



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Board of Supervisors

DATE: January 24, 2003

BOARD MEETING DATE: February 25, 2003

TO: Honorable Board of Supervisors

FROM: Supervisor Mark Church
Supervisor Michael Nevin

SUBJECT: Report on the prospective use of County-owned property in the City of South San Francisco for an affordable housing project.

Recommendation

Direct staff to prepare and submit for Board consideration at the March 25, 2003 meeting a resolution declaring certain County-owned real property in the City of South San Francisco to be surplus to County needs. Further direct staff to prepare a long-term, nominal rate lease of the site to the City of South San Francisco in support of the shared goal of the County and the City to expedite an increase in the supply of affordable rental housing for San Mateo County families.

Background

At the request of the undersigned, the County's Office of Housing is exploring the potential to utilize property currently owned by the County to expand the inventory of affordable family rental housing. The focus of this effort is a potential collaboration with the City of South San Francisco to develop subsidized housing on a 1.15 acre site located adjacent to the North County Courts complex in the City of South San Francisco. The site is within the El Camino Real Redevelopment Area of the City, and is designated in the City's 1999 General Plan for high density residential use.

The site, acquired by the County in 1970 from Oak Farm, Inc., is currently subject to a short-term lease for agricultural use. The property is included in Category 3 of the annual Real Property Report, "Unused Portions of County Property", which identifies the property as potentially available to be offered for sale, but also as a likely candidate to be held for future needs of the County. The property includes one small parcel (APN 011-311-070) and a portion of an adjacent, larger parcel (011-311-110). A lot line adjustment would be necessary to establish the site as a separate legal parcel.

Discussion

On November 1, 2002, Supervisor Church met with the South San Francisco City Manager, Redevelopment Manager and then Mayor, now Assemblyman, Gene Mullin to explore the opportunity and assess the degree of the City's interest in such a project. The County's Housing Director and Real Property Manager participated in those discussions. The tenor of that meeting, and subsequent communications at the staff level, indicate that the City is not only willing, but eager, to pursue development of affordable housing on the site. Sale of the property and the alternative of a long-term lease were discussed at the November 1 meeting, and it was suggested that a long-term lease should be considered the preferable alternative. The City's representatives acknowledged that a long-term, nominal rate lease of the site from the County (either to the City or directly to a non-profit developer) would be sufficient to facilitate a project. Indications are that, if the County would consider such a lease, the City would take the initiative as the lead agency to pursue the non-profit development of the site for use as affordable family housing.

At the request of the undersigned, the County's Office of Housing is supporting the efforts of City staff to develop an acceptable draft Request For Proposal in order to identify a developer experienced in all aspects of affordable housing. It is expected that the developer, under the direction of the City, would take complete responsibility for the project, from the design phase through construction, and would ultimately direct the leasing and management of the completed project.

The contribution of this valuable, but under-utilized, County-owned property is likely the catalyst needed to drive the project forward. Preliminary indications from the City of South San Francisco are that the City would respond in kind by bearing the cost of City infrastructure; utilities, streets, sidewalks, etc. Such costs would otherwise be a burden on the developer, and a hindrance to delivery of a project in which all of the units are affordable.

While no action of this Board is currently required, a decision to commit the property for use in expanding the supply of affordable family housing requires a finding that the property is surplus to County needs. If staff is directed to prepare a resolution declaring the property to be surplus, the matter can be placed on the Board Agenda. In a separate action, the Board would be asked to authorize a long-term lease of the site to the City. The drafting and negotiation of the terms of such a lease will require coordination with the City, and would benefit from consultation with the selected developer. It is probable that a resolution authorizing the lease would be submitted for Board consideration in the first half of Fiscal Year 2003/2004.

Vision Alignment

This project would meet the County's commitment to offer a full range of housing choices, and address Goal 9, to assure that housing exists for people at all income levels and for all generations of families. Further, it is responsive to the County's commitment to responsive, effective and collaborative government by addressing Goal 22, that County and local

Honorable Board of Supervisors
January 24, 2003
Page Three

governments effectively communicate, collaborate and develop strategic approaches to issues affecting the entire County.

Fiscal Impact

Termination of the current lease agreement would result in a loss of revenue of \$1,262 per year.



