



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** COUNTY EXECUTIVE

**File #:** 23-459

Board Meeting Date: 6/13/2023

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Michael P. Callagy, County Executive  
**Subject:** Coastside Hope Financial Assistance

**RECOMMENDATION:**

Adopt a resolution:

- A) Authorizing the form of and directing the execution by the County Executive, or designee, and delivery of an agreement with Coastside Hope under which the County will loan Coastside Hope a principal amount of \$3,250,000 to be repaid at interest on unpaid principal until paid, at the rate of 3.13% per annum, for a term of five years; and
- B) Authorizing the form of a Promissory Note evidencing Coastside Hope's obligation to repay the loan; and
- C) Authorizing the form of a Deed of Trust in favor of the County securing the loan, which shall be recorded as a lien against the property to be acquired with the loan; and
- D) Approving the taking of all necessary actions by the County Executive, or designee, in connection therewith.

**BACKGROUND:**

Coastside Hope (formerly known as the Coastside Opportunity Center) was established in 1976 as a Section 501(c)(3) non-profit human services agency to benefit the residents of the County's Coastside area. Coastside Hope is one of the County's eight Core Service Agencies and the primary Core Service Agency for the mid-coast area.

Coastside Hope works in close collaboration with the County's Human Services Agency to provide individuals and families with basic emergency and support services to stabilize their living situations. Coastside Hope provides clients with crisis intervention and referrals based on an evaluation of their needs and qualifications for assistance, along with safety net services to San Mateo County residents in need of food, emergency housing assistance, emergency utility assistance, shelter, and other

basic needs.

Coastside Hope currently owns and occupies a building located at 99 Avenue Alhambra in El Granada, which Coastside Hope purchased in 1995 with financial assistance from the County in exchange for a 50.19% beneficial interest in the property. Coastside Hope intends to expand its services and, to accommodate the expansion, seeks to acquire a new property that, with renovations, will be more suitable for its operations and service goals. Coastside Hope also intends to sell its current property later this year, and the County will receive its beneficial share from the sale proceeds.

**DISCUSSION:**

Coastside Hope has entered into a transaction to purchase a “Class B” office building and property located at 248 Main Street, Half Moon Bay, California 94019 (the “Property”) for the amount of \$3,205,000, subject to certain contingencies, including that Coastside Hope would secure financing for the purchase through the County. Coastside Hope expects to incur certain closing costs in connection with the purchase of the property, some of which would be covered by such financing.

Facilitating Coastside Hope’s expansion and delivery of core services to vulnerable County residents in the mid-coast area, including provision of basic emergency and support services, serves a public purpose. In furtherance of the County’s efforts to facilitate the community’s continued access to these public benefits and core services, staff recommends that the County enter into an agreement to loan Coastside Hope the principal amount of \$3,250,000, with interest accruing on the unpaid principal amount at the fixed rate of 3.13% per annum, for a term of five years to fund the acquisition of the Property (which includes a purchase price of \$3,205,000 plus estimated closing costs of \$45,000) (“Loan Agreement”).

Coastside Hope’s obligation to repay the loan shall be evidenced by a Promissory Note secured by a Deed of Trust in favor of the County which shall be recorded as a lien against the Property.

The County Attorney has reviewed the proposed Loan Agreement, Promissory Note, Deed of Trust and resolution as to form.

**FISCAL IMPACT:**

The County’s maximum fiscal obligation under the Agreement shall not exceed \$3,250,000 and such funds are available in the County’s Non-Departmental Services General Fund. The loan payments from the Coastside Hope, including interest at a fixed rate of 3.13% per annum, will total approximately \$3,758,624 over the five-year term of the Loan Agreement, if not repaid earlier. The loan payments will be deposited into the County’s Non-Departmental Services General Fund.