



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Department of Housing



**Date:** September 17, 2014  
**Board Meeting Date:** October 7, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** William Lowell, Executive Director, Housing Authority

**Subject:** Acceptance of Status as the Housing Successor Agency to the Former Redevelopment Agency of Pacifica and Acceptance of Housing Assets

**RECOMMENDATION:**

Acting as the Governing Board of Commissioners of the Housing Authority of the County of San Mateo, accept on behalf of the Housing Authority the designation of "Housing Successor Agency" and the transfer of Housing Assets of the former Redevelopment Agency of the City of Pacifica pursuant to Health and Safety Code Section 34176.

**BACKGROUND:**

When Redevelopment Agencies in California were dissolved by the state in June 2011, the controlling legislation AB x1 26 provided that housing assets created by the low-moderate housing funds of the former redevelopment agencies should be transferred to "successor housing agencies." Such low- and moderate-income housing assets include funds or other monetary assets held by the former redevelopment agencies that have been encumbered by enforceable obligations.

Ocean View Apartments, located at 555 Crespi Drive in the City of Pacifica, is a 100-unit affordable senior housing development, serving low- and very low-income seniors. It was acquired in August 2000 by the City of Pacifica in an effort to preserve the development as affordable housing. The acquisition involved acquiring the project under threat of condemnation for an estimated \$11.2 million and entering into a Disposition and Development Agreement (DDA) with National Church Residences of Pacifica (NCR), an Ohio nonprofit corporation. NCR subsequently purchased the project with financing provided by the California Housing Finance Agency, City of Pacifica, Redevelopment Agency of the City of Pacifica, and the County of San Mateo.

Subsequently, both the County and HEART of San Mateo County made loans to the development to assist with ongoing capital improvements and facility updates. The

Housing Authority of the County of San Mateo has also assisted the project, awarding NCR a conditional commitment of 31 project-based Housing Choice Vouchers (Section 8) for use at Ocean View Apartments.

At the time of its dissolution, the Redevelopment Agency of the City of Pacifica held only two affordable housing loans in its portfolio. These loans, a "Senior Loan" of \$250,000 and a "Junior Loan" of \$350,000, had been provided by the Redevelopment Agency to the Ocean View Apartments project in August 2000 as part of NCR's acquisition financing.

**DISCUSSION:**

At the time redevelopment agencies were dissolved, AB x1 26 and AB 1484 provided the controlling jurisdiction of the redevelopment agencies with the option of either retaining their housing assets and functions or transferring these to the local housing authority. The City of Pacifica chose the latter option, adopting a resolution on January 23, 2012 stating that the City "elects not to retain the housing assets and functions previously performed by the Agency" and authorizing the City Manager to transfer these to the Housing Authority of the County of San Mateo. Pacifica was the only jurisdiction in San Mateo County that named the housing authority to be the successor housing agency.

The Ocean View Apartments development must restructure its financing in order to remain economically viable over time. This will require collaboration among the key parties involved, including the California Housing Finance Agency, the City, the Housing Authority and the County. Action by the Board to accept the designation of "Housing Successor Agency" and acceptance of the former Agency loans to the Ocean View Apartments will facilitate implementation of a refinancing plan aimed at preservation of Ocean View as an affordable senior housing development.

It is anticipated that when the refinancing plans become more complete, the Housing Authority may be returning to your Board to ask that the subject loans be forgiven as part of the refinancing package.

The Resolution have been reviewed and approved by County Counsel as to form.

Approval of this Agreement contributes to the Shared Vision 2025 outcome of a Livable Community by making possible a project refinancing that will preserve a 100-unit affordable senior housing complex.

**FISCAL IMPACT:**

There is no Net County Cost associated with this action. The assumption of the two loans will create \$600,000 in loan receivables for the Housing Authority.