



City of South San Francisco

P.O. Box 711 (City Hall,
400 Grand Avenue)
South San Francisco, CA

City Council

Resolution: RES 143-2021

File Number: 21-508

Enactment Number: RES 143-2021

RESOLUTION AUTHORIZING THE CITY OF SOUTH SAN FRANCISCO'S APPLICATION FOR \$2,362,500 OF CALIFORNIA'S LOCAL HOUSING TRUST FUND ("LHTF"), AND APPROVING A CITY LETTER OF FUNDING COMMITMENT TO EDEN HOUSING TO PROVIDE MATCHING FUNDS FOR AN 82-UNIT AFFORDABLE RENTAL HOUSING PROJECT AT 201 BADEN AVENUE.

WHEREAS, the Department is authorized to provide up to \$57 million under the Local Housing Trust Fund ("LHTF") Program from the Veterans and Affordable Housing Bond Act of 2018 (Proposition 1) (as described in Health and Safety Code section 50842.2 et seq. (Chapter 365, Statutes of 2017 (SB 3)) ("Program"); and,

WHEREAS, the State of California (the "State"), Department of Housing and Community Development ("Department") issued a Notice of Funding Availability ("NOFA") dated 5/3/2021 under the LHTF Program; and,

WHEREAS, the City of South San Francisco (the "City" or "Applicant") is an eligible Local or Regional Housing Trust Fund applying to the Program to administer one or more eligible activities using Program Funds; and,

WHEREAS, the Department may approve funding allocations for the LHTF Program, subject to the terms and conditions of H&S Code Section 50842.2, the LHTF Program Guidelines, NOFA, Program requirements, the Standard Agreement and other related contracts between the Department and LHTF award recipients; and,

WHEREAS, on August 22, 2018, the City of South San Francisco Council adopted Ordinance number 1560-2018 establishing an Affordable Housing Commercial Linkage Fee for new commercial developments in the City; and,

WHEREAS, Section 8.69 of the City's Municipal Code, established the City's Affordable Housing Trust Fund ("City Trust Fund") which receives ongoing revenue from the Commercial Linkage Fee; and,

WHEREAS, the City Trust Fund monies are and will continue to be used in accordance with the City's Housing Element or subsequent plans adopted by the City Council to maintain or increase the quantity, quality and variety of affordable housing units or assist other governmental entities private organizations or individuals to do so; and,

WHEREAS, the City will be committing \$1,890,000, which includes a 5% or \$90,000 in administrative costs, in City Trust Fund money; and,

WHEREAS, the City has prepared a Letter of Funding Commitment to Eden Housing describing the foregoing commitment that is contingent upon the LHTF grant funds being secured; and,

WHEREAS, the City will be providing a land donation to Eden Housing which has been appraised to the value of \$1,440,000; and,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of South San Francisco that, in the event that the City receives an award of LHTF funds from the Department pursuant to the above referenced LHTF NOFA, it represents and certifies that it will use all such funds on Eligible Projects in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including, without limitation, all rules and laws regarding the LHTF Program, as well as any and all contracts the City may have with Department ("Eligible Project").

BE IT FURTHER RESOLVED by the City Council of the City of South San Francisco that:

1. The City is hereby authorized to act as the trustee in connection with the Department's funds to Eligible Projects pursuant to the Notice of Funding Availability in an amount not to exceed \$2,362,500 (the "LHTF Award").
2. The City, as the Applicant, hereby agrees to match on a dollar-for-dollar basis the LHTF Award pursuant to Guidelines Section 104. Applicant hereby agrees to utilize matching funds on a dollar-for-dollar basis for the same Eligible Project for which Program Funds are used, as required by HSC Section 50843.5(c). (A summary of the City's commitment on the Eligible Project is included as Exhibit A).
3. Pursuant to Exhibit A and the Applicant's certification in this resolution, the LHTF funds will be expended only for Eligible Projects and consistent with all program requirements.
4. The City shall be subject to the terms and conditions as specified in the Standard Agreement, H&S Section 50842.2 and LHTF Program Guidelines.
5. The City Manager and/or his designee is authorized to execute the LHTF Program Application, the LHTF Standard Agreement and any subsequent amendments or modifications thereto, as well as any other documents which are related to the Program or the LHTF Award to the City, as the Department may deem appropriate.
6. The draft Letter of Funding Commitment Letter to Eden Housing, attached hereto and incorporated herein as Exhibit B, is hereby approved and City staff is authorized to finalize the letter in substantially the same form as Exhibit B and transmit the letter to Eden Housing.

