



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Department of Housing



**Date:** August 13, 2012  
**Board Meeting Date:** August 28, 2012  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Duane Bay, Director, Department of Housing

**Subject:** Property Transfer Agreement for Assessor's Parcel Number 056-210-340 on Main Street and Arnold Way in the City of Half Moon Bay.

**RECOMMENDATION:**

Adopt a Resolution authorizing the Director of the Department of Housing or the Director's designee to execute a multi-party agreement with Senior Coastsiders, Coastside Adult Day Health Center, Coastside Senior Housing Limited Partners, and the Housing Authority of the County of San Mateo, canceling a County Community Development Block Grant (CDBG) property purchase loan to the current nonprofit co-owners of Assessor's Parcel Number 056-210-340 on Main Street and Arnold Way in the City of Half Moon Bay and transferring ownership of the parcel to the Housing Authority of the County of San Mateo to facilitate development and long-term stewardship of affordable senior housing and senior services.

**BACKGROUND:**

As part of a collaborative effort to develop a cluster of senior services and affordable housing units in Half Moon Bay, the Coastside Senior Housing project, located at 925 Main Street, Half Moon Bay, California, ("Project") will be a mixed-use development consisting of 40 units of affordable senior housing and ground floor program spaces for senior services and a senior center. Over three fiscal years, the County of San Mateo has committed a total of \$3 million of CDBG and HOME funds toward the housing component of the Project.

The present co-owners of this currently vacant site, Senior Coastsiders and Coastside Adult Day Health Center, purchased the land in 2001 with \$300,000 in CDBG funding provided by the County Department of Housing ("DOH"). The co-owners subsequently approached Mercy Housing California, a nonprofit housing developer, and Lesley Senior Communities, a nonprofit housing organization, to assist in developing the Project. A limited partnership, Coastside Senior Housing Limited Partners ("LP"), has

been formed by Mercy Housing California and Lesley Senior Communities, to develop and own the improvements to the property. Senior Coastsiders and Coastside Adult Day Health Center have executed an option with the LP to ground lease the land under a long-term lease, build the complex, and sublease the program spaces back to Senior Coastsiders and Coastside Adult Day Health Center, which will provide an array of senior services on the ground floor level of the Project. The LP was recently awarded tax credits and expects to begin construction of the Project in October 2012.

**DISCUSSION:**

The present co-owners of the site have engaged in discussions with the Housing Authority, DOH, and LP regarding the desirability of long term stewardship of the site by the Housing Authority of the County of San Mateo ("HACSM"). It has been mutually agreed that HACSM ownership of the land will help assure long-term affordability of the housing units as well as retention of the affordable senior housing and senior-serving spaces. The Agreement provides for transfer of ownership of the site to HACSM, and cancellation of the \$300,000 CDBG property purchase loan made to the co-owners by the County. This transfer of ownership will take place concurrently with the Project's construction loan closing. In addition, the Agreement provides for HACSM to assume LP's option and to ground lease the land to the LP under a long-term lease. The LP will build the complex, retain ownership of the improvements, and sublease the program spaces back to Senior Coastsiders and Coastside Adult Day Health Center.

County Counsel has reviewed and approved the Resolution to form.

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Livable Community by promoting affordable, livable and connected communities.

**FISCAL IMPACT:**

There is no Net County Cost associated with this action.