

March XX, 2025

Re: County of San Mateo Funding Commitment of \$9,000,000 for the development of affordable rental housing located at 320 Sheridan Drive, Menlo Park, CA

Dear <Name>,

On behalf of the County of San Mateo (the "County"), this letter is provided to specify and confirm the County's commitment of \$9,000,000 in general fund monies or other available funds to assist in the development of an 88 unit, 100% affordable, deed restricted, rental housing project at 320 Sheridan Dr. in Menlo Park, including preference criteria for thirty-five (35) units for County employees (the "Project"), which commitment is contingent upon a confirmed award of either funding for the Project under the California Housing Finance Agency's (CalHFA's) Mixed Income Program (MIP) or allocation of 4% state and federal tax credits by the California Tax Credit Allocation Committee (CTAC) not later than July 30, 2025.

Please be advised that County funding for the Project would be provided to Alliant Communities in the form of a loan in a principal amount of \$9,000,000 bearing 3% simple interest, which indebtedness would be evidenced by a promissory note requiring repayment from residual receipts over a period of 55 years from the issuance of certificate of occupancy for the Project. A 1.5% loan fee will be withheld from loan proceeds for the County's administrative costs, and a monitoring fee of \$250 per restricted unit, capped at \$5,000, is due annually. The note would be secured by a deed of trust recorded on the Project property. The County would also require a regulatory agreement requiring affordability restrictions remain in place for a period of 55 years.

Project Summary: Alliant Communities will develop, lease and manage the Project, which will be constructed on vacant land located at 320 Sheridan Drive in Menlo Park, and will include a preference criteria of thirty-five (35) units for County employees. The target population for the Project is individuals and families who earn between 30% and 80% of the Area Median Income, which will be required through a deed restriction and associated regulatory agreements.

The County's Department of Housing will assign a Loan Administrator to manage the process and administer all aspects of the County loan including, but not limited to executing relevant loan documents needed for construction financing, conversion to permanent financing and ongoing asset management for the life of the loan.

This commitment is contingent upon a confirmed award of either funding for the Project under CalHFA's MIP or allocation of 4% state and federal tax credits by the CTAC not later than July 30, 2025, and is subject to execution of an agreement between Alliant and the County setting forth the terms and conditions of the loan, approved and fully executed by the County.

Sincerely,

Mike Callagy
County Executive, County of San Mateo