

**County of San Mateo Department of Housing
Community Development Committee (HCDC)**

**SAN MATEO COUNTY
FY24-25 ANNUAL ACTION PLAN / WINTER NOFA
&
EQUITY INNOVATION FUND NOFA
STUDY SESSION**

Thursday, February 22, 2024
1:00 PM – 3:00 PM



Agenda

1:00 PM	1.	Call to Order / Roll Call / Staff and HCDC Introductions
1:10 PM	2.	Public Comment (on items not on the Agenda)
1:15 PM	3.	Draft Sources, Uses and Funding Category Allocations
1:20 PM	4.	Review of Applications (staff project presentations followed by HCDC Discussion) * Capital Projects: New Affordable Housing Developments, Rehab, & Public Facilities * Minor Home Repair Program Applications * Rapid Re-housing and Shelter Applications * Public Services, Fair Housing, & Economic Development Applications * Equity Innovation Fund Applications
2:45 PM	5.	Next Steps and Next Meeting HCDC Public Hearing: Thursday, February 29, 2024, 1-3PM 350 Convention Way, Redwood City, CA 94063 AND 2405 Kalaniana'ole Ave PH – 11, Hilo, Hawaii 96720
3:00 PM	6.	Adjourn



**Call to Order,
Roll Call,
Dept. of Housing Staff Introductions**



Public Comment



FY24-25 WINTER & EQUITY INNOVATION FUND (EIF) NOFA Highlights

HIGHLIGHTS:

- 41 applications received
 - 4 new applicants: Climate Resilient Communities, One Life Counseling Center, Friends for Youth, & City of East Palo Alto
- Available: ~\$6.6M
- Total Requested: ~\$15.5M
- Funding Gap: ~\$8.7M



FY24-25 Funding Sources (excluding EIF**)

SOURCES*	CDBG*	CDBG REHAB / Revolving Loan Fund (RLF)*	HOME*	Fed ESG*	PLHA*	State ESG*	TOTAL
Projected Entitlement Grant*	2,449,879	-	1,497,141	228,547	243,469	\$161,147	\$4,580,183
Projected New Program Income FY23-24	953,556	81,369	442,041	-	-	-	\$1,476,967
Program Income Reconciliation	311,879	4,343	29,439	-	-	-	\$345,661
TOTAL NEW SOURCES: ENTITLEMENT & PROGRAM INCOME	\$3,715,315	\$85,712	\$1,968,621	\$228,547	\$243,469	\$161,147	\$6,402,812
Program Administration Cost	\$743,063	\$17,142	\$196,862	\$17,141	-	\$4,315	\$978,523
Direct Program Delivery Cost	-	\$35,000	-	-	-	-	\$35,000
TOTAL NEW SOURCES AFTER PROGRAM ADMIN AND DIRECT PROGRAM DELIVERY COSTS	\$2,972,252	\$33,569	\$1,771,759	\$211,405	\$243,469	\$156,832	\$5,389,288
Other Programmable Funds:							
Returned funds	\$95,502	-	-	-	-	-	\$95,502
Unallocated funds from prior years	\$1,015,006	-	\$172,487	-	-	-	\$1,187,494
TOTAL SOURCES FOR NOFA (except deducting Section 108 loan from CDBG)	\$4,082,761	\$33,569	\$1,944,247	\$211,405	\$243,469	\$156,832	\$6,672,285
Section 108 Loan Payment (2024-25)	\$505,899						
TOTAL SOURCES FOR NOFA	\$3,576,861	\$33,569	\$1,944,247	\$211,405	\$243,469	\$156,832	\$6,166,385

* FY24-25 funding allocations, and addition of unallocated funds, still pending so the amounts available may differ by +/- 20%

