



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



**Date:** May 1, 2013  
**Board Meeting Date:** June 4, 2013  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Duane Bay, Director, Department of Housing

**Subject:** Agreement with MidPen Housing Corporation for Development of Senior Housing at Bloom Lane and Arnold Way in Half Moon Bay

**RECOMMENDATION:**

Adopt a Resolution authorizing the Director of the Department of Housing to execute an agreement with MidPen Housing Corporation to provide funding for the development of affordable senior housing in Half Moon Bay for the term of April 1, 2013 through June 30, 2016, in an amount not to exceed \$1,000,000.

**BACKGROUND:**

The Half Moon Village Redevelopment Project ("Project") was previously awarded County predevelopment and development funding for Phase I, and is now seeking additional funding necessary to complete its financing for Phase 2. On February 14, 2012, the Board of Supervisors authorized the County Department of Housing to enter into a loan agreement with MidPen Housing Corporation ("MidPen") for \$1,100,000 in CDBG and HOME funds. In addition, the Board of Supervisors, sitting as the Board of Commissioners for the Housing Authority of the County of San Mateo (HACSM), previously authorized HACSM to enter into loan agreements, an Exclusive Negotiating Agreement, and a Development Agreement with MidPen to enable predevelopment and development activities associated with the Project. To date, HACSM has committed \$4,425,000 in funding to the Project.

The Project consists of 2 phases. Phase 1, already financed and under construction, involves development of a 45-unit housing complex on a vacant parcel located on Arnold Way, while Phase 2 will involve replacing the existing 60-unit Half Moon Village, an older County-owned affordable senior housing project on an approximately 5-acre site on Bloom Lane, with a new 115-unit housing complex. The completed Project will include a total of 160 units of affordable senior rental housing.

MidPen was selected through a competitive process by HACSM and the Department of Housing to develop and operate this Project under a long-term ground lease on land owned by HACSM. In order to access tax credit financing for each phase of the Project, it was anticipated that one or more limited partnerships would be formed by MidPen and that such entities would develop and own improvements to the property developed in each of the phases. To facilitate development of the Project, the Department of Housing and HACSM had anticipated allowing assignment of their various loan agreements from MidPen to such limited partnerships once they were formed. A limited partnership has already been formed to construct Phase 1, and MidPen has assigned a portion of its Department of Housing and HACSM loans to that partnership. When Phase 2 is ready to start construction, MidPen will assign its remaining loan funds to the Phase 2 limited partnership. MidPen will provide management and resident services for the Project.

**DISCUSSION:**

This Project is well aligned with the County's funding priorities. It will provide housing for Extremely Low- and Very Low-Income seniors. The initial term of this Agreement is four years upon execution and will be extended to coincide with the loan term upon Contractor meeting the performance requirement: construction of the improvements.

The Resolution and Agreement have been reviewed and approved as to form by County Counsel, and Risk Management has reviewed and approved Contractor's insurance. Contractor has assured compliance with the County's Contractor Employee Jury service ordinance, as well as all other contract provisions that are required by County ordinance and administrative memoranda, including but not limited to insurance, hold harmless, non-discrimination and equal benefits.

The requested Board action also gives authority to the Director of the Department of Housing or the Director's designee to execute contract amendments modifying the County's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modifying the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions. Approval of this Agreement contributes to the Shared Vision 2025 outcome of a Livable Community in that 145 senior affordable units would help sustain the County's supply of long-term affordable housing.

**PERFORMANCE MEASURE(S):**

Measure	FY 2011-12 Actual	FY 2012-13 Projected
No. of County-funded housing units developed and occupied	60	145

**FISCAL IMPACT:**

There is no Net County Cost. The total funding obligation under this Agreement is \$1,000,000 from the HOME Investment Partnerships Act Programs. This contract amount is included in the Department of Housing Budget for FY 2012/2013.