

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: September 24, 2019

CAO File No. 0220-00540-1390

Council File No. 15-0450-S1

Council District: 15

To: The Mayor  
The Council

From: Richard H. Llewellyn, Jr., City Administrative Officer



Reference: Housing and Community Investment Department transmittal dated September 12, 2019; Received by the City Administrative Officer on September 19, 2019; Additional Information Received through September 23, 2019

Subject: **REQUEST FOR APPROVAL TO EXTEND THE EXCLUSIVE NEGOTIATION AGREEMENT FOR THE DEVELOPMENT OF AFFORDABLE HOUSING ON THE CITY-OWNED PROPERTY AT 462 WEST 9<sup>TH</sup> STREET**

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### RECOMMENDATION

That the Council, subject to the approval of the Mayor, authorize the General Manager of the Housing and Community Investment Department (HCID), or designee, and the Department of Transportation to reinstate and extend the term of the negotiating period under the Exclusive Negotiation Agreement until October 31, 2020, and to prepare and execute, in consultation with the Office of the City Attorney, any documents necessary to facilitate or implement such extension, for the following three City-owned parcels that comprise Parking Lot 641: 456-462 West 9<sup>th</sup> Street (APN 7455-007-902), 461-473 West 8<sup>th</sup> Street (APN 7455-007-900), and 457 West 8<sup>th</sup> Street (APN 7455-007-903).

### SUMMARY

The Housing and Community Investment Department (HCID) requests authority to reinstate and extend the term of the negotiating period under the Exclusive Negotiation Agreement (ENA) through October 30, 2020 for the three City-owned parcels that comprise Parking Lot 641 in Council District 15: 456-462 West 9<sup>th</sup> Street, 461-473 West 8<sup>th</sup> Street, and 457 West 8<sup>th</sup> Street. The three City-owned parcels are together referred to as 462 West 9<sup>th</sup> Street (Property). Subsequent to the release of the HCID transmittal dated September 12, 2019 (Report), the HCID confirmed that there was a typographical error in the Assessor's Parcel Number (APN) for the parcel located at 456-462 West 9<sup>th</sup> Street. The APN has been corrected in the recommendation of this report. This Office concurs with the recommendation of the Department, as amended.

The Economic and Workforce Development Department (EWDD) issued a Request for Proposals (RFP) on May 2016 for the development on the subject Property, currently managed by the

Department of Transportation (DOT). The EWDD received one proposal for the Property, which included a mixed-use development of affordable housing, a retail component, and replacement parking. Additional details regarding the RFP process can be found in the HCID's Report. The Mayor and City Council approved the selected developers, LINC Housing Corporation and National Community Renaissance of California (Developers), for the Property. The HCID and the DOT entered into an Exclusive Negotiation Agreement (ENA) with the qualified Developers on June 6, 2018. The current ENA expired on August 30, 2019. Subsequent to the release of their Report, the HCID indicated that there is an outstanding issue of whether the City is obligated to continue operating a parking lot at the subject site. The HCID reports that additional time is needed to resolve the parking issue and to finalize the Term Sheet with the Developers and the DOT. The Department anticipates returning to the Mayor and Council before October of 2020 to present a Term Sheet and request authority to enter into a Disposition and Development Agreement.

### **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. The recommendation in this report is in compliance with the City's Financial Policies in that there is no additional cost to the City, and no additional funding commitments are being made at this time. Potential project funding sources include Federal grants and/or loans, State tax credits, and private financing, among others.

*RHL:MOF:02200038C*