



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 18-921

Board Meeting Date: 10/2/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Ken Cole, Department of Housing

Subject: Allocation of **Measure K**, County General Funds, HOME Investment Partnership Funds, and CDBG Funds under Affordable Housing Fund 6.0

RECOMMENDATION:

Measure K: Adopt a resolution:

- A) Approving Affordable Housing Fund commitments totaling \$19,879,719 for nine new-construction affordable rental housing developments, two new-construction multifamily homeownership housing developments, and one development involving re-syndication and rehabilitation of existing affordable rental housing, including any conditions attached to such funding recommendations; and
- B) Authorizing the Director of the Department of Housing, or the Director's designee, to execute contracts, as approved by County Counsel, for funding the affordable housing projects indicated.

BACKGROUND:

On April 8, 2013 the San Mateo County Board of Supervisors approved the allocation of approximately \$13.4 million of unrestricted general funds for affordable housing purposes. These funds, which initiated the County's Affordable Housing Fund ("AHF"), were derived from a one-time distribution of Housing Trust Funds held by former redevelopment agencies in San Mateo County. There have been four subsequent AHF competitive funding rounds, using a combination of County general funds, **Measure K** funds, and San Mateo County Housing Authority Moving to Work ("Moving to Work") Housing Assistance Program ("HAP") Reserves. The Board of Supervisors also approved an additional \$10 million in **Measure K** funds for priority preservation opportunities, resulting in the commitment of slightly more than \$9 million to acquire and preserve two apartment complexes, one of which included households receiving County supportive services.

The fifth (and most recent) round of AHF competitive funding-AHF 5.0-was released in 2017, and made available \$23,809,505 in funding that was awarded to eight new construction affordable rental housing developments and the rehabilitation of two existing affordable rental developments. Sources

for AHF 5.0 included **Measure K** funds, County General Funds, and Mental Health Services Act-Housing Program Funds. To date, the Affordable Housing Fund, together with its Preservation sub-fund, has allocated over \$68 million and committed over \$67 million of that total to assist 1,770 units in San Mateo County-supporting the development of 1,415 new affordable rental and homeownership units, and the preservation of 355 multifamily rental units as affordable housing.

DISCUSSION:

The Department of Housing (“DOH”) released a Notice of Funding Availability (“NOFA”) as to the sixth round of AHF competitive funding- referred to as AHF 6.0-on July 13, 2018. AHF 6.0 allocates nearly \$20 million including: \$16,532,030 in newly allocated **Measure K** FY 2018-19 funds approved by the Board of Supervisors for affordable housing purposes, \$420,562 in Affordable Housing Fund loan repayments, \$1 million in County General Funds, \$482,842 in **Measure K** funds previously set aside by the Board for Former Foster Youth (“FFY”) housing, \$500,000 in Moving to Work reserves (administered by the Housing Authority of San Mateo County), \$582,023 in HOME Investment Partnership Funds, and \$362,262 in reprogrammed Community Development Block Grant (“CDBG”) funds available for rehabilitation projects.

DOH received thirteen applications by the August 10, 2018 application deadline, which collectively request a total of \$51,345,448 for the creation or preservation/rehabilitation of 1,260 affordable housing units. All thirteen applications are worthy projects that will significantly add or preserve high-quality affordable housing in the County. DOH staff and the Housing & Community Development Committee (“HCDC”) are recommending that the total AHF 6.0 allocation of \$19,879,719 be awarded, in varying amounts, to 12 of the 13 projects. Since the August 10, 2018 application deadline, one project successfully filled its financing gap and no longer requires AHF 6.0 funding. The HCDC do not recommend an award to this project.

As shown in Attachment A, 11 of the 12 projects recommended for funding would receive a portion of its allocation through the available **Measure K** funds. Two projects proposing FFY housing would also receive funds set aside in the AHF 6.0 NOFA for this purpose. One project recommended for funding would receive all of its allocation through the available HOME Investment Partnership Funds and the CDBG funds.

The resolution has been reviewed and approved as to form by County Counsel.

Agreements will be reviewed and approved by County Counsel for execution by the Director of the Department of Housing. Approval of this resolution contributes to the Shared Vision 2025 outcome as a Livable Community by increasing the overall supply of affordable housing.

PERFORMANCE MEASURE:

Measure	FY 2017-18 Actual	FY 2018-19 Projected
Affordable Housing Units Receiving First AHF Award	461	635

FISCAL IMPACT:

The proposed competitive fund award process will be limited to the utilization of a maximum of:

\$16,532,030 of newly allocated FY 2018-19 **Measure K** funds, \$420,562 in Affordable Housing Fund loan repayments, \$1 million in County General Funds, \$482,842 in **Measure K** funds previously set aside by the Board for FFY housing, \$500,000 in Moving to Work reserves, administered by the Housing Authority of San Mateo County, \$582,023 in HOME Investment Partnership Funds, and \$362,262 in reprogrammed CDBG funds which are designated for rehabilitation projects.