

CITY OF DALY CITY

Special Meeting - HOUSING DEVELOPMENT FINANCE AGENCY

AGENDA

Tuesday, May 27, 2025 - 7:00 PM

City Hall Council Chambers – 2nd Floor
City Hall 333 – 90th Street
Daly City, CA 94015

To watch the live telecast:

<https://www.youtube.com/@DalyCityGov/streams>
<https://www.dalycity.org/agendas> or Comcast Channel 27

PUBLIC PARTICIPATION

To submit a comment in writing, please email cityclerk@dalycity.org and write “Public Comment” in the subject line. In the body of the email, include the item number and/or title of the item as well as your comments. All comments received by 4:00 pm will be emailed to the Housing Development Finance Agency members and included as an “Add to Packet” on the City’s website prior to the meeting. Those comments received after 4:00 pm will be added to the record and shared with the Housing Development Finance Agency members following the public meeting. Comments are not read aloud into the record.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should call the office of the City Clerk at 991-8078 as soon as possible.

CALL TO ORDER:

ROLL CALL:

APPROVAL OF MINUTES

1. Approval of Minutes of September 12, 2022

STAFF:

RECOMMENDATION:

AVAILABILITY OF PUBLIC RECORDS:

All public record to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City Clerk’s Office, City Hall located at 333 90th Street, Daly City, CA during normal business hours, at the same time that the public records are distributed or made available to the legislative body.

CHANGE OF OFFICERS:

2. The Mayor of the City of Daly City is hereby designated as Chairperson and the Vice-Mayor is hereby designated as Vice Chairperson.

STAFF:

RECOMMENDATION:

PUBLIC APPEARANCE – ORAL COMMUNICATIONS

3. NOTE: Speakers are limited to two minutes, unless modified by the Chair.
The Board cannot take action on any matter raised under this item.

PUBLIC HEARING

4. Agreement for Grant of Easement by and between the Housing Development Finance Agency of the City of Daly City and Syufy Enterprises.

STAFF:

RECOMMENDATION:

ADJOURNMENT:

DALY CITY HOUSING DEVELOPMENT FINANCE AGENCY
MEETING MINUTES
September 12, 2022

The virtual meeting was called to order by Chairperson Daus-Magbual at Tuesday, September 13, 2022 at 12:27 A.M. by livestream/teleconference pursuant to Governor Newsom's Executive Order N-29-20.

ROLL CALL: Commissioners Present:

Rod Daus-Magbual, Chairperson
Ray Buenaventura, Vice-Chairperson
Pamela DiGiovanni
Juslyn Manalo
Glenn Sylvester

Staff Present:

Thomas Piccolotti, Assistant Executive Secretary/Director
Rose Zimmerman, General Counsel
K. Annette Hipona, Assistant Secretary

MINUTES

Special Meeting of July 25, 2022

It was moved by Commissioner DiGiovanni, seconded by Commissioner Manalo and carried to approve the Special Meeting minutes of July 25, 2022.

CONSENT AGENDA

It was moved by Commissioner DiGiovanni, seconded by Vice-Chairperson Buenaventura and carried by unanimous roll call vote to approve the consent agenda.

RESOLUTIONS

Extension of Exclusive Right to Negotiate Agreement Between Daly City Housing Development Finance Agency and Bridge Housing for Property Located at Carter and Martin Streets

HFA-56, Approving Extension to the Exclusive Right to Negotiate Agreement Between the Daly City Housing Development Finance Agency and _____ Bridge Housing

DALY CITY HOUSING DEVELOPMENT FINANCE AGENCY
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ADJOURNMENT

The meeting was adjourned on September 13, 2022 at 12:28 A.M.

Assistant Secretary

Approved this 27th day
of May 2025.

Chairperson



Agency Agenda Report

Item # _____

Meeting Date: May 27, 2025

Subject: Agreement for Grant of Easement by and between the Housing Development Finance Agency of the City of Daly City and Syufy Enterprises

Recommendation

Staff recommends that the Daly City Housing Development and Finance Agency approve the request for a non-exclusive utility easement with Syufy Enterprises.

Background

The developer, Arevon Energy LLC, is requesting approval of a non-exclusive Private Utility Easement for an underground utility system from Carter Street, through the Agency's property (APN 005-050-240), to the approved battery energy storage system (BESS) at 2150 Geneva Avenue. The BESS was approved by City Council on February 24, 2025. At the time, it was known that an easement request would be forthcoming and provisions for the action were specified in an approved Development Agreement.

