



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



**Date:** April 29, 2014  
**Board Meeting Date:** June 3, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** William Lowell, Director  
**Subject:** Approve transfer of ownership of property

**RECOMMENDATION:**

Adopt a Resolution authorizing the Director of the Department of Housing or the Director's designee to transfer ownership of a group home for persons with developmental disabilities at 2101 Oakley, Menlo Park from the County of San Mateo to Family Housing and Adult Resources.

**BACKGROUND:**

In 1982, the County deeded the lot at 2101 Oakley in the city of Menlo Park to an agency called Community Association for Rehabilitation (CAR) for the development of a group home for persons with developmental disabilities. The lot had been obtained by the County using \$90,000 in CDBG funds. CAR then secured a 0%, 30-year loan from the State for the construction of the facility in the amount of \$124,290 and received a yearly stipend for operational support. The County's deed contained a covenant that if the agency decided not to fulfill its contract with the State (30 years of operation of the facility) the property and any improvements would revert to the County. In 2002, CAR decided it could no longer support the facility without putting its other programs in jeopardy and returned the facility to County control. Options were weighed and it was decided to put out a request for proposals to locate an agency that would continue operation of the facility in accordance with CAR's original mission. FHAR was selected and has operated the facility for the last 10 years, overseeing \$60,000 in rehab work using a County rehab loan through CDBG. Family Housing and Adult Resources (FHAR) has made all payments on the rehab loan and has kept property tax payments current. It has also provided continued maintenance on the property.

**DISCUSSION:**

On August 5, 2014, the regulatory agreement with the State will end and under its terms the County, as owner of the Oakley property, will have to pay the State \$124,290 for the construction loan. FHAR's yearly stipend from the State also will end. FHAR has the

resources necessary for the continued operation of the home after the end of the regulatory agreement and would like to maintain the facility in its current use. In addition, FHAR is prepared to pay the \$124,290 to the State and continue paying the rehab loan payments (a current balance of about \$47,000) if the County deeds the property to it.

It should be noted that if CAR had continued to operate the facility through August 5, 2014, the house and land would have become CAR's free and clear, with the County's deed restrictions still attached. Instead, FHAR took over operation of the property without transfer of the deed and has maintained the property for 10 years, providing a home with a capacity for four persons with developmental disabilities. It proposes continuing those services and would continue to do so whether or not the County owns the property. Staff proposes transferring the property to FHAR for its ongoing use as a home for persons with developmental disabilities, thereby strengthening FHAR's program resources while eliminating the County's obligation to repay the \$124,290 to the State. FHAR will pay off the existing State loan and execute a deed restriction that assures the continued use for its current purpose or returns the property to the County.

The Resolution has been reviewed and approved by County Counsel at to form.

Approval of this action contributes to the Shared Vision 2025 outcome of a Livable Community by providing a group home for persons with developmental disabilities.

**FISCAL IMPACT:**

Transfer of the property would have no fiscal impact on County finances. The land was originally purchased using CDBG funds, the home was built using funding from the State, and rehabilitation work on the home was completed using CDBG funds. The State has also provided operational support for FHAR and FHAR has paid the past 10 years of property taxes due.