



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 20-080

Board Meeting Date: 2/25/2020

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Raymond Hodges, Interim Director, Department of Housing
Subject: Authorization to Submit Infill Infrastructure Grant Program of 2019 (IIGP) Application to the State of California Department of Housing and Community Development

RECOMMENDATION:

Adopt a resolution authorizing the Interim Director of the Department of Housing, or the Interim Director's designee, to submit to the State of California Department of Housing and Community Development an Infill Infrastructure Grant Program of 2019 application in an amount not to exceed \$6,022,618 for infrastructure improvement funding and to enter into, execute, and deliver a State of California Standard Agreement for the requested amount, as well as any and all other documents deemed necessary or appropriate to evidence and secure the IIGP grant, the County's obligations thereto, and all amendments thereto.

BACKGROUND:

On January 19, 2019, the Board authorized the County to enter into an Exclusive Negotiating Rights Agreement with Mercy Housing California (Mercy) to conduct due diligence and obtain financing for the development of the Middlefield Road Apartments project (Project), a 179-unit affordable apartment complex on County-owned property located at 2700 Middlefield Road, in unincorporated Redwood City.

On October 21, 2019, the County granted entitlements for the project and authorized Mercy building permit applications for the Project.

Mercy has also submitted applications for funding from the No Place Like Home program and the Affordable Housing and Sustainable Communities programs on January 4, 2020 and February 11, 2020, respectively.

DISCUSSION:

On October 30, 2019, the California Department of Housing and Community Development (HCD) released a notice of Funding Availability (NOFA) for the Infill Infrastructure Grant Program (IIGP) of 2019, with a competitive application for large jurisdictions (for purposes of the IIGP, San Mateo County is considered a large Jurisdiction) due on March 3, 2020. The NOFA makes approximately

\$194 million in grant funding available for capital improvement projects in qualifying infill project or infill areas. Funding for the NOFA was authorized by Assembly Bill 101 (2019) and Part 12.5 of Division 31 of the California Health and Safety Code.

County staff, working in collaboration with Mercy, has determined that it is appropriate to pursue IIGP funding for the Project pursuant to the pending NOFA application process. We therefore recommend that the Board of Supervisors authorize the Interim Director of the Department of Housing to submit an IIGP application to HCD to support the infill infrastructure financing of the Project to be constructed by Mercy in an amount not to exceed \$6,022,618.

This resolution has been reviewed and approved as to form by County Counsel.

FISCAL IMPACT:

There is no Net County Cost associated with this action. If the application is approved Mercy Housing will request less funding from the County through its NOFA process to construct this project.