

RESOLUTION NO.

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

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RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND MERCY HOUSING CALIFORNIA TO PROVIDE ADDITIONAL TIME FOR COMPLETION OF PRE-DEVELOPMENT ACTIVITIES AND NEGOTIATION AND PREPARATION OF AN AFFORDABLE HOUSING AND PROPERTY DISPOSITION AGREEMENT FOR THE MIDDLEFIELD JUNCTION PARCEL “A” MIXED-USE DEVELOPMENT PROJECT

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, (“County”), that

WHEREAS, the Middlefield Junction – Parcel “A” Mixed-Use Development Project (the “Project”) is a mixed-use development with 179 units affordable rental housing situated on a vacant undeveloped 3.2-acre parcel acquired by the County by grant deed on September 30, 2014 and located at 2700 Middlefield Road (APN:054-113-140) in the North Fair Oaks neighborhood of the unincorporated area of the County (the “Project Site”); and

WHEREAS, pursuant to Resolution No. 076375, on March 4, 2019, the County executed an Exclusive Negotiating Rights Agreement (the “ENRA”) with Mercy Housing California (“Mercy Housing”) to provide a timeframe for Mercy Housing to undertake due diligence and predevelopment activities and for Mercy Housing and the County to attempt to negotiate an Affordable Housing and Property Disposition Agreement (“AHPDA”) (which includes as an exhibit a long-term ground lease); and

WHEREAS, pursuant to administrative authority in the ENRA, (i) on October 30, 2019, the Director of the Department of Housing (“Director”) granted an administrative extension to the negotiating period under the ENRA, and (ii) on January 6, 2020, the Director executed a first amendment to the ENRA, to facilitate Mercy Housing’s

qualification to apply for affordable housing funding opportunities from the State of California and which further extended the negotiating period under the ENRA until July 31, 2020; and

WHEREAS, since the ENRA was executed, Mercy Housing has been diligently conducting predevelopment activities, including due diligence, seeking funding from numerous State of California affordable housing financing programs and preparing construction drawings; and

WHEREAS, the negotiating period under the ENRA expires on July 31, 2020, and both the Department of Housing and Mercy Housing desire to continue working toward the development of the Project; and

WHEREAS, the Director is satisfied with the progress that has been made to date, and to ensure the Project may continue to proceed, staff has prepared a second amendment to the ENRA to further extend the negotiating period under the ENRA to November 30, 2020, which would authorize the Director to grant administrative extensions to up until December 31, 2020, if significant progress is being made toward of the AHPDA (including long-term ground lease) for the Project.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors, County of San Mateo, State of California, authorize second amendment to the Exclusive Negotiating Rights Agreement between the County of San Mateo and Mercy Housing California to provide additional time for completion of pre-development activities and negotiation and preparation of an affordable housing and property disposition agreement for the Middlefield Junction Parcel "A" Development Project.

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