



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager's Office



DATE: July 14, 2010
BOARD MEETING DATE: August 24, 2010
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority

TO: Honorable Board of Supervisors
FROM: David S. Boesch, County Manager
SUBJECT: Housing assistance mortgage loan program

RECOMMENDATION:

Adopt a Resolution revising the housing assistance mortgage loans program as established pursuant to Resolution 068843

BACKGROUND:

On July 10, 2007, by resolution 068843, your Board authorized the County Manager to offer mortgage loans as housing assistance incentives to certain job candidates in order to effectively compete in the labor market. The current parameters for such mortgage assistance loans include:

1. Each candidate offered such housing assistance mortgage loan must be a candidate for employment at the level of Assistant or Deputy County Manager, or Department Director or Deputy Director, or for employment in a management position determined by the County Manager, after consultation with the Director of Human Resources, to be a "hard to fill" position.
2. In order to receive a housing assistance mortgage loan from the County, a candidate must accept employment with the County and use the loan proceeds to purchase a home, located within the County, within one year of beginning employment with the County. The candidate's new main job location with the County must be at least fifty (50) miles farther from the candidate's former home than the candidate's former main job location was from the candidate's former home.
3. The County Manager has the authority to authorize a loan of up to one million dollars (\$1,000,000.00) at an initial interest rate that is comparable to the County Treasurer's pooled rate for County investments. All loans are secured by appropriate promissory notes and deeds of trust and may, at the County Manager's discretion, be subordinated to other financing from a commercial mortgage lender. In all cases, such loans are

subject to satisfactory appraisal of the property, a showing of adequate security for the loan, through equity or the value of the property, or both, and the issuance of a title insurance policy insuring the County's interest in the property.

4. Loans are for a period of not more than thirty (30) years and are repayable on terms determined by the County Manager; provided, however, that loans must be repaid, at the latest, within one hundred and eighty (180) days after the recipient of the loan leaves County employment for any reason, or immediately upon sale of the residence that was purchased with the housing assistance mortgage loan.

DISCUSSION:

Because of the sometimes fast-moving pace of negotiations, and the length of time it takes to find and purchase a home, it would improve the County's competitive position in the labor market if the Board adjusted the authority to offer housing assistance mortgage loans to purchase homes nearer to their new work sites, but not necessarily within the boundaries of San Mateo County, and to do so within 18 months of beginning employment with the County

The Resolution would modify the existing program in two ways. The first allows purchase of the home to occur within eighteen (18) months of beginning employment with the County. The second provides that the candidate may purchase a residence anywhere in the County, or anywhere within a 40 mile radial distance from the County Government Center in Redwood City; provided that if the residence is not within the geographic boundaries of San Mateo County, the candidate must undertake and commit to use his/her best efforts to purchase a home that is in reasonable proximity to mass transit and to use mass transit in commuting to the place of employment within the County. Cities located within a 40 mile radial distance include San Rafael (Marin County); Concord (Contra Costa County); Livermore (Alameda County); Morgan Hill (Santa Clara County); and Santa Cruz (Santa Cruz County). The remainder of the original resolution remains unchanged.

The Resolution was reviewed and approved by County Counsel.

The adoption of the Resolution contributes to the Shared Vision 2025 outcome of a Prosperous Community by enabling the recruitment and hiring of staff with the skills necessary to perform the work and allow departments to provide exceptional service to the community.

FISCAL IMPACT:

There is no fiscal impact from the proposed revisions to the existing housing assistance mortgage loan program requirements.

RESOLUTION NO. _____

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

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RESOLUTION REVISING THE HOUSING ASSISTANCE MORTGAGE LOANS PROGRAM AS ESTABLISHED PURSUANT TO RESOLUTION 068843

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

WHEREAS, on July 10, 2007, by resolution 068843, this Board authorized the County Manager to offer mortgage loans as housing assistance incentives to certain job candidates in order to effectively compete in the labor market (the Housing Assistance mortgage Loan Program); and

WHEREAS, there is frequently a limited pool of qualified candidates for the County of San Mateo's employment vacancies at the management level of employment, including Assistant or Deputy County Managers and Department Directors or Deputy Directors; and

WHEREAS, many especially qualified candidates for employment in senior or "hard to fill" management positions have expressed concern about accepting such employment due to the high cost of housing in the San Mateo County area; and

WHEREAS, this Board believes that the County will be better able to compete for the most qualified candidates for senior-level and other "hard to fill" management positions by revising its existing housing assistance mortgage loan program by giving

candidates more time to find a home and by expanding eligibility to include homes purchased outside of the boundaries of San Mateo County; and

WHEREAS, conditioning the eligibility for a housing assistance mortgage loan for a home purchased outside of the boundaries of San Mateo County on a commitment by the employee to commute via mass transit should aid in the reduction of the carbon footprint of the County's employees.

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the County's Housing Assistance Mortgage Loan Program as adopted by this Board on July 10, 2007, by Resolution 068843, is revised such that i) the condition that purchase of the home occur within one year of beginning employment with the County is replaced with the condition that such purchase occur within eighteen (18) months of beginning employment with the County; and ii) the condition that the candidate must purchase a residence within the County, is replaced with a condition that the candidate may purchase a residence anywhere within the geographic boundaries of San Mateo County, or within a 40 mile radial distance from 400 County Center, Redwood City; provided, however, that if the residence is not within the geographic boundaries of San Mateo County, then the candidate must undertake and commit to use his/her best efforts to purchase a residence that is in reasonable proximity to mass transit and to use mass transit in commuting to his/her place of employment within the County.

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