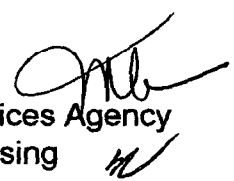


**COUNTY OF SAN MATEO  
HUMAN SERVICES AGENCY  
OFFICE OF HOUSING**

**Date:** March 19, 2001  
**Hearing Date:** March 27, 2001

**TO:** Honorable Board of Supervisors

**FROM:** Maureen Borland, Director, Human Services Agency  
Steve Cervantes, Director, Office of Housing



**RE: RESOLUTION AUTHORIZING SUBMISSION OF AN APPLICATION TO THE CALIFORNIA HOUSING FINANCE AGENCY FOR THE HELP PROGRAM AND DESIGNATING THE DIRECTOR OF THE OFFICE OF HOUSING TO ACT ON ITS BEHALF IN CONNECTION WITH THE PROGRAM**

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**RECOMMENDATION**

Adopt a Resolution authorizing submission of an application to the California Housing Finance Agency for the HELP Program and designating the Director of the Office of Housing to act on its behalf in connection with the program.

**Background**

In its budget deliberations in June, 2000 the Board of Supervisors authorized \$1,000,000 to establish a land acquisition fund to assist non-profit housing developers acquire land for the development of affordable housing. These funds were to be matched by contributions from foundations and the local business community. Peninsula Community Foundation has expressed interest in participating in this effort as both a funding source and administrator of the funds raised.

In February, 2001 the California Housing Finance Agency (CHFA) announced the availability of \$10 000,000 of HELP (Housing Enabled by Local Partnerships) Program funds. Local governmental agencies may apply for as much as \$2,000,000 to assist with direct costs of the development of affordable housing units. The funds would be made available to a local government entity as an unsecured loan from CHFA for up to 10 years at 3% simple interest with no required payments during the term of the loan; the entire principal and interest would be due at the end of the 10 year term. Discussions with the State indicate that the County's Land Acquisition Fund would be a suitable program for funding from this source.

### Discussion

These funds would provide an excellent source of leveraged money to supplement the County's Land Acquisition Fund. The repayment terms of the County fund would be 3% simple interest with a term of 3 years or less. Unlike the CHFA funds, the County loans would be secured by a deed of trust on the land acquired. Assuming that the average loan will run 2 years, the State funds could be rolled over 4 times before it would have to be repaid. The repayment of the local land acquisition loans would cover all of the County's costs of the CHFA loan. Given the high cost of land in San Mateo County, any additional source of funding would be useful in expanding the availability of affordable housing.

It is our intention to add any funds approved through this application to the existing Land Acquisition Fund to be distributed to appropriate projects as necessary. The CHFA funds would be utilized first in order to maximize the interest earnings necessary to repay the funds at the end of the 10 year term.

### Fiscal Impact

The County would be obligated to repay to CHFA the original amount borrowed plus 3% simple interest. At the present time, it is unknown exactly how much CHFA will approve for our program. The maximum loan amount from CHFA is \$2,000,000 which would cost a total of \$60,000 per year in interest; the repayment at the end of the 10 year term would be \$2,600,000.

Because the funds would be lent out on the same terms to the non-profit developers, there would be no net County cost. The interest earned on loans from the Land Acquisition Fund would be set aside to repay the State when that loan comes due in 10 years.

[Jack D. Marquis, HCD Specialist III, Ext 5035]

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RESOLUTION NO. \_\_\_\_\_

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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**RESOLUTION AUTHORIZING  
SUBMISSION OF AN APPLICATION TO THE  
CALIFORNIA HOUSING FINANCE AGENCY FOR THE HELP PROGRAM  
AND DESIGNATING THE DIRECTOR OF THE OFFICE OF HOUSING  
TO ACT ON ITS BEHALF IN CONNECTION WITH THE PROGRAM**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, the Board of Supervisors authorized the establishment of a fund to assist non-profit housing developers acquire land, and provided \$1,000,000 to be matched by outside sources, and

**WHEREAS**, the Office of Housing is working to obtain such matching funds from the local business community, foundations and other sources; and

**WHEREAS**, the State of California Housing Finance Agency (CHFA) has announced the availability of funding from its HELP Program for activities supporting the development of affordable housing; and

**WHEREAS**, said funds, to be provided to the local agency in the form of a low interest deferred loan, could make a strong addition to the land acquisition fund providing additional leveraging of the County's funding

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED**, that:

1. The Director of the Office of Housing is hereby authorized to submit an application to CHFA for and on behalf of the County of San Mateo for up to \$2,000,000 from the HELP Program, and
2. The Director of the Office of Housing is authorized and directed to execute all loan and other documents required by CHFA in connection with the HELP Program, and to take other actions necessary to facilitate the program

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