

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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MEASURE K: RESOLUTION:

- A) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE SAN MATEO COUNTY DEPARTMENT OF HOUSING (“DOH”), OR DESIGNEE, TO NEGOTIATE AND EXECUTE, IN CONSULTATION WITH THE COUNTY ATTORNEY, AN EXCLUSIVE NEGOTIATING AGREEMENT WITH MIDPEN HOUSING, OR AN AFFILIATE ENTITY, TO AFFORD THE PARTIES SUFFICIENT TIME NOT TO EXCEED ONE YEAR UNLESS AN EXTENSION IS NECESSARY AND ADVISABLE IN THE DIRECTOR’S DISCRETION, TO NEGOTIATE THE TERMS OF BOTH A DEVELOPMENT AGREEMENT AND AN AGREEMENT TO PROVIDE SITE CONTROL OF PROPERTY LOCATED AT 626, 640, AND 648 WALNUT STREET IN THE CITY OF SAN CARLOS (THE “PROPERTY”) WITH MIDPEN HOUSING, OR AN AFFILIATE ENTITY, FOR THE PURPOSE OF DEVELOPING AND OPERATING AN AFFORDABLE HOUSING DEVELOPMENT ON THE PROPERTY FOR LOW-, VERY LOW-, AND EXTREMELY-LOW INCOME HOUSEHOLDS, INCLUDING PERSONS EXPERIENCING OR AT RISK OF HOMELESSNESS AND LOCAL PUBLIC EMPLOYEES, TO THE EXTENT AND IN A MANNER ALLOWABLE BY LAW; AND**
- B) AUTHORIZING AND DIRECTING THE DIRECTOR OF DOH, OR DESIGNEE, IN CONJUNCTION WITH MIDPEN HOUSING, TO SUBMIT, OR CAUSE TO BE SUBMITTED, TO THE CITY OF SAN CARLOS, ALL NECESSARY ENTITLEMENT APPLICATION DOCUMENTS REQUIRED TO ENSURE DEVELOPMENT AT THE PROPERTY PROCEEDS IN ACCORDANCE WITH STATE LAW; AND**
- C) AUTHORIZING AND DIRECTING THE DIRECTOR OF DOH, OR DESIGNEE, IN CONSULTATION WITH THE COUNTY ATTORNEY, TO NEGOTIATE AND ENTER INTO A DEVELOPMENT AGREEMENT WITH MIDPEN HOUSING, OR AN AFFILIATE ENTITY REGARDING DESIGN, DEVELOPMENT, CONSTRUCTION, OWNERSHIP, AND MANAGEMENT OF THE PROPERTY AND THE PROVISION OF ON-SITE RESIDENT SERVICES AT THE PROPERTY; AND**
- D) AUTHORIZING AND DIRECTING THE DIRECTOR OF DOH, OR DESIGNEE, TO ENTER INTO NECESSARY AGREEMENTS TO PROVIDE SITE CONTROL OF THE PROPERTY, THROUGH A GROUND LEASE WITH AT LEAST A 55 YEAR TERM, OR ANOTHER INSTRUMENT AGREEABLE TO BOTH DOH AND MIDPEN HOUSING, SUBJECT TO COUNTY ATTORNEY REVIEW AND APPROVAL, WITH MIDPEN HOUSING OR AN AFFILIATE ENTITY TO FACILITATE MIDPEN HOUSING, OR ITS AFFILIATE ENTITY DEVELOPING, OWNING AND OPERATING AN AFFORDABLE HOUSING DEVELOPMENT ON THE PROPERTY FOR LOW-, VERY LOW-, AND EXTREMELY-LOW INCOME HOUSEHOLDS, INCLUDING PERSONS EXPERIENCING OR AT RISK OF HOMELESSNESS AND LOCAL PUBLIC EMPLOYEES, TO THE EXTENT AND IN A MANNER ALLOWABLE BY LAW; AND**
- E) AUTHORIZING AND DIRECTING THE DIRECTOR OF DOH TO ENTER INTO AN INITIAL PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$250,000 TO MIDPEN HOUSING, OR AN AFFILIATE ENTITY, FOR EARLY PREDEVELOPMENT ACTIVITIES, ON TERMS AND SUBJECT TO AN AGREEMENT IN A FORM APPROVED BY THE DOH DIRECTOR AND COUNTY ATTORNEY, FROM MEASURE K (AHF) FUNDS, OR OTHER AVAILABLE FUNDING SOURCES, WITH NO INCREASE TO NET COUNTY COST; AND F) AUTHORIZING THE DIRECTOR OF DOH, OR DESIGNEE, ACTING IN CONSULTATION WITH THE**

**COUNTY ATTORNEY, TO NEGOTIATE AND EXECUTE ANY AND ALL
AGREEMENTS, DOCUMENTS, CERTIFICATES, EXTENSIONS AND AMENDMENTS
AS MAY BE NECESSARY TO EFFECTUATE THE PURPOSES OF THIS
RESOLUTION**

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, the County owns three adjacent, vacant parcels totaling approximately 0.61 acres at 626–640–648 Walnut Street in downtown San Carlos (APNs 050-131-060, 050-131-070, 050-131-080); and

WHEREAS, the County acquired the Property in March 2024 with the intent of facilitating the development of affordable housing for low-income households on the Property; and

WHEREAS, on July 21, 2025, the County Department of Housing (“DOH”) issued a Request for Proposals (“RFP”) to solicit proposals from affordable housing development teams, with extensive experience developing, owning, operating, managing, and maintaining affordable housing, to serve as the developer, owner, and operator of the improvements; and