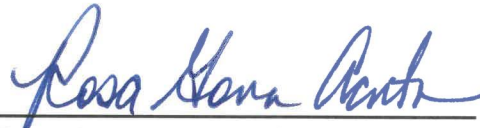
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Exhibit A: Funding Request Summary
Exhibit B: Draft City Funding Commitment Letter

At a meeting of the City Council on 7/28/2021, a motion was made by Councilmember Nicolas, seconded by Councilmember Coleman, that this Resolution be approved. The motion passed.

Yes: 5 Mayor Addiego, Vice Mayor Nagales, Councilmember Nicolas, Councilmember Coleman, and Councilmember Flores

Attest by



Rosa Govea Acosta, City Clerk

Exhibit A

Summary of City of South San Francisco's Commitment for use of the Local Housing Trust Fund Program Funds and Matching Funds

The City of South San Francisco's Local Housing Trust Fund (LHTF) match of land and funding and the proposed LHTF grant will be used for a project proposed by Eden Housing, Inc. for approximately 82 affordable senior rental units on a 0.47-acre site located at 201 Baden Avenue. This project is being accepted by the City for LHTF funding contingent upon project financing and necessary entitlements. One hundred percent of the proposed 82 units are committed to be affordable to households earning no more than 60 percent of area median income (AMI). Thirty percent (30%) of the proposed 82 units and at least 30 percent of the Program Funds are committed to be used for households earning no more than 30 percent of AMI. None of the LHTF Program funding is proposed to be expended on assistance to moderate-income households.

July 28, 2021

Andrea Osgood, Vice-President of Real Estate Development
Eden Housing
22645 Grand Street
Hayward, CA 94541

Re: Letter of Intent to Commit Funding for an Affordable Senior Housing Project at 201 Baden Avenue

Dear Ms. Osgood:

This Letter of Intent is provided to Eden Housing (Eden) as evidence of the City of South San Francisco's (City) commitment to provide funding for the development of an affordable rental housing project at 201 Baden Avenue. Eden has prepared a preliminary proposal to develop up to 82 senior housing units in a 7-story building with a retail condo of approximately 1,800 square feet on the ground floor on a City-owned property and a neighboring privately-owned property. You have informed us that the projected total development cost is approximately \$68 million dollars. One hundred percent of the project units will be affordable to households earning an average of no more than 60 percent of area median income (AMI), with 30 percent of the project units affordable to households earning no more than 30 percent of AMI.

The City intends to submit an application for grant funding in the amount of \$2,362,500 from the State of California Local Housing Trust Fund Program. To ensure competitiveness of the application, the City is proposing matching funds of \$1,890,000 from the City's Affordable Housing Trust Fund and a land donation valued at \$1,440,000.

Through this Letter of Intent, the City is committing to providing \$1,890,000 for the development contingent upon the City securing the Local Housing Trust Fund grant, with the remaining funding being provided when all other permanent financing sources have been secured. Final provision of the matching funds and land donation are further contingent upon certain legal requirements for the City, including without limitation, compliance with the California Environmental Quality Act; final approval by the City Council of the sale of the property to Eden and completion of the sale on mutually agreeable terms; approval by the City and other necessary government agencies of the proposed residential development project; and final City Council authorization to use funds in the City's Affordable Housing Trust Fund for the proposed project. We look forward to working with you on this project.

Sincerely,

Mike Futrell
City Manager

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