



CITY of BRISBANE

Subcommittee Update

From March 31st, 2023 to April 14th, 2023

Fiscal & Administrative Polices Subcommittee Monday 4/3

Cunningham, O'Connell

The subcommittee discussed whether the City should enter into a financing arrangement to cover costs to improve the City Hall Annex. City staff and the City's Financial Advisor have started to explore financing options considering municipal bond rates are declining over the past month after sharp increases in 2022. The amount currently being sought is \$5.5 million to cover the estimated design and construction costs to improve the property, plus additional \$500,000 to cover moving, furnishing, and any unexpected costs. With current bond rates, the additional annual debt service payment is expected to range from \$287,500 to \$435,000 over the next 20 years.

Councilmembers asked about whether pulling some of the costs from the general fund to offset the bond amount would have any cost savings. They would like to see more analysis on the different bond amounts and any potential savings.

Affordable Housing Subcommittee

Monday 4/10

Davis, Lentz

The subcommittee received a project update on the City's Affordable Housing Strategic Plan. They reviewed funding priorities for the current fund balance (approximately \$4 million) and future funds, and options for new revenue sources. Staff is currently reviewing the draft AHSP and anticipates releasing it in late April for public review, followed by a review by this subcommittee in May and subsequent review and adoption by the full Council in June. This aligns with the timeline in the adopted 2023-2031 Housing Element for adopting the AHSP and implementing several Housing Element policies. The AHSP will contain internal references and citations to relevant Housing Element policies to clearly show how relevant Housing Element policies will be implemented. The Commercial nexus fee is currently being studied by ECONWest to provide the required nexus and feasibility study updates to support adoption of a commercial linkage fee by this summer ahead of anticipated commercial projects. That work is expected to be completed by June and the Council can expect to see an implementing ordinance or resolution adopting the recommended fee by fall of this year.

The subcommittee also discussed Visitacion Gardens senior housing ground lease renewal with Bridge Housing. BRIDGE currently owns the building and improvements and manages the facility under a 30-year ground lease ("lease") that expires in 2028, aligned with the term of the agency and bond proceeds loan repayment. The lease establishes the tenant household income levels, maximum rent calculations, and local preferences to determine tenant selection. If the lease is not extended, ownership of the building and improvements on the site revert to the Housing Authority in 2028.

The lease requires BRIDGE to make annual rent payments out of "Surplus Cash," which is defined in the lease generally as operating income from the development minus reasonable operating expenses. The

City anticipated that surplus cash would gradually decline over time and projected \$0 rent payments in years 26-30 of the lease. Because of this, it is unknown whether Bridge is interested in continuing the partnership with the City. Staff will begin conversations with them regarding the mutual interest in renewing the ground lease.

There has been some concern from residents about how the waitlist is handled by Bridge. Staff will discuss with Bridge about these community identified issues. One concern is how the waitlist is managed. In the lease, household income levels that are served by the development include:

- 30% area median income (AMI) or less: Two units
- 40% AMI or less: Two units
- 80% AMI or less: Two units
- 120% AMI or less: Eight units

As there are certain criteria needing to be met and with only so many units offered, the time on the waiting list is long.

The subcommittee wanted clarification from staff and Bridge Housing on a few items. They asked for an audit on current resident ages, average length of time in a unit, how long did the current residents need to wait to get in, and how does it work if someone on the waitlist changes what unit they qualify for financially. They also requested that the City receive an annual financial update with the new lease.

Staff will update this subcommittee and the full Council as those talks evolve and key discussion points are identified.

And finally, the subcommittee discussed potential locations for any future affordable housing units. The site at 70 Old County Road may be evaluated as a potential affordable housing site as community engagement efforts move forward, depending on community feedback and discussion by the full Council. The senior housing project behind the 23 Club was discussed and they asked staff to reach out to the owners in the near future about any potential opportunities. And the old library site is a bit restricted on size. They also talked about other ways to utilize the housing funds (\$4M): restart the 1st time homebuyers program, subsidize fixed income seniors for XX years, etc.

Upcoming Subcommittees:

Public Art Advisory Committee

Review Draft Public Art Master Plan RFP

Monday 4/17 4:30pm Cunningham, Davis