



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



**Date:** January 20, 2015  
**Board Meeting Date:** February 10, 2015  
**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

**Subject:** Allocation of Housing Authority Moving to Work Funds for Affordable Housing Creation

**RECOMMENDATION:**

Acting as the Governing Board of Commissioners of the Housing Authority of the County of San Mateo, adopt a Resolution:

- A) Approving Affordable Housing Fund commitments totaling \$4,500,000 for three affordable rental housing developments and one affordable homeownership development, including any conditions attached to such funding recommendations, using Housing Authority MTW funds; and
- B) Authorizing the Executive Director of the Housing Authority of the County of San Mateo or the Executive Director's designee to execute contracts, as approved by County Counsel, for funding the indicated affordable housing projects.

**BACKGROUND:**

On April 9, 2013, the San Mateo County Board of Supervisors approved the allocation of approximately \$13.4 million of unrestricted general funds for affordable housing purposes. These funds, which initiated the County's Affordable Housing Fund, or AHF, were derived from a one-time distribution of Housing Trust Funds held by former redevelopment agencies in San Mateo County.

Subsequent to the allocation of the \$13.4 million from the AHF, the Housing Authority proposed that a portion of its Moving to Work (MTW) funds deemed to be surplus be allocated to the County's Affordable Housing Fund in order to further the purpose of affordable housing creation in the County. On August 5, 2014, the Board, sitting as the Board of Commissioners of the Housing Authority, approved a resolution authorizing the

Department of Housing to conduct a process to allocate \$5 million of the MTW funds to help leverage the creation of additional affordable housing in San Mateo County.

The Board resolution provided that \$4.5 million of the \$5 million be allocated through a Notice of Funding Availability (NOFA) focused on creation of (a) affordable new-construction multifamily rental housing and (b) affordable new-construction multifamily first-time homeownership housing. The NOFA established a competitive process with applications due by the end of September 2014. The remaining \$500,000 portion of the \$5 million was set aside for Department of Housing use in supporting various agricultural worker housing-related initiatives. Such initiatives will probably include rehabilitation of existing agricultural workforce housing in need of repair.

### **DISCUSSION:**

On August 7, 2014 the Department issued a Notice of Funding Availability for a competitive process involving three categories of affordable housing developments: (a) multifamily rental housing projects in the early stage of predevelopment; (b) multifamily rental housing projects further along in the predevelopment process; and (c) affordable multifamily first-time homeownership projects.

Five applications totaling \$8,500,000 in funding requests were received by the October 2, 2014 application deadline. Applications were reviewed by Department staff, a due-diligence financial consultant and the Housing and Community Development Committee (HCDC), an advisory body to the Board. The HCDC held a public hearing on January 8, 2015, where applicants were invited to give an overview of their project and respond to questions from the HCDC. The table below summarizes the project funding requests along with staff and HCDC funding recommendations for the projects, while the attached AHF Allocation Chart provides further details on applications received, funding recommendations, and comments regarding those recommendations. The four recommended projects will comprise of 163 to 175 units of new affordable housing.

<b>Project/Applicant</b>	<b>Category</b>	<b>Applicant Req.</b>	<b>Staff Rec.</b>	<b>HCDC Rec.</b>
615 Jefferson Ave/ Habitat for Humanity Greater SF	Homeownership	\$500,000	\$500,000	\$500,000
Colma Veterans Village/Mercy Housing CA	Rental – early predev stage	\$500,000	\$500,000	\$500,000
Gateway Apts/ MidPen Housing Corp	Rental – later predev stage	\$2,500,000	\$0	\$0
6800 Mission St/MP Westlake Assoc. LP (MidPen Housing Corp)	Rental – later predev stage	\$2,500,000	\$2,500,000	\$2,500,000
University Ave Sr Apts/MP-CANDO University Ave Senior Hsg, LLC	Rental – later predev stage	\$2,500,000	\$1,000,000	\$1,000,000

The Resolution has been reviewed and approved as to form by County Counsel. Agreements will also be reviewed and approved by County Counsel for execution by the Executive Director of the Housing Authority of the County of San Mateo

Approval of this Resolution contributes to the Shared Vision 2025 outcome as a Livable Community by increasing the overall supply of affordable housing.

**FISCAL IMPACT:**

The proposed competitive fund award process will be limited to the utilization of a maximum of \$5 million of Housing Authority MTW funds. There is no Net County Cost.