Supervisor Mark Church

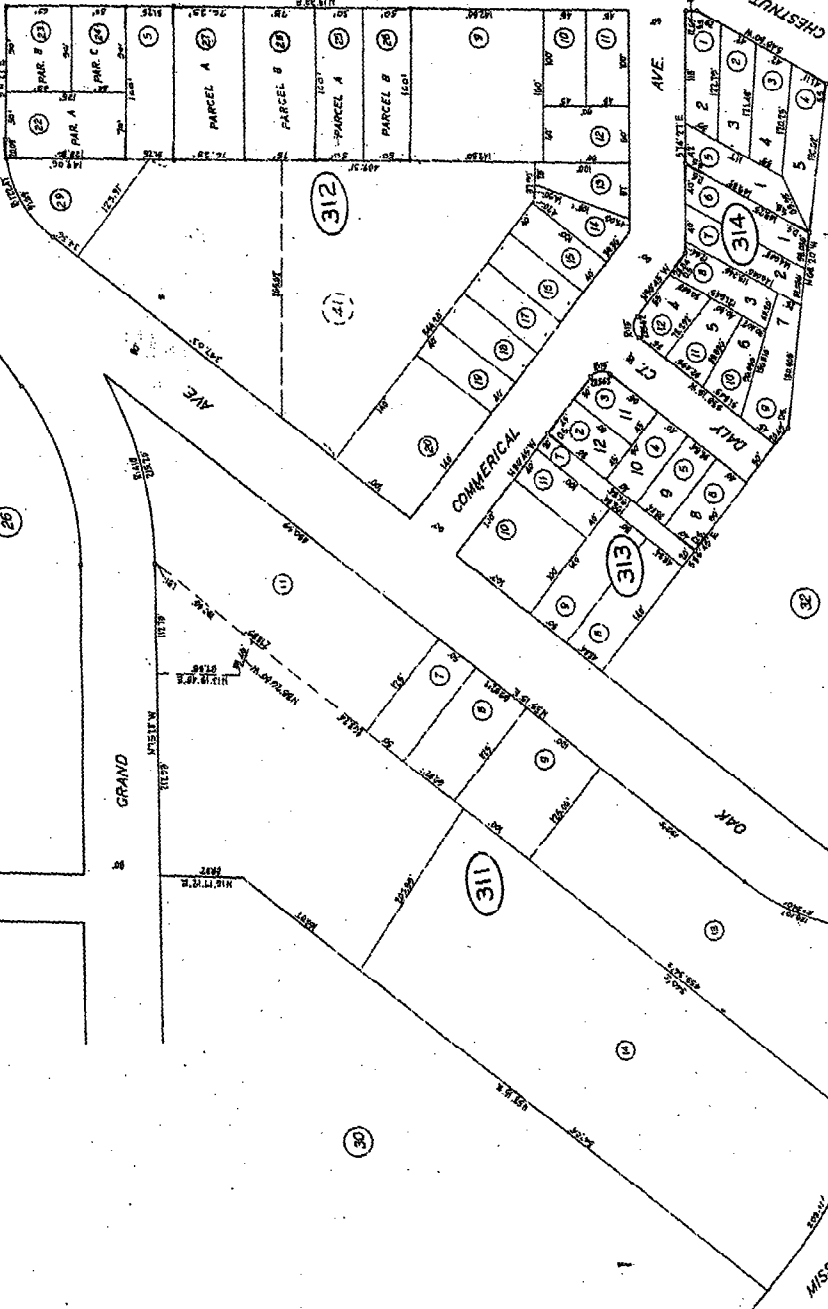


Supervisor Mike Nevin

Cc/enc.: D. Penny Bennett, Deputy County Counsel
Cc: John Maltbie, County Manager
Paul Scannell, Assistant County Manager
Neil Cullen, Public Works Director
Maureen Borland, Director, Human Services Agency
Steve Cervantes, Director, Office of Housing
Steve Alms, Real Property Services Manager

11-31

TAX CODE AREA



BADEN AVE

BK 12

18

STRAWATHER SUB RSM 32/16
DAILY SUB. RSM 32/17

PARCEL MAP VOL 62/67
PARCEL MAP VOL 53/88-99
CITY OF SOUTH SAN FRANCISCO

PARCEL MAP VOL 59/11
ASSESSOR'S MAP COUNTY OF SAN MATEO, CALIF.

325