



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



**Date:** May 27, 2015  
**Board Meeting Date:** June 16, 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:**

Adopt a Resolution:

- A) Approving Affordable Housing Fund commitments totaling \$3.5 million for three affordable rental housing developments, including any conditions attached to such funding recommendations, using Housing Authority Moving to Work 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 8, 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 1.0, were derived from a one-time distribution of Housing Trust Funds held by former redevelopment agencies in San Mateo County.

On August 5, 2014, the Board, sitting as the Board of Commissioners of the Housing Authority of the County of San Mateo, approved a resolution authorizing the Department of Housing to conduct a process to allocate \$5 million of Housing Authority Moving to Work reserves to help leverage the creation of additional affordable housing in San Mateo County. This funding became known as AHF 2.0.

On March 17, 2015, the Board held an Affordable Housing Study Session at which it recommended allocating \$12 million of Measure A and Housing Authority Moving to

Work funds for affordable housing construction, split evenly between fiscal years 2015-16 and 2016-17.

On April 14, 2015, sitting as the Board of Commissioners of the Housing Authority, and May 19, 2015, the Board authorized funding for AHF 3.0, combining \$3.5 million of Moving to Work reserves with \$2.5 million from Measure A funds to further catalyze affordable housing development in San Mateo County.

**DISCUSSION:**

In anticipation of the need to commit these funds in a timely fashion to housing development projects preparing tax credit applications for the July 2015 funding round, the Department of Housing released a Notice of Funding Availability (NOFA) on April 1, 2015. Seven applications were received by the May 7, 2015 application deadline requesting a total of \$7.9 million for the creation or preservation of over 375 housing units. As shown below, three of those projects are being recommended for funding through the Moving to Work portion of AHF 3.0 (a second Resolution will be considered by the Board for the Measure A portion of the fund). These projects total \$3.5 million and could provide over 235 units of new affordable housing units.

Activity/Project	# of Units	Request	Staff Rec.	HCDC
<b>Development Projects</b>				
MidPen Housing - Sequoia Belle Haven (Gateway Apts) - 1221 Willow Rd, Menlo Park	90	\$2,500,000	\$2,500,000	\$2,500,000
<b>Total</b>		<b>\$2,500,000</b>	<b>\$2,500,000</b>	<b>\$2,500,000</b>
<b>Pre-Planning Projects</b>				
MidPen Housing - Gateway Apts Phase II - 1345 Willow Rd., Menlo Park	65+	\$250,000	\$250,000	\$250,000
Mercy Housing - Colma Veterans Housing - 1670-1692 Mission, Colma	80	\$1,500,000	\$750,000	\$750,000
<b>Total</b>		<b>\$1,750,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>
<b>Grand Total</b>		<b>\$4,250,000</b>	<b>\$3,500,000</b>	<b>\$3,500,000</b>

The resolution has been reviewed and approved as to form by County Counsel. Agreements will be reviewed and approved by County Counsel for execution by the Director of the Department of Housing.

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

**PERFORMANCE MEASURE(S):**

Measure	FY 2014-15 Actual	FY 2015-16 Projected
Housing units created	164	234

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**FISCAL IMPACT:**

The proposed competitive fund award process will be limited to the utilization of a maximum of \$3.5 million of Housing Authority Moving to Work funds. There is no net county cost.