



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



Date: July 17, 2014
Board Meeting Date: September 9, 2014
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: William Lowell, Director

Subject: Loan Agreement for an Amount not to exceed \$375,000 for Willow Housing LP

RECOMMENDATION:

Adopt a Resolution authorizing the Director of the Department of Housing or the Director's designee to execute a loan agreement with Willow Housing LP for the Willow Housing affordable housing project for an amount not to exceed \$375,000.

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 up to \$375,000 in HOME funds for the project known as "Willow Housing." Since the project was early in its conceptual stage, a funding agreement was not immediately executed.

DISCUSSION:

Willow Housing, to be constructed at the Veterans Affairs campus in Menlo Park, California, will offer affordable, permanent housing for Veterans who are homeless, formerly homeless, or at risk of homelessness in and around San Mateo County. The units will be studios and 1- bedroom apartments, restricted to households earning less than 30% and 40% of Area Median Income (AMI). The property will include parking at approximately a 0.75 ratio, frequent transit service nearby, onsite amenities such as laundry, gym, business center, and spaces for socializing, recreation, wellness classes, usable outdoor landscaped areas, and offices for staff of the property, and the VA. The Housing Authority of the County of San Mateo has awarded the project 35 HUD VASH project-based vouchers for homeless veterans to be referred by the U.S. Department of Veterans Affairs (VA).

Core Affordable Housing and EHC LifeBuilders, a supportive service provider, were selected by the Department of Veterans Affairs in 2011 to develop the proposed Menlo Park site under the BURR Initiative, a Congressional effort to leverage federally owned VA land to eliminate the nationwide housing crisis among veterans.

The Board has previously approved a \$1.4 million Affordable Housing Fund loan to Willow Housing LP for the Willow Housing project, bringing the total funding from County-controlled funding pools to \$1,775,000.

Approval of this Agreement contributes to the Shared Vision 2025 outcome of a Livable Community in that constructing the project will 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, as a result of this funding	0	59

FISCAL IMPACT:

The proposed loan agreement is for an amount not to exceed \$375,000 for Willow Housing, and will be funded by the HOME Program. There is no Net County Cost.