

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

**SAN MATEO COUNTY
AFFORDABLE HOUSING FUND (AHF) 13.0
STUDY SESSION**

Wednesday, September 3, 2025
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

1:15 PM 3. AHF 13.0 Highlights

1:20 PM 4. State and Federal Funding Environment

1:25 PM 5. Draft Funding Recommendations

1:30 PM 6. Staff Project Presentations; HCDC Discussion

2:45 PM 7. Next Steps and Next Meeting

3:00 PM 8. Adjourn AHF 13.0 Study Session



**Call to Order,
Roll Call,
DOH Staff Introductions**

Public Comment

AHF 13.0 Highlights

- **Total Funds available: \$41,046,469.75**
 - Measure K: \$37,022,198
 - County Impact Fees: \$100,000
 - Permanent Local Housing Allocation: \$824,271.75
 - Mental Health Services Act: \$1,200,000
 - Housing, Homelessness Assistance and Prevention: \$1,900,000 (added after release)
- **17 Applications requested: \$134,287,638**
 - 2 withdrew during Threshold review
 - 5 did not meet Threshold
 - 10 met Threshold
 - 1 withdrew during scoring because funds from another source were confirmed
- **Total Funds Requested by 9 remaining applications: \$69,367,773**
- **Funding Gap for Projects that Met Threshold: \$28,321,303.25**
- **Geographic Spread of Projects Under Consideration:** Belmont, Daly City, Half Moon Bay, Menlo Park, East Palo Alto, South San Francisco, Moss Beach, North Fair Oaks



State and Federal Funding Environment

GOOD NEWS: HR 1

- Permanently increased the state's 9% tax credit allocation by 12.5%
- Almost doubled state capacity to award tax exempt bonds for 4% tax credit projects

IMPROVES LIKELIHOOD OF FEDERAL TAX CREDIT AWARDS BUT....

- California has a large backlog of projects already in line for federal LIHTC.
- Some projects need not only federal LIHTC but also state HCD funding and state tax credits--these funds are more competitive than ever.
 - Both IIG and Joe Serna were eliminated in this year's budget.
 - Housing for Healthy California, Mental Health Services Act and Local Housing Trust Fund programs are no longer funded.
 - MHP and state tax credits were preserved with no increase. Both remain fiercely competitive.
 - AHSC funding for housing is threatened by freeze on Greenhouse Gas Reduction Fund.
 - Federal housing funds, like HOME, CDBG, PBVs, MTW loans are less predictable.
 - New State Behavioral Health Services Act funding is coming soon but depends on local plan.

Principles of Draft Funding Recommendations

- **FINISH LINE:** Make final awards to high priority projects that do not need other funding in order to maintain or apply for tax credit reservation by 2026 and seem highly competitive to receive tax credit award; reduce requested amounts when feasible.
- **SOLID STARTS:** Make smaller awards to advance the progress of immediately needed predevelopment activities for projects that appear to be competitive for funding in later AHF rounds.
- **Match more restrictive funding sources with projects** that are the best fit with additional restrictions (both schedule and substance).
- **Impose project-specific, time-bound funding conditions and monitor performance.**

AHF 13.0 Draft Funding Recommendations

Developer	Project/City	Units	Request	Draft	From	Draft Conditions
CRP Affordable/Abode	Ridge@Ralston, Belmont	65	13,000,000	11,000,000	MK, HHAP, PLHA	4% Tax Credit/Bond Award in 2026
MidPen Housing	Cypress Point, Moss Beach	71	3,547,913	3,547,913	MK/ Impact Fees	Preserve tax credit reservation by closing by Dec. 2025
Habitat for Humanity	Pierce Road, Menlo Park	8	1,000,000	1,000,000	MK	CalHome & SAHF awards by 2026; value engineer to lower cost/unit
Beacon Dev/Rotary	Rotary Gardens, SSF	80	18,875,000	16,864,000	MK	NEPA by 12/31/25; Apply to increase City funds; 4% Tax Credit/Bond Award
Sand Hill/Eden	851 Weeks, East Palo Alto	79	10,317,613	4,435,276.75	MK	Apply for City funds or increase inclusionary loan amount; 4% tax credit/bond award in 2026
MidPen Housing	Midway Village 3, Daly City	148	4,000,000	1,200,000	MHSA	50% Design Development by AHF 14
CRP Affordable/CDRC	Ridge on Masonic, Belmont	63	3,000,000	1,000,000	MK	Apply for City funds; 4% tax credit/bond award by 2027
MidPen Housing	Metzgar Street, Half Moon Bay	52	7,527,247	1,000,000	MK	SB 35 by 2026; replace Serna; 4% tax credit/bond award by 2027
Novin Development	3051 Edison, North Fair Oaks	70	8,100,000	1,000,000	MK	Apply for MHP in 2026; replace IIG; 4% tax credit/bond award in 2027
TOTALS:		636	69,367,773	41,046,469.75		



