



# County of Monterey

Item No.

## Board Report

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

Legistar File Number: A 25-295

July 08, 2025

Introduced: 6/26/2025

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Agreement

- a. Approve a retroactive Standard Agreement with Oliver Property Management to provide property management services at the Kents Court Housing Development in Pajaro, CA, in an amount not to exceed \$700,000 for a term beginning July 1, 2025, through June 30, 2028;
- b. Authorize the Contracts/Purchasing Officer or designee to execute the retroactive Standard Agreement and future amendments to the Agreement where each amendment does not significantly alter the scope of work or increase the original Agreement amount by more than 10% (\$70,000) of the original contract amount of \$700,000 subject to review by County Counsel.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve a retroactive Standard Agreement with Oliver Property Management to provide property management services at the Kents Court Housing Development in Pajaro, CA, in an amount not to exceed \$700,000 for a term beginning July 1, 2025, through June 30, 2028;
- b. Authorize the Contracts/Purchasing Officer or designee to execute the retroactive Standard Agreement and future amendments to the Agreement where each amendment does not significantly alter the scope of work or increase the original Agreement amount by more than 10% (\$70,000) of the original contract amount of \$700,000 subject to review by County Counsel.

### SUMMARY:

Kents Court is a nineteen-unit affordable housing development located in Pajaro, consisting of eighteen rental units and one unit designated for an on-site employee. The property is owned by the County of Monterey, acting as the Housing Successor Agency to the former Redevelopment Agency.

Since June 2021, Eugene Burger Management Corporation (EBMC) has managed the property. Prior to that, from October 2015 through May 2021, the John Stewart Company served as the property manager.

The John Stewart Company was originally selected through Request for Proposals (RFP) #10528, resulting in an agreement with an initial term from October 1, 2015, to September 30, 2018. Amendments extended the agreement through June 30, 2021, allowing sufficient time for the County to conduct a new competitive selection process.

In September 2020, the Housing and Economic Development Office, part of the Housing and Community Development (HCD) Department, issued RFP #10768 for Property Management Services for Kents Court. The proposal review process concluded in November 2020. During this period, interviews and internal discussions prompted a thorough evaluation of the site to ensure future

compliance with state requirements for former redevelopment properties. As a result, EBMC was selected and awarded a contract effective June 8, 2021, through June 30, 2024, with a not-to-exceed amount of \$700,000. HCD has opted not to renew this agreement.

On January 16, 2025, HCD released RFP #10932 for new property management services at Kents Court, with an original proposal deadline of March 7, 2025. The deadline was extended twice-to March 21 and then to April 17, 2025. Despite the extended timeline, no proposals were received.

In May 2025, HCD proactively reached out to several property management firms in the Pajaro region. Of those contacted, only one-Oliver Property Management (OPM)-responded. OPM is a full-service property management firm with over 50 years of experience in Pajaro Valley and is headquartered in Watsonville. HCD has held preliminary discussions with OPM to outline the unique challenges and expectations associated with managing Kents Court. After internal review of OPM's qualifications, HCD recommends establishing a new agreement with OPM to manage Kents Court, retroactive to June 16, 2025.

#### DISCUSSION:

Monterey County's former Redevelopment Agency (RDA) acquired Kents Court from South County Housing. The units were initially intended to serve as temporary relocation housing for the SCH 15-17-19 Salinas Road/Nuevo Amanecer housing development. However, that program was never formally launched, and the units were subsequently incorporated into the County's permanent housing inventory.

Tenant turnover at Kents Court has remained low over the years. Following the dissolution of the RDA, ownership of the property transferred to the County, acting in its capacity as the Housing Successor Agency. When RDA loans came due around 2012, the County assumed full responsibility for the property to prevent foreclosure. Currently, Kents Court serves as affordable housing and is home to 18 tenants and one on-site resident employee employed by the current property management company. It has become necessary to establish a new agreement with a different property management firm.

Kents Court was not originally designed to be a permanent component of the County's affordable housing portfolio. As a result, there are several ongoing challenges associated with maintaining the property as permanently affordable housing. These include:

- A physically constrained site with a mix of private and affordable housing properties;
- A lack of on-site amenities such as a laundry room or community space;
- No established financial plan for long-term maintenance or unit replacement at the end of their useful life.

In 2019, the County commissioned a comprehensive assessment of Kents Court to evaluate its physical condition. The study identified approximately \$1.52 million in deferred maintenance needs, categorized as follows:

- Health and safety improvements
- Weatherization

- Systems modernization
- General beautification and modernization

In early 2023, severe winter storms led to the Pajaro River breaching a levee, resulting in widespread flooding that impacted the Kents Court development. In response, the County contracted with Overland, Pacific & Cutler, LLC, to provide temporary relocation planning and assistance for the affected residents. All 19 occupied units were successfully rehabilitated, and tenants were able to return to their homes in a timely manner.

OTHER AGENCY INVOLVEMENT:

The Offices of the County Counsel and Auditor-Controller have reviewed the Standard Agreement as to form and legality, and fiscal provisions, respectively.

FINANCING:

The operations of the Kents Court Housing Development are anticipated to yield an annual rental income of \$228,360. Contractor's annual operating expenses, including compensation for services rendered, are estimated not to exceed \$233,333 annually. Kents Court is part of the Castroville/Pajaro Housing Set-Aside Fund 175. Fund balance available for use in Kents Court operations and deferred maintenance plans is estimated at \$1.5 million. Planned deferred maintenance necessary to improve the property is estimated at \$200,000 for FY 2025-26. The rent income, operating expenses and the deferred maintenance are all included in FY 2025-26 Adopted Budget for Fund 175, Unit 8547, appropriation unit HCD006.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Approval of the Agreement will support Board of Supervisors' Strategic Initiatives for Health and Human Services by allowing the County to continue providing 18 units of safe affordable housing.

	Economic Development
	Administration
<u>X</u>	Health & Human Services
	Infrastructure
	Public Safety

Prepared by: Kathy Nielsen, Management Analyst II  
Reviewed by: Darby Marshall, Housing Program Director  
Approved by: Craig W. Spencer, HCD Director

The following attachments are on file with the Clerk of the Board:  
Attachment A - Draft SA with OPM