



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 16-688

Board Meeting Date: 10/31/2017

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Ken Cole, Director, Department of Housing
Subject: Allocation of **Measure K**, County General Funds, and Mental Health Services Act - Housing Program Funds under Affordable Housing Fund 5.0

RECOMMENDATION:

Measure K: Adopt a resolution:

- A) Approving Affordable Housing Fund commitments totaling \$23,809,505 for eight new-construction affordable rental housing developments and two developments involving re-syndication and rehabilitation of existing affordable rental housing, including any conditions attached to such funding recommendations; and
- B) Authorizing the Director of the Department of Housing, or the Director's designee, to execute contracts, as approved by County Counsel, for funding the affordable housing projects indicated.

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, were derived from a one-time distribution of Housing Trust Funds held by former redevelopment agencies in San Mateo County. There have been three subsequent AHF competitive funding rounds, using a combination of County general funds, **Measure K** funds, and Housing Authority Moving to Work ("Moving to Work") Housing Assistance Program ("HAP") Reserves.

Most recently, AHF 4.0 was released in 2016 and made available \$9.24 million in funding and awarded over \$8.65 million for six new construction affordable rental housing developments and the rehabilitation of one existing affordable rental development. Sources for AHF 4.0 included **Measure K** funds, former Redevelopment funds, and Housing Authority HAP Reserves. The Board of Supervisors also approved an additional \$10 million in **Measure K** funds for priority preservation opportunities, resulting in the commitment of slightly more than \$9 million to acquire and preserve

two apartment complexes, one of which included households receiving county supportive services. To date, the Affordable Housing Fund, together with its Preservation sub-fund, has allocated over \$45 million and committed over \$44 million of that total to assist 1,016 units - supporting development of 891 new affordable rental and homeownership units, rehabilitation of 38 affordable housing units, and acquisition and preservation as affordable housing of 87 multifamily rental units in San Mateo County.

DISCUSSION:

The Department of Housing released a Notice of Funding Availability (NOFA) on July 25, 2017, referred to as AHF 5.0, which allocated over \$23.8 million including: \$16 million in newly allocated **Measure K** FY 2017-18 funds that had been approved by the Board for affordable housing purposes, \$586,467 in unallocated **Measure K** funds from AHF 4.0, \$2,600,000 in funds reprogrammed and reallocated from previous AHF awards, \$2,250,000 in County General Funds which will be available in the first quarter of calendar year 2018, \$1,300,000 in **Measure K** funds previously set aside by the Board for Former Foster Youth housing, and \$1,073,038 in available County Mental Health Services Act-Housing Program (MHSA) funds designated for housing for persons with serious mental illness who are homeless or at-risk-of-homelessness.

Ten applications were received by the August 31, 2017 application deadline, requesting a total of \$57,122,278 for the creation or preservation/rehabilitation of 857 affordable housing units. As all ten projects are worthy projects that will add or preserve a significant amount of high-quality affordable housing in the County, Housing staff and the Housing & Community Development Committee are recommending that the total AHF 5.0 allocation of \$23,809,505 be awarded, in varying amounts, to all ten projects.

As shown in Attachment A, each of the ten projects recommended for funding would receive a portion of its allocation through the available **Measure K** funds. One project would receive the \$2,250,00 in County General Funds that will be made available in 2018. Two projects proposing MHSA units, and two proposing FFY units, would also receive funds set aside in the AHF 5.0 NOFA for these purposes.

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 contributes to the Shared Vision 2025 outcome as a Livable Community by increasing the overall supply of affordable housing.

PERFORMANCE MEASURE:

Measure	FY 2016-17 Actual	FY 2017-18 Projected
Housing units created	208	164
Housing units rehabilitated	38	55

FISCAL IMPACT:

The proposed competitive fund award process will be limited to the utilization of a maximum of: \$16,000,000 of newly allocated FY 2017-18 **Measure K** funds, \$586,467 in unallocated **Measure K** funds from the 2016 Affordable Housing Fund allocation round, \$2,600,000 in funds reprogrammed and reallocated from previous AHF awards, \$2,250,000 in County General Funds which will be available in the first quarter of 2018, \$1,300,000 in **Measure K** funds previously set aside by the

Board for Former Foster Youth housing, and \$1,073,038 in available County Mental Health Services Act-Housing Program (MHSA) funds designated for housing for persons with serious mental illness who are homeless or at-risk-of-homelessness.