

RESOLUTION NO. .

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

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RESOLUTION: A) AUTHORIZING THE PRESIDENT OF THE BOARD OF SUPERVISORS TO EXECUTE AN ADDENDUM TO THE AGREEMENT TO ASSIST COASTSIDE HOPE WITH THE ACQUISITION OF REAL PROPERTY FOR THE OPERATION OF A MULTI-SERVICE CENTER FOR LOW INCOME FAMILIES, ORIGINALLY DATED MARCH 28, 1995, UNDER WHICH THE COUNTY CONSENTS TO THE SALE OF THE REAL PROPERTY LOCATED AT 99 AVENUE ALHAMBRA IN EL GRANADA, WAIVES ACCELERATION OF ITS SECURED PROMISSORY NOTE, AND AGREES TO THE TRANSFER OF ITS SECURED INTEREST TOTALING \$453,050 TO THE REAL PROPERTY LOCATED AT 248 MAIN STREET IN HALF MOON BAY, AND COASTSIDE HOPE AGREES TO REMIT PAYMENT OF \$1,000,000 TO REDUCE THE PRINCIPAL BALANCE OWING UNDER A LOAN FROM THE COUNTY SECURED AGAINST THE REAL PROPERTY LOCATED AT 248 MAIN STREET IN HALF MOON BAY; AND
B) AUTHORIZING AND DIRECTING THE COUNTY EXECUTIVE, OR DESIGNEE(S), TO NEGOTIATE, AGREE TO, ENTER INTO, AND/OR EXECUTE ANY ADDITIONAL DOCUMENTS NECESSARY, ADVISABLE, OR APPROPRIATE TO EFFECTUATE OR CARRY OUT THE ADDENDUM

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

WHEREAS, Coastside Hope was established in 1976 as a Section 501(c)(3) non-profit human services agency to benefit the residents of the County's Coastside area with a mission to "provide necessities to enhance quality of life for all our neighbors" and it currently serves as the primary core human services agency in the County for the Mid-Coast area; and

WHEREAS, in 1995, the County and Coastside Hope entered into an Agreement to Assist Coastside Opportunity Center with the Acquisition of Real Property for the Operation of a Multi-Service Center for Low Income Families (the "1995 Agreement") under which the County agreed to loan Coastside Hope the principal amount of \$266,000 in Community Development Block Grant (CDBG) funds to be used toward acquisition of

the real property located at 99 Avenue Alhambra, El Granada, California (the “Alhambra Property”); and

WHEREAS, pursuant to the terms of the 1995 Agreement, Coastside Hope executed and delivered a 30-year Promissory Note Secured by a Deed of in the amount of \$266,000 with a maturity date of March 31, 2025 Trust (the “1995 Note”), which provided (among other materials terms) that, upon maturity of the 1995 Note or acceleration due to sale or default, the County would be repaid the principal amount of \$266,000 plus a percentage of the realized appreciation of the Alhambra Property; and

WHEREAS, on March 31, 1995, Coastside Hope purchased the Alhambra Property, which it then used for the operation of its multi-service non-profit center; and

WHEREAS, on November 30, 2016, the County and Coastside Hope entered into an amended promissory note extending the term of the 1995 Note for an additional 30 years with an amended maturity date of March 31, 2055; and

WHEREAS, in 2023, the County loaned Coastside Hope an additional \$3,250,000 (the “2023 Loan”), which Coastside Hope used to purchase a new property in which to carry out its services located at 248 Main Street, Half Moon Bay, California 94019 (the “Main Street Property”); and

WHEREAS, the 2023 Loan is secured by a deed of trust and assignment of rents recorded against the Main Street Property; and

WHEREAS, since 2023, Coastside Hope has used the Main Street Property for the operation of its multi-service non-profit center; and

WHEREAS, Coastside Hope is currently in contract to sell the Alhambra Property to a third party for \$1,565,000, with an expected closing date of April 15, 2025; and

WHEREAS, the County's secured interest in the Alhambra Property now totals \$453,050, which amount includes the original loan principal (\$266,000) plus the County's share of the property's appreciation (\$187,050), pursuant to the calculation set forth in the 1995 Agreement; and

WHEREAS, Coastside Hope has requested that, instead of discharging the 1995 Note with proceeds from escrow upon sale of the Alhambra Property, the County instead transfer its secured interest to the Main Street Property, and this Board desires to transfer the County's secured interest, as doing so will allow Coastside Hope to defer repayment of the outstanding \$453,050 under the 1995 Note, keeping those funds available for the continued provision of public benefits and core services to Coastside residents; and

WHEREAS, to accomplish the transfer of the County's secured interest, described in the foregoing recital, staff has negotiated, and this Board has reviewed and approves, an addendum to the 1995 Agreement under which (a) the County consents to the sale of the Alhambra Property, waives acceleration of the 1995 Note, and agrees to the transfer of its secured interest in the amount of \$453,050 to the Main Street Property, and (b), to ensure there is sufficient equity in the Main Street Property to cover the County's transferred secured interest, Coastside Hope agrees, concurrently with close of escrow, to remit payment of \$1,000,000 to reduce the principal balance owing under the 2023 Loan ("Addendum"); and

WHEREAS, the Addendum further provides that, upon close of escrow on sale of the Alhambra Property, the County will reconvey the original deed of trust securing the 1995 Note.

NOW, THEREFORE, BE IT RESOLVED that the Board President is authorized to execute the Addendum.

IT IS FURTHER RESOLVED that the County Executive, or designee(s) is authorized to negotiate, agree to, enter into, and/or execute any additional documents necessary, advisable, or appropriate to effectuate or carry out the Addendum, consistent with the Board's intent, conditions, and findings reflected herein.

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