

REPORT FROM

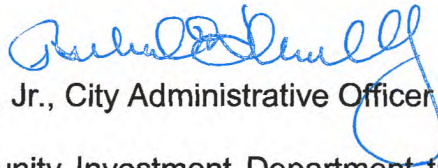
OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: August 6, 2019

CAO File No. 0220-00540-1376
Council File No. 18-0261
Council District: 7

To: The Mayor
The Council

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



Reference: Housing and Community Investment Department transmittal dated July 10, 2019; Received by the City Administrative Officer on July 19, 2019; Additional Information Received through August 5, 2019

Subject: **REQUEST FOR APPROVAL TO EXTEND EXCLUSIVE NEGOTIATION AGREEMENT FOR THE DEVELOPMENT OF AFFORDABLE HOUSING ON THE CITY-OWNED PROPERTY AT 12568 SAN FERNANDO ROAD**

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 (ENA) until September 30, 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 12568 San Fernando Road site in Council District 7; and,
2. Amend the ENA to include the Assessor's Parcel Numbers (APNs) for all five City-owned parcels made available through the Request for Qualifications/Proposals released on April 18, 2016. The APNs are: 2506-034-900, 2506-034-901, 2506-034-902, 2506-034-903, and 2506-035-900.

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 September 30, 2020 for the City-owned property at 12568 San Fernando Road (Property) in Council District 7. The HCID also requests authority to amend the ENA to add four additional Assessor's Parcel Numbers (APNs) to the ENA, which were excluded when the ENA was first drafted. Subsequent to the release of their transmittal dated July 10, 2019, the HCID clarified that the subject site includes five City-owned parcels with their own corresponding addresses and APNs. The current ENA only includes APN 2506-034-903. The revised ENA would include the

following five APNs: 2506-034-900, 2506-034-901, 2506-034-902, 2506-034-903, and 2506-035-900. This Office concurs with the recommendations of the Department.

A Request for Qualifications and Proposals (RFQ/P) process was conducted on April 2016 for the development of housing projects on City-owned parcels, including the subject Property. The Mayor and City Council approved the selected developers, NHS Neighborhood Redevelopment Corporation and Women Organizing Resources Knowledge and Services (Developers), for the Property. The HCID entered into an Exclusive Negotiation Agreement (ENA) with the qualified Developers to develop an affordable homeownership project at the Property. The current ENA expired on June 30, 2019. The HCID reports that the Developers are working to finalize a Term Sheet, but they need additional time to secure entitlements and California Environmental Quality Act (CEQA) clearance. The Department anticipates returning to the Mayor and Council in August 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 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, and private financing, among others.

RHL:MOF:02200008C