



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Board of Supervisors



**Date:** April 10, 2014  
**Board Meeting Date:** April 22, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** 4/5ths

**To:** Honorable Board of Supervisors

**From:** Supervisor Don Horsley  
Supervisor Warren Slocum

**Subject:** Appropriation Transfer Request

**RECOMMENDATION:**

Resolution authorizing an Appropriation Transfer Request in the amount of \$1,000,000 from the Measure A Trust Fund to Housing and Community Development of San Mateo County.

**BACKGROUND:**

Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006 was approved by the voters of California. The measure authorized the state to sell general obligation bonds to fund 13 new and existing housing development programs in four general areas:

- Development programs with funds for development projects in existing urban areas and near public transportation
- Homeownership Programs for low and moderate income homebuyers
- Multifamily Housing Programs for construction or renovation of rental housing programs
- Other Programs for developers of homeless shelters and housing for farmworkers

One of the programs developed as part of Proposition 1C was the Local Housing Trust Fund Matching Grant Program. Funds from this program were set aside for the purpose of supporting local housing trust funds dedicated to the creation or preservation of affordable housing. The Department of Housing and Community Development made available \$35,000,000 for this program. Half of this funding was set aside for new housing trusts. All funds for existing housing trust funds were exhausted, however approximately \$9,000,000 remained for newly formed housing trusts.

AB 532 (Gordon) requires that these funds remain in the Local Housing Trust Fund Matching Grant Program and not be reverted to another fund. It also authorizes funding

of up to an additional \$1,000,000 to a housing trust fund that had previously received a grant from the program.

**DISCUSSION:**

- In 2009, the Housing Endowment and Regional Trust (HEART) of San Mateo County received \$2,000,000 from Proposition 1C funds. These funds were matched by local sources including the County, Genentech, and HEART fundraising. The state allows these funds to stay with HEART. They will therefore continue to support development of affordable housing units in the county in the future as short term loans are paid off.

The Prop 1C funds and matches were used for the following projects:

- Short term acquisition loan for the Mental Health Association's Waverly Place in Redwood City
- Short term acquisition loan for EPA Can Do and MidPen Housing's University Avenue Senior Housing in East Palo Alto
- Short term pre-development loan for CORE's Willow Road Veterans Housing on the Menlo Park Veterans Administration Campus
- Short term pre-development loan for MidPen Housing's 636 El Camino Real project in South San Francisco
- Funding for HEART's Opening Doors First-time Homebuyer program for families with low/moderate incomes
- Current Notice of Funds Available (NOFA) for short term loans for housing for low or very-low income families with emphasis on homeownership

AB 532 specifically allows a housing trust that has previously received a grant to apply for up to \$1,000,000 of additional funding. HEART will be applying for the maximum amount of \$1,000,000. One of the requirements for receipt of these funds is to obtain a one-to-one match prior to application for Prop 1C funds. These matching funds must come from a source not previously earmarked from Federal State or County sources and be on deposit at the time of the application in May, 2014.

The appropriation transfer of \$1,000,000 from the Measure A Trust Fund to Housing and Community Development of San Mateo County, in accordance with the Local Housing Trust Fund Matching Grant Program requirements, will enable HEART to apply for state funding. These funds will be appropriated to provide a one-to-one match based on the amount received by HEART from Proposition 1C. Any funds not needed for this match will be returned to the County's Measure A Trust Fund. The Local Housing Trust Fund Matching Grant Program is one of the only sources of funds currently available for affordable housing development since the Redevelopment Agencies, a major source of these funds, were shut down.

Approval of this Appropriation Transfer Request contributes to the Shared Vision 2025 outcome of a Prosperous Community as this funding will improve housing affordability by enabling additional units of affordable housing to be built.

**FISCAL IMPACT:**

Approval of this Appropriation Transfer Request will result in the one-time transfer of funds in the amount of \$1,000,000 from the Measure A Trust Fund to Housing and Community Development. Funds will be deposited into the HEART Trust Fund and provide the local match for the state grant program.