

ENTERTAINMENT AND FACILITIES REPORT relative to the list of prequalified developers for housing development on City-owned sites and approval of the disposition recommendations for the eight City-owned properties included in the Affordable Housing Opportunity Sites (AHOS) Initiative Request for Qualifications/Proposals (RFQ/P).

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

1. APPROVE the prequalified list of 39 developers as reflected in the List of Prequalified Developers for Housing Development identified through the AHOS RFQ/P for three years plus two one-year extensions [Attachment A of the joint City Administrative Officer (CAO), Chief Legislative Analyst (CLA), and Housing and Community Investment Department (HCIDLA) report dated November 16, 2016] attached to the Council file.
2. AMEND the AHOS disposition recommendations to remove one site, Old Fire Station No. 5, 6621 West Manchester Avenue, from the disposition recommendations; and, APPROVE the disposition recommendations for seven City-owned sites, a total of eleven parcels as outlined in the List of AHOS - Site Recommendations (Attachment B of the November 16, 2016 report)
3. INSTRUCT the HCIDLA, with assistance from the CAO, CLA, and City Attorney, to enter into Exclusive Negotiating Agreements as listed in Attachment B, with approved qualified housing developers based on the highest scoring development strategy recommended for the selected site and report within 90 days with recommendations to proceed with a Disposition and Development Agreement detailing specific deal points and terms for development of the site.
4. DECLARE the City-owned property, 438 North Mesa Street (APN 7449-009-900) in Council District 11 as surplus property; and, INSTRUCT the General Manager, Department of General Services, to prepare and expedite the sale of this property on or before June 30, 2017, through a public auction or direct sale. The proceeds from this sale will be deposited in the Affordable Housing Trust Fund (AHTF) to finance supportive housing units, pursuant to the AHTF ordinance that was adopted by Council.
5. INSTRUCT the General Manager, HCIDLA, or designee, with the assistance of the CAO and CLA to issue a RFP to the pre-qualified list of developers, approved through this RFP/Q, for a modular/prefabricated permanent supportive housing project on the 238 West Imperial Highway site.
6. AUTHORIZE the General Manager, HCIDLA, or designee, with the assistance of the CAO and CLA to solicit future proposals from the prequalified list of developers, or through a RFP, for additional City-owned sites that have been evaluated through the City's Asset Management Framework and/or identified as appropriate sites for affordable housing, and to report to request authority prior to execution of any resulting agreements.
7. AUTHORIZE the General Manager, HCIDLA, or designee, to issue subsequent supplemental RFQ/P solicitations within a year to augment the pre-qualified list of housing developers, or expand the scope of services.

Fiscal Impact Statement: The CAO reports that there is no immediate impact to the General Fund for the approval of the recommendations to establish the pre-qualified list of consultants for housing development or for authorization to enter into exclusive negotiating agreements. Property sales revenues are anticipated and will be deposited into the AHTF. There will likely be an impact to the AHTF for those development strategies that require additional subsidy beyond the value of the land. Proposition HHH, approved by voters on November 8, 2016, will allow the City to issue up to \$1.2 billion for supportive and affordable housing and will eliminate the wait for available funding for these types of projects. A full estimate of these costs and impact will be included with the Disposition and Development Agreement (DDA) for each site, and submitted to the Council at the time of approval.

Community Impact Statement: None submitted.

SUMMARY

At a meeting held on December 7, 2016, your Homelessness and Poverty Committee considered the November 18, 2016 Municipal Facilities and Homeless Strategy Committees' joint report relative to the authority to establish a list of prequalified developers for housing development on City-owned sites and approval of the disposition recommendations for the eight City-owned properties included in the AHOS RFQ/P. The joint report dated November 18, 2016, attached to the Council file, provides the background on these matters. During the discussion, an amendment was made to Attachment B (AHOS Disposition Recommendations) to remove one site, Old Fire Station No. 5, 6621 West Manchester Avenue, from the disposition recommendations and approve the disposition recommendations for seven city-owned sites, a total of eleven parcels as outlined in Attachment B.

Subsequently, on December 13, 2016, your Entertainment and Facilities Committee considered this matter. After an opportunity for public comment was held, the Entertainment and Facilities Committee moved to concur with the recommendations adopted by the Homelessness and Poverty Committee on December 7, 2016, as amended with a technical correction to Recommendation No. 4 to change the date listed from June 30, 2016 to June 30, 2017, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ENTERTAINMENT AND FACILITIES COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
O'FARRELL:	YES
KREKORIAN:	YES
BUSCAINO:	ABSENT
ME	

-NOT OFFICIAL UNTIL COUNCIL ACTS-