

RESOLUTION NO. .

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

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RESOLUTION AUTHORIZING AND DIRECTING THE COUNTY EXECUTIVE OFFICER, OR DESIGNEE(S), TO EXECUTE A GRANT AGREEMENT WITH UNITED HOPE BUILDERS, INC. IN THE AMOUNT OF \$500,000 FOR THE TERM OF DECEMBER 13, 2022 THROUGH JUNE 30, 2023, CONDITIONED ON UNITED HOPE BUILDERS RAISING THE ADDITIONAL FUNDS NECESSARY TO ESTABLISH AND OPERATE A MODULAR HOUSING MANUFACTURING PLANT IN EAST PALO ALTO AND FURTHER PROVIDED THAT GRANT FUNDS MAY BE USED ONLY AS REIMBURSEMENT FOR REASONABLE CONSTRUCTION EXPENSES INCURRED FOR THE MANUFACTURING PLANT

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

WHEREAS, Measure K is the half-cent sales tax initially approved by San Mateo County voters in November 2012, and extended in November 2016 for a total of 30 years; and

WHEREAS, the County has a strong and longstanding interest in increasing the availability of affordable housing for extremely low-income County residents and creating employment opportunities to empower individuals with circumstances that make it difficult to find employment; and

WHEREAS, for many years, the County has contracted with WeHope, a non-profit organization located in East Palo Alto, to provide shelter and support services to homeless residents in southern San Mateo County; and

WHEREAS, the leaders of WeHope have joined with other community leaders to establish a new non-profit organization, United Home Builders, Inc. to manufacture

affordable, modular housing units at a new plant in East Palo Alto (the "Plant") that will provide residents with stable, well-paid manufacturing jobs; and

WHEREAS, on May 18, 2021, the Board passed and adopted Resolution No. 078170, authorizing a one-time grant of \$500,000 to partially fund the salaries and benefits of manufacturing line workers at the Plant; and

WHEREAS, UHB has encountered delays and cost increases in development and construction of the Plant and is seeking to raise additional funding to complete the construction of the Plant and begin operations; and

WHEREAS, UHB has requested an additional \$500,000 contribution from the County toward construction of the Plant, which is expected to open by the end of March 2023; and

WHEREAS, this second \$500,000 grant furthers the County's efforts to ensure that more affordable housing units are built and supports employment for a diverse and inclusive workforce—including individuals who lost their job due to the pandemic, individuals facing homelessness or housing insecurity, immigrants, and those reentering the community after incarceration—which aligns with the Board's priorities for Measure K funds, including affordable housing initiatives; and

WHEREAS, it is the Board's intent for the County Executive, or designee(s), to execute a one-time **Measure K** grant agreement in the amount of \$500,000 to UHB to support construction of the Plant that conditions the disbursement of these grant funds on UHB first raising the additional funding necessary for the project and further provided

that these grant funds shall be limited to reimbursement for reasonable construction expenses incurred for the Plant (“Agreement”); and

WHEREAS, this Board has been presented with a form of the Agreement and has examined it and approved it as to both form and content and desires to enter into the Agreement; and

WHEREAS, concurrent with this resolution, the Board will be approving an Appropriation Transfer Request reallocating \$500,000 from Non-Departmental Services Reserves to Non-Departmental Services Project Contributions – Other Agency to fund the **Measure K** grant under the Agreement.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors hereby authorizes and directs the County Executive Officer, or designee(s), to execute the Agreement with United Hope Builders for the construction of the Plant in a total amount not to exceed \$500,000, consistent with the above findings and intent of the Board set forth in this resolution.

BE IT FURTHER RESOLVED that the County Executive Officer, or designee(s), is authorized to execute amendments to the Agreement which modify the County’s maximum fiscal obligation by no more than ten percent (10%) or \$25,000 (in aggregate), whichever is less, and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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