



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



Date: June 30, 2014
Board Meeting Date: August 5, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: William Lowell, Director, Department of Housing

Subject: Loan Agreement for 6800 Mission

RECOMMENDATION:

Adopt a Resolution authorizing the Director of the Department of Housing or the Director's designee to execute a loan agreement for the use of FY 2013-14 and FY 2014-15 CDBG and HOME funds with Mid-Peninsula The Farm Inc. for the 6800 Mission affordable housing project, in an amount not to exceed \$2,270,425.

BACKGROUND:

On May 7, 2013, the Board of Supervisors approved the distribution of FY2013-2014 CDBG and HOME funds. Affordable housing development projects were sent back to the Housing and Community Development Commission (HCDC) to reconsider funding readiness of the proposed new construction projects. On June 20, 2013, HCDC allocated funding to two development projects, including \$693,717 from the Community Development Block Grant (CDBG) and \$883,402 from the HOME Investment Partnership (HOME) for the project known as "6800 Mission," for a combined allocation of \$1,577,119. Since the project was early in its conceptual stage, a funding agreement was not immediately executed.

On May 6, 2014, the Board of Supervisors approved the distribution of FY2014-2015 CDBG and HOME funds, including \$124,346 from CDBG and \$568,960 from HOME, for a combined total of \$693,306, for the 6800 Mission project. The project also received a funding allocation from the County's Affordable Housing Fund, which will be provided pursuant to a separate loan agreement.

DISCUSSION:

6800 Mission Street is an affordable housing project being developed by Mid-Peninsula The Farm, Inc. as a new construction, mixed-use property with 52 residential units, approximately 2,400 square feet of neighborhood-serving retail space, and approximately 76 subterranean parking spaces. The building's unit mix consists of 19

one-bedroom, 17 two- bedroom, and 16 three-bedroom units. One of the two bedroom units will be reserved for an on-site manager. Common areas will include a community room, laundry room, computer room, and management offices. The Board has previously approved a \$2.35 million Affordable Housing Fund loan to Mid-Peninsula The Farm, Inc. for the 6800 Mission project, bringing the total funding from County controlled funding pools to \$4,620,425.

Approval of this Agreement contributes to the Shared Vision 2025 outcome of a Livable Community in that constructing the project would help increase the County's supply of affordable housing.

The Resolution has been reviewed and approved by County Counsel. The subject loan agreement will be reviewed by County Counsel as to form and to ensure adequate insurance and compliance with County's Contractor Employee Jury service ordinance, as well as other required provisions, including but not limited to hold harmless, non-discrimination and equal benefits.

PERFORMANCE MEASURE(S):

Measure	FY 2014-15 Projected	FY 2015-16 Projected
Units of affordable housing developed, or under development, using Federal funding (Combined)	350	350

FISCAL IMPACT:

The proposed loan agreements are for amounts not to exceed \$2,270,425 for 6800 Mission, and will be funded by the CDBG and HOME Programs. There is no Net County Cost.