

RESOLUTION NO.

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, SITTING AS THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * *

RESOLUTION AUTHORIZING: A) THE HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO (HACSM) TO PARTNER WITH THE SAN FRANCISCO HOUSING AUTHORITY (SFHA) AND THE HOUSING AUTHORITY OF THE COUNTY OF MARIN (MARIN HA) TO INITIATE A RENT SURVEY OF THE TRI-COUNTY SAN FRANCISCO HUD METRO FMR AREA FOR SUBMISSION TO THE US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT; B) THE EXECUTIVE DIRECTOR OF HACSM, OR THE EXECUTIVE DIRECTOR'S DESIGNEE, TO EXECUTE A CONTRACT WITH ICF MACRO, INC. TO COMPLETE THE RENT SURVEY AND REPORT; C) THE EXECUTIVE DIRECTOR OF HACSM, OR THE EXECUTIVE DIRECTOR'S DESIGNEE, TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH SFHA AND MARIN HA DESCRIBING THE ROLES AND RESPONSIBILITIES OF EACH OF THE HOUSING AUTHORITIES WITH RESPECT TO THE RENT STUDY, INCLUDING THE SHARES OF THE CONTRACT FEE TO BE PAID BY EACH AUTHORITY; AND D) HACSM TO ACCEPT AND ADMINISTER FUNDS FROM SFHA AND MARIN HA TO PAY THEIR RESPECTIVE PORTIONS OF THE CONTRACT FEE BASED ON THE CONTRACT BETWEEN HACSM AND ICF MACRO, INC.

RESOLVED, by the Board of Supervisors of the County of San Mateo, sitting as the Board of Commissioners of the Housing Authority of the County of San Mateo, State of California, that

WHEREAS, the federal Low Income Housing Tax Credit (LIHTC) program is the country's largest source of funding for affordable housing production and preservation and has supported the production of 3,480 units of affordable housing in San Mateo County since its inception in 1986; and

WHEREAS, the US Department of Housing and Urban Development (HUD) uses Small Area Fair Market Rents (SAFMRs) based upon zip code-level rental data to designate Small Area Difficult Development Areas (SADDAs), which are eligible to receive a 30% basis boost for 4% Low Income Housing Tax Credit projects allocated by the California Tax Credit Allocation Committee (CTCAC); and

WHEREAS, the data that HUD will use to establish the 2019 FMRs is 2016 American Communities Survey (ACS) data trended forward based upon nationwide indexes; and

WHEREAS, in the San Francisco Bay Area, where job growth has greatly outpaced housing production in recent years, the proposed Fair Market Rents (FMRs) HUD will publish for comment on or around September 1, 2018 are likely to understate the true FMRs for the region, even with the indices HUD applies to control for appreciation; and

WHEREAS, the loss of SADDA status would require millions of dollars of additional local subsidy in order to finance a typical 4% LIHTC project; and

WHEREAS, increasing the SAFMR for a zip code would render the zip code more likely to be designated a SADDA; and

WHEREAS, HUD will calculate SAFMRs and designate SADDAs using more recent rental data if the data represents the entire HUD Metro FMR Area (HMFA) and is

collected according to published HUD guidance; and

WHEREAS, San Mateo County is part of the tri-county San Francisco HMFA which also includes the City and County of San Francisco and the County of Marin; and

WHEREAS, the proposed rent survey is expected to support higher SAFMRs that would then be used by HUD in designating 2019, 2020, and 2021 SADDAs; and

WHEREAS, the data could also increase the 2019 and 2020 FMR for the HMFA, which would allow the Housing Authority of the County of San Mateo (HACSM), the San Francisco Housing Authority (SFHA) and the Housing Authority of the County of Marin (Marin HA) to pay higher rents under their respective Section 8 programs; and

WHEREAS, data consultant ICF Macro, Inc. (ICF) completed a similar study in 2016 for the San Francisco HMFA, resulting in a 31% increase to San Mateo County's 2016 FMR and restored SDDA status through 2018 in San Mateo, San Francisco, and Marin Counties for all but three zip codes; and

WHEREAS, the rent study also increased the inflation factor of the regular voucher program and HACSM received an additional \$21 million for Section 8 vouchers between CY 2016 and CY 2017; and

WHEREAS, SFHA and Marin HA share HACSM's concerns and wish to partner with HACSM to carry out a rent survey of the San Francisco HMFA for consideration by HUD.

WHEREAS, for simplicity and efficiency, HACSM, SFHA, and Marin HA have agreed that HACSM shall be the sole party contracting with ICF for the above-referenced services, with the total contract amount not exceeding \$123,711.00 of which HACASM's pro-rated share will be \$32,057.01.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED, that the Board of Supervisors, sitting as the Governing Board of Commissioners of the Housing Authority of the County of San Mateo, hereby adopts Resolution 2018- : A) Authorizing the Housing Authority of the County of San Mateo to partner with the San Francisco Housing Authority and the Housing Authority of the County of Marin to initiate a rent survey of the tri-county San Francisco HUD Metro FMR Area for submission to the US Department of Housing and Urban Development; B) Authorizing the Executive Director of the Housing Authority, or the Executive Director's designee, to execute a contract with ICF Macro, Inc. to complete the rent survey and report; C) Authorizing the Executive Director of the Housing Authority, or the Executive Director's designee, to execute a Memorandum of Understanding with the San Francisco Housing Authority and the Housing Authority of the County of Marin describing the roles and responsibilities of each of the authorities with respect to the contract, including the shares of the contract fee to be paid by each authority; and (D) Authorizing the Housing Authority of the County of San Mateo to accept and administer funds from the San Francisco Housing Authority and Housing Authority of the County of Marin to cover their financial shares of the contract.

* * * * *