



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY MANAGER

**File #:** 21-747

Board Meeting Date: 9/28/2021

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**Special Notice / Hearing:** Published  
**Vote Required:** 4/5

**To:** Honorable Board of Supervisors

**From:** Michael P. Callagy, County Manager  
Adam Ely, Project Development Unit Director

**Subject:** Proposed property exchange with City of Redwood City

**RECOMMENDATION:**

Adopt a resolution authorizing:

- A) The President of the Board of Supervisors to execute a Real Property Exchange Agreement with the City of Redwood City; exchanging County-owned real property located at 1580 Maple Street, in the City of Redwood City ("County Property") for City-owned property located at 1469 Maple Street, in the City of Redwood City ("City Property"); and
- B) The County Manager, or County Manager's designee, to execute on behalf of the County the Grant Deed, the Certificate of Acceptance, the Lease Agreement, the Site Preparation and Development Fees Agreement; a Three-Party Agreement, and any and all notices, consents, agreements, approvals, escrow instructions and documents needed to facilitate the Exchange Agreement.

**BACKGROUND:**

In 2010, the City of Redwood City ("the City") adopted a General Plan update that calls for the extension of Blomquist Street, which presently dead-ends into Maple Street on the east side of Highway 101. The road extension would eventually connect Blomquist Street from Maple Street to Bair Island Road through a vehicular bridge from the eastern edge of Redwood Creek adjacent to U.S. 101 (Figure 1).

Figure 1



To extend Blomquist, however, the City needs to acquire land owned by the County at 1580 Maple Street.

Anticipating that it would acquire the County's interest in 1580 Maple Street, on August 3, 2018 the City executed a development agreement with 1548 Maple, LLC for a project to construct up to 131 townhomes. The developer agreed, among other things, to either construct or to pay for construction of certain public improvements, including a portion of the Blomquist Extension.

Since the street extension would run through the County Parcel, the City agreed with the developer to make efforts to acquire the County's parcel at 1580 Maple Street in time for construction on its portion of Blomquist. Having the developer pay for the Blomquist Extension presents significant cost savings to the City, because the alternative is for the developer to make a one-time payment to the City and impose upon the City the cost of building the road, which will generate a substantial unfunded cost for the City. As a result, starting in 2017, the City and County began discussions regarding transferring 1580 Maple Street to the City.

The County's primary concern is that the Blomquist Street project will displace the LifeMoves shelter, and the County has communicated that any transaction with the City involving displacement of the shelter must accommodate its intention to install a new state-of-the-art and expanded solution for persons experiencing homelessness.

After considering various other City properties, City staff initially proposed exchanging 1580 Maple Street for a portion of a nearby, mostly vacant, lot at 1402 Maple Street. The proposal was to swap the entirety of the parcel noted as "A" in Figure 2 below with a portion of the parcel noted as "B." Documents were prepared to effectuate the transaction.



On July 7, 2020, the Board of Supervisors unanimously approved an agreement to exchange the County-owned property at 1580 Maple Street (“A”) for a portion of a City-owned parcel at 1402 Maple Street (“B”). The City Council considered the matter the following week. However, at its July 13, 2020 meeting, the City Council defeated the proposal, suggesting that the City should instead offer other City-owned land for the County’s use as a site for a shelter for persons experiencing homelessness.

#### **DISCUSSION:**

Since July 2020, staff-level discussions have continued, with City staff proposing a different City-owned property to exchange with 1580 Maple Street. The proposal is for the County to convey to the City the LifeMoves shelter property at 1580 Maple Street in exchange for a 2.52-acre portion of a nearby City property at Maple Street currently being used as car dealership inventory storage. This parcel is marked as “C” in Figure 2, above.

The exchange, which is authorized by California Government Code section 25365, would be roughly proportional in terms of buildable area on each parcel. The current proposal is like the prior proposal in the sense that it would involve conveying raw land to the County, necessitating the construction of a new shelter at County expense. However, acquisition of a vacant parcel will allow the County to construct a new, state-of-the-art shelter facility for persons experiencing homelessness, with a focus on members of the Redwood City community having such need. It will also allow the County to prepare the site appropriately for anticipated effects of sea level rise, which would be more difficult with an existing structure in this area.

Key elements of the current proposal include the following:

1. The current shelter site will be conveyed to the City but leased back from the City to the County at no cost to allow the shelter to continue operating in place until at least November 1, 2022, which, unless a later date is agreed upon, is the date by which the County will permanently vacate the shelter site. Failure to vacate the site could cause the City to incur a costly obligation to build the Blomquist Extension, so if the County overstay, it will need to pay rent of \$16,000 per month and pay liquidated damages of \$5,500,000 to the City for construction costs.
2. The County will raise the Middle Parcel to a height of at least 14 feet to address sea level rise.

3. The City will give the County an option to lease an approximately 1.5-acre remnant portion of 1580 Maple (the current shelter site) for a term of 65 years, and collaborate with the County on future development plans for that site, for a potential future affordable housing project.
4. The County will pay certain development fees, including the costs of increasing sewer and water capacity. However, the County will receive credit against such fees for the existing sewer and water capacity of the County's facilities at 1580 Maple Street, and these fees will be capped, in any event, at approximately \$390,000.
5. The County will pay 1/3 of the cost, to a maximum of \$175,000, for demolition of the existing shelter once it is vacated.

Staff recommends adoption of the attached Resolution authorizing execution of the Real Property Exchange Agreement, and delegating to the County Manager or his designee the authority to execute a Lease Agreement allowing continued use of the existing LifeMoves shelter, a Site Preparation and Development Fees Agreement providing the terms of the County's contribution toward certain costs of development, and a Three Party Agreement among the City, the County, and the owner of 1548 Maple LLC that would establish the terms under which parcels under City and County control could be used by each party during construction activities.

**FISCAL IMPACT:**

The property exchange itself is at no cost to the County, though the exchange documents commit the County to pay certain items relating to future development when proposed and carried out. Future projects on the new County parcel or on the potential future leased property will be the subject of separate Board action.