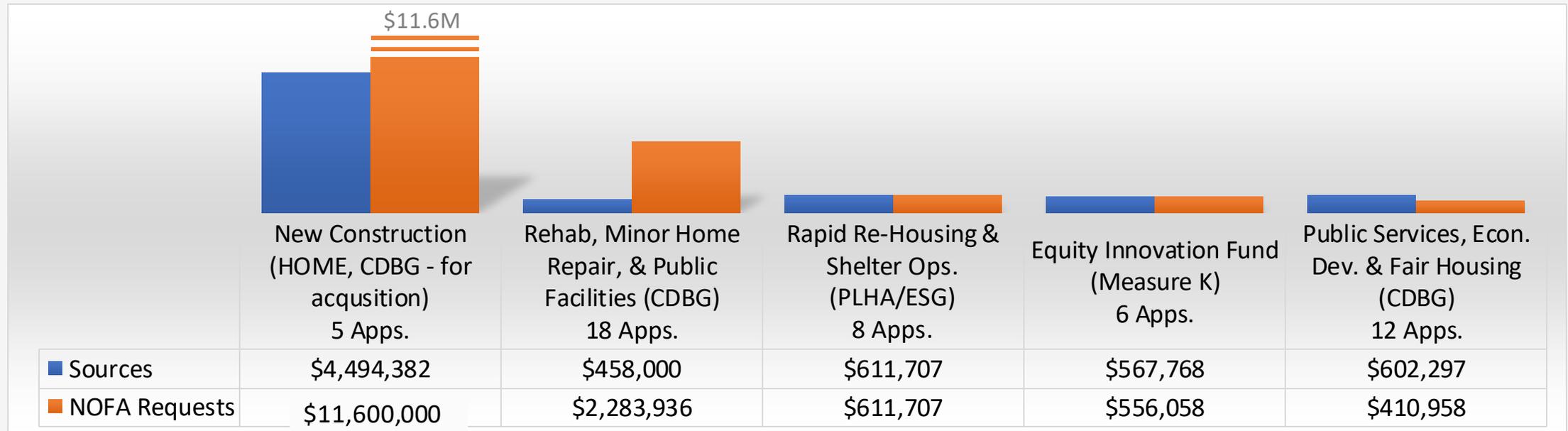
* PLHA funding is dependent on an approved Housing Element plan

**EIF = Equity Innovation Fund NOFA, Measure K funded

Sources vs. Project Applications for FY24-25

FY2024-2025 Sources and Proposed Uses of Funding

Total Estimated Sources vs. Proposed Uses ~\$6.6M vs. \$15.5M



Notes:

- FY24-25 funding allocations, and addition of unallocated funds, still pending so the amounts available may differ by +/- 20%
- PLHA funding is dependent on an approved Housing Element plan
- Some or all CDBG funding allocated to new construction projects could be re-directed toward other CDBG-eligible activities



DOH's Funding Recommendation Considerations

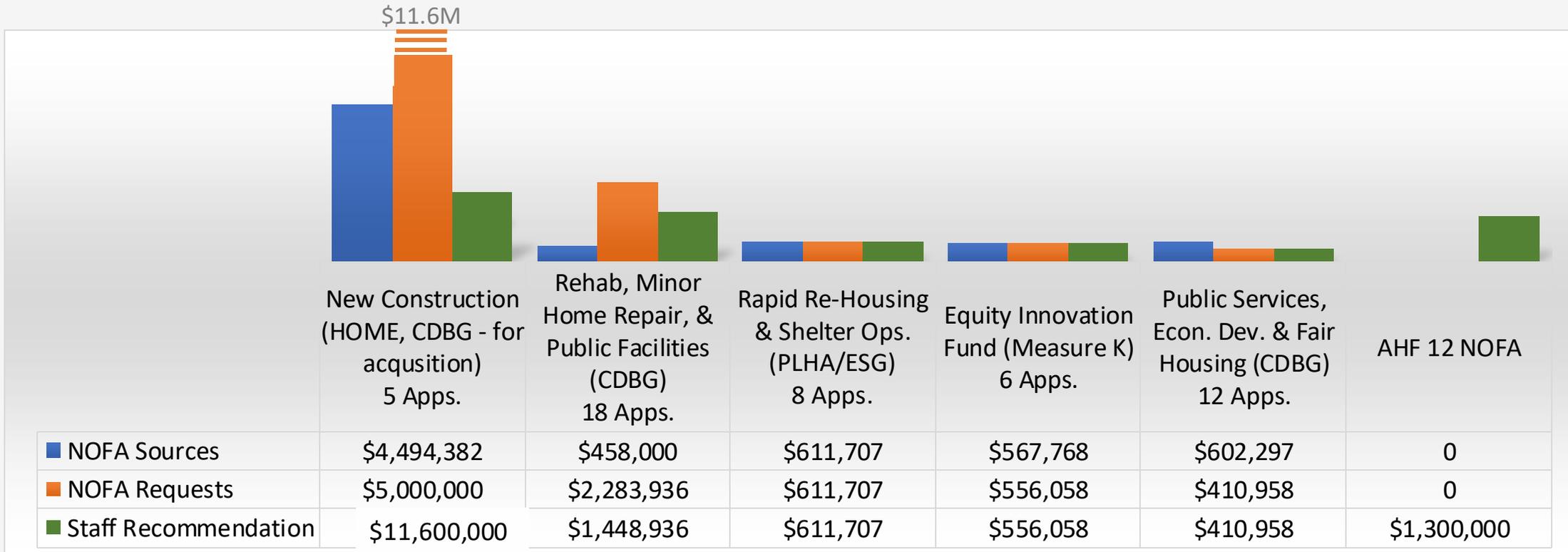
- Prioritize CDBG funding for projects that are not eligible and/or not competitive for Affordable Housing Fund (AHF) funding
 - Allocate maximum allowed for public service projects, then allocate funding to minor home repair projects, public facilities projects, and small affordable housing rehab projects.
- "Readiness" is a critical factor:
 - Prioritize highly-ranked development projects that are able to rapidly spend CDBG funds (e.g., have received HUD authority to use grant funding - AUGF)
 - Prioritize development projects that are most likely, with the fewest barriers, to apply tax credits in early 2024 and receive tax credit allocations.
- Invest 50% of the County's annual PLHA allocation to projects serving persons experiencing or at risk of homelessness
- Collaborate with the Department of Housing's Equity Committee on the review of the Equity Innovation Fund applications



