



CITY OF SAN MATEO

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Agenda Report

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TO: City Council
FROM: Alex Khojikian, City Manager
PREPARED BY: Community Development
MEETING DATE: June 16, 2025

SUBJECT:

Worker Resource Center and Amendment for 171 N Amphlett Blvd. – Operations and Lease Agreements

RECOMMENDATION:

1. Adopt a Resolution appropriating \$864,900 from the General Fund and General Fund Housing Set-Aside for Samaritan House to operate the Worker Resource Center for three years, a three-year lease for the building at 171 North Amphlett Boulevard, and trash collection and miscellaneous maintenance costs for three years;
2. Approve an agreement with Samaritan House to provide services to operate the Worker Resource Center, for a three-year term, in the amount of \$195,000 annually for a total amount of \$585,000, and authorize the City Manager to execute the agreement in substantially the form presented; and
3. Approve Amendment No. 2 to the lease agreement with Sakai Family Partnership for the property at 171 North Amphlett Boulevard in the amount of \$279,900 and authorize the City Manager to execute the amendment in substantially the form presented.

BACKGROUND:

In the late 1990s, to address complaints related to day workers congregating in the downtown area of San Mateo and soliciting work, the City Council directed staff to study and find a solution to this issue. After months of interviews with day laborers, local merchants, and residents, and after years of study with community members and law enforcement responding to these calls, staff recommended that a center be created for day laborers to seek work in a safer location.

In 2003, the City Council approved an agreement with Samaritan House to create and operate a Worker Resource Center (WRC) at a City-owned lot on 5th Avenue, where the WRC matched job seekers with job providers. The City later ground-leased the lot to MidPen Housing for construction of the Kiku Crossing affordable housing development. Beginning in 2020, the City leased space at 171 North Amphlett Boulevard (171 N. Amphlett Blvd.) for the WRC, a location where workers are able to walk or bike from their homes. City Council received a presentation at a Council meeting on May 19, 2025, where Reyna Sandoval, Food and Community Programs Director, gave an overview of the core services provided at the WRC, now in the 22nd year of continuous operation.

The City has, since 2003, renewed two-year agreements with Samaritan House to operate the WRC. The current operations agreement (Operations Agreement), funded at \$195,000 per fiscal year, ends on June 30, 2025. Samaritan House seeks, and City staff recommends, an Operations Agreement renewal. Given the long history of collaboration with Samaritan House and consistency of services they provide for the WRC, staff proposes entering into a new Operations Agreement for a period of three years, from July 1, 2025, through June 30, 2028, to be funded at the current level of \$195,000 per fiscal year. This would total \$585,000 for the full three-year term. While the Operations Agreement does not require an annual renegotiation, staff proposes that Samaritan House and staff provide an annual update to the City

Council on the status of the WRC to keep City Council informed and address any programmatic changes that may be needed. Additionally, as costs increase over time, it may be necessary to amend the not-to-exceed amount during the Operations Term agreement. In this case, staff would return to City Council for approval of an amendment.

Services Provided Under the Agreement

The WRC provides a place for workers and businesses and homeowners seeking casual labor to meet on Monday through Friday from 7 AM to 3 PM, and Saturdays from 7 AM to noon. Workers that arrive at the WRC register with staff, listing their names, cellphone number and work skills, such as manual labor, gardening, painting or carpentry. Business owners or homeowners seeking casual labor that come to the WRC register with staff, list the skillsets they seek, and staff matches their work requests with workers.

At the WRC, Samaritan House also provides job application assistance, English as a Second Language (ESL) instruction, meals, and referrals to other Samaritan House programs for health, dental, and clothing needs. In addition to WRC-specific operations, Samaritan House leverages its resources as a Core Service Agency for San Mateo County, which provides emergency safety-net assistance to County residents. Samaritan House receives a subgrant of federal Community Development Block Grant (CDBG) funds from the City (\$14,100 in FY 24-25) to support these programs.

Worker Resource Center Location

The City is currently in a lease agreement with Sakai Family Partnership for the facility located at 171 N. Amphlett Blvd., at the cost of \$5,628 per month, plus common area maintenance (CAM) expenses of approximately \$577 per month. Rent and CAM expenses have increased approximately 3 percent per calendar year, and under the lease, the City is responsible for electrical, plumbing and interior repairs.

The facility is aging, and the WRC has had several ad hoc repairs, such as emergency plumbing and rodent removal, those repairs have cost the City approximately \$400 to address each matter (costing approximately \$1,000 per year). In addition, the City pays for Recology waste removal, debris box, and locks for approximately \$1,190 per month. The current lease at 171 N. Amphlett expires on August 31, 2025.

The City's leasing agent conducted a due diligence search for other viable lease options and ultimately, amending the current lease for a three- year extension was the most viable option for Samaritan House to continue operating the WRC. The City requested, and the Lessor assented, to the following additional facility improvements not in the original lease agreement, at the Lessor's own expense, for a three-year lease to (1) epoxy the concrete floor; (2) install a window in the loft for better air flow; (3) repair or replace the vents/fans in the two restrooms; and (4) allow the WRC to use a water spigot in the front of the building to clean the premises. The current rental rate would be kept the same for the first year of the extension term (\$5,627.54 per month at no net loss, with 3 percent annual increases), plus CAM, (starting at \$577 per month with approximately 3 percent annual increases). The rent total for a three-year period is \$208,730. The approximate cost of CAM fees is \$21,401 for a three-year period. The cost of trash collection and miscellaneous maintenance expenses for a three-year period is estimated at \$49,740. A total of \$279,900 is needed to lease the property for three years.

BUDGET IMPACT:

The three-year Operations Agreement is in the amount of \$195,000 per fiscal year, for a total of \$585,000. The program was previously funded entirely under the City's General Fund. However, to reduce reliance on General Funds, staff proposes to fund the agreement at \$165,000 from the General Fund (Fund 100) and \$30,000 from General Fund Housing Set Aside Funds (Fund 130) annually.

The cost to lease the facility at 171 N. Amphlett Blvd for three years will be \$208,730. In addition to the lease, the common area maintenance (CAM) fee is estimated at \$21,430 and the cost for monthly trash collection is estimated at \$49,740 for the three-year period, so a total appropriation of \$279,900 is needed to cover the costs related to the three-year lease. This results in a total appropriation of \$864,900 to operate the Worker Resource Center for the next three years.

The proposed 2025-26 Samaritan House budget for the WRC is \$379,516 and maintains the same overall distribution of

costs as the budget included in the current contract. The City's contribution of \$195,000 would cover 70 percent of the total program costs, while the Samaritan House General Fund would support 28 percent, with the remaining 2 percent of funding provided by outside contributions.

The WRC operations budget is broken down into personnel expenses and operating expenses that include meals, technology, housekeeping, and various supplies. The Center has two full time client-facing staff, for a total operations staff of 2.4 FTE. In addition, 0.2 FTE is budgeted for on-call personnel. The majority of operating expenses are allocated to program supplies and meals (48 percent) and housekeeping (38 percent).

ENVIRONMENTAL DETERMINATION:

This agreement is not a project subject to CEQA, because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines Section 15378(b)(5))

NOTICE PROVIDED:

All meeting noticing requirements were met.

ATTACHMENTS:

Att 1 – Proposed Resolution

Att 2 – Agreement to Provide Services to Operate the Worker Resource Center 2025-28

Att 3 – Amendment No. 2 to the Lease Agreement for 171 North Amphlett Boulevard