



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



Date: July 22, 2014
Board Meeting Date: August 5, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors (sitting as the Board of Commissioners of the Housing Authority of the County of San Mateo)

From: William Lowell, Executive Director, Housing Authority

Subject: Process for Allocating Housing Authority MTW Funds for Affordable Housing Creation

RECOMMENDATION:

Acting as the Governing Board of Commissioners of the Housing Authority of the County of San Mateo, authorize the Executive Director, or his designee, to conduct a process to allocate up to \$5 million of Moving to Work funds to help leverage the creation of additional affordable housing in San Mateo County

BACKGROUND:

Beginning in 2011, the Housing Authority of the County of San Mateo ("Housing Authority") launched an effort to leverage some of its resources to increase the supply of affordable housing for low income households in the county. The FY2011-2012 Moving to Work (MTW) Annual Plan included an activity focused on "commitment of MTW funds for leveraging in the creation of additional affordable housing in San Mateo County."

At that time, the Housing Authority set aside \$4 million of MTW funds for this stated purpose and committed these funds to assist with redevelopment of the Half Moon Village senior affordable housing complex in Half Moon Bay. This redevelopment, which replaced 60 older units with 160 new-construction apartment units constructed in two phases, is near completion. MidPen Housing, the Half Moon Village affordable housing developer, has been able to accomplish the redevelopment of Phase I and II without using all of the MTW funds committed to the redevelopment.

The allocation proposed herein consists of the unused portion of the MTW funds committed to redevelopment of Half Moon Village, combined with additional MTW funds from the Housing Authority Housing Assistance Program (HAP) reserves, bringing the total allocation amount to \$5 million.

DISCUSSION:

The Housing Authority proposes to issue a Notice of Funding Availability (NOFA) in order to allocate up to \$4.5 million of the \$5 million. The NOFA will focus on creation of (a) affordable new-construction multifamily rental housing and (b) affordable new-construction multifamily first-time homeownership housing, and will be a competitive process with applications due by a deadline currently anticipated in late September 2014. Department of Housing staff and the Housing and Community Development Committee (HCDC), appointed by the Board, will review applications and make funding allocation recommendations. The recommendations will be forwarded to the Board of Commissioners, which will approve final funding allocations for the \$4.5 million made available through the NOFA process.

The remaining \$500,000 portion of the \$5 million in MTW funds will be set aside for Department of Housing use in supporting various agricultural worker housing-related initiatives. Such initiatives may include funding a farm worker housing needs assessment, rehabilitation of existing agricultural workforce housing, and creation of additional housing for agricultural workers. Improving farm labor housing has been identified in the County's Housing Element as an important housing-related need.

The Housing Authority's strategic priorities for the total \$5 million of funding assistance include the following:

- Create more housing through construction of new affordable multifamily units
- Create more "permanently" affordable housing (with long-term affordability restrictions)
- Create more Extremely Low-Income and/or supportive housing for HOPE-targeted households including homeless veterans
- Rehabilitate farm labor housing and create additional housing opportunities for the agricultural workforce in the County
- Create more housing within walking distance of services, amenities, and transit
- Build system capacity in affordable housing providers and supportive services providers

County Counsel has reviewed and approved the Resolution as to form.

Approval of this Resolution contributes to the Shared Vision 2025 outcome of a Livable Community by enabling the Housing Authority to provide affordable housing to low income households.

FISCAL IMPACT:

There is no Net County Cost associated with this action. All funds required to operate the program are provided by the U.S. Department of Housing and Urban Development (HUD) and the Housing Authority of the County of San Mateo.