Sources, Project Applications & Staff Recommendations for FY24-25

FY2024-2025 Sources* and Proposed Uses of Funding

Total Estimated Sources vs. Proposed Uses ~\$6.6M vs. \$15.5M



* FY24-25 funding allocations, and addition of unallocated funds, still pending so the amounts available may differ by +/- 20%; PLHA funding is dependent on an approved Housing Element plan



New Affordable Housing Projects



FY2024-2025 New Affordable Housing Projects

Linc – Hill St.	Abode – Ridge at Ralston	Eden – 851 Weeks St Apts	Alta – 2809 El Camino	Novin – 3051 Edison
				
Belmont	Belmont	East Palo Alto	North Fair Oaks	North Fair Oaks
37 units – 18 disabilities	65 units – 17 homeless	79 units for seniors	51 units for seniors	70 units – 36 IDD/PSH
30-80% AMI	30-80% AMI	35-60% AMI	20-50% AMI	30-60% AMI
Request: \$2M	Request: \$1.6M	Request: \$2M	Request: \$4M	Request: \$2M
AHF 6, 7: \$1.9M, 18 PBVs	AHF 11: \$4.4M	New project	AHF 10: \$0.4M	AHF 10, 11: \$0
Recommended for full funding by staff		Not Recommended for funding by staff		



LINC Housing Development: Hill Street

Summary:

- Five-story, 37 units, new construction rental housing on El Camino Real in **Highest Resource Area** of Belmont, less than 1/4 mile from Caltrain station.
- Nonprofit developer, **LINC Housing**, with inhouse resident services and Aperto Property Management
- Meets priority for **Supportive Housing**: 18 units for people with disabilities supported by Health Plan of San Mateo County (50% of units)
- Meets priority for **Large Family Housing**: 18 2-BR and 3 BR units (50% of units)
- 22 units at 30% AMI; 14 units at 80% AMI. Avg Affordability: 48.1% AMI.
- TDC: \$46,677,843 (\$1,261,563/du)
- AHF 6.0 and 7.0 Award: \$1,900,000
- Winter 24-25 NOFA request \$2,000,000 (CDBG or HOME)

Project Status:

- SB 35 Streamlining and HUD Authority to Use Grant Funds Received
- 18 PBVs committed for people with disabilities
- City DDLA commits land and \$1 M loan and City is undertaking demolition
- Enhanced case management committed for 18 disability units by Health Plan of SM
- Submitted TCAC 9% Special Needs application in first round Feb. 2024 but very low tiebreaker
- Construction start date March 2025 (assumes second round TCAC) and end date September 2026

Leverage:

- County funding \$118,743 per du is **8.4 percent of TDC**
- Former RDA site is priority for City—providing land worth \$4 million and \$1 million loan.
- 18 PBVs
- Expect Apple Loan of \$1,393,500 but not committed
- No state soft funding sources

Concerns:

- Extremely high cost per du
- Very Low tiebreaker and high state credit ask
- Project needs more City and County funds to be competitive for tax credits

Draft Recommendation: Recommend for HOME funding because Project has Authority to use grant funds (AUGF), PBVs and City funds and apply for tax credits in 2024



Eden: 851 Weeks Street Apartments

Summary:

- 79-unit senior affordable housing development for seniors earning between 30% and 60% AMI
- Located in Ravenswood EPA near bus transit; walkable to shopping and a community health center
- Unit Mix: Studio (46) and 1-Bedroom (32) units. 19 are at 30% AMI (24%); 40 are at 50% AMI (51%) and 19 are at 60% AMI (24%)
- Winter 2024-25 NOFA request \$2,000,000 (HOME) for hard costs
- Strength: Good leverage because of donated land and in-lieu fees, for a total contribution from market-rate developer of ~\$19 million
- Strength: Senior housing with 24% serving ELI

