



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 21-349

Board Meeting Date: 5/4/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Raymond Hodges, Director, Department of Housing
Subject: Approval of Declaration of Intent to Purchase and Execution of a Purchase and Sale Agreement for the Acquisition of Real Property from the Mid-Peninsula Water District

RECOMMENDATION:

Measure K: Adopt a resolution:

- A) Declaring the Board of Supervisors' intention to purchase real property, commonly known as the F Street Project, located at the southeast corner of F Street and El Camino Real in the City of San Carlos (Assessor Parcel Number 045-320-100) ("Property") from the Mid-Peninsula Water District for a total purchase price of \$720,000; and
- B) Authorizing the President of the Board of Supervisors to execute a real estate purchase and sale agreement and escrow instructions for the County's acquisition of the Property for a total purchase price of \$720,000; and
- C) Authorizing the County Manager, or the Director of the Department of Housing as designee, to execute the Certificate of Acceptance attached to the resolution upon the satisfaction of all conditions of escrow, to consummate the County's purchase of the Property as required by California Government Code Section 27281, and to execute all other documents and notices required to purchase the Property and otherwise facilitate the acquisition.

BACKGROUND:

The Mid-Peninsula Water District (the "District") owns certain property located on the southeast corner of F Street and El Camino Real in the City of San Carlos, identified as Assessor Parcel Number 045-320-100 (the "Property"). The Property is located on a vacant lot that is 0.15 acres and is located in a mixed commercial and residential area in San Carlos. By Resolution No. 2018-14 adopted on May 24, 2018, the District declared the Property to be "surplus property" within the meaning of California Government Code Section 54220 ("Surplus Lands Act").

On February 25, 2020, the County of San Mateo submitted a Letter of Intent ("LOI") expressing

interest in acquiring the Property. The LOI included the purchase price of the appraised value and stated that the County will close sixty days after the Board's approval. The District then prepared a Real Estate Purchase and Sale Agreement and Escrow Instructions ("Agreement"). The District has followed all procedures required pursuant to the Surplus Lands Act and has considered all offers made for the acquisition of the Property.

DISCUSSION:

The County conducted its due diligence including research of the physical property, condition of the title and conducted an appraisal to ensure the agreed purchase price did not exceed the appraised value. Staff completed a Phase I Environmental Site Assessment ("ESA") on August 29, 2019 and no recognized hazardous environmental conditions were identified. On August 24, 2020 a Phase II ESA was conducted and the soils at the site are non-hazardous per State and Federal hazardous waste criteria and there is no indication that the soils present any human health risks. A survey of the site was completed on July 23, 2020 to determine the boundaries of the site.

The City of San Carlos has also determined that acquisition of this Property conforms with the City's General Plan and is exempt from the requirements of California Environmental Quality Act pursuant to Section 15354 "Categorical Exemption" of Title 20 of the California Code of Regulations. This "Categorical Exemption" applies to a class of projects based on a finding by the Secretary of Resources that the class of projects does not have a significant effect on the environment

A Notice of Intent to Purchase will be published in The Mercury News newspaper for five (5) consecutive days, in three (3) separate weeks, not concurrently, with the first publication date of Monday, March 29th, 2021, in accordance with Government Code Section 25350.

Upon acquisition of the Property, staff will prepare and issue a Request for Proposals inviting affordable housing developers to submit proposals for the development of affordable rental housing on site and the provision of on-site supportive services such as assistance with behavioral health and recovery services.

The District desires to sell the Property to County, and County desires to purchase the Property from the District, pursuant to the terms and conditions set forth in the Agreement. The President of the Board's execution of Agreement will allow staff to complete satisfaction of the Certificate of Acceptance and finalize any other documents required to satisfy County's obligation under the Agreement, which will allow escrow to close and the Property to be vested in the County.

Accordingly, staff recommends that your Board (1) declare its intention to purchase the Property from the District for a total purchase price of \$720,000; (2) authorize the President of the Board to execute the Agreement for the County's acquisition of the Property for a total purchase price of \$720,000; and (3) authorize the County Manager, or the Director of Department of Housing as designee, to execute the Certificate of Acceptance attached to the resolution upon the satisfaction of all conditions of escrow, to consummate the County's purchase of the Property as required by California Government Code Section 27281, and to execute all other documents and notices required to purchase the Property and otherwise facilitate the acquisition.

County Counsel has reviewed and approved the Resolution as to form.

FISCAL IMPACT:

The Property will be purchased for \$720,000 by County, using **Measure K** funds.