



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 18-827

Board Meeting Date: 9/4/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Ken Cole, Director, Department of Housing
Subject: Contract for Project WeHOPE Shelter Acquisition

RECOMMENDATION:

Adopt a resolution authorizing:

- A) A seven-month extension of a \$490,673 Affordable Housing Fund commitment for acquisition of the Project WeHOPE Shelter in East Palo Alto; and
- B) The Director of the Department of Housing, or the Director's designee, to execute a contract with Project WeHOPE to assist with the acquisition of the 1854-1858 Bay Road, East Palo Alto emergency shelter facility.

BACKGROUND:

In April 2014, the Board of Supervisors approved the allocation of \$13.4 million in former Redevelopment Agency funds distributed to the County of San Mateo following dissolution of California's redevelopment agencies (RDAs). The majority of these RDA "boomerang funds" were allocated among six new construction affordable housing projects in Resolution #072977. Another \$2,942,784 was awarded for capital proposals at three shelters under Resolution #073116. This competitive process became known as the County's first Affordable Housing Fund Notice of Funding Availability (AHF 1.0 NOFA) round.

One of the shelter awards made under AHF 1.0 was \$490,673 to support the acquisition and renovation of Project WeHOPE's shelter at 1854-1858 Bay Road in East Palo Alto. The Department of Housing (DOH) and Project WeHOPE (PW) executed a contract for the funds December 17, 2014. A primary consideration of the contract was that PW secure the remaining funding needed to acquire the property prior to DOH releasing any funds. Project WeHOPE recently obtained the outstanding commitments needed to acquire the property. However, the DOH-PW contract expired June 1, 2018. To facilitate PW's acquisition of the site, an extension of the award and new contract are needed.

DISCUSSION:

At this time, DOH seeks approval from the Board of Supervisors to extend the original \$490,673 commitment of RDA boomerang funds for Project WeHOPE through December 31, 2018, and execute a new contract in this amount. PW is scheduled to acquire the property in late September 2018, but if the acquisition does not occur by the end of 2018, the award will be cancelled upon expiration of the contract, and the funds will be added to the County's next Affordable Housing Fund NOFA.

Acquisition of the shelter property will help secure the site for emergency shelter purposes in a heated real estate market and stabilize the operator, PW, by eliminating ongoing rent payments. PW will also renovate a portion of the property to add respite care beds. The County's restrictive covenant to be executed by PW at the time of acquisition in connection with the \$490,673 loan will require continued maintenance of one or more contracts with the County for shelter operations, satisfactory performance under the contract(s), including timely reporting, and continued use of the site as an emergency shelter. Aside from modifying the contract term within current or revised fiscal provisions or making minor changes to the scope of services, any changes to these requirements would require approval of the Board of Supervisors.

The resolution has been reviewed and approved as to form by County Counsel. Approval of this Resolution contributes to the Shared Vision 2025 outcome as a Livable Community by securing and increasing the supply of shelter opportunities for homeless individuals and families.

PERFORMANCE MEASURE:

Measure	FY 2017-18 Actual	FY 2018-19 Projected
Acquisition of Project WeHOPE Shelter	N/A	Acquisition completed

FISCAL IMPACT:

This item will be funded entirely from RDA boomerang funds previously allocated to the project, and will have no net fiscal impact to the County of San Mateo.