



Monterey County

Item No.5

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

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August 18, 2022

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- a. Receive a status report on the implementation of the affordable housing component of the Memorandum of Understanding between the City of Salinas and the County of Monterey Regarding Coordination of Responsibilities Related to the Operation of the SHARE Center and Development of Affordable Housing at 845 East Laurel Drive in Salinas, California; and
- b. Provide direction to staff.

RECOMMENDATION:

It is recommended that the Health, Housing and Human Services Committee of the Board of Supervisors:

- a. Receive a status report on the implementation of the affordable housing component of the Memorandum of Understanding between the City of Salinas and the County of Monterey Regarding Coordination of Responsibilities Related to the Operation of the SHARE Center and Development of Affordable Housing at 845 East Laurel Drive in Salinas, California; and
- b. Provide direction to staff.

SUMMARY:

In June 2021, the County of Monterey (County) and City of Salinas (City) entered into the Memorandum of Understanding Regarding Coordination of Responsibilities Related to the Operation of the SHARE Center and Development of Affordable Housing at 845 East Laurel Drive in Salinas, California (2021 MOU - Attachment A). Since adoption of the 2021 MOU, County and City staff have worked closely to take initial steps for a proposed affordable housing development. On May 6, 2022, the City, in collaboration with the County, released the Request for Qualifications for the Design and Development of an 100% Affordable Multifamily Rental Housing Development (Attachment B). The RFQ closed on June 24, 2022.

The County and City have assembled a rating and ranking panel to review, evaluate proposals and interview top development teams. Panel members include 2 staff from the City Community Development Department, 2 staff from County HCD, 1 staff from Monterey County Health Department-Health in All Policies unit, 1 staff from the City of Monterey, and one from the Salinas Regional Soccer Complex. The panel completed its ranking of proposals on July 21, 2022, and top ranked teams have been invited to interview with the panel the week of July 25th. Final selection of an affordable housing developer is subject to Board of Supervisors and City Council approval.

Staff anticipates presenting the outcome of the RFQ process and the panel's developer selection and recommendation to the Board of Supervisors and City Council in late August or September 2022 for consideration to approve a developer and authorize staff negotiate an Exclusive Negotiating

Agreement (ENA) and Ground Lease. The ENA and Ground Lease must be approved by the Board of Supervisors and City Council. County staff have identified some initial issues to be addressed, related but not limited to 1) Land and financial contributions by each jurisdiction; 2) Access and compatibility with adjacent uses; and 3) Regional Housing Needs Allocation credit sharing.

Staff seeks direction from the Health, Housing and Human Services Committee regarding the proposed affordable housing development at the County-owned 855 East Laurel Drive in Salinas and developer selection process.

DISCUSSION:

See Attachment C - Detailed Discussion.

OTHER AGENCY INVOLVEMENT:

Staff from the HCD and PWFP worked closely with City staff to develop the RFQ and continue coordination efforts to evaluate proposals, interview prospective developers, and select a developer to recommend to the Board of Supervisors and City Council. The Office of County Counsel participated to review the draft RFQ.

FINANCING:

There is no impact to the General Fund as the result of receiving this update. HCD staff time to participate in the RFQ process is provided in the FY 2022-23 adopted budget for General Fund 001, Appropriation unit HCD001, Budget Unit 8542. PWFP staff time to participate in the RFQ process is provided in the FY 2022-23 adopted budget for General Fund 001, Appropriation Unit PFP054, Budget Unit 8552.

The selected developer will be responsible for securing sources of financing and operating subsidies. The County and City will be partners in discussions with other agencies that offer permanent financing and operating subsidies toward affordable housing developments. In addition, it is envisioned that the County and City may participate financially by providing gap financing by using local, State, and Federal housing funds that may be available to assist in meeting the project's development costs. In the coming Fiscal Years, the city of Salinas has access to approximately \$7 million in competitive funds to support production of affordable housing that may be available to this project. At this time the County does not have any identified funding that could be made available for this project. If gap funding is needed, the County may identify additional funding sources to support affordable housing development for which this project could compete.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Provision of safe, affordable housing supports the Board of Supervisor' Strategic Initiatives for Infrastructure and Health and Human Services, by improving health and quality of life outcomes for individuals and families experiencing housing insecurity due to limited income.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure

__ Public Safety

Prepared by: Melanie Beretti, AICP, Principal Planner 755-5285

Approved by: Erik Lundquist, AICP, Director of Housing and Community Development

Attachments:

Attachment A - 2021 MOU

Attachment B - Request for Qualifications

Attachment C - Detailed Discussion