



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



**Date:** April 24, 2014  
**Board Meeting Date:** May 6, 2014  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** William Lowell, Director, Department of Housing

**Subject:** Agreement with Mental Health Association of San Mateo County for funding for Waverly Place Affordable Housing Project in the unincorporated County

**RECOMMENDATION:**

Adopt a Resolution authorizing the Director of the Department of Housing to execute an agreement with Mental Health Association of San Mateo County to provide funding for development of the Waverly Place affordable rental housing project in the North Fair Oaks neighborhood of unincorporated San Mateo County for the term of May 1, 2014, through June 30, 2018, in an amount not to exceed \$800,000.

**BACKGROUND:**

On April 9, 2013 the San Mateo County Board of Supervisors approved an allocation of approximately \$13.4 million of unrestricted general funds for affordable housing purposes. These funds, hereafter referred to as 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. The Department of Housing was tasked with developing an allocation process and bringing funding recommendations back to the Board for action.

The Board of Supervisors specified that 75%, or approximately \$10 million, of the total allocation go toward the following: (a) approximately \$8 million for development of affordable rental housing projects in former redevelopment agency cities that were in the planning stages of development at the time the agencies were dissolved, or for development of affordable rental housing projects in the unincorporated county; and (b) approximately \$2 million for the acquisition or acquisition/rehab of small-scale residential properties by non-profit organizations in order to provide transitional or permanent housing for special needs populations anywhere within the County.

The Board further specified that for projects in the affordable multifamily rental housing category: (a) the project must be ready for occupancy within 2-5 years from receipt of the funding, (b) the County contribution must leverage funds from other public and private sources including City funds, (c) the project must target a portion of the units for homeless families or individuals, or those at risk of homelessness, and (d) the project must be in a state of readiness to reasonably warrant commitment of funds by the end of FY 2013-14.

On August 30, 2013 the Department of Housing issued a Notice of Funding Availability for affordable multifamily rental housing developments, shelter projects and small-scale transitional and permanent supportive housing projects. Of the seven applications received in response to the competitive process for affordable multifamily rental housing developments, six were recommended for funding by Department of Housing staff and the Housing & Community Development Committee, an advisory body to the Board.

On January 28, 2014 the Board of Supervisors approved a total of \$8 million in AHF funding allocations for six affordable multifamily rental housing developments that met all of the AHF funding priorities and guidelines.

#### **DISCUSSION:**

The requested Board action gives authority to the Director of the Department of Housing or the Director's designee to execute a contract with Mental Health Association of San Mateo County providing up to \$800,000 in AHF funds for development of the Waverly Place Affordable Housing development in the unincorporated County. The development will create 15 supportive housing units for disabled adults.

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 constructing the project would help increase the County's supply of affordable housing.

The Resolution and Agreement have been reviewed and approved by County Counsel, and Risk Management has reviewed and approved Contractor's insurance. Contractor has assured compliance with County's Contractor Employee Jury service ordinance as well as 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.

**PERFORMANCE MEASURE(S):**

<b>Measure</b>	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Projected</b>
Units of affordable housing developed, or under development, using former Low/Mod funds (Cumulative)	200	350

**FISCAL IMPACT:**

The proposed contract is for an amount not to exceed \$800,000, and will be completely funded by the Affordable Housing Trust Fund.