



City of Emeryville

CALIFORNIA

MEMORANDUM

DATE: September 17, 2019

TO: Christine Daniel, City Manager

FROM: Charles S. Bryant, Community Development Director

SUBJECT: **Consideration Of Whether To Direct Staff To Prepare Loan Documents And Associated Regulatory Documents For Acquisition Of 3600, 3610 and 3620 San Pablo Avenue**

RECOMMENDATION

Staff recommends that the City Council direct staff to prepare loan documents and any associated regulatory documents to facilitate Resources for Community Development's (RCD) acquisition of the properties at 3600, 3610, and 3620 San Pablo Avenue for the purpose of developing affordable housing.

BACKGROUND

The parcels known as 3600, 3610 and 3620 San Pablo Avenue (together, the "Site") are located on the east side of San Pablo Avenue between 36th Street to the south and 37th Street to the north. Residential properties are adjacent to the east. The Site is comprised of three separate but contiguous parcels: 3600 San Pablo Avenue (APN 049-0950-006-01, 0.14 acres), 3610 San Pablo Avenue (APN 049-0950-008-01, 0.11 acres), and 3620 San Pablo Avenue (APN 049-950-001, 0.14 acres) for a total area of 0.39 acres.

3600 San Pablo Avenue was formerly a restaurant (Doug's Barbeque) and is currently vacant. 3610 San Pablo Avenue is currently leased to the Emeryville Citizens Assistance Program (ECAP), a community services organization that provides food to the homeless and near-homeless. The front portion of 3620 San Pablo Avenue is currently leased to a locksmith while the rear portion is warehouse space used by the current owner. The Site is under a single, private ownership.

On May 2, 2017, the City Council held a Study Session to consider the financial feasibility of redevelopment alternatives for the Site. The City Council endorsed an alternative that included 39 units of permanent supportive housing and ground floor commercial space for ECAP.

The Site fell into foreclosure and later the owner filed for bankruptcy. On August 1, 2019, the bankruptcy court approved a purchase agreement between the owner and RCD for the Site and designated RCD as the "stalking horse bidder" for a sale of the Site to be conducted on September 12, 2019.

On September 3, 2019, City Council directed staff to agendize this subject matter for the September 17, 2019 City Council Meeting.

DISCUSSION

RCD is a non-profit housing developer that owns the Bay Bridge Apartments, located immediately adjacent to the property, to the east on 36th Street. As such, RCD is uniquely positioned to redevelop the Site for affordable housing, by combining the Bay Bridge Apartments property with the Site.

RCD has approached the City regarding the ability to provide financial assistance to support RCD's acquisition of the site. RCD has indicated that they would construct a 100% affordable housing project on the Site and include ground-floor space for ECAP.

In light of this opportunity to increase the City's inventory of affordable housing and retain a location for ECAP, staff recommends that the City Council direct staff to prepare loan documents and a regulatory agreement to assist with RCD's acquisition of the Site.

FISCAL IMPACT

The City's Capital Improvement Program for Fiscal Years 2019-20 through 2023-24 includes a total of \$2,100,000 in funding for the acquisition of the Site as CIP Project Number H-07.

If RCD is successful in acquiring the Site, it is anticipated that RCD will seek additional financial support from various sources, including Measure C Affordable Housing Bond funds, in order to complete the capital needs for the project.

STAFF COMMUNICATION WITH THE PUBLIC

Staff has communicated with RCD regarding their intentions for the Site.

CONFLICT OF INTEREST

None.

CONCLUSION

Staff recommends that the City Council direct staff to prepare loan documents and any associated regulatory documents to facilitate RCD's acquisition of the Site for the purpose of developing affordable housing

PREPARED BY: Valerie Bernardo, Community and Economic Development Coordinator II

**APPROVED AND FORWARDED TO THE
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



Christine Daniel, City Manager