The Daly City Housing Development Finance Agency is the Housing Successor to the former Daly City Redevelopment Agency and has retained all rights and responsibilities pursuant to California Health and Safety Code section 34176 relating to that certain real property located in the City of Daly City, County of San Mateo, California (APN 005-050-240). This Agreement for Grant of Easement would be made by and between the Housing Development Finance Agency of the City of Daly City and Syufy Enterprises, a California limited partnership.

Discussion

Arevon Energy LLC, will be developing an approximately 11-acre vacant lot for a 250-megawatt battery energy storage system (BESS). The property is owned by Syufy Enterprises, LP and therefore the easement would be granted to the landowner.

The proposed Private Utility Easement is located along the northern property line of Agency's 12.99-acre parcel (APN 005-050-240). The adjacent property to the north is owned by Syufy Enterprises and was approved for a BESS in February. The easement is 40 feet wide and 236 feet long, for a total of 9,440 square feet and would allow installation, inspection, operation, repair, replacement and modifying a generation line and related appurtenances. The Agency will retain surface rights that could open space, paving, and landscaping.

The easement as proposed will not interfere with future housing development, will create a utility

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easement corridor useful to the grantee and potential future housing development, and generate proceeds from the sale of the easement shall be used for housing purposes.

An appraisal that analyzed similar property sales in the area was prepared to establish the value of the easement. Based on that analysis, the land was valued at \$70 per square foot, resulting in a total cost of \$99,000 for the 9,440 square foot easement.

STAFF RECOMMENDATIONS

Staff makes the following recommendation to the Daly City Housing and Development Finance Agency:

1. Approve of the Private Utility Easement Agreement

Respectfully submitted,



Tatum Mothershead
Director of Economic and
Community Development

Attachment

Draft Agreement for Grant of Easement

**PREPARED BY AND
WHEN RECORDED RETURN TO:**
Cormorant Energy Storage, LLC
c/o Arevon Energy
8800 N. Gainey Center Dr., Suite 100
Scottsdale, AZ 85258
Attn: Asset Management

APN:

(SPACE ABOVE FOR RECORDER'S USE)

THE UNDERSIGNED DECLARES
DOCUMENTARY TRANSFER TAX is \$ _____,
computed on the full value of the interest or property conveyed.

AGREEMENT FOR GRANT OF EASEMENT

This AGREEMENT FOR GRANT OF EASEMENT (this "**Agreement**") is made as of _____, 2025_ (the "**Effective Date**") by and between the Housing Development Finance Agency of the City of Daly City ("**Grantor**"), and Syufy Enterprises, a California limited partnership (together with its transferees, successors, and assigns, collectively "**Grantee**"). Grantor and Grantee are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

A. Grantor is the Housing Successor to the former Daly City Redevelopment Agency and retained all rights and responsibilities pursuant to California Health and Safety Code section 34176 relating to that certain real property located in the City of Daly City, County of San Mateo, California and more particularly described on Exhibit A attached hereto and incorporated herein (the "**Grantor Property**").

B. Grantor is subject to compliance with California Health and Safety Code section 34176.1 with respect to the use of the Grantor Property as a housing asset of the former Daly City Redevelopment Agency.

C. Grantee is the owner of that certain real property located in the City of Daly City, County of San Mateo, California and more particularly described on Exhibit B attached hereto and incorporated herein (the "**Grantee Property**").

D. Grantor desires to convey a non-exclusive Easement to Grantee over a portion of the Grantor Property near the Grantor Property perimeter where it will not interfere with future housing development, will create a utility easement corridor useful to Grantee and potential future housing development, and generate proceeds from the sale of the Easement that shall be used for housing purposes, all under such terms and conditions as set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Grantor and Grantee agree as follows:

AGREEMENTS

1. **Grant of Easement.** Grantor hereby grants to Grantee the following perpetual, non-exclusive easement (“**Easement**”) on, over, under, and across the Grantor Property in the area described on Exhibit C-1 and depicted on Exhibit C-2, both attached hereto and incorporated herein (the “**Easement Area**”):

(a) **Facilities Easement.** Grantee shall have a non-exclusive easement for constructing, erecting, installing, use, replacing, relocating, reconstructing, removing from time-to-time, monitoring, improving, maintaining, repairing, and operating, as applicable, including such any such rights of access and temporary use for construction, maintenance and related staging, (i) underground electrical distribution and transmission facilities, including without limitation all appropriate surface facilities, appliances and fixtures for use in connection with said facilities; and (ii) other underground utilities to serve the Grantee Property, including without limitation all appropriate surface facilities, appliances and fixtures for use in connection with said facilities (the “**Facilities Easement**”).

