

RESOLUTION NO. .

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

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RESOLUTION:

- A) DECLARING THE BOARD OF SUPERVISORS' INTENT TO PURCHASE THE REAL PROPERTY DESCRIBED AS 493 EASTMOOR AVENUE, A 0.37-ACRE PARCEL IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 008-082-200, LOCATED AT 493 EASTMOOR AVENUE, DALY CITY, SAN MATEO COUNTY ("THE PROPERTY"), FOR A TOTAL PURCHASE PRICE OF \$4,440,000 TO BE SATISFIED THROUGH APPLICATION OF PREVIOUSLY DISBURSED COUNTY LOAN FUNDS AND REDUCTION IN LOAN PRINCIPAL; AND**
- B) AUTHORIZING AND DIRECTING THE PRESIDENT OF THE BOARD OF SUPERVISORS TO EXECUTE A REAL ESTATE PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS ("AGREEMENT") BETWEEN EASTMOOR MULTIFAMILY, L.P., A CALIFORNIA LIMITED PARTNERSHIP ("SELLER") AND THE COUNTY OF SAN MATEO, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA ("BUYER" OR "COUNTY"), FOR THE COUNTY'S ACQUISITION OF THE PROPERTY; AND**
- C) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING OR THEIR DESIGNEE TO EXECUTE A GROUND LEASE ("LEASE") WITH EASTMOOR MULTIFAMILY, L.P., FOR DEVELOPMENT AND OPERATION OF A 72-UNIT AFFORDABLE HOUSING PROJECT (THE "PROJECT") ON THE PROPERTY, WHICH PROJECT IS TO BE RESTRICTED AT INCOME LEVELS REQUIRED UNDER A COUNTY REGULATORY AGREEMENT; AND**
- D) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR THEIR DESIGNEE, TO EXECUTE A CERTIFICATE OF ACCEPTANCE UPON SATISFACTION OF CERTAIN CONDITIONS IN ESCROW, TO BE RECORDED CONCURRENTLY WITH THE GRANT DEED CONVEYING TITLE FROM EASTMOOR MULTIFAMILY, L.P., THE CURRENT PROPERTY OWNER, TO THE COUNTY, AS WELL AS ANY AND ALL NOTICES, ESCROW INSTRUCTIONS, AND DOCUMENTS REQUIRED TO FACILITATE THE PURPOSES OF THE AGREEMENT AND THE LEASE; AND**
- E) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR THEIR DESIGNEE, TO EXECUTE, ON BEHALF OF THE COUNTY, AND IN CONSULTATION WITH THE COUNTY ATTORNEY, ANY AMENDMENTS TO THE PREDEVELOPMENT LOAN AGREEMENT AND NOTE BETWEEN THE COUNTY AND EASTMOOR MULTIFAMILY, L.P., DATED NOVEMBER 29, 2022 UNDER NO. 79000-23-R078476A, AND THE ASSOCIATED PROMISSORY NOTE, DEED OF TRUST AND REGULATORY AGREEMENT, AS NECESSARY TO IMPLEMENT THE TRANSACTION CONTEMPLATED BY THE AGREEMENT AND THE LEASE; AND**
- F) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR THEIR DESIGNEE, TO EXECUTE, ON BEHALF OF THE COUNTY, ALL AMENDMENTS, EXTENSIONS, NOTICES, OPTIONS, CONSENTS, APPROVALS, TERMINATIONS, AND DOCUMENTS ASSOCIATED WITH THE AGREEMENT AND THE LEASE, INCLUDING MODIFICATIONS TO THE FORM THEREOF, IN CONSULTATION WITH THE COUNTY ATTORNEY, AND THE TAKING OF ALL NECESSARY ACTIONS IN CONNECTION THEREWITH TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION**
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RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, there is a critical lack of affordable housing for low-income residents throughout San Mateo County, such that the County has an interest in, and serves a public purpose by, supporting the development of affordable housing for San Mateo County residents, especially our most vulnerable low-income families; and

WHEREAS, Eastmoor Multifamily, L.P. currently owns the real property described as 493 Eastmoor Avenue, a 0.37-acre parcel identified as Assessor's Parcel Number 008-082-200, located at 493 Eastmoor Avenue, Daly City ("the Property"), which is currently a vacant parcel, and proposes to construct a 72-unit 100-percent affordable housing project consisting of 71 income-restricted units and one manager's unit, featuring resident amenities such as a courtyard, community room, reading room, fitness room, and structured parking (the "Project") and;

WHEREAS, the Project will serve households earning between 20% and 50% of the Area Median Income (AMI), with an average affordability level of approximately 33% of AMI, including 39 units designated for high-need households supported through County programs consisting of 16 units designated under the Housing for a Healthy California (HHC) program for people experiencing homelessness with high health care needs, 11 units designated under the Mental Health Services Act (MHSA) program for people experiencing homelessness with a significant mental illness, and 12 units designated under the Former Foster Youth (FFY) program to aid the transition of young people from foster care to independent living; and

WHEREAS, because the Project addresses the affordable housing needs of the general population and also provides housing for vulnerable populations in the North County where it is most needed, the County has previously committed funds from its Affordable Housing Fund (AHF) for the development of the Project, including \$7,289,400 in **Measure K** funds, \$3,008,000 in HHC funds, \$2,200,000 in MHSA funds, and \$865,000 in **Measure K** for Former Foster Youth; and

WHEREAS, the Housing Authority of the County of San Mateo (HACSM) has committed 36 Project-Based Vouchers and awarded a loan commitment of \$8,648,046 from its Moving to Work reserves to enhance the feasibility of providing housing for the high-need households who will live at the Project, and the City of Daly City has also committed more than \$7.7 million in loans to the Project; and

