

**RESOLUTION NO. 080574**

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

**\* \* \* \* \***

**RESOLUTION: A) APPROVING, ADOPTING AND AUTHORIZING THE PRESIDENT OF THE BOARD OF SUPERVISORS TO EXECUTE AN UPDATED FORM RESOLUTION ATTACHED AS ATTACHMENT A REQUIRED BY THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (“HCD”) FOR THE COUNTY’S APPLICATION TO THE HOMEKEY PROGRAM FOR STATE FUNDING IN AN AMOUNT NOT TO EXCEED \$27,585,600 FOR CAPITAL AND OPERATING EXPENSES FOR THE CONVERSION OF A HOTEL AT 721 AIRPORT BOULEVARD, SOUTH SAN FRANCISCO (THE “PROPERTY”) TO PERMANENT SUPPORTIVE HOUSING FOR PEOPLE EXPERIENCING OR AT RISK OF HOMELESSNESS (THE “PROJECT”); B) AUTHORIZING AND COMMITTING AN ALLOCATION OF \$6,750,000 IN AMERICAN RESCUE PLAN ACT (“ARPA”) FUNDS FOR ESTIMATED CAPITAL DEVELOPMENT MATCHING FUNDS FOR THE PROJECT, AS REQUIRED BY HOMEKEY AND AUTHORIZED IN RESOLUTION NUMBER 079743; C) DECLARING AN INTENTION TO COMMIT AN ALLOCATION NOT TO EXCEED \$19,100,000 IN MEASURE K FUNDS UNDER THE COUNTY HOUSING VOUCHER PROGRAM TO PROVIDE OPERATING SUPPORT FOR THE PROJECT, INCLUDING \$8,100,000 IN YEARS 2 TO 7 (AS AUTHORIZED IN RESOLUTION NUMBER 079743) AND \$11,000,000 IN YEARS 7 TO 13 OF THE PROJECT; AND D) DECLARING SUPPORT FOR A FUNDING PLAN FOR THE PROVISION OF OPERATING SUBSIDIES FOR THE PROJECT USING SUCH COUNTY, STATE OR FEDERAL FUNDS AS MAY BE AVAILABLE IN THE AMOUNT OF \$4,493,678 FOR YEARS 13-15 OF THE PROJECT; AND E) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE(S), TO TAKE SUCH FURTHER ACTIONS WITH THE APPROVAL OF THE COUNTY EXECUTIVE THAT MAY BE NECESSARY TO EXECUTE THE STANDARD AGREEMENT THAT INCLUDES THE COMPLETE HOMEKEY APPLICATION AND ALL REQUIRED ATTACHMENTS, INCLUDING BUT NOT LIMITED TO THE VERIFICATION OF ACCEPTANCE, AND FINALIZE ANY CONDITIONS IMPOSED ON THE HOMEKEY AWARD AS MAY BE NECESSARY AND ADVISABLE TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION; AND F) AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE(S), ACTING IN CONSULTATION WITH THE COUNTY ATTORNEY AND THE APPROVAL OF THE COUNTY EXECUTIVE, TO NEGOTIATE AND EXECUTE ANY AND ALL AGREEMENTS, DOCUMENTS, CERTIFICATES AND AMENDMENTS AS MAY BE NECESSARY AND ADVISABLE AND WITHIN THE SCOPE OF FUNDING AUTHORIZED BY THE BOARD FOR THE PROJECT PURSUANT TO THIS RESOLUTION, INCLUDING WITHOUT LIMITATION SUCH AGREEMENTS REFERENCED IN THE MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY, A SPECIAL PURPOSE ENTITY (“SPECIAL PURPOSE ENTITY”) OWNED AND CONTROLLED BY EPISCOPAL COMMUNITY SERVICES (“ECS”), AND ECS, AUTHORIZED BY THIS BOARD IN RESOLUTION NO. 079743 AND ATTACHED AS ATTACHMENT B**

---

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

California, that

**WHEREAS**, Homekey is a program established by the State of California to sustain and expand the inventory of housing for those experiencing homelessness, or at risk of homelessness, and disproportionately impacted by COVID-19 and which provides local public agencies with funding to purchase a broad range of housing types, such as hotels, motels, vacant apartment buildings, and other properties, and convert them into permanent or interim housing for the target population; and

