

RESOLUTION NO. .

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

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RESOLUTION: A) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING (“DOH”), OR DESIGNEE, TO EXECUTE AN EXCLUSIVE NEGOTIATING AGREEMENT WITH MIDPEN HOUSING, OR AN AFFILIATE ENTITY, TO AFFORD THE PARTIES SUFFICIENT TIME TO NEGOTIATE THE TERMS OF BOTH A DEVELOPMENT AGREEMENT AND AN AGREEMENT TO PROVIDE SITE CONTROL OF PROPERTY LOCATED AT 1580-1590 MAPLE STREET IN THE CITY OF REDWOOD CITY (THE “PROPERTY”) TO MIDPEN HOUSING OR AN AFFILIATE ENTITY FOR THE PURPOSE OF DEVELOPING, OWNING, AND OPERATING A PERMANENT SUPPORTIVE HOUSING DEVELOPMENT ON THE PROPERTY FOR EXTREMELY LOW-INCOME HOUSEHOLDS AND HOUSEHOLDS EXPERIENCING HOMELESSNESS; 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 REDWOOD CITY 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, TO ENTER INTO A DEVELOPMENT AGREEMENT WITH MIDPEN HOUSING, OR AN AFFILIATE ENTITY REGARDING DESIGN, DEVELOPMENT, CONSTRUCTION, OWNERSHIP, AND MANAGEMENT OF THE PROPERTY IN ADDITION TO THE PROVISION OF SUPPORTIVE SERVICES AT THE PROPERTY; AND D) AUTHORIZING AND DIRECTING THE DIRECTOR OF DOH, OR DESIGNEE, TO PROVIDE SITE CONTROL OF THE PROPERTY, THROUGH A SUB-GROUND LEASE, ASSIGNMENT OF GROUND LEASE, 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, OWNING, AND OPERATING A PERMANENT SUPPORTIVE HOUSING DEVELOPMENT ON THE PROPERTY FOR EXTREMELY LOW INCOME HOUSEHOLDS AND HOUSEHOLDS EXPERIENCING HOMELESSNESS

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

WHEREAS, 1580-1590 Maple Street (the “Property”) is owned by the City of Redwood City (the “City”); and

WHEREAS, the County currently has an option to enter into a ground lease with the City, which, once exercised, will allow the County to control the Property, as lessee, for sixty-five (65) years; and

WHEREAS, the County plans to exercise this option, and therefore control the Property, so it can then allow an experienced third-party to develop, own, and operate a permanent supportive housing development on the Property for extremely low-income households and households experiencing homelessness; and

WHEREAS, on May 24, 2022, DOH issued a Request for Proposals (“RFP”) to solicit proposals from affordable housing developers and service providers, with extensive experience developing, owning, operating, managing, and maintaining permanent supportive housing, and also providing high-quality resident services and supportive services, to serve as the developer, owner, and operator of the improvements; and

WHEREAS, two (2) qualified affordable housing developers and operators submitted Statements of Qualifications in response to the RFP, and a selection committee comprised of staff from DOH and the County Health Department and a representative of the City interviewed both entities and reviewed their submitted materials; and

WHEREAS, on July 25, 2022, the committee selected MidPen Housing because it possesses the experience and skills necessary to identify and secure long-term funding for the Property, to utilize a thoughtful approach in working with the local community and neighborhood groups, and to provide the property management protocols and supportive services the residents of the affordable housing development will need to maintain independence; and

WHEREAS, subject to this Board’s approval, the County and MidPen Housing will first enter into an Exclusive Negotiating Agreement (“ENA”) to afford the parties sufficient time to negotiate two central agreements (the “ENA Period”); and

WHEREAS, during the ENA Period, subject to this Board's approval, the parties will negotiate and enter into a Development Agreement, which will set forth the details of MidPen Housing's development and operation of the permanent supportive improvements on the Property; and

WHEREAS, subject to this Board's approval, during the ENA period, the parties will negotiate and enter into an agreement that will transfer site control of the Property for an extended period from the County to MidPen Housing; and

WHEREAS, while this agreement could take other forms, it is likely to be either a sub-ground lease, whereby MidPen Housing becomes the sub-lessee of the Property, or an assignment agreement, whereby the County assigns certain rights under the ground lease to MidPen Housing, allowing MidPen Housing to develop, own and operate the improvements; and

WHEREAS, as negotiations unfold, the Director of DOH will consult with the County Attorney to determine which approach is appropriate under the circumstances; and

WHEREAS, pursuant to these agreements, MidPen Housing will be required to record an affordability covenant restricting tenancy at the Property to homeless households earning at, or less, than 30% of area median income; and

WHEREAS, in order to expedite entitlements for the project, and in coordination with the County and City, MidPen Housing plans to submit a preliminary application to begin a streamlined entitlement process under the guidelines of SB-35, which requires that an applicant for a housing development project submit a preliminary application to the jurisdiction from which approval is being sought, in this case the City.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Director of the Department of Housing ("DOH"), or designee, is authorized and directed

to execute an Exclusive Negotiating Agreement with MidPen Housing, or an affiliate entity, to afford the parties sufficient time to negotiate the terms of both a Development Agreement and an Agreement to provide site control of property located at 1580-1590 Maple Street in the City of Redwood City (the “Property”) to MidPen Housing, or an affiliate entity, for the purpose of developing, owning, and operating a permanent supportive housing development on the Property for extremely low-income households and households experiencing homelessness; and,

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

BE IT FURTHER RESOLVED that the Director of DOH, or designee, is authorized and directed to enter into a Development Agreement with MidPen Housing, or an affiliate entity, regarding design, development, construction, ownership, and management of the Property in addition to the provision of supportive services at the Property; and

BE IT FURTHER RESOLVED that the Director of DOH, or designee, is authorized and directed to provide site control of the Property, through a sub-ground lease, assignment of ground lease, 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, owning, and operating a permanent supportive housing development on the Property for extremely low-income households and households experiencing homelessness.