

**RESOLUTION NO.**

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

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**RESOLUTION AUTHORIZING A THIRD AMENDMENT TO THE EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND MERCY HOUSING CALIFORNIA TO PROVIDE ADDITIONAL TIME TO FEBRUARY 28, 2021 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**

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**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, (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, (iii) on July 21, 2020, the Board authorized a second amendment to the ENRA which further extended the negotiating period under the ENRA until November 20, 2020, and (iv) on November 19, 2020, the Director granted an administrative extension to the negotiating period under the ENRA until December 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**, Mercy Housing is working with County of San Mateo Department of Environmental Health who has requested additional tests and reporting on soil and groundwater on the site; and

**WHEREAS**, the negotiating period under the ENRA expires on December 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

February 28, 2021, which would authorize the Director to grant administrative extensions to up until March 31, 2021, 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, hereby authorizes a third amendment to the Exclusive Negotiating Rights Agreement between the County of San Mateo and Mercy Housing California to provide additional time to February 28, 2021 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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