



SPECIAL MEETING

SUCCESSOR AGENCY

OF THE
CITY OF SOUTH SAN FRANCISCO
P.O. Box 711 (City Hall, 400 Grand Avenue)
South San Francisco, California 94083

Meeting to be held at:
MUNICIPAL SERVICES BUILDING
COUNCIL CHAMBERS
33 ARROYO DRIVE
SOUTH SAN FRANCISCO, CA

WEDNESDAY, APRIL 10, 2013
6:30 P.M.

NOTICE IS HEREBY GIVEN, pursuant to Section 54956 of the Government Code of the State of California, that the Successor Agency to the City of South San Francisco Redevelopment Agency will hold a Special Meeting on Wednesday, the 10th day of April, 2013, at 6:30 p.m., in the Municipal Services Building, Council Chambers, 33 Arroyo Drive, South San Francisco, California.

Purpose of the meeting:

1. Call to Order.
2. Roll Call.
3. Agenda Review.
4. Public Comments – *comments are limited to items on the Special Meeting Agenda.*

CONSENT CALENDAR

5. Recommend to the Oversight Board that it adopt a resolution (1) making findings that the commercial space 636 El Camino Real is an integral and indivisible part of a housing asset and shall not be subject to a revenue sharing arrangement between the City and the Successor Agency and (2) approving an assignment of a Master Lease for approximately 5,000 square feet of commercial space located within the building at 636 El Camino Real to the City of South San Francisco.

ADJOURNMENT

A handwritten signature in blue ink that reads "Anvalu Brown".

Deputy City Clerk
City of South San Francisco



Successor Agency to the Redevelopment Agency Staff Report

DATE: April 10, 2013
TO: Honorable Mayor and City Council
FROM: Marty Van Duyn, Assistant City Manager
SUBJECT: RECOMMEND TO THE OVERSIGHT BOARD THAT IT ADOPT A RESOLUTION MAKING FINDINGS THAT THE COMMERCIAL SPACE 636 EL CAMINO REAL IS AN INTEGRAL AND INDIVISIBLE PART OF A HOUSING ASSET AND SHALL NOT BE SUBJECT A REVENUE SHARING ARRANGEMENT BETWEEN THE CITY AND THE SUCCESSOR AGENCY AND ASSIGNMENT OF A COMMERCIAL MASTER LEASE FOR 636 EL CAMINO REAL TO THE CITY OF SOUTH SAN FRANCISCO

RECOMMENDATION

That the Successor Agency recommend to the Oversight Board that it adopt a Resolution making findings that the commercial space 636 El Camino Real is an integral and indivisible part of a housing asset and shall not be subject to subdivision or a revenue sharing arrangement between the City and the Successor Agency and assignment of a Master Lease for approximately 5,000 square feet of commercial space located within the building at 636 El Camino Real to the City of South San Francisco.

BACKGROUND/DISCUSSION

Mid-Peninsula Housing Coalition (MPHC) completed construction at 636 El Camino Real, a 109 unit affordable housing development including approximately 5,000 square feet of unimproved commercial space, in September 2012. To construct this project, the former Redevelopment Agency of the City of South San Francisco leased the 2 acre site and provided a \$9.99 million loan to MPHC. On August 31, 2012 the California Department of Finance concurred that the land and loan were a housing asset and authorized their transfer to the City of South San Francisco. MPHC as developer owns the building improvements. The project, however, contains approximately 5,000 square feet of retail space and is subject to Health and Safety Code ("H&SC") Section 34176 (f):

"If a development includes both low- and moderate-income housing that meets the definition of a housing asset under subdivision (e) and other types of property use, including, but not limited to, commercial use, governmental use, open space, and parks, the oversight board shall consider the overall value to the community as well as the benefit to taxing entities of keeping the entire development intact or dividing the title and control over the property between the housing successor and the successor agency or other public or private agencies. The disposition of those assets may be

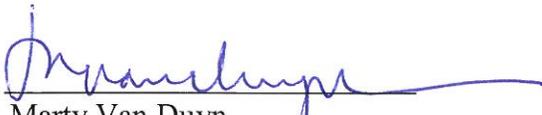
accomplished by a revenue-sharing arrangement as approved by the oversight board on behalf of the affected taxing entities.”

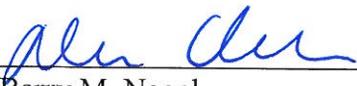
The commercial space at 636 El Camino Real does not fit neatly into H&SC 34176(f). First MPHC owns the entire building while the City of South San Francisco owns the land. Second, the Successor Agency holds a master lease for the commercial space. As a result the City Council is recommending to the Oversight Board that it:

1. Relinquish financial interest in the commercial space and not require a revenue sharing arrangement with the City
2. Assign the master lessee to the City of South San Francisco.

CONCLUSION:

That the Successor Agency recommend to the Oversight Board that it adopt a Resolution making findings that the commercial space 636 El Camino Real is an integral and indivisible part of a housing asset and shall not be subject to a revenue sharing arrangement between the City and the Successor Agency and assignment of a commercial master lease for 636 El Camino Real to the City of South San Francisco.

By: 
Marty Van Duyn
Assistant City Manager

Approved: 
Barry M. Nagel
City Manager