



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HOUSING

**File #:** 22-285

Board Meeting Date: 4/19/2022

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**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Raymond Hodges, Director, Department of Housing  
**Subject:** Over the Counter Notice of Funding Availability

**RECOMMENDATION:**

Adopt a resolution:

- A) Authorizing the Director of the Department of Housing (“DOH”), or designee, to direct funds that were previously awarded to affordable housing development projects (“Projects”) through past Affordable Housing Fund (“AHF”) notice of funding availability (“NOFA”) rounds but that were recaptured by DOH as a result of AHF award conditions and/ or Project cost savings and AHF funds that were made available through past AHF NOFA rounds but were not awarded to Projects (collectively, “Reprogrammed Funds”) into an Over The Counter NOFA (“OTC NOFA”); and
- B) Authorizing the Director of DOH, or designee, to approve OTC NOFA awards to Projects on a rolling basis during the period for which the OTC NOFA is open; and
- C) Authorizing the Director of DOH, or designee, in consultation with the County Attorney, to negotiate and execute contracts and other documents necessary to provide funding to Projects that receive OTC NOFA awards.

**BACKGROUND:**

Projects that receive County funding through AHF NOFAs leverage County funds with funding programs offered by the California Department of Housing and Community Development (“State HCD”), the California Debt Limit Allocation Committee (“CDLAC”), and the California Tax Credit Allocation Committee (“TCAC”). In order for a Project to be financially feasible, it must receive an award from at least one, but often more than one, of the funding programs offered by State HCD, CDLAC, or TCAC. These funding programs are competitive and regularly oversubscribed. As a result, Projects competing for State HCD, CDLAC, and TCAC funding programs must maximize their point scores in order to receive a funding award. Most State HCD, CDLAC, and TCAC funding programs allocate points to Projects that have secured local jurisdiction funding awards and allocate a greater number of points to Projects that have secured larger local jurisdiction funding awards.

On occasion, DOH is in possession of Reprogrammed Funds- that is, funds that were previously awarded to Projects through past AHF NOFA rounds but that were recaptured by DOH as a result of AHF award conditions and/ or Project cost savings and AHF funds that were made available through past AHF NOFA rounds but were not awarded to Projects. The existing procedure for redistributing Reprogrammed Funds is to direct the Reprogrammed Funds into to the subsequent AHF NOFA. This procedure leaves the Reprogrammed Funds unallocated to Projects for up to six months.

On September 1, 2020, County of San Mateo's Housing and Community Development Committee ("HCDC") requested that DOH staff design and implement a new procedure to redistribute Reprogrammed Funds in a more efficient manner.

**DISCUSSION:**

DOH proposed the following OTC NOFA process in response to HCDC's request: (1) The OTC NOFA will open upon DOH's receipt of Reprogrammed Funds and close the earlier of either (a) Reprogrammed Funds being fully awarded, or (b) one month before the release of the next AHF NOFA. ("OTC NOFA Noticing Period"); (2) DOH will accept, review and evaluate OTC NOFA applications throughout the OTC NOFA Noticing Period on a narrow set of leveraging and timeliness criteria; and, (3) DOH will award Reprogrammed Funds to Projects that (a) are eligible for funding under the most recently released AHF NOFA, and (b) have previously received a funding award from DOH within the last three NOFA cycles, including DOH's federal funding NOFA, or Projects that are less than six months from construction close.

The OTC NOFA process will allow Projects to submit more competitive applications for State HCD, CDLAC, and TCAC programs that are offered between AHF NOFA cycles and that require local jurisdiction funding awards.

On February 16, 2022, HCDC voted to recommend the OTC NOFA process for this Board's approval. DOH will then implement the OTC NOFA process following this Board's approval.

**FISCAL IMPACT:**

There is no net County cost associated with this recommendation. The OTC NOFA makes available funds that were previously approved by this Board.