WHEREAS, ten qualified affordable housing developers and operators submitted development proposals in response to the RFP, and after an initial completeness review, a scoring committee comprised of staff from DOH and the City of San Carlos reviewed and scored all ten proposals based in part on the proposers’ vision for the site, overall project concept, financing approach, design and cost-effectiveness, community outreach, strategy for successfully marketing to County employees, and the development team’s experience and capacity; and

WHEREAS, on October 24, 2025, following interviews, the Selection Committee unanimously recommended MidPen Housing to the DOH Director for selection and advancement to this Board for approval because MidPen Housing possess the experience and skills necessary to identify and secure long-term funding for the Property; they have proven to be a committed and thoughtful partner with the County on key, high profile affordable housing development opportunities; they presented a bold design strategy that has the potential to maximize housing on the site while also utilizing a thoughtful approach in working with the local community and neighborhood groups and taking advantage of streamlining opportunities to ensure the project has the best opportunity to compete for critical state funding, and they demonstrated deep understanding of the need for affordable housing for public employees and practical steps for achieving this goal based off their two previously completed comparable developments; and

WHEREAS, to facilitate the development of affordable housing on the Property, this Board desires to authorize the Director of DOH to negotiate and enter into, in consultation with the County Attorney, an Exclusive Negotiating Agreement (“ENA”) with MidPen Housing to afford the parties sufficient time to negotiate and enter into (a) a Development Agreement, which will set forth the details of MidPen Housing’s development and operation of the affordable housing project on the Property; and

(b) an agreement that will transfer long-term site control of the Property from the County to MidPen Housing, likely through a long-term ground lease for a term of at least 55 years, whereby MidPen Housing would develop, own and operate the improvements for the term of the agreement and the County would retain the fee interest to the land; and

WHEREAS, the Director of DOH will consult with the County Attorney on these matters and the forms of such agreements shall be subject to the review and approval of the County Attorney; and

WHEREAS, pursuant to these agreements, MidPen Housing will be required to record an affordability covenant restricting tenancy at the Property to households earning at, or less, than 80 percent of area median income for a term of at least 55 years; and

WHEREAS, in order to expedite entitlements for the project, the Board desires to authorize a \$250,000 predevelopment loan to enable MidPen Housing to immediately engage design professionals and to conduct site analysis and community outreach; and

WHEREAS, the Legislature has determined that the words “develop, construct, or acquire,” as used in Section 1 of Article XXXIV of the State Constitution, shall not be interpreted to apply to the acquisition of property and ground lease to a private owner prior to its development as an affordable housing project as contemplated herein; and

WHEREAS, the County finds that the development of the project as affordable housing is in the public interest, and will serve the long-term protection of a critical affordable housing asset for the duration of the ground lease and beyond, consistent with the County’s housing goals to preserve affordability, safeguard public investment, and expand permanent housing opportunities for extremely low- and very low-income households.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Director of the San Mateo County Department of Housing (“DOH”), or designee, is authorized and directed to negotiate and execute, in consultation with the County

Attorney, an Exclusive Negotiating Agreement with MidPen Housing, or an affiliate entity, to afford the parties sufficient time not to exceed one year unless an extension is necessary and advisable in the Director's discretion, to negotiate the terms of both a Development Agreement and an Agreement to provide long-term site control of property located at 626, 640, and 648 Walnut Street in the City of San Carlos (the "Property") with MidPen Housing, or an affiliate entity, for the purpose of developing and operating an affordable housing development on the Property for low-, very low-, and extremely low-income households, including persons experiencing or at risk of homelessness and local public employees, to the extent and in a manner allowable by law.

BE IT FURTHER RESOLVED that the Director of DOH, or designee, is hereby authorized and directed, in conjunction with MidPen Housing, to submit, or cause to be submitted, to the City of San Carlos, all necessary entitlement application documents required to ensure development at the Property proceeds in accordance with state law.

BE IT FURTHER RESOLVED that the Director of DOH, or designee, is hereby authorized and directed, in consultation with the County Attorney, to negotiate and enter into a Development Agreement with MidPen Housing, or an affiliate entity, regarding design, development, construction, ownership, and management of the Property and the provision of on-site resident services at the Property.

BE IT FURTHER RESOLVED that the Director of DOH, or designee, is hereby authorized and directed to enter into necessary agreements to provide site control of the Property, through a ground lease with at least a 55 year term or another instrument agreeable to both DOH and MidPen Housing, subject to County Attorney review and approval, to MidPen Housing or an affiliate entity to facilitate MidPen Housing, or its affiliate entity developing and operating an affordable housing development on the

Property for low-, very-low, and extremely low-income households, including persons experiencing or at risk of homelessness and local public employees, to the extent and in a manner allowable by law.

BE IT FURTHER RESOLVED that the Director of DOH, or designee, is hereby authorized and directed to enter into an Initial Predevelopment Loan Agreement in an amount not to exceed \$250,000 to MidPen Housing, or an affiliate entity, for early predevelopment activities, on terms and subject to an agreement in a form approved by the DOH Director and County Attorney from Measure K (AHF) funds or other available funding sources, with no increase to Net County Cost.

BE IT FURTHER RESOLVED that the Director of DOH, or designee, is hereby authorized, acting in consultation with the County Attorney, to negotiate and execute any and all agreements, documents, certificates, extensions and amendments as may be necessary to effectuate the purposes of this resolution.

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