WHEREAS, the Project is fully entitled, is exempt from CEQA, and has received final plan approvals from the City of Daly City, with construction anticipated to begin in early 2026; and

WHEREAS, allocating a portion of the County's existing funding commitment to the purchase of the land with a concurrent ground lease from the County to Eastmoor Multifamily, L.P., will provide the County as landowner and ground lessor with greater control over the long-term use of the Property; and

WHEREAS, the County and Eastmoor Multifamily, L.P. have negotiated a Real Estate Purchase and Sale Agreement and Escrow Instructions (the "Agreement") and a Ground Lease (the "Lease") providing for the County's acquisition of the Property and the concurrent lease of the Property back to Eastmoor Multifamily, L.P. for the development and operation of the Project, subject to specified conditions and

contingencies, including that the Project receive an award of Low Income Housing Tax Credits, and that conditions for closing on other financing for the Project be satisfied; and

WHEREAS, Eastmoor Multifamily, L.P. and County have agreed upon a Sale Price of \$4,440,000, which matches the valuation of the appraisal independently completed by the County; and

WHEREAS, no new County funding will be required by this transaction as the purchase price will be applied to reduce Eastmoor Multifamily, L.P.'s indebtedness to the County by \$4,440,000 under an existing Predevelopment Loan and Note Agreement 79000-23-R078476A (the "Loan Agreement") which is for a total loan amount of \$5,299,622, together with an outstanding HHC loan, leaving a balance of \$3,868,058 due; and

WHEREAS, upon acquisition, the County will concurrently lease the Property back to Eastmoor Multifamily, L.P. under a 55-year Lease, with one 44-year extension at the option of the ground lessee, for the development and operation of the Project, and will be subject to a recorded regulatory agreement ensuring that affordability covenants remain enforceable throughout the Lease term; and

WHEREAS, under the proposed Lease, Eastmoor Multifamily, L.P. will be solely responsible for all site maintenance, operations, and management at its own expense, while the County retains oversight and compliance rights as landlord, and will have a right to a share of residual receipts; and

WHEREAS, the Legislature has determined that the words "develop, construct, or acquire," as used in Section 1 of Article XXXIV of the State Constitution, shall not be

interpreted to apply to the acquisition of property and ground lease to a private owner prior to its development as an affordable housing project as contemplated herein; and

WHEREAS, the County finds that the development of the Project as affordable housing is in the public interest, and will serve the long-term protection of a critical affordable housing asset for the duration of the Lease and beyond, consistent with the County's housing goals to preserve affordability, safeguard public investment, and expand permanent housing opportunities for extremely low- and very low-income households; and

WHEREAS, the Board has been presented with and desires to approve the forms of Agreement and Lease, and to authorize the President of the Board to execute the Agreement and the Director of the County's Department of Housing to execute the Lease and to take such steps necessary to close the transaction and effectuate the purposes of this Resolution; and

WHEREAS, notices pursuant to California Government Code section 25350, of the intention of the Board of Supervisors to make this purchase, were published in compliance with Government Code section 6063, including a description of the Property, the price, the vendor, and a statement of the time this Board would meet to adopt this Resolution and consummate the purchase, and inviting interested persons to attend and be heard on the subject; and

WHEREAS, the President of the Board's execution of the Agreement will allow staff to satisfy the remaining conditions to closing, and the Director of the Department of Housing's execution of the Lease and the Certificate of Acceptance, and any other documents required to satisfy County's obligations under the Agreement and the Lease

will allow escrow to close and the Property to be vested in the County and ground leased to Eastmoor Multifamily, L.P.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors does hereby declare its intention to purchase the real property described as 493 Eastmoor Avenue, a 0.37-acre parcel identified as Assessor's Parcel Number 008-082-200, located at 493 Eastmoor Avenue, Daly City, San Mateo County, for a total purchase price of \$4,440,000 to be satisfied through application of previously disbursed County loan funds and reduction in loan principal, under the terms and conditions set forth in the Agreement.

IT IS FURTHER DETERMINED AND ORDERED that the President of the Board of Supervisors be and is hereby authorized and directed to execute said Agreement.

IT IS FURTHER DETERMINED AND ORDERED that the Director of the Department of Housing or their designee is hereby authorized and directed to execute the Lease with Eastmoor Multifamily, L.P., for development and operation of a 72-unit affordable housing project (the "Project") on the Property, which Project is to be restricted at income levels required under a County regulatory agreement, such approval to be conclusively evidenced by the Director's execution and delivery thereof.

IT IS FURTHER DETERMINED AND ORDERED that the Director of the Department of Housing, or their designee, is hereby authorized and directed to execute a Certificate of Acceptance upon satisfaction of certain conditions in escrow, to be recorded concurrently with the Grant Deed conveying title from Eastmoor Multifamily, L.P., the current property owner, to the County, as well as any and all notices, escrow

instructions, and documents required to facilitate the purposes of the Agreement and the Lease.

IT IS FURTHER DETERMINED AND ORDERED that the Director of the Department of Housing, or their designee, is hereby authorized and directed to execute, on behalf of the County, and in consultation with the County Attorney, any amendments to the Predevelopment Loan Agreement and Note between the County and Eastmoor Multifamily, L.P., dated November 29, 2022 under No. 79000-23-R078476A, and the associated Promissory Note, Deed of Trust and regulatory agreement, as necessary to implement the transaction contemplated by the Agreement and the Lease.

IT IS FURTHER DETERMINED AND ORDERED that the Director of the Department of Housing, or their designee, is hereby authorized and directed to execute, on behalf of the County, all amendments, extensions, notices, options, consents, approvals, terminations, and documents associated with the Agreement and the Lease, including modifications to the form thereof, in consultation with the County Attorney, and the taking of all necessary actions in connection therewith to effectuate the purposes of this resolution.

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