

RESOLUTION NO. _____

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING TO EXECUTE AN AGREEMENT WITH WILLOW HOUSING LP TO PROVIDE FUNDING FOR DEVELOPMENT OF THE WILLOW HOUSING RENTAL HOUSING PROJECT ON THE VETERAN'S ADMINISTRATION CAMPUS IN MENLO PARK FOR THE TERM OF AUGUST 1, 2014, THROUGH JULY 31, 2018, IN AN AMOUNT NOT TO EXCEED \$1,775,000, AND TO DECREASE SAID AGREEMENT BY UP TO \$600,000 IF AND WHEN WILLOW HOUSING LP RECEIVES SUBSTITUTE FUNDING FROM THE VETERAN'S ADMINISTRATION

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, in 2012, the State of California directed the dissolution of redevelopment agencies and the distribution of the former agencies' assets to various other public agencies; and

WHEREAS, funds formerly held in the Low and Moderate-Income Housing Funds (LMHF) of the respective redevelopment agencies in San Mateo County were distributed among numerous local taxing entities, including the County of San Mateo County, as unrestricted general funds; and

WHEREAS, as of April 2013 approximately \$58 million of former LMHF funds had been distributed, of which the County's share was approximately \$13.4 million; and

WHEREAS, on April 9, 2013 the San Mateo County Board of Supervisors approved in concept the allocation of funds, hereafter referred to as the County's

Affordable Housing Fund, or “AHF,” derived from the former LMHFs for affordable housing purposes; and

WHEREAS, the Board directed staff to bring back a recommendation for allocation of these AHF funds to support three critical areas related to affordable housing and shelter needs; and

WHEREAS, on July 23, 2013, the Board approved a process presented to them by the Department of Housing, through which recommendations for allocation and commitment of the AHF funds for the purposes and under the constraints specified would be brought back to the Board for action; and

WHEREAS, the Board specified that: (a) 25% of the total allocation go toward shelter construction and improvements, (b) 75% go toward affordable rental housing projects in former redevelopment agency cities that were in the planning stages of development at the time the agencies were dissolved, or for the development of affordable rental housing projects in the unincorporated county; and (c) small-scale transitional or permanent housing for special needs populations be included within the 75% affordable housing component and not be restricted geographically to cities which formerly operated a redevelopment agency; and

WHEREAS, on August 30, 2013 the Department of Housing issued a Notice of Funding Availability for affordable multifamily rental housing developments, shelter projects, and small-scale transitional and permanent supportive housing projects; and

WHEREAS, six of the applications received in response to the competitive process for affordable multifamily rental housing developments, including the Willow Housing project, were recommended for funding by Department of Housing staff and the Housing & Community Development Committee, an advisory body to the Board; and

WHEREAS, on January 28, 2014, the Board of Supervisors approved a total of \$8 million in AHF funding allocations for six affordable multifamily rental housing developments that met all of the AHF funding priorities and guidelines, including an amount not to exceed \$1,400,000 in AHF funds for the Willow Housing project; and

WHEREAS, on May 7, 2013, the Board of Supervisors had previously approved a total of \$375,000 million in HOME funding through the annual NOFA process for the Willow Housing project.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors:

1. Approves and accepts the funding commitment recommendation for development of the Willow Housing project on the VA Campus in Menlo Park for the term of May 1, 2014, through June 30, 2018, in a total secured loan amount not to exceed \$1,775,000;
2. Authorizes the Director of the Department of Housing, or the Director's designee, to execute a loan agreement consistent with those terms, and to execute contract amendments modifying that amount to reflect VA funding awards, if received by the developer, lowering the County's funding commitment by up to \$600,000; and

3. Authorizes the Director of the Department of Housing, or the Director's designee, to execute contract amendments modifying the County's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modifying the contract term and/or services so long as the modified term or services is/are the current or revised fiscal provisions.

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