

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: May 21, 2021

CAO File No. 0220-00540-1543

Council File No. 20-0810

Council District: 11

To: The Mayor  
The Council

From: *Ylenda Chavez*  
for Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Housing and Community Investment Department transmittal dated April 29, 2021; Received by the City Administrative Officer on May 12, 2021; Additional Information Received through May 20, 2021

Subject: **REQUEST FOR APPROVAL OF RECOMMENDATIONS RELATIVE TO THE DISPOSITION OF THE CITY-OWNED PROPERTY AT 3233 SOUTH THATCHER AVENUE, FOR THE DEVELOPMENT OF SUPPORTIVE HOUSING**

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### RECOMMENDATIONS

That the Council, subject to the approval of the Mayor:

1. Note and file the Housing and Community Investment Department (HCID) transmittal dated April 29, 2021 (Report) relative to the disposition of the City-owned property located at 3233 South Thatcher Avenue for the development of supportive housing;
2. Instruct the City Attorney to prepare all necessary documents, including but not limited to, an Implementation Agreement to the Disposition and Development Agreement, and the Ground Lease, and other necessary documents, for the development of affordable and supportive housing on City-owned property located at 3233 South Thatcher Avenue, to reflect the change in the project's unit mix described in this report; and,
3. Authorize the General Manager of HCID, or designee, to negotiate and execute all ancillary documents with the selected developer Thomas Safran & Associates Development, Inc. (Developer) for the development of affordable and supportive housing at the City-owned property located at 3233 South Thatcher Avenue (APN: 4229-002-901), or the Developer's to-be-formed Limited Partnership required as a condition of financing, per the terms of the ground lease.

### SUMMARY

The Housing and Community Investment Department (HCID) requests authority to negotiate and execute an Implementation Agreement to the Disposition and Development Agreement (DDA) with

Thomas Safran & Associates Development, Inc. (Developer) for the development of affordable housing on the City-owned property located at 3233 South Thatcher Avenue (Property) in Council District 11 to reflect a change in the unit mix for the project previously approved by the Mayor and Council (C.F. 20-0810). The HCID reports that in order to reduce total development costs, keep the overall height low for the neighborhood, and deliver more efficient units for residents in the property, the Developer is proposing to reduce the amount of one-bedroom units and add studio units to the project. The Table below shows the proposed change in units.

**Table: Project Unit Mix**

	Approved Units	Proposed Change	Revised Units
Studios	0	51	51
One-Bedroom	76	-50	26
Two-Bedroom	13	-1	12
Three-Bedroom	9	0	9
<b>Total</b>	<b>98</b>	<b>0</b>	<b>98</b>

The HCID reports that there will be no other changes to the key terms and conditions of the DDA. This Office concurs with the Department’s recommendations as amended to incorporate additional, clarifying language based on consultations with the Office of the City Attorney.

The Developer was selected from a Request for Qualifications/Proposals (RFQ/P) process for the development of affordable and supportive housing on City-owned parcels, including the subject Property, as described in the HCID’s Report. The HCID entered into an Exclusive Negotiation Agreement with the qualified Developer on March 7, 2017 and executed a DDA on September 15, 2020. The project will result in 97 affordable housing units for individuals and families and one unrestricted manager unit. The HCID indicates that 49 of the 97 affordable units will be set aside for homeless individuals and families.

**FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. Potential project funding sources include State tax-exempt bonds, State grants and/or loans, State tax credits, private financing, Project-Based Section 8 vouchers, and a Proposition HHH Supportive Housing Loan, among others. There is no additional cost to the City, and no funding commitments are being made at this time.

**FINANCIAL POLICIES STATEMENT**

The recommendations in this report comply with the City’s Financial Policies.