

RESOLUTION NO. .

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

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**RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE HOUSING
AUTHORITY OF THE COUNTY OF SAN MATEO, OR THE EXECUTIVE DIRECTOR'S
DESIGNEE, TO EXECUTE A PREDEVELOPMENT LOAN AGREEMENT WITH MIDPEN
HOUSING CORPORATION TO ASSIST WITH PREDEVELOPMENT ACTIVITIES TO BE
UNDERTAKEN FOR PHASE I OF THE MIDWAY/ BAYSHORE REDEVELOPMENT
PROJECT**

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

WHEREAS, Midway Village is an aging 150-unit affordable rental housing complex developed by HACSM in the mid-1970s on a roughly 12-acre property located in the Bayshore neighborhood of Daly City; and

WHEREAS, HACSM owns the land upon which Midway Village is currently situated, and SAMCHAI, a California nonprofit public benefit corporation, owns the improvements on the Midway Village site; and

WHEREAS, on March 29, 2016, the Board of Supervisors, acting as the Board of Commissioners of HACSM (the "Governing Board"), took action to: (a) affirm the concept of redeveloping the Midway Village site in order to provide new, high-quality affordable housing and associated amenities, and (b) authorize HACSM to enter into a four-party Memorandum of

Understanding (“MOU”) with the City of Daly City (the “City”), the County, and the Bayshore Elementary School District (the “District”); and

WHEREAS, the MOU provides for the transfer of ownership of David R. Rowe Park (the “Park Site”) and Bayshore Child Development Center (the “Childcare Center”), both of which are located adjacent to Midway Village, to HACSM in order to facilitate the redevelopment of Midway Village; and

WHEREAS, on June 29, 2017, HACSM released a Request for Proposals (“RFP”) seeking experienced and qualified developers interested in redeveloping, owning, operating and managing affordable housing at the redevelopment site consisting of the Midway Village, Park, and Childcare Center properties, under a long-term ground lease with HACSM (the “Midway/Bayshore Redevelopment Project” or “Project”); and

WHEREAS, the RFP review committee recommended to the HACSM Executive Director the selection of MidPen Housing Corporation (“MidPen”) as Project developer, based on its outstanding proposal and degree of experience in developing mixed-used affordable housing and community-serving amenities comparable to that envisioned for the Project; and

WHEREAS, on January 23, 2018, the Governing Board authorized the Executive Director of HACSM to enter into an Exclusive Negotiations Agreement (“ENA”) with MidPen to establish the early predevelopment milestones to be achieved prior to execution of a development agreement, the use of certain Midway Village reserves to facilitate achieving the

early predevelopment milestones, and the roles and responsibilities of each party in this process; and

WHEREAS, HACSM has the authority to use Midway Village reserves—which currently exceed \$8 million—in order to facilitate provision of affordable housing; and

WHEREAS, on March 21, 2018, HACSM and MidPen executed the ENA for the Project with a negotiating period of 240 days, with the opportunity to extend the term two times, each for an additional 90-day period; and

WHEREAS, on April 4, 2018 the Governing Board authorized the Executive Director of HACSM to execute a loan agreement with MidPen in an amount not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) of Midway Village reserve funds to assist with predevelopment activities to be undertaken as part of the Project and set forth in the ENA (“Mater Plan Predevelopment Loan”); and

WHEREAS, HACSM and MidPen achieved the milestones identifies in the ENA and negotiated a Master Affordable Housing and Property Disposition Agreement (“Master AHPDA”); and

WHEREAS, on May 14, 2018, the Governing Board authorized the Executive Director of HACSM to enter into the Master AHPDA between HACSM and MidPen in order to undertake predevelopment and development activities for the Project; and

WHEREAS, on May 28, 2019, HACSM and MidPen executed the Master AHPDA; and

WHEREAS, the Project consists of five phases of development, the fifth and final phase of which will consist for preparation of the new Park Site; and

WHEREAS, On June 25, 2018, HACSM and MidPen executed the Master Plan Predevelopment Loan Agreement; and

WHEREAS, MidPen used the funding provided from the Master Plan Predevelopment Loan to initiate predevelopment activities associated with planning all five phases of the Project (“Master Planning”), including architecture services to design the Project, civil engineering services for the same purpose, and extensive environmental testing on the Project site; and

WHEREAS, the first phase of the Project, consists of the development of 148 new-construction affordable housing units, a secured parking garage, facility space for resident services, and programmed outdoor amenities for residents (“Phase I”); and

WHEREAS, in order to facilitate completion of predevelopment tasks for Phase I of the Project, HACSM recommends the provision of a predevelopment loan for Phase I to MidPen in an amount not to exceed One Million Four Hundred Nine Thousand, Seven Hundred Ninety-Five Dollars (\$1,409,795) of Midway Village reserve funds (“Phase I Predevelopment Loan”).

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors, County of San Mateo, State of California, acting as the Governing Board of Commissioners for the Housing Authority of the County of San Mateo, authorize the Executive Director of the Housing Authority of the County of San Mateo, or the Executive Director’s

Designee, to execute a predevelopment loan agreement with MidPen Housing Corporation to assist with predevelopment activities to be undertaken for Phase I of the Midway/ Bayshore Redevelopment Project.

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