

RESOLUTION NO. .

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

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RESOLUTION AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, TO EXECUTE AN AMENDED AND RESTATED MANAGEMENT AGREEMENT WITH MIDPEN PROPERTY MANAGEMENT CORPORATION FOR OPERATON AND MANAGEMENT AT SHORES LANDING, LOCATED AT 1000 TWIN DOLPHIN DRIVE, IN REDWOOD CITY (ASSESSOR PARCEL NUMBER 095-222-230), INCREASING THE AMOUNT OF THE AGREEMENT BY \$913,312 FOR A NEW TOTAL AMOUNT NOT TO EXCEED \$2,431,312 WITH A TERM OF NOVEMBER 16, 2021 THROUGH NOVEMBER 16, 2022

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

WHEREAS, the Homekey Program (“Homekey”), administered by the State of California Housing and Community Development Department (“State HCD”), provided funding to rapidly sustain and expand the inventory of housing for people experiencing homelessness or at risk of homelessness and impacted by COVID-19; and

WHEREAS, with authorization from the Board, the Department of Housing (“DOH”), on behalf of the County, applied for and received a funding award from Homekey, Round 1, to help finance the acquisition of the property previously known as TownePlace Suites and now known as Shores Landing, located at 1000 Twin Dolphin Drive, in Redwood City (Assessor Parcel Number 095-222-230) (the “Property” or “Shores Landing”); and

WHEREAS, with authorization from the Board on December 3, 2020, DOH acquired the Property using Homekey funds and local Coronavirus Aid, Relief, and Economic Security (CARES) Act funds; and

WHEREAS, the Property is a 95-unit permanent affordable housing site for extremely low-income seniors (62+ years of age) earning at or below 30% of the Area Median Income, as well as seniors who may have experienced homelessness or are at risk of homelessness, and provide wrap around services to qualified residents through programs like the County's Whole Person Care Program in addition to services to medically frail seniors; and

WHEREAS, DOH issued a Request for Qualifications, and MidPen Housing Corporation and its affiliated entities (collectively, "MidPen") were selected as the operator and manager of the Property because of their experience and skills of securing long-term funding for the Property, to utilize a thoughtful approach in working with the local community and neighborhood groups, and to utilize their existing network of partners to assist in the full-service operation and management of the Property, including provision of services the residents may need to remain stably housed and for the Project to have a positive impact upon the surrounding community; and

WHEREAS, on March 23, 2021, pursuant to Resolution No. 078081, the Board authorized DOH to execute an Exclusive Negotiating Agreement with MP Land Holdings, LC an affiliated entity of MidPen Housing Corporation and its Agent, pursuant to which the parties agreed to negotiate a management agreement that was executed on April 13, 2021 (the "Original Management Agreement"), which sets forth the responsibilities of MidPen and the County regarding the operation and management of the Property, including the development of a Project budget and the establishment of a bank account or other similar mechanism that allows MidPen to access \$1,500,000 of

Measure K funding being provided by the County as start-up funding for expenses related to the operation and management of the Property; and

WHEREAS, on November 6, 2018 and on June 4, 2019, pursuant to Resolution Nos. 076259 and 076672, the Board authorized DOH to (i) apply for and to accept California Emergency Housing Solutions (CESH) funding from State HCD, if awarded, (ii) distribute funds to projects with eligible activities as approved by State HCD and in accordance with all CESH program requirements, and other rules and laws, as well as in a manner consistent and in compliance with the Standard Agreements and other contracts between State HCD and DOH, and (iii) execute contracts with awardees identified through the project selection process; and

WHEREAS, on August 8, 2019, DOH accepted a CESH funding award from State HCD in the amount of \$627,447; and

WHEREAS, on April 17, 2020, DOH accepted a second CESH funding award from State HCD in the amount of \$352,881; and

WHEREAS, on October 13, 2021, DOH identified Shores Landing as a project with eligible activities to distribute both CESH funding awards in a total amount of 931,312, after deducting administrative fees in the amount of \$49,015; and

WHEREAS, the CESH funds will be released into a County-owned Shores Landing Trust Account for the operation of Shores Landing once the parties negotiate and execute a subrecipient agreement that comports with CESH program requirements; and

WHEREAS, DOH and MidPen Property Management Corporation are seeking to amend and restate the Original Management Agreement for Shores Landing (“Amended

and Restated Management Agreement”) to increase the amount of the agreement by 931,312 for a new total amount of \$2,431,312 for a term of November 16, 2021 through November 16, 2022; and

WHEREAS, in addition, through this Amended and Restated Agreement, the parties are seeking to add certain exhibits and attachments to the Original Management Agreement and include additional language setting forth (i) a process for how the parties will address procurement and contracting issues related to any work on the Property, which may constitute a “Public project” under Section 22002 of the California Public Contract Code, (ii) the maintenance obligations of the Bay Trail (required by the Permit) that MidPen agrees to undertake, and (iii) granting MidPen with the authority to assist the County, as its agent, in obtaining additional financing for the Property’s operations and future capital improvements, which the County and/or MidPen will use in accordance with the applicable funding requirements for such programs, and authorizing MidPen to seek reimbursement from the County for its costs in obtaining, or assisting the County in obtaining, additional financing.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Director of DOH, or designee, is authorized to execute an Amended and Restated Management Agreement with MidPen Property Management Corporation for operation and management at Shores Landing, located at 1000 Twin Dolphin Drive, in Redwood City (Assessor Parcel Number 095-222-230), increasing the amount of the agreement by \$913,312 for a new total amount not to exceed \$2,431,312 with a term of November 16, 2021 through November 16, 2022.

BE IT FURTHER RESOLVED THAT the Director of DOH, or designee, is

authorized to execute amendments to the Amended and Restated Management Agreement with MidPen Property Management Corporation, which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as modified term or services is/are within the current or revised fiscal provisions.

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