

RESOLUTION NO. _____

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

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ADOPT A RESOLUTION APPROVING AND RATIFYING THE: A) ASSIGNMENT AND ASSUMPTION AGREEMENT AND AMENDMENT TO CERTAIN LOAN DOCUMENTS BETWEEN THE COUNTY OF SAN MATEO, HIGHWAY 92 SUCCULENTS INC. AND THERESE AMBROSI SMITH, DATED OCTOBER 11, 2023, TO ASSIGN THE BORROWER'S OBLIGATIONS TO MS. SMITH AS PROPERTY OWNER, INCREASE THE LOAN AMOUNT BY \$100,000 TO A TOTAL OF \$400,000 AND MAKE OTHER AMENDMENTS; B) AMENDED DECLARATION OF AFFORDABILITY COVENANT EXECUTED BY THERESE AMBROSI SMITH AND DATED OCTOBER 11, 2023; AND C) AMENDED DEED OF TRUST AND ASSIGNMENT OF RENTS EXECUTED BY THERESE AMBROSI SMITH AND DATED OCTOBER 11, 2023

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

WHEREAS, since 2014 this Board has allocated funds to address the need for agricultural workforce housing, including for the Farm Labor Housing Pilot Program – a loan program to repair or replace existing, or create new, agricultural workforce housing (the “Program”); and

WHEREAS, in January 2017 and in 2022, the County expanded the Program to support construction of new housing, the addition of new mobile home units, and updated the program guidelines which is funded by revenues generated by Measure K, the ½ cent sales tax in effect in the County; and

WHEREAS, in January 2017, under Phase III of the Program, the County provided interest free loans of up to \$150,000 for each new unit (“Project Unit”) created and required applicants to contribute 20 percent of the value of the County loan to the

Project Units. The loans were interest free and forgiven at a rate of \$10,000 per year per Project Unit, if the operator met the mandatory terms and conditions of the loan documents; and

WHEREAS, in 2022, the Program expanded to its current standards which allows the County to provide interest free loans of up to \$250,000 for each new unit created; and

WHEREAS, in 2021, Highway 92 Succulents, Inc., a California corporation, applied for a loan under Phase III of the Program to finance the purchase of two new mobile home units to serve as farm labor housing at 1585 Sunshine Valley Road, Moss Beach, CA 94038 (037-053-080) (the “Property”); and

WHEREAS, on February 8, 2022, this Board approved Resolution Number 078707 (“Resolution”) which authorized the Director of Housing or their designee to negotiate and execute a loan agreement with Highway 92 Succulents, Inc. in an amount not to exceed \$300,000 with a 15-year loan term to finance the purchase and installation of two new mobile home units at the Property; and

WHEREAS, on April 28, 2022, pursuant to the Resolution, the County Department of Housing (“DOH”) executed a loan agreement and associated documents, including a promissory note, deed of trust and affordability covenant (the “Loan Documents”) with Highway 92 Succulents, Inc.; and

WHEREAS, in May 2023, Therese Ambrosi Smith, the CEO of Highway 92 Succulents, Inc. requested an additional \$100,000 to complete the purchase and

installation of the two Project Units, such that with the additional \$100,000, the County's total loan would be \$400,000, subject to the terms and conditions of the Program and Loan Documents; and

WHEREAS, on October 11, 2023, DOH, Highway 92 Succulents, Inc. and Ms. Smith executed an Assignment and Assumption Agreement and Amendment to Certain Loan Documents (the "Agreement") to assign the Loan Documents to Ms. Smith as the owner of the Property, increase the loan amount by \$100,000 to a total of \$400,000, and update terms of the Agreement; and

WHEREAS, also on October 11, 2023, in connection with the Agreement, Ms. Smith executed (a) an Amended Deed of Trust and Assignment of Rents in favor of the County Department of Housing with respect to the Property; and (b) an Amended Declaration of Affordability Covenant restricting the two units located on the Property for a period of 20 years; and

WHEREAS, the Board has reviewed the Agreement, the Amended Deed of Trust and Assignment of Rents and the Amended Declaration of Affordability Covenant, and consistent with the purposes and objectives of the Program and the County's interest in facilitating housing for farm laborers, the Board desires to approve and ratify the Agreement, the Amended Deed of Trust and Assignment of Rents and the Amended Declaration of Affordability Covenant.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves and ratifies the Assignment and Assumption Agreement and Amendment to Certain Loan Documents Between County of San Mateo, Highway 92

Succulents, Inc. and Therese Ambrosi Smith, dated October 11, 2023, to assign the borrower's obligations to Ms. Smith as property owner, increase the loan amount by \$100,0000 to a total of \$400,000 and make other amendments.

BE IT FURTHER RESOLVED that the Board hereby approves and ratifies the Amended Declaration of Affordability Covenant executed by Therese Ambrosi Smith and dated October 11, 2023.

BE IT FURTHER RESOLVED that the Board hereby approves and ratifies the Amended Deed of Trust and Assignment of Rents executed by Therese Ambrosi Smith and dated October 11, 2023.

BE IT FURTHER RESOLVED that the Board hereby authorizes, approves and ratifies the taking of all necessary actions by the Director of the Department of Housing, or designee, to give effect to this Resolution, including to execute and deliver any and all documents and certificates deemed necessary or advisable by the Director of the Department of Housing, or designee, in order to consummate the execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transaction contemplated hereby.

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