

**RESOLUTION NO. .**

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

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**MEASURE K: RESOLUTION**

**A) ALLOCATING \$1,300,000 IN MEASURE K RESERVES TO FUND A CAPITALIZED OPERATING SUBSIDY RESERVE TO FUND OPERATING EXPENSES AND RESERVES OF THE 721 AIRPORT PERMANENT SUPPORTIVE HOUSING PROJECT; AND**

**B) AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, ACTING IN CONSULTATION WITH THE COUNTY ATTORNEY, TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH 721 AIRPORT LLC, TO PROVIDE A CAPITALIZED OPERATING SUBSIDY RESERVE, IN AN AMOUNT NOT TO EXCEED \$1,300,000, FOR THE 721 AIRPORT PERMANENT SUPPORTIVE HOUSING PROJECT**

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

**WHEREAS**, pursuant to this Board's authorizations on June 13, 2023, by Resolution No. 079743, and Resolution No. 080574 on August 13, 2024, the County received and utilized State Homekey Program funds to purchase and convert the Ramada Inn located at 721 Airport Blvd, in South San Francisco, CA, into a permanent supportive housing project (the "Project" or "721 Airport") for those experiencing or at-risk of homelessness and meeting the Homekey Program criteria; and

**WHEREAS**, on January 27, 2026, under Resolution No. 081651, this Board approved \$2,105,000 in additional funds for the rehabilitation of the Project, and construction is now underway and expected to be completed in November, with lease-up expected to occur in December 2026 through January 2027; and

**WHEREAS**, on September 23, 2025, this Board adopted Resolution No. 081433 which authorized a commitment of CDBG-CV funds for wrap-around supportive services at the Project and another permanent supportive housing project, which funds must be fully expended by December 2026, and Homekey operating subsidies for the Project must be expended by June 30, 2027; and

**WHEREAS**, the Project has required revenue from multiple sources to pay for operating expenses and to capitalize reserves to ensure its financial feasibility, which sources are not currently sufficient to cover the property management and supportive services planned for the next 7 years, as 721 Airport LLC manages and operates the Project; and

**WHEREAS**, the Board finds that provision of additional funding through a capitalized operating subsidy reserve (the “Capitalized Operating Subsidy Reserve”) for operating expenses and reserve requirements for the Project is in the public interest, and is 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.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that \$1,300,000 in **Measure K** reserves are hereby allocated to fund a Capitalized Operating Subsidy Reserve to fund operating expenses and reserves at the 721 Airport permanent supportive housing project.

**BE IT FURTHER RESOLVED** that the Director of the Department of Housing, or designee, acting in consultation with the County Attorney, is hereby authorized to

negotiate and execute an agreement with 721 Airport LLC, to provide a Capitalized Operating Subsidy Reserve in an amount not to exceed \$1,300,000 for the 721 Airport permanent supportive housing project.

**BE IT FURTHER RESOLVED** that the that the Director of the Department of Housing, or their designee, is hereby authorized to execute, on behalf of the County, all amendments, extensions, notices, options, consents, approvals, terminations, and documents associated with the Capitalized Operating Subsidy Reserve and associated agreement, 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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