

RESOLUTION NO.

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

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RESOLUTION:

A) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, TO NEGOTIATE AND EXECUTE, IN CONSULTATION WITH THE COUNTY ATTORNEY, AN AGREEMENT TO ASSIGN CERTAIN COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIPS LOAN AGREEMENTS AND ASSOCIATED DOCUMENTS, DATED IN 1993 AND 1994, FROM OCEANA SENIOR HOUSING CORPORATION TO MERCY HOUSING CALIFORNIA 121, L.P.; AND

B) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, TO NEGOTIATE AND EXECUTE, IN CONSULTATION WITH THE COUNTY ATTORNEY, AN AMENDED AND RESTATED COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PARTNERSHIPS LOAN AGREEMENT AND ASSOCIATED DOCUMENTS TO PROVIDE A RESTATED LOAN BALANCE, PROMISSORY NOTES, DEEDS OF TRUST AND REGULATORY AGREEMENT TO ENSURE CONTINUED AFFORDABILITY OF THE PROJECT IN CONNECTION WITH ITS ACQUISITION AND REHABILITATION BY MERCY HOUSING CALIFORNIA 121, L.P.; AND

C) AUTHORIZING AND DIRECTING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, TO NEGOTIATE AND EXECUTE, IN CONSULTATION WITH THE COUNTY ATTORNEY, ALL DOCUMENTS, AGREEMENTS, CERTIFICATES, EXTENSIONS AND INSTRUMENTS AS NECESSARY TO FACILITATE THE CLOSING OF THE TRANSACTION, TO PROVIDE THE AMENDED AND RESTATED LOAN DOCUMENTS, AND TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION

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

WHEREAS, in the 1990s, this Board adopted resolutions to provide funding for the development of what came to be known as the Oceana Terrace Senior Housing project in Pacifica; and

WHEREAS, on March 30, 1993, pursuant to this Board's authorization under Resolution No. 57002, the County entered into a loan agreement with Catholic Charities of the Archdiocese of San Francisco to provide \$75,000 in Community Block Development Grant (CDBG) funding for predevelopment expenses to construct a 42-unit low-income senior rental project in Pacifica (the Project); and

WHEREAS, on October 15, 1993, Catholic Charities assigned its rights to that agreement to Oceana Senior Housing Corporation (OSHC), a California nonprofit public benefit corporation; and

WHEREAS, on November 16, 1993 this Board adopted Resolution No. 57782, which authorized an additional \$85,000 of CDBG funding for the Project, for a total of \$160,000 for predevelopment expenses and construction of site improvements; and

WHEREAS, on April 5, 1994, pursuant to this Board's authorization under Resolution No. 58132, the County and OSHC entered into a loan agreement to provide \$350,000 of federal HOME funds under the County's 1992 HOME funding allocation for site improvement and predevelopment expenses in connection with the Project; and

WHEREAS, the County set aside an additional \$110,000 in the fiscal year 1993 HOME funding allocation for project site work including expenses related to handicapped accessibility required by HUD for the Project and on April 5, 1994, the County and OSHC amended the agreement to combine the HOME funding from both fiscal years into a single loan of \$460,000; and

WHEREAS, the obligations of OSHC to repay these funds are evidenced by a Residual Receipt Note dated September 27, 1994, executed by OSHC, in the amount of \$160,000.00 of CDBG funds and \$460,000.00 of HOME funds, for a total original principal amount of \$620,000.00 to bear simple interest at 6% per annum, and as of May 8, 2026, these funds will have accrued interest of \$1,176,036.67, such that the total loan balance as of May 8, 2026, including accrued interest is \$1,796,036.67, which amount consists of \$463,493.33 in CDBG funds and \$1,332,543.33 in HOME funds; and

WHEREAS, the CDBG and HOME loan funds have been fully disbursed and expended, and the Project now consists of forty-two (42) rental apartments with rents affordable to households with incomes between 20% and 50% of Area Median Income and one (1) unrestricted two-bedroom manager's unit; and

WHEREAS, Mercy Housing California 121, L.P (Mercy) has entered into an agreement to acquire the property on which the Project is located from OSHC and has assembled financing to fund the rehabilitation of the Project, effective upon closing of its acquisition of the property; and

WHEREAS, in connection with its anticipated acquisition and rehabilitation of the Project, Mercy has requested that the County assign and modify its outstanding CDBG and HOME loans to reflect accrued interest as of the closing of the transaction which would result in a total amended and restated loan balance of \$1,796,036.67 as of May 8, 2026 (or such additional amounts accruing if closing occurs after May 8), which balance would accrue interest at 3% simple interest per

annum, and in which Mercy's obligation to repay the restated loan balance would be evidenced by a promissory note or notes, secured by deeds of trust recorded on Mercy's fee interest in the property upon acquisition, and Mercy would agree to the terms of the County's regulatory agreement requiring continued rental restriction and occupancy by households between 20% and 50% AMI for a period of 55 years, ensuring affordability for senior households within these income limits; and

WHEREAS, the Board finds that the development of the Project as affordable housing is in the public interest, and serves a public purpose, and the Board desires to authorize and approve said actions as specified herein.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Director of the Department of Housing, or designee, is hereby authorized and directed to negotiate and execute, in consultation with the County Attorney, an agreement to assign certain Community Development Block Grant and HOME Investment Partnerships loan agreements and associated documents, dated in 1993 and 1994, from Oceana Senior Housing Corporation to Mercy Housing California 121, L.P.

IT IS FURTHER DETERMINED AND ORDERED that the Director of the Department of Housing, or designee, is hereby authorized and directed to negotiate and execute, in consultation with the County Attorney, an amended and restated Community Development Block Grant and HOME Investment Partnerships loan agreement and associated documents to provide a restated loan balance, promissory notes, deeds of trust and regulatory agreement to ensure continued affordability of the

project in connection with its acquisition and rehabilitation by Mercy Housing California 121, L.P.

IT IS FURTHER DETERMINED AND ORDERED that the Director of the Department of Housing, or designee, is hereby authorized and directed to negotiate and execute, in consultation with the County Attorney, all documents, agreements, certificates, extensions and instruments as necessary to facilitate the closing of the transaction, to provide the amended and restated loan documents, and to effectuate the purposes of this resolution.

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