



City of South San Francisco

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

City Council

Resolution: RES 176-2020

File Number: 20-910

Enactment Number: RES 176-2020

RESOLUTION APPROVING AN AGREEMENT BETWEEN THE CITY OF SOUTH SAN FRANCISCO AND BRIDGE HOUSING CORPORATION FOR A PREDEVELOPMENT LOAN FOR 158 AFFORDABLE HOUSING UNITS AT THE PUC SITE AND APPROVING BUDGET AMENDMENT NUMBER 21.029.

WHEREAS, after a lengthy developer solicitation process, the City selected L37/KASA as the preferred developer for the PUC Site, a 6.61-acre former Redevelopment Agency property located along Mission Road, between Grand and Oak Avenues; and

WHEREAS, on June 13, 2019, SSF Housing Partners, LLC (also known as L37/KASA) submitted an application for a mixed-use, 800-unit development including 20% (or 158) affordable units on the PUC Site; and

WHEREAS, L37/KASA partnered with Bridge Housing Corporation (Bridge), a highly qualified affordable housing developer, to construct and operate the 158 Below Market Rate (BMR) units in a stand-alone, fully affordable building at the northernmost part of the PUC Site; and

WHEREAS, to make the affordable component of the project as competitive as possible for Federal, State, and County funds, Bridge requested a \$2 million predevelopment loan from the City of South San Francisco; and

WHEREAS, these funds will be considered the City's matching contribution to the project and will be leveraged several times over with other sources of soft debt and equity; and

WHEREAS, at a closed session meeting on August 29, 2019, staff brought Bridge's request for a \$2 million predevelopment loan to the City Council for consideration; and

WHEREAS, the City Council directed staff to incorporate approval of the loan in the disposition approvals; and

WHEREAS, on November 13, 2019, the City Council adopted Resolution No. 153-2019 approving a Purchase and Sale Agreement and Affordable Housing Agreement for the project; and

WHEREAS, that Affordable Housing Agreement approved on November 13, 2019 included a provision granting Bridge the \$2 million predevelopment loan; and

WHEREAS, City staff has negotiated a predevelopment loan agreement with Bridge, which is now ready for Council consideration for approval; and

WHEREAS, this predevelopment loan is to be funded by Fund 823, the City's Commercial Linkage Fee Fund, which has an unencumbered cash balance of \$4.8 million as of November 2020; and

WHEREAS, funds generated by the City's Commercial Linkage Fee may be used to assist private organizations to increase and improve "the supply of housing affordable to moderate, low, very low, and extremely low-income households" in the City, as set forth in chapter 8.69 of the South San Francisco Municipal Code; and

WHEREAS, development of affordable housing by Bridge on the PUC Site furthers these purposes.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of South San Francisco:

1. The foregoing recitals are true and correct and made a part of this Resolution.
2. The City Manager, or his designee, is authorized to execute the predevelopment loan agreement on behalf of the City, a draft of which is attached hereto as Exhibit A and incorporated herein, subject to minor amendments that do not materially increase the City's obligations.
3. The City Manager, or his designee, is authorized to execute any other necessary documents related to the approval and administration of the predevelopment loan agreement.
4. The City Council approves Budget Amendment Number 21.029 appropriating \$2 million from Fund 823 to fund the predevelopment loan.

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At a meeting of the City Council on 12/1/2020, a motion was made by Councilmember Matsumoto, seconded by Councilmember Nicolas, that this Resolution be approved. The motion passed.

Yes: 5 Mayor Garbarino, Vice Mayor Addiego, Councilmember Nagales, Councilmember Nicolas, and Councilmember Matsumoto

Attest by



Rosa Govea Acosta, City Clerk