

RESOLUTION NO. .

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

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MEASURE K: RESOLUTION

- A) ALLOCATING \$4,100,000 IN MEASURE K RESERVE TO FUND A CAPITALIZED OPERATING SUBSIDY RESERVE TO FUND OPERATING EXPENSES AND RESERVES OF THE CASA ESPERANZA 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 EPISCOPAL COMMUNITY SERVICES OF SAN FRANCISCO (ECS), OR A SPECIAL PURPOSE ENTITY MANAGED BY ECS, TO PROVIDE A CAPITALIZED OPERATING SUBSIDY RESERVE, IN AN AMOUNT NOT TO EXCEED \$4,100,000, FOR THE CASA ESPERANZA PERMANENT SUPPORTIVE HOUSING PROJECT**

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

WHEREAS, pursuant to this Board’s authorizations on October 5, 2021, by Resolution No. 078472, and Resolution No. 078787 on March 3, 2022, the County received and utilized State Homekey Program funds to purchase and convert the Comfort Inn & Suites located at 1818 El Camino Real in Redwood City, CA, into a permanent supportive housing project (now known as “Casa Esperanza” or the “Project”) for those experiencing or at-risk of homelessness and meeting the Homekey Program criteria; and

WHEREAS, on March 25, 2025, under Resolution No. 081011, this Board approved a Management Agreement under which Episcopal Community Services of San Francisco (ECS), or a special purpose entity established by ECS, provides property

management services for the Project, and this Board also authorized the County to enter into a long-term ground lease with ECS, or their special purpose entity, to manage and operate the Project, which lease has not yet been finalized; 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 Casa Esperanza 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 5 years at Casa Esperanza; 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 as affordable housing 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 \$4,100,000 in **Measure K** reserves are hereby allocated to fund a Capitalized Operating Subsidy Reserve to fund operating expenses and reserves of the Casa Esperanza 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 Episcopal Community Services of San Francisco (ECS), or a special purpose entity managed by ECS, to provide a Capitalized Operating Subsidy Reserve for the Casa Esperanza 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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