



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



Date: December 15, 2015
Board Meeting Date: January 26, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Ken Cole, Director Department of Housing
Subject: Approval of Funding of Housing Innovation Fund Proposals

RECOMMENDATION:

Adopt a resolution:

- A) Approving the funding of five proposals totaling \$500,000 from the Housing Innovation Fund to increase the supply and preservation of affordable housing in San Mateo County; and
- B) Authorizing the Director of the Department of Housing to negotiate and execute contracts for these proposals as approved by County Counsel

BACKGROUND:

The recent escalation of housing costs in San Mateo County has rapidly outpaced the ability of traditional housing programs such as Section 8 vouchers, CDBG, HOME & ESG to meet the need for the production and preservation of affordable housing. At the same time, the dissolution of redevelopment agencies, coupled with drastic reductions in federal funding, has raised a host of new challenges for housing policy makers, non-profits and developers in San Mateo County.

Recognizing that new challenges call for innovative approaches, the Board appropriated \$500,000 of Measure A monies for FY2015-17 to the Housing Innovation Fund (previously known as "Housing Innovation Project" and "Housing Innovation Program"). The Housing Innovation Fund (the "Fund") has been widely praised by the full spectrum of affordable housing stakeholders as a unique and collaborative way to incubate ideas that housing innovators have previously been unable to fit into existing funding mechanisms.

DISCUSSION:

On September 11, 2015, the Department of Housing issued a Request for Proposals for the utilization of the Fund. The RFP attracted several proposers from the Bay Area,

and from as far away as San Diego and New York City. On October 13, 2015, eighteen proposals were received seeking in excess of \$2,000,000. The proposals that were received creatively sought to address some of San Mateo’s most challenging problems including overreliance on government funding that is not nimble enough in today’s fast moving real estate market, the transportation and housing disconnect, displacement of low- and middle-income earners from single-family homes, the shortage of appropriate supportive and transitional housing and underutilized land resources. All of these proposals are summarized in Exhibit A.

One of the proposals received was submitted by Rebuilding Together Peninsula (“Rebuilding Together”) and another proposal was submitted by Samaritan House with two partner organizations. Rebuilding Together and Samaritan House had each previously submitted a Letter of Interest (“LOI”) to the Board for Measure A funding in January 2015 at which time the Board directed the Department of Housing to further explore the projects outlined in the two LOIs.

Rebuilding Together sought \$400,000 to build organizational capacity. Their most pressing need was \$200,000 in funding for rehabilitation work in San Mateo County mobile home parks to address code violations. The Board fully funded that request on December 8, 2015 through the Housing Rehab Revolving Loan Fund which is reflected on Exhibit A.

Samaritan House’s LOI sought \$183,816 to conduct a feasibility study for micro-housing for the homeless. After consulting with Department of Housing staff this request was revised to include collaboration with Mid-Pen Housing and Mental Health Association and the revised joint proposal is being recommended for funding in Exhibit A along with four other proposals which, together with the Samaritan House proposal, will total \$500,000 for the FY 2015-17.

SHARED VISION 2025:

Funding these five proposals will help develop innovative approaches to the production and preservation of housing units promoting the livable community shared vision goal.

PERFORMANCE MEASURE(S):

Measure	FY 2015-16 Actual	FY 2016-17 Projected
Various depending on proposal	TBD	TBD

FISCAL IMPACT:

A total of \$500,000 in Measure A funds that have been allocated in the County’s FY 2015-2017 Budget.