(b) All improvements installed by Grantee pursuant to Section 2(a) shall be collectively referred to herein as the “**Grantee Improvements**”.

2. **Revenue Payment; Exclusive Use of Revenue.** In accordance with the Grantee’s appraisal, Grantee shall remit (or cause to be remitted) fair market value (“**FMV**”) of \$_____, within ten (10) business days of the Effective Date of the Easement and completion of an appraisal establishing the FMV of the Easement. Grantor shall use revenues from the sale of the Easement exclusively for housing purposes in compliance with California Health and Safety Code section 34176.1.

3. **No Interference.** Grantee shall have the right to quietly and peaceably hold, possess, and enjoy the Easement in perpetuity. Without limiting the generality of the foregoing, Grantor shall not, nor affirmatively permit any other party to, unreasonably interfere with Grantee’s access to or use of the Easement Area, create any unsafe condition with respect to the Easement Area or the Grantee Improvements, or disrupt in any manner the use of the Grantee Improvements by Grantee. Nothing herein shall preclude Grantor from complying with its obligations relating to the use of the Grantor Property pursuant to California Health and Safety Code section 34176.1, provided that in the event performance of any such obligation(s) interferes with the Facilities Easement or Grantee Improvements the Parties shall cooperate in good faith to amend this Agreement and Easement to accommodate continued use of the Grantee Improvements.

4. **Assignment.** Grantee shall have the right to assign or otherwise transfer all or any portion of Grantee’s rights and/or interest in the Easement and this Agreement, whether by assignment, lease, sublease, sub-easement, license, or any other means or manner whatsoever to any other party (an “**Assignee**”) without the prior consent of Grantor.

5. **Title to Grantee Improvements.** Grantee (or any Assignee) shall at all times retain title to the Grantee Improvements and shall have the right to remove them (or to allow them to be removed by an authorized third party) from the Easement Area at any time. Grantor shall have no ownership, lien, security or other interest in or to any Grantee Improvements.

6. **Right to Mortgage; Mortgagee Protection.** Grantee (or any Assignee) shall have the right to mortgage, collaterally assign, or otherwise encumber and grant security interests in all or any part of its interest in this Agreement, the Easement Area, and/or the Grantee Improvements to any party

providing financing in connection with the Grantee Improvements (a “**Mortgagee**”) without the prior consent of Grantor. Grantee shall give Grantor notice information as to any Mortgagee, and thereafter, Grantor shall deliver any notice required or permitted by this Agreement at the same time it delivers any such notice to Grantee. Each Mortgagee shall have the right, but not the obligation, to substitute itself for Grantee and perform the duties of Grantee hereunder. Upon request, Grantor shall, within twenty (20) days after written request by Grantee or any Mortgagee, execute and deliver to Grantee or any Mortgagee, a reasonable consent or agreement with such Mortgagee regarding such Mortgagee’s rights with respect to this Agreement.

7. **Indemnity.** To the fullest extent permitted by law, Grantee shall indemnify, defend, and hold harmless Grantor from any and all obligations, liability, liens, claims, demands, loss, damage, costs (including reasonable attorneys’ fees), or causes of action (collectively, “**Claims**”) suffered or sustained by reason of any injury or damage to any person or property caused by (a) the use of Grantee Improvements or the Easement Area by Grantee, or (b) the presence of the Grantee Improvements within the Easement Area; provided, however, that Grantee’s indemnification obligations in this Section 6 shall not include any Claims to the extent caused by Grantor’s gross negligence or willful misconduct.

8. **Miscellaneous.**

(a) **Recitals; Exhibits.** The foregoing recitals and the Exhibits referred to in and attached to this Agreement are incorporated in and made a part of this Agreement.

(b) **Authority.** Grantor represents, warrants, and covenants to Grantee that Grantor is the owner of the Grantor Property, including but not limited to the Easement Area, and that Grantor has a right to enter into this Agreement and convey the Easement granted in this Agreement.

(c) **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon Grantor and Grantee and, to the extent provided in any assignment or other transfer under Section 4, any Assignee, and their respective transferees, successors and assigns, and all persons claiming under them, and shall be deemed covenants running with the land and be binding upon the Grantor Property. References to Grantee in this Agreement shall be deemed to include Assignees that hold a direct or indirect ownership interest in the Easement or this Agreement.

