

AHF 8.0 Staff Funding Recommendations

September 1, 2020

Developer	Project	Ask: Measure K/PLHA/Impact Fee/LHTF	Ask: HHC	Ask: FFY	Total Project Ask	DOH Recommends: Measure K/PLHA/Impact Fee	DOH Recommends: HHC	DOH Recommendations: FFY	Total DOH Recommendation	DOH Summary of Recommendation
Habitat for Humanity Greater San Francisco, Inc.	Geneva Commons	\$ 180,000	\$ -	\$ -	\$ 180,000	\$ 136,000		\$ -	\$ 136,000	Based on the budget information provided by applicant in its AHF 8.0 application, there is no definitive reason that the funds requested are required to complete the construction of the project. Habitat is still in negotiations with Daly City on the waiver of the project's park in-lieu fee - this waiver is potentially worth \$360,000 and is assumed in the sources and uses budget. Accordingly, the application indicates a funding gap of \$136,000.
Eden Housing, Inc.	Nugent Square Apartments	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	While this project is worthy of funding, and its need for County support has been clearly demonstrated, other projects in the pipeline have a more urgent need for AHF funding. DOH supports this project and we strongly recommend that the project sponsor apply for funding under the Federal NOFA, scheduled for release in December of 2020.
MidPen Housing Corporation	Midway Village Phase I	\$ -	\$ -	\$ 436,000	\$ 436,000	\$ -	\$ -	\$ 436,000	\$ 436,000	Midway Village Phase I is the only project that applied for Measure K FFY funding under this NOFA. In addition, there are already committed FFY units for this project and project sponsor has made progress with County partners on the provision of services for FFY households.
Core Affordable Housing LLC	Bayshore Affordable Apartments	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	While the ask of \$1M is good leveraging of County funds, the ask may still be overstated, depending final tax credit pricing and interest rates. Should project sponsor achieve better than projected tax credit pricing and interest rates, this award will not be necessary. As such, this award will be highly conditioned upon the above.
MP Gateway Family Associates, L.P.	Gateway Family	\$ 7,745,335	\$ -	\$ -	\$ 7,745,335	\$ 5,115,235	\$ -	\$ -	\$ 5,115,235	Both Menlo Park and County have demonstrated strong support for this project, including a number of past AHF funding awards. This AHF 8.0 ask represents the last gap funding required for this project. Approval of this funding recommendation would mean that, pending Menlo Park's final funding commitment, County and Menlo Park would split the local subsidy gap 50/50.

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MP 965 Weeks Street Associates, LP*	965 Weeks Street	\$ 9,467,518	\$ -	\$ -	\$ 9,467,518	\$ 3,908,333	\$ -	\$ -	\$ 3,908,333	The County identified Weeks Street as a highly competitive project for the State's Local Housing Trust Fund program, due to its deep AMI targeting and cap at 60% AMI. This funding recommendation is based upon County's commitment in its LHTF application, and is contingent on the outcome of our application. Should County fail to receive a LHTF award, this AHF award will drop to \$2M. DOH is very supportive of this project, and looks forward to continued work with project sponsor and the City of East Palo Alto to see that this project is successful. Unfortunately, this funding recommendation is not sufficient for the project to be eligible for the forthcoming State AHSC funding round. However, with adjustments, this project could be competitive for a number of other state funding programs.
MP Downtown San Mateo Associates, L.P.	Downtown San Mateo (DTSM) Opportunity Sites	\$ 15,000,000	\$ -	\$ -	\$ 15,000,000	\$ 3,685,817	\$ -	\$ -	\$ 3,685,817	\$15M of County funding is needed in order for project sponsor to achieve a competitive score for the State's IIG funding program. While DOH encourages applicants to apply to State funding programs, this AHF funding round is far too oversubscribed to commit \$15M in Measure K funding to one project. DOH believes that more work is needed to develop a financing strategy for the parking garage, which is currently projected to cost approximately \$28M. This project is worthy of supporting and has strong backing from the City of San Mateo.
ROEM Development Corp.	Belmont Family Apartments	\$ 7,750,000	\$ -	\$ -	\$ 7,750,000	\$ -	\$ -	\$ -	\$ -	Based on the materials submitted to DOH in its AHF 8.0 application, the project timeline will not be impacted by \$0 funding recommendation in this AHF 8.0 round. Because the AHF 8.0 NOFA is oversubscribed and other project applications demonstrated a more urgent need for funds, DOH has chosen to not recommend this project for funding in the 8.0 round.
Mercy Housing California*	Middlefield Junction	\$ 4,367,518	\$ 6,913,786	\$ -	\$ 11,281,304	\$ 4,841,666	\$ 6,913,786	\$ -	\$ 11,755,452	The County identified Middlefield Junction as a highly competitive project for the State's Local Housing Trust Fund program due to its AMI targeting. The Measure K portion of this funding recommendation is based upon County's commitment in its LHTF application, and is contingent upon the success of such application. Should County not receive a LHTF award, the Measure K portion of the funding recommendation will drop to \$2M. In addition, the project sponsor has demonstrated a strong commitment to meet the services and housing needs of HHC households. This commitment, coupled with an excellent location for the provision of HHC-applicable services, resulted in an HHC funding award.

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Mid Pen Housing Corporation	Midway Village Phase II	\$ -	\$ 6,138,053	\$ -	\$ 6,138,053	\$ -	\$ -	\$ -	\$ -	After consultation with County Health Department and State HCD, DOH staff do not recommend a funding award for Midway Village Phase II. While State HCD confirmed that a parking garage is an eligible use of HHC funds, there would be a substantial delay between the use of funds and lease-up of HHC units. This delay would risk the County's ability to comply with HHC timeliness requirements. In addition, the County's preference is to use HHC funds for the construction of HHC housing units, as opposed to the construction of parking. DOH is supportive of the project overall and the developer's partnership with the Housing Authority. DOH looks forward to seeing this project in future NOFA cycles.
Core Affordable Housing LLC	493 Eastmoor	\$ 7,055,976	\$ 744,024	\$ -	\$ 7,800,000	\$ 7,379,600	\$ -	\$ -	\$ 7,379,600	DOH's recommended funding award is the amount required for project sponsor to submit a competitive AHSC application, assuming Daly City is able to commit potential sources of funding identified for this project. Should project sponsor fail to submit a successful AHSC application this round, all but \$532,000 of this award will be rescinded and added to the next AHF funding round. Additionally, DOH has conditioned these funds upon a project sponsor's commitment to serving a greater number of County Clients than it proposed in its application. This project's location and proposed unit size mix, make it well-positioned to serve County Clients, including, potentially, HHC households.
Affirmed Housing Group, Inc.	North Fair Oaks Apartments	\$ 7,000,000	\$ 11,812,047	\$ -	\$ 18,812,047	\$ 250,000	\$ -	\$ -	\$ 250,000	While DOH was encouraged to see another HHC project proposal, we believe that this proposal needs refinement. This refinement includes a feasible financing strategy, potential partnership with a non-profit to better serve supportive housing units, and better leverage of County funds. DOH believes that is project is an excellent location for HHC units and hopes that project sponsor will continue to work with County towards an HHC project.
Total Ask by Source		\$ 61,566,347	\$ 25,607,910	\$ 436,000	\$ 87,610,257	\$ 26,316,651	\$ 6,913,786	\$ 436,000	\$ 33,666,437	
Remaining Funding by Source		\$ (35,249,696)	\$ (7,612,207)	\$ -	\$ (42,861,903)	\$ -	\$ 11,081,917	\$ -	\$ 11,081,917	

* LHTF award included in this funding recommendation. County's LHTF award is pending.