Project Status:

- Master Developer (Sand Hill) will donate the site and approximately \$16M in development capital to Eden Housing to fulfill an inclusionary requirement to build market-rate multifamily units
- Eden intends to apply this year for PBVs (although there is not a plan for the County to issue a PBV NOFA this year), AHF 12.0 funds, HCD MHP funds and 4% tax credits in the 2nd round of 2024
- Construction start date: May, 2025
- Construction completion date: November, 2026

Leverage:

- County Funds per unit: \$25,316. County funds are 3% of total development costs
- Good leverage because of contribution of land and inclusionary in-lieu fees

Concerns:

- Minimally adequate commitment (0.4% FTE) for services coordinator, no PSH units
- EPA has not waived / reduced any fees for this affordable housing project (City fees ~\$1.7 million out of the total development fees of ~\$2.9 million)
- Are the 50% and 60% AMI rents supportable for this population?
- Readiness and project financing plan. If \$9M HCD MHP award isn't received (very competitive) project could not apply for tax credits this year

Draft Recommendation: *Do not recommend for funding*

Reason: Project would need to secure an award of \$9M HCD-MHP funds plus an allocation of private activity bonds and 4% LIHTC this year to start construction by May 2025 and this scenario seems unlikely. Additionally, if rental assistance is not obtained, rents may be too high for senior population in this community and the commitment of only 0.4% FTE for services coordinator for a senior project seems low. Lastly, the application requested funds for the 13-24 month time period, which is later than all other new construction projects.



Alta. 2809 El Camino Real, Unincorporated North Fair Oaks

Summary:

- 51 Senior Units (50 Affordable Units + 1 Manager's Unit) on Developer-owned land in Unincorporated North Fair Oaks on former car wash site.
- 13 at 30% AMI; 37 units at or below 50% AMI.
- 16 studios; 34 one-bedrooms.
- 3 units set aside for Homeless Veterans

Project Status:

- Applicant owns site. Entitlement application under SB35 submitted. Entitlement expected early 2024.
- SuperNOFA July 2024 application for IIG & MHP for December 2024 awards.
- TCAC 9% Application by February 2025 for a May 2025 Award
- Construction Period: November 2025 to June 2027
- NEPA requirements have not been achieved. Project has identified in Phase II, demo & other scope that may be necessary for securing NEPA-related approvals.

Leverage:

- Requesting \$4,000,000 in Federal Funds under this NOFA
- \$391,666 awarded under AHF NOFA 10.0
- Total \$\$8,055,019 (15.62%) of \$51,557,919 in Total Development Costs for project in Unincorporated County of San Mateo.
- \$1,000,000 in Committed State of California funding

Concerns:

- Consider 2809 ECR as a Tax-Exempt Bond/4% Tax Credits Project, in part given that the planned State of California MHP source provides a lower per unit award to 9% projects.
- 2809 ECR current sources and uses includes 15.62% utilization rate of County of San Mateo Funds, which is higher than other projects – even those in unincorporated County.
- Delays in the entitlement process and/or in funding awards would impact tax credit applicating timing and overall project timeline/status.
- NEPA not yet completed.

Draft Recommendation: *Do not recommend for funding*



Novin. 3051 Edison Way

Summary:

- 70 units of affordable new construction project located in unincorporated RWC (North Fair Oaks)
- Project will serve 30%-60% AMI households
- 36 units have been set aside for adults with special needs including permanent supportive housing (PSH) units for persons experiencing homelessness and persons with Intellectual and Developmental Disabilities (IDD) (51% of the units).
- Service provider: Housing Choices(IDD unit), Mental Health Association of SMC (PSH unit) and John Stewart Company (general affordable units)
- Project is requesting \$2M for acquisition; applied for AHF in 2022 and 2023 but did not receive funding

Project Status:

- Entitled (SB 35). Schedule indicates they intend to start construction July 2025; completion in 18 mos
- Conducted an Environmental Assessment Phase 1
- Applied for HCD's National Housing Trust Fund
- Will apply for SuperNOFA in summer 2024 (IIG) and 4% tax credits in 2025

Leverage:

- \$28K County funds per unit (\$2M/70 units; 3.4% of TDC)
- Located in North Fair Oaks, so no city funds available.

