

RESOLUTION NO. .

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

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RESOLUTION: A) AUTHORIZING THE FORM OF AND DIRECTING THE EXECUTION BY THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, OF AN AGREEMENT TO PROVIDE A FORGIVABLE LOAN (“THE LOAN”) IN THE PRINCIPAL AMOUNT OF \$900,000 TO PENINSULA OPEN SPACE TRUST AND FIFTH CROW FARM IN A TOTAL AMOUNT NOT TO EXCEED \$900,000 TO FINANCE THE PURCHASE AND INSTALLATION OF FOUR NEW MOBILE HOME UNITS TO SERVE AS FARM LABOR HOUSING IN PESCADERO PURSUANT TO THE COUNTY OF SAN MATEO FARM LABOR HOUSING LOAN PROGRAM; AND B) AUTHORIZING THE FORM OF A PROMISSORY NOTE IN CONNECTION WITH THE LOAN; AND C) AUTHORIZING THE FORM OF A DEED OF TRUST TO SECURE THE LOAN; AND D) AUTHORIZING THE FORM OF AN AFFORDABILITY COVENANT TO ENSURE AFFORDABILITY RESTRICTIONS ON THE PROPERTY FOR 20 YEARS; AND E) AUTHORIZING AND APPROVING THE TAKING OF ALL NECESSARY ACTIONS BY THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR DESIGNEE, IN CONSULTATION WITH THE COUNTY ATTORNEY, TO FACILITATE THE CLOSING OF THE TRANSACTION DESCRIBED HEREIN AND TO GIVE EFFECT TO THIS RESOLUTION, INCLUDING TO EXECUTE AND DELIVER ANY AND ALL DOCUMENTS AND CERTIFICATES AND TO MAKE NONMATERIAL CHANGES TO THE FORMS APPROVED HEREIN DEEMED NECESSARY OR ADVISABLE TO EFFECTUATE THE PURPOSES OF THIS RESOLUTION AND THE TRANSACTION CONTEMPLATED HEREBY

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 and has since funded the program with Measure K sales tax proceeds and expanded the program, now known as the County of San Mateo Farm Labor Housing Program (the “Program”), to meet local needs; and

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

WHEREAS, the Board desires through the 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 by providing loans to fund the construction of new housing and the addition of new mobile home units, which serves a public purpose and provides a public benefit to the County as a whole; and

WHEREAS, the Peninsula Open Space Trust ("POST") owns property located in the unincorporated area of San Mateo County commonly known as 4309 Cloverdale Road, Pescadero, CA 94060, APN 086-270-010 (the "Property"); and

WHEREAS, POST leases the Property to Fifth Crow Farm, a diversified organic farm whose stated philosophy is to build an agriculture that is economically viable, socially just and ecologically sound; and

WHEREAS, Post and Fifth Crow Farm wish to purchase and install four mobile home units ("Project Units") on the Property for use by the agricultural workforce, and have applied to the County Department of Housing for funding assistance through the Program; and

WHEREAS, the Board desires that the County issue a loan to POST and Fifth Crow Farm in a total amount not to exceed \$900,000 to purchase and install the Project Units, secured by a deed of trust, provided that the Borrowers will cover the remainder of the project cost, with a minimum of 20 percent of the total project costs required as a match for the County loan, further provided that the loan will not bear interest and will be forgiven in equal 20 percent annual increments over the final five years of a 20 year loan term, subject to compliance with the terms and conditions of a loan agreement and related documents that will restrict the units for a period of 20 years from project completion to members of the agricultural workforce meeting the Program's income requirements; and

WHEREAS, the Board desires that for the duration of the proposed loan term, the occupancy of the units financed by the Program loan will be restricted to very low-income farmworkers and available at rental rates based on the Maximum Affordable Rent Payment Schedule set forth by the U.S. Department of Housing and Urban Development and in no event may rent and other housing related costs exceed 30 percent of the eligible farmworker's income; and

WHEREAS, the Board desires that occupancy restrictions and rental rates for the Project Units financed by the proposed loan will be monitored by the County 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 and their families for the life of the units; 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 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 authorizes the form of and directs the execution by the Director of the Department of Housing, or designee, of an agreement to provide a forgivable loan (the "Loan") in the principal amount of \$900,000 to Peninsula Open Space Trust and Fifth Crow Farm to finance the purchase and installation of four new mobile home units to serve as farm labor housing in Pescadero pursuant to the County of San Mateo Farm Labor Housing Loan Program.

BE IT FURTHER RESOLVED that the Board hereby authorizes the form of a Promissory Note in connection with the Loan.

BE IT FURTHER RESOLVED that the Board hereby authorizes the form of a Deed of Trust to secure the Loan.

BE IT FURTHER RESOLVED that the Board hereby authorizes the form of an Affordability Covenant to ensure affordability restrictions on the Property for 20 years.

BE IT FURTHER RESOLVED that the Board hereby authorizes and approves the taking of all necessary actions by the Director of the Department of Housing, or designee, in consultation with the County Attorney, to facilitate the closing of the

transaction described herein and to give effect to this Resolution, including to execute and deliver any and all documents and certificates and to make nonmaterial changes to the forms approved herein as deemed necessary or advisable to effectuate the purposes of this Resolution and the transaction contemplated hereby.

BE IT FURTHER RESOLVED that the Director of the Department of Housing, or designee, is authorized to execute contract amendments to the Loan agreement which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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