

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: April 1, 2019

CAO File No. 0220-05440-1341
Council File No. 16-0600-S145
Council District: 11

To: The Mayor
The Council

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

Reference: Housing and Community Investment Department (HCID) transmittal dated March 11, 2019; Received by the City Administrative Officer on March 12, 2019; Additional Information Received through March 18, 2019

Subject: **REQUEST FOR APPROVAL TO EXTEND EXCLUSIVE NEGOTIATION AGREEMENT FOR THE DEVELOPMENT OF AFFORDABLE HOUSING ON THE CITY-OWNED PROPERTY AT 3233 SOUTH THATCHER AVENUE**

RECOMMENDATIONS

That the Council, subject to the approval of the Mayor, authorize the General Manager of the Housing and Community Investment Department (HCID), or designee to:

1. Reinstate and extend the term of the negotiating period under the Exclusive Negotiation Agreement until May 15, 2021, 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 3233 South Thatcher Avenue site in Council District 11; and,
2. Prepare Controller instructions and any necessary technical corrections consistent with the Mayor and Council action on this matter, subject to the approval of the City Administrative Officer.

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 through May 15, 2021 for the City owned property at 3233 South Thatcher Avenue (Property) in Council District 11. A Request for Qualifications/Proposals (RFQ/P) process occurred in September of 2016. The City Council and Mayor approved the selected developer, Thomas Safran & Associates Development (Developer) Inc., for the Property. The current Exclusive Negotiation Agreement (ENA) with the Developer expires on May 26, 2019. The HCID reports that the Developer has held extensive community outreach and is now working to finalize a Term Sheet. The Department anticipates returning to the Mayor and Council at the end of 2019 to present a Term Sheet and

request authority to enter into a Disposition and Development Agreement. Additional information on the RFQ/P process and ENA are in HCID's transmittal dated March 11, 2019. This Office concurs with the recommendations of the Department.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. The recommendations in this report are 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 State tax-exempt bonds, State grants and/or loans, State tax credits, private financing, the Affordable Housing Trust Fund, and a HHH Supportive Housing Loan, among others.

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