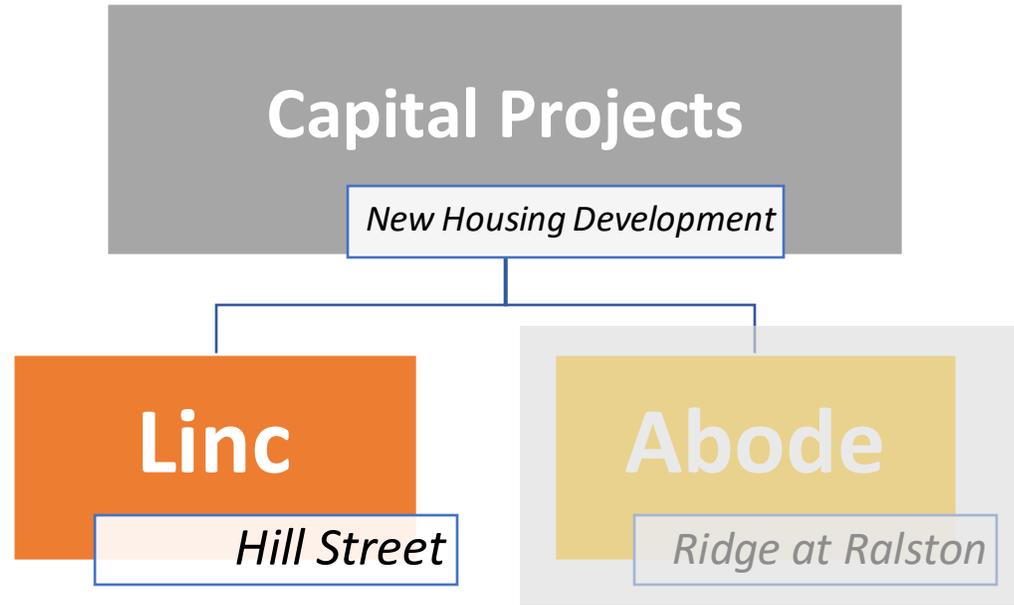
Concerns:

- No committed local gap funding to date
- Feasibility concerns given large funding gap: project is seeking \$14M from HCD NHTF, \$5.1M from state IIG, and \$2.5M from upcoming AHF 12. Need all of these in 2024 in order to start construction in 2025.
- Mix of special needs populations is challenging; developer has no experience with this mix of IDD and homeless/PSH populations.
- Although Sponsor obtained MOU's for services provision, no commitment secured for funding PSH supportive services or rental assistance for PSH units.

Draft Recommendation: *Do not recommended for funding*



FY24-25 Recommended Projects



Source of funding	Funding constraints	Number of projects	Recommended Funding Amount*
HOME	New & Rehab Projects	1 - Linc	\$1.8M~ (100% HOME Funding)
CDBG	New Construction <small>(acquisition by public/nonprofit entity only)</small>	0	\$1.2M-\$1.6M

Projects NOT Recommended for Funding	Amount Requested
Eden – 851 Weeks Street Apartments	\$2M
Alta – 2809 El Camino Real	\$4M
Novin – 3051 Edison Way	\$2M

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Affordable Housing Rehabilitation Projects



FY2024-2025 Affordable Housing Rehab Projects



Laureola Oaks Coastside Associates (MidPen)

- Replace aging windows to provide a safe and sustainable housing community for 16 low-income families. Building constructed in 1994; reserves are less than \$35K
- \$270,427 (89% total cost)
- Recommend: Yes

FOSTER CITY CALIFORNIA

Existing Unit Rehab Project City of Foster City

- Rehabilitate 2 City-owned homes to prepare them for supportive housing
- \$198,820 (74% total cost)
- Condition: firmer plan for supportive services
- Recommend: Yes

FOSTER CITY CALIFORNIA

Homeowner Rehab Loan Prog. City of Foster City

- Provide low-interest, long-term loans (6 up to \$75K) and small grants (12 @ \$2.5K) for home repairs that will enable lower-income homeowners to remain in their homes and bring them up to a safe condition.
- \$335,000 (75% total cost)
- Recommend: Minor home repair: No, refer to existing providers. Loan program: No

HCDC discussion: Re-open a homeowner rehab loan program?

County closed its own more than a decade ago due to the exorbitant costs of bringing homes up to code



Public Facilities & Minor Home Repair Projects



FY2024-2025 Public Facilities Applications

Mental Health Association: Spring Street Fire Alarm System

- **Scope:** Fire alarm for their Spring Street shelter
- **Cost:** \$96,000 (100% of total cost)
- **Any issues:**
 - Did not submit evidence of three bids.
 - MHA did reach out to several companies but did not include prevailing wage requirement.
 - \$95K quote could be higher due to prevailing wage.
- **Recommend:** Yes, with conditional funding.
- **Conditions:** 1. Provide three bids. 2. MHA to fund a portion of the cost.

