

RESOLUTION NO. _____

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

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RESOLUTION AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, IN CONSULTATION WITH COUNTY COUNSEL, TO NEGOTIATE AND EXECUTE A LOAN AGREEMENT AND OTHER DOCUMENTS NECESSARY TO PROVIDE A LOAN TO HIGHWAY 92 SUCCULENTS, INC. IN A TOTAL AMOUNT NOT TO EXCEED \$300,000 AND WITH A FIFTEEN (15) YEAR LOAN TERM TO HELP FINANCE THE PURCHASE AND INSTALLATION OF TWO NEW MOBILEHOME UNITS TO SERVE AS FARM LABOR HOUSING AT 1585 SUNSHINE VALLEY ROAD, MOSS BEACH PURSUANT TO PHASE III OF THE COUNTY OF SAN MATEO FARM LABOR HOUSING PILOT PROGRAM

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

WHEREAS, in 2014, the Board of Supervisors (the "Board"), sitting as the Board of Commissioners of the Housing Authority of the County of San Mateo, approved the allocation for \$500,000 of Moving to Work Funds (Voucher Reserves) for the Farm Labor Housing Pilot Program (the "Pilot Program"); and

WHEREAS, the Board later replaced the Moving to Work Funds with Measure A funds to enable the County of San Mateo (the "County") to better tailor the Pilot Program to meet local needs; and

WHEREAS, the County created the Pilot Program to build partnerships and provide resources to enable farmers and agricultural landowners to provide safe and affordable housing for the County's low-income agricultural workforce; and

WHEREAS, the Agricultural Workforce Housing Needs Assessment, which was completed in 2016, identified the need for over 1,000 new units for the agricultural workforce; and

WHEREAS, in light of this information, in January 2017, the County expanded the Farm Labor Housing Pilot Program to include construction of new housing and the addition of new mobilehome units (now referred to as the Farm Labor Housing Pilot Program Phase III or "Phase III"); and

WHEREAS, in Phase III, the County provides loans of up to \$150,000 for each new unit ("Project Unit") created, up to a maximum of two units for each application, and similar to the loans for rehabilitation and replacement Project Units, the loans for new Project Units require the applicant to contribute 20 percent of the value of the County loan to the Project Units; and

WHEREAS, the loans are interest free and will be forgiven at the rate of \$10,000 per year per Project Unit, assuming the operator maintains the required very low rent levels and all other contractual terms and conditions are satisfied; and

WHEREAS, Highway 92 Succulents, Inc. owns property located in the unincorporated area of San Mateo County commonly known as 1585 Sunshine Valley Road, Moss Beach, CA 94038 (037-053-080) (the "Property"); and

WHEREAS, Highway 92 Succulents, Inc. wishes to purchase and install two Project Units on the Property for use by the agricultural workforce, and have applied to

the Department of Housing (“DOH”) for funding assistance under Phase III of the Pilot Program; and

WHEREAS, if approved by the Board, DOH will issue a loan to Highway 92 Succulents, Inc., on behalf of the County, in a total amount not to exceed \$300,000 and with a 15 year loan term to purchase and install the Project Units (\$150,000 for each the Project Unit), and Highway 92 Succulents, Inc. will cover the remainder of the project cost, with a minimum of 20 percent of the loan value (\$30,000 for each mobilehome unit) required as a match for the County loan; and

WHEREAS, the no-interest loan will be forgiven at a rate of \$20,000 a year (\$10,000 per year for each Project Unit) over a 15 year loan term, and loan forgiveness will commence once the Project Units are installed and occupied by eligible farmworker tenants; and

WHEREAS, for the duration of the loan term, the occupancy of the housing will be restricted to very low--income farmworkers and available at rental rates that remain affordable to very low--income households; and

WHEREAS, occupancy restrictions and rental rates will be monitored by the DOH for the life of the loan, and due to their location in the Planned Agricultural Zoning District, the new Project Units will be restricted to use by farmworkers for the life of the units; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Director of the Department of Housing, or designee, in consultation with County Counsel, is hereby authorized to negotiate and execute a loan agreement and other documents necessary to provide a loan to Highway 92 Succulents, Inc. in a total amount not to exceed \$300,000 and with a fifteen (15) year loan term to help finance the purchase and installation of two new mobilehome units to serve as farm labor housing at 1585 Sunshine Valley Road, Moss Beach pursuant to Phase III of the County of San Mateo Farm Labor Housing Pilot Program.

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