

CITY COUNCIL: 12/17/19

ITEM: 4.2



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo
Councilmember Dev Davis

SUBJECT: CURTNER STUDIO
APARTMENTS

DATE: December 13, 2019

Approved:

Date:

12-13-19

RECOMMENDATION

Accept staff recommendations and direct staff to return to Council in February 2020 with underwriting guidelines that require City ownership of a parcel if City investment exceeds a specified threshold.

BACKGROUND

Last August, City Council updated the City's Underwriting Guidelines and its Ground Lease Policies. The guidelines state that when newly constructed affordable housing projects are built on land owned by the City, they are leased back to the project developers through a ground lease. This was to ensure that when an affordability restriction expires on a City affordable housing project, the land will continue to be dedicated to affordable housing.

We would like to thank the County for partnering with us on the Curtner Studios affordable housing project and providing funding to address the problems at Curtner Studios. The City first funded this development in the 1990s and partially again in the mid-2000s. Had the underwriting guidelines been in place upon initial City investments, the City would have retained the ground lease regardless of future contributions. Moving forward, it is important that we have a policy in place to address the question of land ownership when both the City and the County contribute funding to an affordable housing project.