



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY MANAGER

File #: 19-699

Board Meeting Date: 7/9/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Mike Callagy, County Manager

Subject: Purchase and Sale Agreements for County Acquisition of 331 Scenic Drive and 340 Scenic Drive, in unincorporated La Honda, in San Mateo County

RECOMMENDATION:

Adopt resolutions authorizing:

- A) The President of the Board of Supervisors to execute a Purchase and Sale Agreement for the acquisition of 331 Scenic Drive, La Honda, in unincorporated San Mateo County (APN 083-133-320) from David and Carolyn Worthington for \$1,181,000; and
- B) The President of the Board of Supervisors to execute a Purchase and Sale Agreement for the acquisition of 340 Scenic Drive, La Honda, in unincorporated San Mateo County (APN 083-120-030) from the Martha Bollman Trust for \$501,000; and
- C) The County Manager, or his designee, to execute all certificates of acceptance, notices, exemptions, extensions, and escrow instructions, as well as the deed restrictions attached to the grant deeds, as required to facilitate the purposes of the Purchase and Sale Agreements.

BACKGROUND:

On January 11 and 12, 2017, heavy rainfall caused a mudslide in the La Honda area of unincorporated San Mateo County. The residential improvements on 331 and 340 Scenic Drive ("Properties") sustained substantial damage, and the Properties were red-tagged or determined to be uninhabitable.

The Hazard Mitigation Grant Program (HMGP) is a federal program offered by the Federal Emergency Management Agency (FEMA). HMGP provides reimbursement for eligible activities that reduce community vulnerability to disasters and their effects, promote individual and community safety and resilience, and promote community vitality after an incident. HMGP funding allows properties to be acquired at pre-incident values and reimburses for 75 percent of that value, with the remaining 25 percent to be borne by other sources. The County as a sub-applicant was awarded

HMGP funding through the California Office of Emergency Services to acquire the Properties.

DISCUSSION:

The County proposes to utilize a portion of the HMGP funding to acquire and demolish the structures on each of the two Properties. Acquisition of the Properties and conversion to open space has two major mitigation benefits: 1) it mitigates the public safety threat to human life posed by the current conditions, and 2) it will remove the weight of the improvements from the land, thereby reducing the threat to the nearby County road, as well as the utilities in the right of way.

The pre-incident values of the Properties are \$1,181,000 for 331 Scenic Drive and \$501,000 for 340 Scenic Drive. The property owners have agreed to bear the 25 percent of the purchase price not reimbursable through the HMGP funding. To comply with FEMA requirements, the County must advance the money for the acquisitions for purposes of closing escrow, with 75 percent to be reimbursed by FEMA following confirmation of acquisition. As required by the HMGP, the Properties will be acquired with a set of deed restrictions to preserve them as open space with limited permitted uses as specified in the deeds and attachments.

A Phase 1 Environmental Site Assessment was commissioned for each of the two properties. No conditions were discovered requiring further analysis or review. Real Property Services has reviewed a preliminary title report for the subject properties, and no significant adverse interests that will remain after closing were identified. A general plan conformity report, as required by California Government Code 65402(a), is scheduled for review by the San Mateo County Planning Commission on July 10, 2019.

FEMA completed environmental review for the acquisitions pursuant to the National Environmental Policy Act (NEPA) requirements and determined the acquisitions to be categorically excluded pursuant to Categorical Exclusions N3 and N12. Similarly, the acquisition of the properties for demolition and retention as open space is determined to be exempt from further environmental review under the California Environmental Quality Act (CEQA) pursuant to Categorical Exemption 15325, "Transfer of Ownership of Interest in Land to Preserve Existing Natural Conditions and Historical Resources."

The County Manager's Office will ensure all due diligence has been completed and reviewed prior to close of escrow. The County Manager will execute the required Certificates of Acceptance once due diligence is completed and escrow has been funded, thereby consummating the County's purchases of the subject properties. Standard California Land Title Association policies of title insurance will be issued by Old Republic Title Company upon close of escrow.

County Counsel has reviewed and approved the resolutions, the purchase and sale agreements, grant deeds, deed restrictions, and certificates of acceptance as to form.

Approval of this action contributes to the Shared Vision 2025 outcome of a Healthy and Environmentally Conscious Community, as it provides a safer community and enables the preservation of natural resources.

FISCAL IMPACT:

The HMGP is a reimbursement program such that the County must advance the funds for the purchase and seek reimbursement from FEMA after the closing. The County will be funding 75 percent of the purchase for each property through escrow, with those costs to be reimbursed by the FEMA HMGP funding grant. The remaining 25 percent of the purchase price will be borne by each

property owner. After FEMA reimbursement, the Net County Cost for this transaction will be the closing costs which are estimated to be a total of \$12,000 for both properties.