

RESOLUTION NO. .

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

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RESOLUTION:

A) FINDING AND DECLARING THAT THE REAL PROPERTY OWNED BY THE COUNTY LOCATED AT 721 AIRPORT BOULEVARD, SOUTH SAN FRANCISCO, CALIFORNIA, A 0.345-ACRE PARCEL IDENTIFIED AS ASSESSOR'S PARCEL NUMBER 012-146-140, WHICH IS TO BE DISPOSED OF BY THE COUNTY THROUGH A LONG-TERM LEASE FOR OPERATION AS PERMANENT SUPPORT HOUSING, IS EXEMPT SURPLUS LAND UNDER THE SURPLUS LAND ACT; AND B) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, ACTING IN CONSULTATION WITH THE COUNTY ATTORNEY, TO EXECUTE ANY AND ALL NOTICES, CERTIFICATES, AND DOCUMENTS AS MAY BE NECESSARY AND ADVISABLE TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION, AND TO PROVIDE NOTICE OF THE SURPLUS LAND ACT EXEMPTION DETERMINATION TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT.

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

WHEREAS, under the Surplus Land Act ("SLA"), the term "surplus land" means land owned in fee simple by any local agency for which the local agency's governing body takes formal action in a regular meeting declaring that such land is surplus and is not necessary for the agency's use; and

WHEREAS, under the SLA, the term "agency's use" means land that is being used or is planned to be used pursuant to a written plan adopted by the local agency's governing board; and

WHEREAS, under the SLA, "surplus land" that meets one or more specified conditions, including the development of affordable housing, subject to certain regulations, may be designated "exempt surplus land" as defined in Government Code Section 54221; and

WHEREAS, if the surplus land is exempt, the SLA will not apply to the disposal of such "exempt surplus land" pursuant to Government Code Section 54222.3; and

WHEREAS, the County currently owns in fee simple real property located at 721 Airport Boulevard, South San Francisco, California, a 0.345-acre parcel identified as Assessor's Parcel Number 012-146-140, which was previously the site of a Ramada Inn, and is currently developed with one four-story building with approximately 25,000 square feet of space and a subterranean parking garage (the "Property"); and

WHEREAS, pursuant to this Board's authorizations, the County acquired the Property in 2023, in part using State HomeKey funding, for the purpose of rehabilitating the Property for operation as Permanent Supportive Housing for individuals experiencing or at risk of homelessness (the "Project"); and

WHEREAS, the Project will consist of a 45-unit, 100-percent affordable housing project consisting of twelve (12) units of housing for people experiencing Chronic Homelessness and thirty-three (33) units of housing for people experiencing homelessness or at risk of homelessness and will include affordability restrictions reflecting that one hundred percent of the units will be affordable to households at or below 30% of the Area Median Income; and

WHEREAS, in accordance with Homekey requirements, a restrictive covenant for a term of 55-years has been recorded on the Property and is enforceable by State HCD, which ensures the ongoing affordability requirements of the Homekey program; and

WHEREAS, also pursuant this Board's authorizations, the County has entered into a property disposition and development agreement setting forth the terms and conditions by which a Special Purpose Entity owned by Episcopal Community Services ("ECS"), as the County's co-applicant for the Homekey award, would acquire, rehabilitate, manage, operate, and provide supportive services at the Project; and

WHEREAS, also pursuant to this Board's authorizations, County intends to enter into a long-term lease of the Property with ECS's Special Purpose Entity, known as 721 Airport LLC, to operate the Project; and

WHEREAS, this Board has further authorized the County and 721 Airport LLC to enter into a loan agreement by which the County will disburse funds for the construction and rehabilitation of the Property, for which the repayment obligation under a promissory note will be secured by a deed of trust, together with a Regulatory Agreement recorded on 721 Airport LLC's leasehold interest in the Property; and

WHEREAS, the County Regulatory Agreement will require that that the Property be continuously operated as affordable housing (twelve (12) units for persons experiencing Chronic Homelessness and thirty-three (33) units for persons experiencing homelessness or at risk of homelessness), and in which one hundred percent of the units will be affordable to households at or below 30% of the Area Median Income, for a

period of fifty-five (55) years from the date a Certificate of Occupancy is issued for the Project; and

WHEREAS, under Government Code Section 54221(f)(1)(A) of the SLA, “exempt surplus land” includes surplus land that is transferred for the development of affordable housing pursuant to Government Code Section 25539.4; and

WHEREAS, the County’s Lease of the Property for the Project satisfies the criteria set forth in Government Code Section 25539.4 with respect to exempt surplus land because (1) at least 80 percent of the Property will be used for the development of housing, (2) at least 40 percent of the housing units will be affordable to households whose incomes are equal to or less than 75 percent of the maximum income of lower income households and at least half of these will be affordable to very low income households, and (3) the parties will execute a Regulatory Agreement, to be recorded in the Official Records of the Office of the Clerk-Recorder of the County of San Mateo pursuant to Government Code 25539.4(e), guaranteeing that the 721 Airport LLC, as lessee and operator of the Project, and its successors in interest will maintain the affordability restrictions described herein for at least 30 years; and

WHEREAS, under the SLA, the County may take formal action in a regular public meeting to declare land as "surplus land" or "exempt surplus land"; and

WHEREAS, the County finds and determines that the foregoing recitals are true and correct and are a substantive part of this Resolution: the Property is hereby declared to be "exempt surplus land" pursuant to the Surplus Land Act; and the County affirms it has not adopted a written plan for the "agency's use" of this Property as such

terms are defined in the SLA; specifically, since the Property is intended to be used for a 100 percent affordable housing development, serving extremely-low income households, for a period of at least 55 years, subject to a recorded Regulatory Agreement, the Property is declared to be "exempt surplus land" pursuant to Government Code Section 54221(f)(1)(A).

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors of the County of San Mateo adopts the recitals set forth above as findings of fact.

BE IT FURTHER RESOLVED that the Board hereby finds and declares that the real property owned by the County located at 721 Airport Boulevard, South San Francisco, California, a 0.345-acre parcel identified as Assessor's Parcel Number 012-146-140, which is to be disposed of by the County through a long-term lease for operation as permanent support housing, is exempt surplus land under the Surplus Land Act.

BE IT FURTHER RESOLVED that the Director of Department of Housing, or designee, is hereby authorized and directed, acting in consultation with the County Attorney, to execute any and all notices, certificates, and documents as may be necessary and advisable to effectuate the purposes of this resolution and to provide notice of the Surplus Land Act exemption determination to the California Department of Housing and Community Development.

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