

**RESOLUTION NO. \_\_\_\_\_**

**BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA**

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**RESOLUTION APPROVING AND AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, TO EXECUTE A THIRD AMENDMENT TO THE COUNTY'S PREDEVELOPMENT AND PROPERTY MANAGEMENT AGREEMENT WITH AH 1818 ECR LLC TO OPERATE THE CASA ESPERANZA PERMANENT SUPPORTIVE HOUSING PROJECT (THE "PROJECT") TO REVISE THE FISCAL COMMITMENT, APPROVE THE BUDGET AND MAKE OTHER AMENDMENTS, AND RATIFYING SAID AGREEMENT AND PRIOR AMENDMENTS THERETO**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, the State created Project Homekey to sustain and expand the inventory of housing for those experiencing homelessness, or at risk of homelessness, and disproportionately impacted by COVID-19, providing local public agencies with funding to purchase a broad range of housing types, such as hotels, motels, vacant apartment buildings, and other properties, and convert them into permanent or interim housing for the target population; and

**WHEREAS**, in 2021, the County applied for and received funding under Homekey Round 2 to purchase two hotels: (1) Stone Villa Inn in San Mateo, now known as El Camino House, which was converted to a service-enriched 44-unit non-congregate shelter; and (2) Comfort Inn in Redwood City, now known as Casa Esperanza, which was converted to a service-enriched 51-unit permanent affordable housing site for extremely low-income households experiencing homelessness or at risk of homelessness (the "Project"); and

**WHEREAS**, on October 5, 2021, by Resolution No. 078472, further to direction by the California Department of Housing and Community Development (CA HCD), this Board (1) authorized the County's application to the Homekey Program and adopted a form of resolution required by CA HCD for this application; and (2) authorized an allocation of up to \$7,697,170 in American Rescue Plan Act (ARPA), or other funds as determined by the County Executive, as match of local funds from the County required by the Homekey Program, in the event the County's application for funds from the Homekey Program was approved; and

**WHEREAS**, on January 4, 2022, this Board authorized the President of the Board to execute a Real Estate Purchase and Sale Agreement and Escrow Instructions for the acquisition of the Casa Esperanza property for a total purchase price of \$17,000,000 for the purpose of operating permanent supportive housing to the County's most vulnerable residents, including those who are experiencing chronic homelessness, which escrow for the purchase of the property closed in April 2022; and

**WHEREAS**, on February 9, 2022, the California Department of Housing and Community Development (CA HCD) notified the County that it was awarded \$15,978,232 to finance the acquisition, rehabilitation, and operation of Casa Esperanza; and

**WHEREAS**, Casa Esperanza has been successfully operating and providing permanent supportive housing to the target population; and

**WHEREAS**, to fund the Project and ensure its effective management until a long-term ground lease with the operator (AH 1818 ECR LLC) is completed and

approved by CA HCD, the Department of Housing has entered into a predevelopment and management agreement with the operator which is set to terminate upon execution of the anticipated long-term ground lease, likely later this year; and

**WHEREAS**, pursuant to the management agreement, the Department of Housing has approved a budget to provide funding for the current year of Project operations, which entails expenditure of previously authorized Homekey Program funds and County matching funds (ARPA and other funds) for property operations and resident services and therapeutic supports; and

**WHEREAS**, this Board has been presented with and desires to approve and authorize the Director of the Department of Housing, or designee, to execute a third amendment to the County's predevelopment and property management agreement with AH 1818 ECR LLC to operate the Project to revise the fiscal commitment, approve the budget and make other amendments, and ratifying said agreement and prior amendments thereto.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that this Board approves and authorizes the Director of the Department of Housing, or designee, to execute a third amendment to the County's predevelopment and property management agreement with AH 1818 ECR LLC to operate the Project to revise the fiscal commitment, approve the budget and make other amendments, and ratifying said agreement and prior amendments thereto.

**BE IT FURTHER RESOLVED AND ORDERED** that this Board hereby authorizes the Director of the Department of Housing, or designee, to make further

amendments to the property management agreement, acting in consultation with the County Attorney, as may be necessary and advisable and within the scope of funding authorized by the Board for the Casa Esperanza Homekey project.

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