



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



**Date:** August 2, 2016  
**Board Meeting Date:** September 6, 2016  
**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:** Ken Cole, Executive Director

**Subject:** Allocation of Moving to Work Funds Under Affordable Housing Fund 4.0

**RECOMMENDATION:**

Acting as the Governing Board of Commissioners of the Housing Authority, adopt a resolution:

- A) Approving Affordable Housing Fund commitments totaling \$2,000,000 for two new-construction affordable rental housing developments, including any conditions attached to such funding recommendations, using Housing Authority Moving to Work reserves; and
- B) Authorizing the Executive Director of the Housing Authority, 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 ("AHF"), were derived from a one-time distribution of Housing Trust Funds held by former redevelopment agencies in San Mateo County. There have been two subsequent AHF competitive funding rounds, using a combination of County general funds and Housing Authority Moving to Work ("Moving to Work") reserves.

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 Housing Authority to conduct a process to allocate up to \$5 million of Moving to Work funds to leverage the creation of affordable housing in San Mateo County. Subsequently, on February 10, 2015, \$4.5 million of these funds were awarded to three affordable rental housing developments and one affordable homeownership development ("AHF 2.0").

On June 16, 2015, the Board, sitting as the Board of Commissioners of the Housing Authority of the County of San Mateo, approved commitments of up to \$3.5 million in Moving to Work funds to three affordable rental housing projects; on that same date, the Board also approved commitments of up to \$2.5 million in County **Measure A** funds to four affordable rental housing projects, for a total AHF funding commitment of \$6 million ("AHF 3.0"). Due to the return of one funding commitment that was no longer needed, the County Manager's Office requested a reallocation of AHF funds. On August 4, 2015, the Board approved a reallocation of AHF 3.0 funds, using repurposed funds to increase the amount awarded to three affordable housing rental projects, for a total AHF funding commitment of \$5.4 million. Of the remaining \$600,000 in **Measure A** funds, \$180,000 was added to the amount of funding for the upcoming AHF 4.0 funding round, and \$420,000 was expended for the preservation by MidPen Housing of an existing apartment complex in the City of Pacifica as deed-restricted affordable housing.

#### **DISCUSSION:**

The Department of Housing released a Notice of Funding Availability on April 22, 2016, referred to as AHF 4.0, which allocated a total of \$9.24 million including: of \$6 million in new **Measure A** funds and \$180,000 in **Measure A** funds remaining from the previous AHF funding round; \$2 million in Housing Authority Moving to Work funds; and \$1,060,000 in former RDA funds from Redwood City that had been allocated to the County as part of the dissolution of redevelopment agencies.

Nine applications were received by the May 26, 2016 application deadline, requesting a total of \$12,230,312 for the creation or rehabilitation of 519 affordable housing units. Staff and the Housing & Community Development Committee are recommending funding for seven of the nine projects totaling 403 units. The remaining two projects are both worthy affordable housing developments, but lack verifiable site control and have other predevelopment issues that need to be addressed before funding can be considered.

Six of seven projects recommended for funding would receive an allocation through the **Measure A** / RDA portion of AHF 4.0 and two through the Moving to Work portion of AHF 4.0; one of the seven would be funded through a combination of **Measure A** and Moving to Work portions (a companion resolution will be considered by the Board of Supervisors for the **Measure A** and former-RDA funds portions of the funding). A total of \$2 million in Moving to Work funding is being recommended.

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 Executive Director of the Housing Authority. Approval of this resolution contributes to the Shared Vision 2025 outcome as a Livable Community by increasing the overall supply of affordable housing.

#### **PERFORMANCE MEASURE(S):**

<b>Measure</b>	<b>FY 2015-16 Actual</b>	<b>FY 2016-17 Projected</b>
Housing units created	175	264
Housing units rehabilitated	0	38

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**FISCAL IMPACT:**

The proposed competitive fund award process will be limited to the utilization of a maximum of \$2,000,000 from Housing Authority Moving to Work funds.