



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



Date: August 10, 2015
Board Meeting Date: September 1, 2015
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: William Lowell, Director

Subject: Amendment to the Original Promissory Note for JobTrain, Inc.

RECOMMENDATION:

Adopt a resolution authorizing the Director of the Department of Housing to sign an amendment to the original promissory note for JobTrain, Inc. to forgive the \$300,000 site acquisition loan at maturity expiring on December 13, 2024.

BACKGROUND:

On December 14, 1993, the County signed a loan agreement in the amount of \$300,000 with Opportunities Industrialization Center West, Inc. (OICW) to assist with the purchase of a building at 1200 O'Brien Drive in Menlo Park to house a job training and childcare center. That organization is now named JobTrain, Inc. (JobTrain). The loan was funded on February 14, 1994. The original terms of the loan were zero percent interest for 30 years with repayment at maturity, specified as February 13, 2024. The County has a 10 percent equity share of the property according to the terms of the agreement. If the agency were to sell the building prior to maturity of the loan, the County is due 10 percent of the proceeds as its equity interest in repayment of the loan. JobTrain, in anticipation of loan maturity approaching in a few years and needing to plan for capital development for repayment of the loan, approached the Department of Housing about the possibility of forgiving the loan.

DISCUSSION:

JobTrain (the new name of OICW) provides job training services to lower income residents of San Mateo County. The County loan to OICW helped the agency purchase a building at 1200 O'Brien Dr. in Menlo Park. JobTrain's programs help individuals gain career and life skills, transforming their lives for the long term. Full-time vocational training programs include: Culinary Arts, Laborers Construction Fundamentals Training Program, Medical Assistant, Business Administration Skills, Professional Health Care Worker, and Project Build (Construction, Green Technology and Carpenter Pre-

Apprenticeship). Students also benefit from Upgrade Trainings, which helps them to advance in their careers. Offerings include GED preparation, Academic Skills for Employment, ESL, and Computer Literacy. All programs are provided for little or no cost to students. JobTrain is committed to helping those who are most in need of success. Its stated purpose is to improve the lives of people in our community through assessment, attitude and job skills training, and high potential career placement. It has provided services in San Mateo County since 1965.

Given the value of the services provided to the local community, their strength as an organization, and their commitment to continued service to the County, the Department of Housing has considered the request, in light of over 50 years of service to lower income residents of San Mateo County and recommends that the loan be forgiven at maturity, February 13, 2024. If the building is sold by JobTrain prior to the maturity of the loan, the full loan amount including equity interest would be due to the County.

County Counsel has reviewed the first amendment to the original promissory note and has approved the amendment as to form.

PERFORMANCE MEASURE(S):

Measure	FY 2015-16 Actual	FY 2016-17 Projected
N/A		

FISCAL IMPACT:

The \$300,000 loan was funded through the Community Development Block Grant. There is no net county cost.