(d) **Recording of Agreement.** Grantee shall cause the recordation of a duplicate original of this Agreement in the Official Records of the County of San Mateo, California promptly after execution of this Agreement. Grantor hereby consents to the recordation of the interest of an Assignee in the Easement or this Agreement.

(e)

(f) Notices. All notices or other communications required or permitted by this Agreement, shall be in writing and shall be deemed given (a) when delivered, if personally delivered to the recipient; (b) on the first business day following delivery to an overnight delivery service, provided delivery is confirmed by the delivery service; and (c) on the earlier of actual receipt or three (3) days following deposit in United States registered or certified mail, postage prepaid, and return receipt requested, addressed to the Parties as follows:

If to Grantor:
Housing Development Finance Agency of the
City of Daly City
[]

If to Grantee:
Syufy Enterprises
[]

With Copy to:
Cormorant Energy Storage, LLC
c/o Arevon Energy
8800 N. Gainey Center Dr., Suite 100
Scottsdale, AZ 85258
Attn: Asset Management

Any Party may change its address for purposes of this paragraph by giving written notice of such change to the other Party in the manner provided in this Section.

(g) Entire Agreement. This Agreement, including all recitals and exhibits hereto, constitutes the entire agreement between the Parties with respect to the subject matter of this Agreement, and supersedes any prior or contemporaneous understandings, negotiations, representations, promises, and agreements, oral or written, by or between the Parties, with respect to the subject matter of this Agreement.

(h) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to principles of conflicts of law.

(i) Headings; Severability. The section captions or headings in this Agreement are intended for convenience of reference only, and may not be used to limit, expand, or otherwise interpret any provision hereof. If it is found that any provision of this Agreement is invalid, void, or unenforceable, that finding will not affect any other provisions of this Agreement, which other provisions will be severable from any invalid, void, or unenforceable provision.

(j) Counterparts. This Agreement, and any amendment hereto, may be executed in any number of counterparts and by each Party on separate counterparts with the same effect as if all signatory parties had signed the same document, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same instrument. For recording purposes, separate signature and acknowledgement pages signed and acknowledged by the Parties may be affixed to a single counterpart hereof, and such counterpart and such signature and acknowledgement pages will be deemed a true and correct record hereof when recorded in the Records Office.

(Signature Pages Follow)

IN WITNESS WHEREOF, Grantor has executed and delivered this Agreement as of the Effective Date.

GRANTOR:

Housing Development Finance Agency of the
City of Daly City, as the Housing Successor to the
former Daly City Redevelopment Agency

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____)
County of _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

IN WITNESS WHEREOF, Grantee has executed and delivered this Agreement as of the Effective Date.

GRANTEE:

Syufy Enterprises, a California limited partnership

By: _____
Name: _____
Title: Authorized Signatory

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of _____)
County of _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of _____ that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Exhibit A

Legal Description of Grantor Property

[To be added]

DRAFT

Exhibit B

Legal Description of Grantee Property

ALL THAT CERTAIN REAL PROPERTY IN THE CITY OF DALY CITY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH IS DISTANT 260 FEET AT A RIGHT ANGLE EASTERLY FROM THE SOUTHEASTERLY LINE OF CARTER STREET, AND 1,275 FEET AT A RIGHT ANGLE SOUTHWESTERLY FROM THE SOUTHWESTERLY LINE OF GENEVA AVENUE FORMERLY (WALBRIDGE STREET), RUNNING THENCE SOUTHEASTERLY AND PARALLEL WITH THE SAID LINE OF GENEVA AVENUE 720 FEET, THENCE AT A RIGHT ANGLE NORTHEASTERLY AND PARALLEL WITH SAID LINE OF CARTER STREET 675 FEET; THENCE AT A RIGHT ANGLE NORTHWESTERLY AND PARALLEL WITH SAID LINE OF GENEVA AVENUE 720 FEET AND THENCE AT A RIGHT ANGLE SOUTHWESTERLY AND PARALLEL WITH SAID LINE OF CARTER STREET 675 FEET TO THE POINT OF BEGINNING.

DRAFT

Exhibit C-1

Legal Description of Easement Area

[To be added]

DRAFT

Exhibit C-2

Depiction of Easement Area

(See Attached)

DRAFT