

ATTACHMENT 1

July 14, 2020

Mayor Rich Garbarino
Vice Mayor Mark Addiego
Council Member Karyl Matsumoto
Council Member Mark Nagales
Council Member Buenaflor Nicolas

City of South San Francisco
PO Box 711
South San Francisco, CA 94083-0711

Re: 109 Longford Drive, South San Francisco, CA 94080

Dear Mayor and City Council Members,

First of all, I hope this finds each of you and yours well, safe and healthy as we all navigate this challenging and difficult time of COVID 19 and as we all fight even harder toward ending racism in our country.

For our part, Habitat Greater San Francisco is hard at work moving forward with our construction-ready 34 units of affordable housing across our region. Our core mission at Habitat Greater San Francisco (HGSF) works to address the systemic inequities of a long national history of housing discrimination to which Marin, San Francisco and San Mateo Counties are no strangers. For the last 30 Years, we have been at the forefront of ensuring racial and economic prosperity through homeownership. This is most often the only opportunity for low income families to become first-time home buyers and by preserving homeownership for longtime homeowners, who are often the connectors and historians in their neighborhoods, allowing them to retain their homes and pass that legacy on to the next generation. In this way, homeownership changes the trajectory of families.

HGSF's 252 Homes built and purchased to date by first time homeowners, 89% are people of color. Four of these Habitat homes are in South San Francisco and the city was a critical partner at the time in producing them.

Homeownership leads to stronger economic outcomes through increased savings and equity building, an increase in children's educational success and attainment levels that far surpass the educational outcomes that their parents, increased community, and civic engagement through volunteerism. Homeownership has shown increases the health of a family, with less parental stress reported, as well as better school attendance and higher self-efficacy overall.

Mayor, we commend you on your recent creation of the Commission on Racial and Social Equity. Habitat knows from its 30 years in our region that these activities are so deeply critical and more importantly, the actions that follow from them are required for credibility and success.

The journey to homeownership is most often inequitable. Even though most families work tirelessly to achieve the American dream of retaining or experiencing homeownership, it has been systemically through policy and practice only available to predominantly white families. Structural racism has been a barrier in both housing policies, housing lending and housing purchasing practices since redlining began in the 1930's.

This home represents an opportunity to step forward in action and ensure homeownership for a family that lives or works in South San Francisco. HGSSF will work with the city to include provision to the deed of this home adding *a live/work preference for South San Francisco residents*.

We are aware the city hopes to maximize the revenue received from this home sale, however we believe the delta between the recent appraisal we received and the generous offering price from Habitat to the City, creates a rare opportunity to build an affordable homeownership residence in perpetuity. This offer is further enhanced by the potential to serve the 50-120% AMI levels with homeownership where Habitat will provide a Zero down, Zero% interest loan to this family and future SSF families when the home turns over through resale. Habitat ensures this by holding first right of repurchase for all our homes.

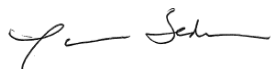
Just as leadership matters now more than ever in organizations, cities, communities, homeownership matters more than ever to help low income families build and create wealth.

This time, for this generation, for this community, we can join together and change the trajectory and help level the playing field by partnering with hard working, strong and resilient families to make their dreams come true.

We hope you will accept our thoughtful offer and we look forward to partnering with you through this opportunity.

I have attached the formal letter with the terms and offer for your perusal.

Respectfully,



Maureen Sedonaen CEO Habitat for Humanity Greater San Francisco

July 14, 2020

Deanna Talavera
Economic & Community Development Department
City of South San Francisco
PO Box 711
South San Francisco, CA 94083-0711

Re: 109 Longford Drive, South San Francisco, CA 94080

Dear Ms. Talavera:

Habitat for Humanity Greater San Francisco is pleased to submit this Letter of Intent ("LOI") to acquire the surplus property located at 109 Longford Drive, South San Francisco, CA. Habitat for Humanity Greater San Francisco ("HHGSF") is prepared to enter into a purchase and sale agreement (the "Contract") with the City of South San Francisco ("City") for the above-referenced property that would include the terms and conditions contained in this LOI.

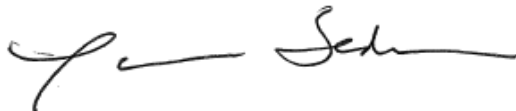
The basic business terms are as follows:

1. Property. 109 Longford Drive, South San Francisco, CA 94080, Assessor's Parcel Number 010-071-050
2. Buyer. Habitat for Humanity Greater San Francisco, Inc. ("HHGSF").
3. Purchase Price. Seven Hundred and Fifty Thousand Dollars (\$750,000).
4. Deposit. No deposit is required to execute the Contract.
5. Due Diligence Materials. City shall deliver to HHGSF within three (3) business days of executing the Contract, all necessary review materials in City's possession.
6. Due Diligence. HHGSF shall have sixty (60) days from execution of the Contract to perform due diligence. All investigations shall be at HHGSF's sole cost and expense and shall be subject to HHGSF's sole and absolute discretion.
7. Closing. Close of escrow is to occur five (5) days after the expiration of Due Diligence. Title and escrow fees shall be assessed and paid per county custom.
8. Closing Conditions. Close of escrow and conveyance of title to the Property from the Seller to the Buyer shall be contingent upon the following:
 - Buyer shall be able to secure requisite approvals from its Board of Directors to proceed with the transaction and any further contractual agreements.

- Seller shall convey the Property free of any occupants or encumbrances.
 - No adverse environmental conditions requiring remediation are noted in any third-party reports, including soils report and Phase I
9. Commissions. No Broker necessary. The City need not incur brokerage, inspection, or other third-party costs in the sale of the home.
10. Post-Closing Obligations. Based on the Purchase Price proposed, Buyer shall agree to the following Affordability Measures in the resale of the home:
- The home shall be re-sold to a family of no less than four persons earning $\leq 80\%$ of Area Median Income.
 - An Affordable Deed Restriction shall be recorded against the Property to ensure it remains affordable for no less than 45 years.
 - An Option to Repurchase and Resale Agreement shall be recorded upon resale giving HHGSF the right to buy back and resell the home at the same affordability level. The City may be placed in second position to step in should HHGSF choose not to exercise its Option. The intent is for the home to stay affordable in perpetuity.
 - Subject to compliance with Fair Housing and Nondiscrimination Laws, HHGSF shall seek to re-sell the home to a family who has at least one member who lives or works in the City of South San Francisco.
11. Non-binding Letter of Intent. This non-binding letter of intent includes the basic terms and conditions under which the undersigned would enter into a formal purchase and sale agreement to purchase the Property. This letter shall only serve to form part of the basis for the Contract which must be agreed upon and executed by all parties and which, in addition to the above, would include all of the terms and conditions for the sale of the Property. This letter is not intended to be contractual in nature, and neither HHGSF nor City shall be obligated to proceed in good faith or by any other standard whether reasonable or unreasonable to enter into a binding Contract based upon the terms set forth above. A binding Contract will only exist when the Contract is executed by all parties.

If the foregoing terms are acceptable to you, please execute a copy of this letter and return the same at your earliest convenience. We look forward to your response.

Very truly yours,



cc:

Nell Selander, Deputy Director, SSF ECDD
Hilary Billings, Chair, Board of Directors
David Kremer, Secretary, Board of Directors

THE FOREGOING IS AGREED AND ACCEPTED:

The City of South San Francisco:

By: _____

Its: _____

Date: _____