Mercy Housing California: Middlefield Childcare Center

- **Scope:** Build out a childcare center for 40 infant/toddlers. Service provided by Peninsula Family Services
- **Cost:** \$500,000 (7% of total cost)
- **Any issues:**
 - Funds to pay for tenant improvements include ineligible CDBG expenses (i.e., furnishing, utilities and landscaping)
 - Concerns regarding feasibility of project timeline: Construction is to start 08/2024 but architectural drawings are not completed.
 - Timing could be an issues because of County timeliness performance.
- **Recommend:** No. Great project & need for infant/toddler classrooms but cannot recommend funding due to concerns on construction timing and eligible items to be paid with CDBG funds.

Rebuilding Together: National Rebuilding Day – Community Facilities-2x annually

- **Scope:** Volunteer-driven community facility rehabilitation and repair program. Will assist with health/safety repairs for 5 facilities.
- **Cost:** \$74,949 (29.5% of total cost)
- **Any issues:** None
- **Recommend:** Yes

Project WeHope: Shelter Upgrades

- **Scope:** 8 commercial washers and dryers and an updated laundry room
- **Cost:** \$150,000 (93% of total cost)
- **Any issues:** Doing laundry is a critical life skill and clean clothes equate to dignity.
- **Recommend:** Yes

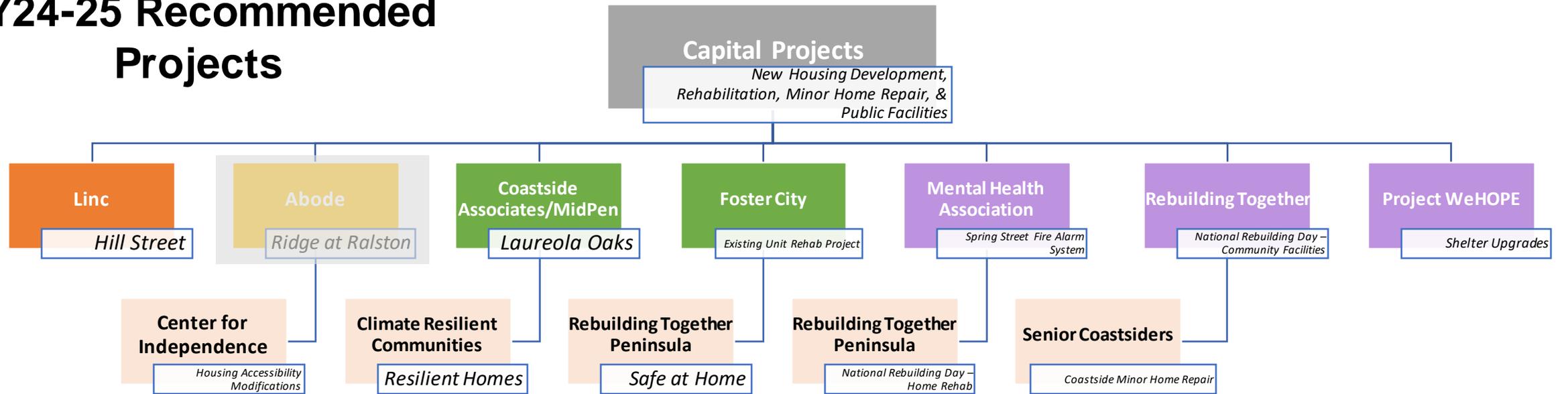


FY2024-2025 Minor Home Repair Applications

Housing Accessibility Modifications (HAM)	Resilient Homes Minor Home Repair Program	Safe at Home	National Rebuilding Day – Home Rehab	Coastside Minor Home Repair
				
26 Households	15 Households	30 Households	8 Households	40 Households
Individuals with disabilities (19.8% of all County residents)	Goal: reduce utility costs	Allow low-income seniors to remain at home; prevent falls	Help low-income neighbors live in “Healthy Homes”	Homes of low-inc. seniors and adults with disabilities safer and more accessible
\$60,000	\$61,281	\$348,535	\$118,514	\$70,290
Recommend	Recommend 95%	Discuss per HH cost	Discuss per HH cost	Recommend
Total cost/HH				
\$2,308 per HH	\$4,085 per HH	\$11,518 per HH	\$14,814 per HH	\$1,757 per HH