**WHEREAS**, on June 13, 2023, this Board adopted Resolution Number 079743, which among other actions:

- Authorized the County's application to Homekey Round 3 funding for capital and operating expenses for the conversion of a hotel at 721 Airport Boulevard, South San Francisco (the "Property") to permanent supportive housing for people who are experiencing or are at risk of homelessness (the "Project") in an amount not to exceed \$27,585,600;
- Allocated American Rescue Plan Act ("ARPA") funds in the amount of \$6,750,000 in local match of funding for capital expenses, and \$8,100,000 in the form of County Housing Vouchers funded by Measure K to fund Project operations for five years;
- Authorized a Memorandum of Understanding ("MOU") setting forth the terms and conditions under which the Special Purpose Entity owned and controlled by Episcopal Community Services ("ECS"), as the County's co-applicant for the Homekey award, will acquire, rehabilitate, manage, operate, and provide supportive services at the Project in the event the County receives Homekey funding and the County acquires the Property; and
- Approved a resolution in a form required by the California Department of Housing and Community Development ("HCD") for the County's Homekey Round 3 application.

**WHEREAS**, on July 24, 2023, further to this Board's authorization, the County, ECS and the Special Purpose Entity entered into the MOU as a condition of the County's Homekey Round 3 application which MOU (attached as Attachment B) contemplates various agreements necessary to carry out the Project and effectuate the enforceable funding commitments authorized by the Board, including a Predevelopment Loan Agreement (MOU, § 8.2), a Ground Lease of the Property (MOU, § 9.1), Development Agreement and Regulatory Agreement (MOU, § 9.3), Supportive Services

Agreement (MOU, § 9.5); and a County Housing Voucher Program Agreement (MOU, § 9.6); and

**WHEREAS**, on September 12, 2023, this Board declared its intent to purchase the Property; and

**WHEREAS**, in response to HCD's requests for clarification of the County's Homekey Round 3 enforceable funding commitments for the Project, the Board desires to provide an updated set of enforceable funding commitments and to address other Homekey requirements for the Project as set forth in this Resolution; and

**WHEREAS**, the Board desires to provide express authorization for agreements as may be necessary and advisable and within the scope of funding authorized by the Board for the Project pursuant to this Resolution, including such agreements contemplated by the MOU, and as specified herein; and

**WHEREAS**, the Board finds and determines that the operation of the Project on the Property are in furtherance of the Board's goals to provide permanent affordable housing in the County of San Mateo, are in the vital and best interests of the County of San Mateo and the welfare of its residents, and serve a public purpose.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board hereby approves, adopts and authorizes the President of the Board of Supervisors to execute an updated form Resolution attached as Attachment A as required by the California Department of Housing and Community Development ("HCD") for the County's application to the Homekey Program for State funding in an amount not to exceed \$27,585,600 for capital and operating expenses for the conversion of the Property to permanent supportive housing for people who are experiencing or are at risk of homelessness (the "Project").

**BE IT FURTHER RESOLVED** that the Board hereby authorizes and commits an allocation of \$6,750,000 in ARPA funds for estimated capital development matching funds for the Project, as required by Homekey and authorized in Resolution Number 079743.

**BE IT FURTHER RESOLVED** that the Board hereby declares an intention to commit an allocation not to exceed \$19,100,000 in Measure K funds under the County Housing Voucher Program to provide operating support for the Project, including \$8,100,000 in years 2 to 7 (as authorized in Resolution Number 079743) and \$11,000,000 in years 7 to 13 of the Project.

**BE IT FURTHER RESOLVED** that the Board hereby declares support for a funding plan for the provision of operating subsidies for the Project using such County, state or federal funds as may be available in the amount of \$4,493,678 for years 13-15 of the Project.

**BE IT FURTHER RESOLVED** that the Board hereby authorizes and directs the Director of the Department of Housing, or designee(s), to take such further actions with the approval of the County Executive that may be necessary to execute the Standard Agreement that includes the complete Homekey application and all required attachments, including but not limited to the Verification of Acceptance, and finalize any conditions imposed on the Homekey award as may be necessary and advisable to effectuate the purposes of this Resolution.

**BE IT FURTHER RESOLVED** that the Board hereby authorizes the Director of the Department of Housing, or designee(s), acting in consultation with the County Attorney and the approval of the County Executive, to negotiate and execute any and all agreements, documents, certificates and amendments as may be necessary and advisable and within the scope of funding authorized by the Board for the Project pursuant to this Resolution, including such agreements referenced in the MOU between

the County, the Special Purpose Entity owned and controlled by ECS, and ECS,  
authorized by this Board in Resolution No. 079743 and attached as Attachment B.

\* \* \* \* \*

