



## Board Report

---

**File #:** RES 20-215, **Version:** 1

---

Adopt a resolution to:

- a. Amendment No. 4 to Management Agreement No. A-12923 with The John Stewart Company to continue to provide property management services at Kents Court to extend the expiration date of the Agreement for six (6) additional months through June 30, 2021 for a revised term from October 1, 2015 to June 30, 2021;
- b. Authorize the use of rental income funds to serve as working capital and a disbursement of \$14,000 per month for six (6) additional months through June 30, 2021; and
- c. Authorize the Housing and Community Development Director or his designee to execute Amendment No. 4 to Management Agreement No. A-12923 and up to one (1) future amendment to the Agreement where the amendment does not significantly alter the scope of work or increase the approved dispersal amount of \$14,000 per month.

### **RECOMMENDATION:**

It is recommended that the Board of Supervisors:

Adopt a resolution to:

- a. Approve Amendment No. 4 to Management Agreement No. A-12923 with The John Stewart Company to continue to provide property management services at Kents Court to extend the expiration date of the Agreement for six (6) additional months through June 30, 2021 for a revised term from October 1, 2015 to June 30, 2021;
- b. Authorize the use of rental income funds to serve as working capital and a disbursement of \$14,000 per month for six (6) additional months through June 30, 2021; and
- c. Authorize the Housing and Community Development Director or his designee to execute Amendment No. 4 to Management Agreement No. A-12923 and up to one (1) future amendment to the Agreement where the amendment does not significantly alter the scope of work or increase the approved dispersal amount of \$14,000 per month.

### **SUMMARY:**

Kents Court is a nineteen (19) unit affordable housing project in Pajaro that is owned by the County of Monterey as the Successor Housing Agency to the Redevelopment Agency for the County of Monterey. The property has been managed by The John Stewart Company, since October 2015.

In 2015, The John Stewart Company was selected for their expertise and capabilities necessary to provide property management services for Kents Court under a competitive selection process in accordance with County policies and State laws under Request for Proposals (RFP) # 10528. On August 25, 2015, the Board of Supervisors approved Management Agreement No. A-12923 between the County of Monterey and The John Stewart Company to provide professional property management services for a three (3) year term and the option to extend the Agreement for up to two (2) additional one (1) year terms. This Agreement has been amended three (3) times with the latest amendment extending the term through December 31, 2020.

On September 22, 2020, the Board of Supervisors approved Amendment No. 3 to extend the term of the Agreement with The John Stewart Company through December 31, 2020. At that time, the response period for a new County Request for Proposals for Property Management was closing and staff anticipated that a three (3)

month term extension would provide sufficient time to recommend a new property management agreement to the Board of Supervisors. During the process of interviewing proposers, members of the new Housing and Community Development Department (not previously involved with Kents Court), provided valuable insight, questions and policy considerations. Additional time is required to research the questions that have surfaced. Amendment No. 4 to the Management Agreement with The John Stewart Company will extend the expiration date of the Management Agreement from December 31, 2020 for six (6) additional months through June 30, 2021[beyond the anticipated five (5) year term of the Management Agreement allowed per RFP #10528 for a total term of five (5) years and eight (8) months], for a revised term from October 1, 2015 to June 31,2021.

The recommended actions will enable the County to ensure that property management of Kents Court continues uninterrupted while the County considers how Kents Court should be managed going forward.

**DISCUSSION:**

Monterey County’s former Redevelopment Agency (RDA) purchased Kents Court from South County Housing. The units were originally developed as temporary relocation housing for the SCH 15-17-19 Salinas Road/Nuevo Amanacer housing project. Initially, the units were intended to be used as temporary relocation for code enforcement action in North County. That program was not formally launched and the units became part of the permanent affordable housing stock. When RDA was dissolved, these units were transferred to the County, acting as Housing Successor Agency. Furthermore, when the RDA loans came due around 2012, the County took the units in-lieu of foreclosure, which was anticipated when the loan was originally made.

**OTHER AGENCY INVOLVEMENT:**

The Health, Housing and Human Services Committee is considering supporting this action at its November 30, 2020. County Counsel has reviewed and approved Amendment No. 4 as to form. Contracts/Purchasing has coordinated the RFP process for a new RFP and worked with the proposers to extend the RFP period until April 2021.

**FINANCING:**

The cost of all operations, including the management fees, of Kents Court are paid for by income generated by the rental of the Kents Court units. Any residual income is restricted for use by the County to further affordable housing. The Castroville/Pajaro Housing Set-Aside, Fund 175, has an existing balance of about \$1.3 million, and there is over \$330,000 needed for deferred maintenance of this facility.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

Authorizing term extension of the Management Agreement will support Board of Supervisors’ Strategic Initiatives for Health and Human Services by allowing the County to continue providing nineteen (19) units of safe affordable housing.

Mark a check to the related board of Supervisors Strategic Initiatives

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

Prepared by: Anastacia Wyatt, Housing Program Manager

Approved by: Melanie Beretti, Housing and Special Programs Services Manager

Approved by: Carl P. Holm, AICP, Director, Housing and Community Development Department

Attachments:

Attachment A - Summary of Management Agreement

Attachment B - Amendment No. 4 to Management Agreement with The John Stewart Company

Attachment C - Resolution

Attachment C - Resolution

Attachment D - Management Agreement with The John Stewart Company

Attachment E - Board Order Increasing Amount of Working Capital

Attachment F - Amendment No. 1 to Management Agreement with The John Stewart Company

Attachment G - Amendment No. 2 to Management Agreement with The John Stewart Company

Attachment H - Amendment No. 3 to Management Agreement with The John Stewart Company

(Attachments are on file with the Clerk of the Board)