FY24-25 Recommended Projects



Source of funding	Funding constraints	Number of projects	Recommended Funding Amount*
HOME	New & Rehab Projects	1	~\$1.8M (100% HOME Funding)
CDBG	New Construction (acquisition only)	0	~\$1.2M-\$1.6M
CDBG	Rehab Projects	2	\$469,247
CDBG	Public Facilities Projects	3	\$320,949
CDBG	Minor Home Repair Projects	5	\$658,620

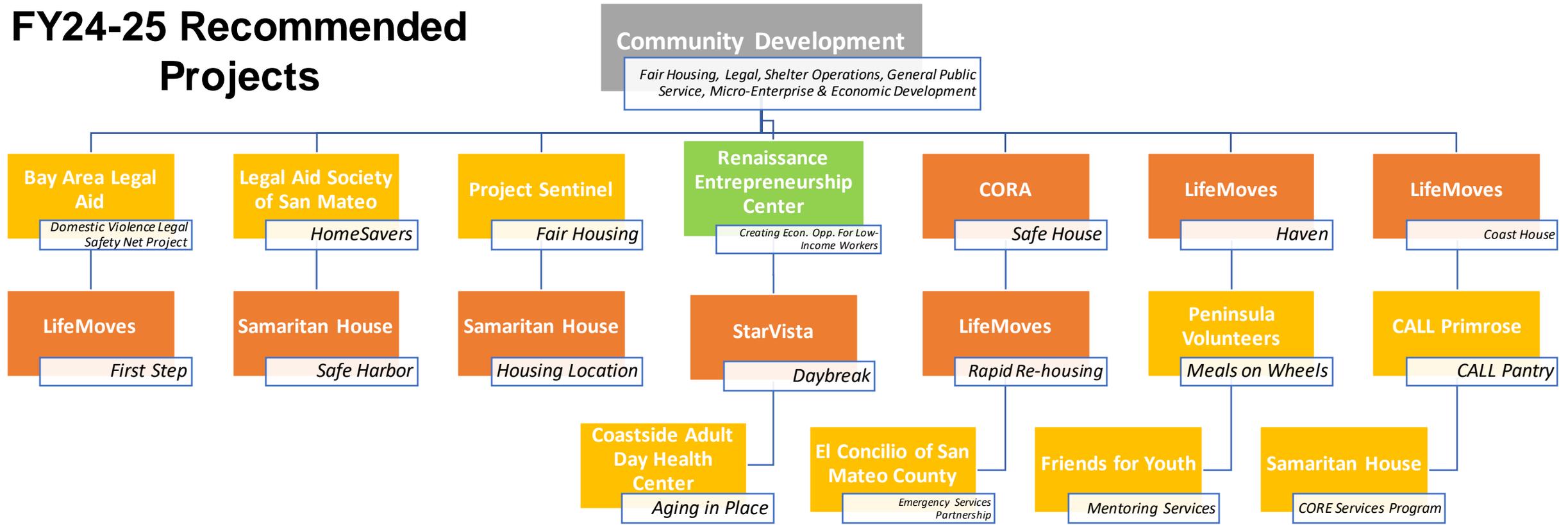
Projects NOT Recommended for Funding	Amount Requested
Eden – 851 Weeks Street Apartments	\$2M
Alta – 2809 El Camino Real	\$4M
Novin – 3051 Edison Way	\$2M
City of Foster City – Homeowner Rehab Loan Program	\$335,000
Mercy Housing – Middlefield Childcare Center	\$500,000

*FY24-25 funding allocations, and addition of unallocated funds, still pending so the amounts available may differ by +/- 20%

Community Development Projects



FY24-25 Recommended Projects



Source of funding*	Funding constraints	Number of projects	Recommended Funding Amount
PLHA, Federal/State ESG, CDBG	Services for persons Experiencing Homelessness	8	\$687,725
CDBG	Public Services: ≤15% of CDBG allocation	9	\$289,940
CDBG	Economic Development	1	\$45,000

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FY2024-2025 Legal, Fair Housing, & Micro-Enterprise & Economic Development Applications

Bay Area Legal Aid: Domestic Violence Legal Safety Net Project

- **Scope:** Provides free, multi-lingual legal assistance to low-income survivors of domestic violence, sexual assault, and trafficking.
- **Cost:** \$36,316 (4% of total cost)
- **Any issues:** None
- **Recommend:** Yes

Legal Aid Society of San Mateo County: Homesavers

- **Scope:** Legal assistance to elderly persons/seniors and severely disabled adults who are threatened with losing their homes or living in substandard conditions with the goals of keeping them in their homes;
- **Cost:** \$25,000 (2% of total cost)
- **Any issues:** low percentage of committed vs. total program funding
- **Recommend:** Yes

