**ACKNOWLEDGEMENT**

RE: RECEIPT OF ADDENDUM NO. 1 TO REQUEST FOR PROPOSAL  
VTA CURTNER STATION TRANSIT ORIENTED DEVELOPMENT

**Solicitation ID: JD-011 - Curtner Transit-Oriented Development RFP**

THIS FORM MUST BE SUBMITTED WITH THE PROPOSAL

To: Santa Clara Valley Transportation Authority (VTA)

From: \_\_\_\_\_

Contact Info: \_\_\_\_\_

\_\_\_\_\_

The undersigned is an authorized agent of the above referenced entity submitting a proposal in response to the referenced Request for Proposal and acknowledges receipt of a copy of Addendum No. 1 To Request for Proposal.

Name of Proposing Entity: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_