



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



**Date:** August 31, 2012  
**Board Meeting Date:** September 25, 2012  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors (Sitting as the Board of Commissioners of the Housing Authority)  
**From:** Duane Bay, Director, Department of Housing  
William Lowell, Executive Director, Housing Authority  
**Subject:** Execution of Long-term Ground Lease for Assessor's Parcel Number 056-210-340 on Main Street and Arnold Way in the City of Half Moon Bay.

**RECOMMENDATION:**

Acting as the Governing Board of the Commissioners of the Housing Authority, adopt Resolution 2012-11 authorizing the Executive Director of the Housing Authority of the County of San Mateo or the Executive Director's designee to negotiate and execute a long-term ground lease for Assessor's Parcel Number 056-210-340 on Main Street and Arnold Way in the City of Half Moon Bay, to facilitate development of the Coastsides Senior Housing Project.

**BACKGROUND:**

As part of a collaborative effort to develop a cluster of senior services and affordable housing units in Half Moon Bay, the Coastsides 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.

Senior Coastsiders and Coastsides Adult Day Health Center, the present co-owners of this currently vacant site, and Mercy Housing California, a nonprofit housing developer, and Lesley Senior Communities, a nonprofit housing organization, are working together to develop the Project. A limited partnership, Coastsides 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 Coastsides 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 sub-lease the program spaces back to Senior Coastsiders and Coastsides 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.

The present co-owners of the site have also engaged in discussions with HACSM, San Mateo County Department of Housing, and LP regarding the desirability of long term stewardship of the site by HACSM. It has been mutually agreed and acknowledged 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.

On August 28, 2012 the Board of Supervisors, County of San Mateo, sitting as the Board of Commissioners of the Housing Authority of the County of San Mateo, passed a resolution authorizing the Executive Director of HACSM, or the Director's designee, to execute on behalf of HACSM: (a) a Certificate of Acceptance consenting to the transfer of the Property, and (b) a multi-party agreement ("Agreement") transferring ownership of the Property to HACSM, in order to facilitate development of the Project.

This transfer of ownership will take place concurrently with the Project's construction loan closing. In addition, the Agreement provides for HACSM to assume the option with the LP 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 sub-lease the program spaces back to Senior Coastsiders and Coastside Adult Day Health Center.

**DISCUSSION:**

The long-term ground lease of the Property will be between HACSM and the LP. The lease will be for a period of 99 years, will contain various provisions ensuring the long-term affordability of the residential units, and will allow the LP to build the complex and sublease the program spaces to Senior Coastsiders and Coastside Adult Day Health Center.

County Counsel has reviewed and approved the Resolution as 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.