



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



DATE: January 13, 2012
BOARD MEETING DATE: January 31, 2012
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors (Sitting as the Board of Commissioners of the Housing Authority)

FROM: Duane Bay, Director, Department of Housing
William Lowell, Executive Director, Housing Authority

SUBJECT: Six-Month Extension of the Exclusive Negotiations Agreement with MidPen Housing Corp for Half Moon Village Redevelopment

RECOMMENDATION:

Adopt Resolution No. 2012-01 authorizing the Executive Director of the Housing Authority of the County of San Mateo (HACSM) to execute a six-month extension, to May 23, 2012, of the Exclusive Negotiations Agreement between HACSM and MidPen Housing Corp. for the performance of pre-development activities at Half Moon Village.

BACKGROUND:

On August 24, 2010, the Board of Supervisors approved Resolution #2010-08, authorizing HACSM to enter into an Exclusive Negotiations Agreement (ENA) with MidPen Housing Corp. (MidPen). HACSM selected MidPen through a competitive selection process to develop, own and operate the redeveloped Half Moon Village senior housing complex as part of the Half Moon Bay Senior Campus Plan. MidPen, a very experienced affordable housing developer and operator, is a financially sound organization with a solid reputation for developing affordable housing with similar characteristics as those planned for the senior campus.

The ENA details specific pre-development activities to be accomplished by MidPen and, if these activities are successfully completed, commits the parties to enter into a Development Agreement for the project.

The plan for the redeveloped Half Moon Village includes an expansion of the site to include a vacant one-acre parcel immediately adjacent to the current housing site. This additional parcel is currently owned by the City of Half Moon Bay and will be transferred to the County as part of a three-way land exchange (equal value) that also involves the Peninsula Open Space Trust. Although the parties are in agreement with regard to the transfer, the implementation process has taken longer than anticipated due to delays in completion of required environmental reviews. The exchange is now expected to be concluded in February 2012. Because the land exchange is one of the milestones

specified in the ENA, it is necessary to extend the expiration date of the ENA.

DISCUSSION:

The ENA expired on November 23, 2011. The renewal request has not been made until now because of delays in the environmental review process with the Department of Housing and Urban Development (HUD). The environmental review has now been approved by HUD. The new extension will cover the period from November 23, 2011 to May 23, 2012. Prior to the new expiration date, a Development Agreement will be brought to the Board. If approved, this agreement will cover all development activities as well as future ownership and land lease arrangements.

County Counsel has reviewed and approved the Resolution as to form and content.

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Livable Community by enabling HACSM to expand its affordable housing to low income senior households by 100 units to a total for the site of 160 units.

FISCAL IMPACT:

There is no Net County Cost associated with this action. HACSM has loaned MidPen \$425,000 to accomplish pre-development activities specified in the ENA. Funds were maintained in a replacement reserve for HMTV capital projects.

RESOLUTION NO. 2012-01

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, SITTING AS THE BOARD
OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN
MATEO, STATE OF CALIFORNIA**

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**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE HOUSING
AUTHORITY OF THE COUNTY OF SAN MATEO (HACSM) TO EXECUTE A SIX-
MONTH EXTENSION, TO MAY 23, 2012, OF THE EXCLUSIVE NEGOTIATIONS
AGREEMENT BETWEEN HACSM AND MIDPEN HOUSING CORP. FOR THE
PERFORMANCE OF PRE-DEVELOPMENT ACTIVITIES AT HALF MOON VILLAGE.**

RESOLVED, by the Board of Supervisors of the County of San Mateo, sitting as
the Board of Commissioners of the Housing Authority of the County of San Mateo
(HACSM), State of California, that

WHEREAS, on August 24, 2010, the Board of Supervisors approved Resolution
#2010-08, authorizing HACSM to enter into an Exclusive Negotiations Agreement
(ENA) with MidPen Housing Corp. (MidPen); and

WHEREAS, the ENA details specific pre-development activities to be
accomplished by MidPen and, if these activities are successful completed, commits the
parties to enter into a Development Agreement for the project; and

WHEREAS, the plan for the redeveloped Half Moon Village includes an
expansion of the site to include a vacant one-acre parcel immediately adjacent to the
current housing site; and

WHEREAS, this additional parcel is currently owned by the City of Half Moon

Bay and will be transferred to the County as part of a three-way land exchange (equal value) that also involves the Peninsula Open Space Trust; and

WHEREAS, the transfer has taken longer than anticipated due to delays in completion of required environmental reviews, the exchange is now expected to be concluded in February 2012, and the land exchange is one of the milestones specified in the ENA;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Commissioners of the Housing Authority of the County of San Mateo authorizes the Executive Director of the Housing Authority of the County of San Mateo (HACSM) to execute a six-month extension, to May 23, 2012, of the Exclusive Negotiations Agreement between HACSM and MidPen Housing Corp. for the performance of pre-development activities at Half Moon Village.