Project Sentinel: Fair Housing

- **Scope:** Comprehensive fair housing services of proactive community outreach and education to home seekers. Reactive complaint investigations seeking remedies for victims of housing discrimination.
- **Cost:** \$34,624 (4% of total cost)
- **Any issues:** None
- **Recommend:** Yes

Renaissance Entrepreneurship Ctr.: Creating Econ. Opp. for Low-Income Workers

- **Scope:** Customized small business training, including 1:1 consulting and access to resources, networks and capital
- **Cost:** \$45,000 (26% of total cost)
- **Any issues:** None
- **Recommend:** Yes

All projects recommended for funding



FY2024-2025 Shelter Operations Support Projects

CORA - Safe House

Cost: \$49,999 (30% of total cost)

Scope: Operational support for Safe Houses

Population: Survivors of domestic violence

Any issues: None

LifeMoves – Haven

Cost: \$84,065 (6% of total cost)

Any issues: Unduplicated clients served

LifeMoves – Coast House

Cost: \$132,587 (6% of total cost)

Any issue: Unduplicated clients served, completion of operational funding

LifeMoves – First Step

Cost: \$116,000 (5% of total cost)

Any issues: Unduplicated clients served

All projects recommended for funding

Samaritan House – Safe Harbor

Cost: \$33,000 (1% of total cost)

Any issues: None

Samaritan House- Housing Location

Cost: 80,000 (3% of total cost)

Any issues: None

StarVista - Daybreak

Cost: \$35,021 (4% of total cost)

Population: Transitional aged youth

Any issues: None

LifeMoves – Rapid Rehousing

Cost: \$157,053 (12% of total cost)

Scope: Rapid Rehousing for persons experiencing homelessness

Population: Persons experiencing homelessness

Any issues: None

FY2024-2025 Other Public Service Projects



Peninsula Volunteers

- **Meals of Wheels**
- Home Delivered meals for older adults/ adults living with a disability
- **\$25,000**
- Issues: None



CALL Primrose

- **CALL Community Pantry**
- Drop-in grocery pantry program, providing free groceries to low-income individuals, families and seniors
- **\$25,000**
- Issues: None



Coastside Adult Day Health Center

- **Aging in Place**
- Provides health care to frail, elderly, and disabled individuals in a day environment, helping them remain as healthy, active, and independent as possible.
- **\$25,000**
- Issues: None



El Concilio of San Mateo County

- **Emergency Services Partnership**
- Provide safety-net services such as shelter, utility assistance, food.
- **\$34,000**
- Issues: Delays in submitting quarterly reports and reimbursement requests



Friends for Youth

- **Mentoring Services**
- Mentoring and holistic services for underserved youth who require resiliency-building skills
- **\$30,000**
- Issues: Financial projection concerns, but recommended



Samaritan House

- **CORE services Program**
- Provides safety-net services such as food, clothing, shelter & healthcare to low-income residents.
- **\$55,000**
- Issues: None

All projects recommended for funding



Equity Innovation Fund Projects



FY2024-2025 Equity Innovation Fund Projects

City of East Palo Alto: Affordable Housing Preservation – Program Guidelines and Community Engagement	Community Legal Services in East Palo Alto: Legal Services for Equitable, Healthy Housing	Legal Aid Society of San Mateo County: Eviction Defense Services and Tenant Education	Life Moves: Credit and Debt Counseling and Support	Mental Health Association: Housing Voucher Navigation Program	One Life Counseling Center: Bridging Gaps & Building Futures: Advancing Equity in the Mental Health Workforce
60 individuals	45 Individuals	117 Individuals	130 Individuals	75 Individuals	5 Individuals
Protect low-income BIPOC residents through engagement to prepare for anti-displacement strategy	Case management & housing legal services such as pre-eviction & eviction proceedings, illegal rent increases, and discrimination	Direct legal services, outreach, and education to low-income tenants in San Mateo County.	Credit and Debt Education for homeless individuals	Assist with chronically homeless individuals, referred through the CES program, complete housing documentation	Rental subsidies for pre-licensed mental-health clinicians of 50% AMI and Latinx Descent
\$100,000	\$99,890	\$100,000	\$99,868	\$96,300	\$60,000
Recommend	Partial Recommendation	Partial Recommendation	Recommend	Recommend	Recommend
No Issues Identified	Requested funding for similar scope through other sources managed by the County.	Requested funding for similar scope through other sources managed by the County.	No Issues Identified	No Issues Identified	Further review of program scope and design.



Next Steps:

**DOH Staff to Forward Additional Questions to Applicants,
Answers to Share at Public Hearing**

Next Meeting:

Public Hearing on February 29, 2024

1:00PM-3:00PM

