



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 21-456

Board Meeting Date: 6/8/2021

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Raymond Hodges, Director, Department of Housing

Subject: Expenditure of **Measure K** funds for the Purchase of Real Property in the City of San Carlos from the Mid-Peninsula Water District

RECOMMENDATION:

Measure K: Adopt a resolution authorizing the expenditure of a total amount not to exceed \$770,000 in **Measure K** funds previously allocated to the Department of Housing, or other funds as determined by the County Manager, for the purchase of certain real property, 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) from the Mid-Peninsula Water District and associated closing costs.

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 considered all offers made for the acquisition of the Property.

On May 4, 2021, the Board of Supervisors of the County of San Mateo adopted Resolution No. 21-349, authorizing the Department of Housing to: A) Purchase the Property; and B) Authorize 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) Authorize 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 all other documents and notices required to exercise the option to purchase the Property and otherwise facilitate the acquisition.

DISCUSSION:

Accordingly, staff is now following up to request that your Board authorize the expenditure of a total amount not to exceed \$770,000 in **Measure K** funds previously allocated to the Department of Housing, or other funds as determined by the County Manager, for the purchase of certain real property, 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.

Following 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 the site and provide on-site supportive services such as assistance with behavioral health and recovery services.

FISCAL IMPACT:

The Net County Cost associated with this action is not to exceed \$770,000 in **Measure K** funds. Should other sources of funding become available and the acquisition of the Property qualifies for said funding source(s), **Measure K** funds in an amount not to exceed \$770,000 will be repaid to DOH with other available source(s).