



County of Monterey

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

Board Report

File #: RES 23-019, **Version:** 1

Adoption of a resolution to:

- a. Authorize the Housing and Community Development Department Director, or designee, to execute an Exclusive Negotiating Agreement with Eden Housing Inc. for the design and development of an Affordable Multifamily Rental Housing Project at 855 E. Laurel Drive in Salinas, California;
- b. Authorize Eden Housing, Inc. to file a Development Agreement application with the Housing and Community Development Department; and
- c. Authorize the Housing and Community Development Department Director, or designee, to negotiate a Development Agreement and Conveyance Agreement with Eden Housing, Inc.

Proposed CEQA Action: Find the activity exempt from CEQA pursuant to section 15061(b)(3) of the CEQA Guidelines.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Authorize the Housing and Community Development Department Director, or designee, to execute an Exclusive Negotiating Agreement with Eden Housing Inc. for the design and development of an Affordable Multifamily Rental Housing Project at 855 E. Laurel Drive in Salinas, California;
- b. Authorize Eden Housing, Inc. to file a Development Agreement application with the Housing and Community Development Department; and
- c. Authorize the Housing and Community Development Department Director, or designee, to negotiate a Development Agreement and Conveyance Agreement with Eden Housing, Inc.

SUMMARY/DISCUSSION:

On May 6, 2022, the County of Monterey (County) and the City of Salinas (City) jointly released a Request for Qualifications (RFQ) seeking a highly qualified developer for the design and development of a one hundred percent (100%) Affordable Multifamily Rental Housing Project (Proposed Project) at 855 E. Laurel Drive in Salinas, California. On October 4, 2022, the Board of Supervisors adopted Resolution No. 22-383 selecting Eden Housing, Inc. as the developer and authorized the County Housing and Community Development Director to negotiate an Exclusive Negotiating Agreement (ENA) with Eden Housing, Inc. (Developer) for the affordable housing development.

Since October 2022, the County and Developer, with assistance and input from the City, have been engaged in negotiations to enter into an Exclusive Negotiating Agreement (ENA) for the affordable housing development. The purpose of the ENA is to establish procedures and standards for the negotiation by the County and the Developer related to agreements (“Development Agreement” and “Conveyance Agreement”) pursuant to which the Developer will conduct specified development activities related to the Property, and a Long Term Ground Lease Agreement (“LTGA”), which will provide the terms and conditions for the leasehold interest in the Property to the Developer for ultimate development. The Conveyance Agreement may be in the form of an Option to Ground Lease, or a similar form that the Parties mutually agree to. The Development Agreement, pursuant to state law and Chapter 18.62 of the Monterey County Code, will provide the terms and conditions related to and providing the development rights.

Exhibit B to the ENA, a Schedule of Performance, includes a list of Tasks, and provides estimated target dates

within the 18 month negotiating period. The negotiating period may be extended for a period of an additional two periods of six months each upon presentation of a written request from the Developer together with a schedule of tasks to be accomplished during the additional period. The ENA also outlines the terms and conditions for the Developer and their representatives to enter upon the other property to conduct Planning Activities.

Staff requests that the Board of Supervisors adopt a resolution (Attached A) as recommended herein.

CEQA CONSIDERATION:

The County has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel reviewed the ENA and approved it as to form. The Housing and Community Development Department (HCD), Public Works and Facilities and Parks Department (PWFP), along with City staff, contributed to draft ENA, including the Schedule of Performance.

The Board of Supervisor's County-Salinas Ad Hoc Committee met on January 26, 2023, to review the draft ENA.

FINANCING:

There is no financial impact to the General Fund to consider and approve the execution of the ENA and acceptance of a development agreement application. HCD staff time to develop the draft ENA is funded as part of the Fiscal Year 2022-23 Adopted Budget the HCD Administration Appropriation Unit HCD001, Budget Unit 8542.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Approving the execution of the ENA supports the Board of Supervisors' Strategic Initiatives for Infrastructure and Health and Human Service through the coordination and the development of affordable housing.

Economic Development
Administration

X Health & Human Services

X Infrastructure

Public Safety

Prepared and Approved by: Erik V. Lundquist, AICP, Director of Housing and Community

The following attachments are on file with the Clerk of the Board:

Attachment A - Draft Resolution

Attachment B - Draft Exclusive Negotiating Agreement