

RESOLUTION NO. .

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

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RESOLUTION: A) DECLARING THE BOARD OF SUPERVISORS' INTENTION TO PURCHASE THE PROPERTY LOCATED AT 750 ELCAMINO REAL, IN BELMONT, (ASSESSOR PARCEL NUMBER 044-222-160) ("PROPERTY") FROM JONATHAN L. LAMB ("SELLER") FOR A TOTAL PURCHASE PRICE OF \$1,650,000; AND
B) AUTHORIZING AN ALLOCATION OF UP TO \$1,700,000 IN FEDERAL CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT FUNDS FOR THE PURCHASE OF THE PROPERTY PLUS CLOSING COSTS; AND
C) ACCEPTING THE TERMS AND CONDITIONS OF THE MARCUS & MILLICHAP REAL ESTATE PURCHASE AGREEMENT ("PSA") THAT ARE INCUMBENT ON COUNTY AS THE SUCCESSOR IN INTEREST TO THE ORIGINAL BUYER, OUR COMMON GROUND, INC., TO PURCHASE THE PROPERTY FROM SELLER, FOR A TOTAL PURCHASE PRICE OF \$1,650,000; AND
D) RATIFYING THE ASSIGNMENT AND ASSUMPTION AGREEMENT, ASSIGNING OUR COMMON GROUND, INC.'S RIGHTS TO PURCHASE THE PROPERTY TO COUNTY, COUNTY ASSUMING ALL OBLIGATIONS AS BUYER, AND SELLER CONSENTING TO THE ASSIGNMENT; AND
E) AUTHORIZING AND DIRECTING THE COUNTY MANAGER, OR DESIGNEE, TO EXECUTE THE CERTIFICATE OF ACCEPTANCE, AS WELL AS ANY AND ALL NOTICES, ESCROW INSTRUCTIONS, AND DOCUMENTS REQUIRED TO FACILITATE FOR PURPOSES OF THE PSA

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, the COVID-19 pandemic has exacerbated existing community needs and inequalities, including homelessness, which was already experienced disproportionately by minorities and other vulnerable groups; and

WHEREAS, persons experiencing homelessness are at a greater risk of infection and death due to COVID-19; and

WHEREAS, in response to COVID-19, San Mateo County has prioritized the preservation and acquisition of needed housing for the homeless and other vulnerable groups; and

WHEREAS, Our Common Ground, Inc. (OCG) is a provider of transitional housing and related services at several sites in San Mateo County, and OCG has been operating a transitional housing project at 750 El Camino Real, in Belmont (“Property”), for more than 32 years; and

WHEREAS, the Property consists of a twelve-bedroom, five-bathroom house fronting on El Camino Real, with a separate one-bedroom cottage in the back of the Property, fronting on Middle Road; and

WHEREAS, the transitional housing project on the Property currently houses 21 very low-income tenants; many of whom were formerly homeless; and

WHEREAS, in August of 2020, the current owner of the Property, Jonathan H. Lamb (“Seller), notified OCG, as the lessee of the Property, that he was selling the Property and provided OCG with a first right of refusal to acquire the Property for a purchase price of \$1,650,000; and

WHEREAS, OCG provided the Seller with a letter of intent offering to purchase the Property for the offered price, Seller and OCG reached an agreement on terms, and OCG began investigating options for financing the purchase; and

WHEREAS, in late August, OCG approached the Department of Housing to request financing from the County to assist OCG in purchasing the property, and staff ultimately determined that acquiring the Property directly from the Seller, subject to OCG’s existing lease, was the best way to expedite the acquisition; and

WHEREAS, the County’s acquisition will ensure the property continues to provide transitional housing for low-income San Mateo County residents in OCG’s

programs, many of whom would likely experience homelessness again and be at greater risk of infection from COVID-19 if the Property was sold to another party; and

WHEREAS, the County will structure a new lease with OCG, reducing its monthly payments and allowing OCG to build a reserve to help finance building retrofits, repairs, and improvements to the Property; and

WHEREAS, on October 30, 2020, Seller and OCG executed a Real Estate Purchase Agreement (“PSA”) for OCG’s acquisition of the Property, for a purchase price of \$1,650,000; and

WHEREAS, on November 6, 2020, Seller and OCG executed a First Amendment to the PSA, which set November 13, 2020 as the deadline for OCG to review all information provided by Seller to OCG regarding the Property, investigate all aspects of the Property, and determine if OCG wanted to proceed with purchasing the Property pursuant to the terms of the PSA; and

WHEREAS, on November 12, 2020, OCG made a deposit of \$25,000 towards the purchase of the Property, to supplement a \$15,000 initial deposit made by OCG at the time of execution of the PSA, and at close of escrow, the County will reimburse OCG for those deposits toward the purchase price; and

WHEREAS, on November 13, 2020, Seller and OCG executed a Second Amendment to the PSA, whereby Seller consented to the assignment of the right to purchase the Property from OCG to the County, provided certain conditions precedent are satisfied, including that on or before November 20, 2020, OCG and the County were to have executed and delivered to Seller an Assignment and Assumption Agreement in form and content reasonably acceptable to Seller; and

WHEREAS, pursuant to that Assignment and Assumption Agreement, the PSA, as amended, would be assigned by OCG to the County, the County would acquire all rights and assume all obligations of OCG under the PSA and Seller would consent to the assignment; and

WHEREAS, the County agreed to reimburse OCG for the \$40,000 in deposits paid by OCG under the PSA; and

WHEREAS, escrow is anticipated to close by December 15, 2020; and

WHEREAS, the Board's acceptance of the terms and conditions of the PSA, ratification of the Assignment and Assumption Agreement and authorization of the allocation of up to \$1,700,000 in CARES Act funds for the purchase of the Property plus closing costs will allow staff to complete satisfaction of the conditions to closing, and the County Manager's execution of the Certificate of Acceptance and any other documents required to satisfy the County's obligations under the Agreement will allow escrow to close and title to the Property to be vested in the County; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors does hereby declare its intention to purchase the property located at 750 El Camino Real, in Belmont (Assessor Parcel Number 044-022-160), from Jonathan H. Lamb ("Seller") for a total purchase price of \$1,650,000; and

IT IS FURTHER DETERMINED AND ORDERED that the Board does hereby authorize the allocation of up to \$1,700,000 in federal Coronavirus Aid, Relief and

Economic Security (CARES) Act funds for the purchase of the Property plus closing costs; and

IT IS FURTHER DETERMINED AND ORDERED that the Board does hereby accept the terms and conditions of the Marcus & Millichap Real Estate Purchase Agreement (“PSA”) that are incumbent on the County as the successor in interest to the original Buyer, Our Common Ground, Inc., to purchase the Property from Seller, for a total purchase price of \$1,650,000; and

IT IS FURTHER DETERMINED AND ORDERED that the Board does hereby ratify the Assignment and Assumption Agreement, assigning Our Common Ground, Inc.’s rights to purchase the Property to the County, the County assuming all obligations as Buyer, and Seller consenting to the assignment; and

IT IS FURTHER DETERMINED AND ORDERED that the County Manager, or designee, is hereby authorized and directed to execute the Certificate of Acceptance, as well as any and all notices, escrow instructions, and documents required to facilitate the purposes of the PSA.

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