



County of San Mateo

Inter-Departmental Correspondence

Department: BOARD OF SUPERVISORS
DISTRICT 4
File #: 21-372

Board Meeting Date: 5/18/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Supervisor Warren Slocum, District 4
Subject: \$500,000 Grant to United Hope Builders, non-profit modular housing construction organization

RECOMMENDATION:

Adopt a resolution authorizing and directing the President of the Board of Supervisors to execute a grant agreement with United Hope Builders in the amount of \$500,000, for the term of May 18, 2021 through December 31, 2022, conditioned on United Hope Builders establishing and operating a modular housing manufacturing plant in East Palo Alto and provided that the grant funds may be used only to pay for salary and benefits for the plant's manufacturing line employees.

BACKGROUND:

For many years, the County has contracted with WeHope, a non-profit organization located in East Palo Alto, to provide shelter and support services to homeless residents in southern San Mateo County. WeHope clients often experience homelessness because they cannot find affordable housing, and many, while working, have salaries that do not provide enough income to live in San Mateo County.

To create both affordable housing for extremely low-income residents in San Mateo County and up to eighty good paying manufacturing jobs, the leaders of WeHope have joined with other community leaders to establish a new non-profit organization, United Hope Builders (UHB). In partnership with indieDwell, a certified B corporation, UWB plans to manufacture affordable, modular housing units at a new plant in East Palo Alto that will provide residents with stable, well-paid manufacturing jobs.

indieDwell is an established manufacturer of affordable modular housing units based in Idaho, with manufacturing facilities in Colorado and Idaho. The East Palo Alto manufacturing plant will be jointly owned by UHB, indieDwell and the plant employees.

UHB leadership has expressed a commitment to employ at the East Palo Alto plant a diverse and inclusive workforce, including people who have lost jobs due to the pandemic, as well as immigrants and those reentering the community after incarceration. When the manufacturing plant is working at

full capacity, UHB anticipates that up to eighty individuals will be employed in manufacturing positions.

DISCUSSION:

UHB has requested assistance from the County to support the manufacturing plant during the initial stages of operation. To support this new facility, which will provide well-paid jobs in a community that has historically had higher unemployment than the County average and has been among the hardest hit communities by the pandemic, it is requested that the County contributes \$500,000.00 toward the salaries of manufacturing line workers. Pursuant to the Grant Agreement that this Board is asked to approve, the funds would be dispersed to UHB in five monthly installments of \$100,000.00, with the first installment transferred when the Manufacturing Plant opens and begins operations.

Construction of the Manufacturing Facility has begun, and UWB expects the facility to open in late 2021 or early 2022. UHB has requested a commitment by the Board at this time because UHB believes that such a grant will serve as a catalyst to generate additional financial support, and in fact, foundations and individuals have expressed interest in financially supporting this project. UHB has expressed confidence in being able to secure the financing to establish the manufacturing plant and begin operations. Staff will report back to the Board when the grant conditions are met, and the first tranche of funds are authorized for distribution.

County Counsel has reviewed and approved the resolution and the grant agreement as to form.

FISCAL IMPACT:

The County anticipates that the \$500,000 in grant funds will initially come from General Fund sources. However, this grant expenditure may ultimately be covered by reimbursement from funds provided through the federal American Rescue Plan or through other state and/or federal funds that may be made available in connection with the County's response to the COVID-19 pandemic.