Staff Project Presentations; HCDC Discussion



Ridge @ Ralston, Belmont

Developer: Abode Housing/CRP Affordable

AHF 13 Ask: \$13,000,000



Overview

- High Resource Area
- 65 units avg 48% AMI
 - 17 units @30% AMI
 - 35 units@50% AMI
 - 12 units @70% AMI
- 17 homeless units without PBVs
- Large Family Project

Readiness

- Entitled SB 35
- NEPA Approval
- Secured Funding
 - \$4.3 M HOME-ARP (AHF 11)
 - \$1 M HOME (AHF 12.5)
 - \$5,251,394 MTW (AHF 12.5)
 - \$748,046 Measure K (AHF 12.5)
 - City Funding: \$1,000,000
- 2025 Tax credit app. unsuccessful due to size of state tax credit request

Funding

- TDC: \$56,580,221
- Cost/unit: \$870,465
- Measure K/Unit without AHF 13 : \$11,508
- Measure K/Unit if AHF 13 MK award of \$8.2 M: \$138,827
- Funds not secured:
 - Applying 4% tax credits/bonds, without or with lower state tax credits if AHF 13 award

Cypress Point Apartments, Moss Beach

Developer: MidPen

AHF 13 Ask: \$3,547,913



Overview

- Moderate Resource Area
- 71 workforce units @avg 47% AMI
 - 14 units @ 30% AMI
 - 33 units @ 50% AMI
 - 23 units @ 60% AMI
- Large Family project
- 18 farmworker units
- 4 homeless units

Readiness

- Site has been acquired
- Entitlement received Mar-24
- Funding Secured:
 - MHP/Joe Serna: \$17.1M
 - Prior County awards: \$16,610,243 (Measure K)
 - County impact fee waiver: \$818,624
- 9% Tax Credit Award and state tax credits received 6/18/25; expires December 2025

County Funding

- TDC: \$75,202,159
- Cost/unit: \$1.06M
- Measure K funds with AHF 13: \$20,158,146
- Measure K Funds/unit with AHF 13: \$283,918
- Funds needed to replace LHTF because of state HCD delay

Rotary Gardens, South San Francisco

Developer: Beacon Development Group

AHF 13 Ask: \$18,875,876



Overview

- Low resource area.
- 80 units @ avg 41.1% AMI
 - 20 units \leq 15% AMI
 - 5 units \leq 30%MI
 - 40 units \leq 50% AMI
 - 14 units \leq 60% AMI
- Senior Housing
 - 10 frail elderly units
 - 10 homeless units

Readiness

- Site control achieved.
- Entitlement received.
- NEPA not started.
- Secured funding:
 - City: \$4,000,000
 - Prior County awards: \$1,002,197 (*HOME*)
 - Sponsor loan: \$5,530,808
 - Seller financing: \$5,250,000

Funding

- TDC: \$79,062,162
- Cost/unit: \$988,277.03
- Measure K funds/unit: \$235,948.45 w/full AHF 13 request
- Funds not secured:
 - 4% tax credits/bonds
 - No state tax credits
 - Expect to apply in first round of 2026.

Habitat Pierce Road, Menlo Park

Developer: Habitat for Humanity GSF

AHF 13 Ask: \$1,000,000



Overview

- Low Resource Area
- 8 townhomes @ 60% AMI
- First Time Home Ownership
- 2, 3, and 4 BR units
- Zero interest, zero down payment mortgages for homebuyers with term up to 40 years and monthly payment capped at 30% of household income

Readiness

- Own Site
- Entitled
- Secured funding:
 - City: \$3,600,000
- Funds not secured:
 - CalHOME \$2,000,000
 - SAHF \$1,500,000
 - Donations: \$1,500,000

Funding

- TDC: \$11,061,000
- Cost/unit: \$1,382,625
- Measure K funds/unit: \$125,000
- CalHOME and SAHF expected before December 2025

851 Weeks, East Palo Alto

Developer: Sand Hill Property, Eden Housing

AHF 13 Ask: \$10,317,613



Overview

- Low Resource Area
- Senior Housing
- Inclusionary component of market rate project
- 79 units @ avg 42% AMI
 - 20 units \leq 30% AMI
 - 58 units \leq 50% AMI
- 4 homeless units; 16 units for frail elderly

Readiness

- Own site
- Entitled SB 35
- Inclusionary Commitments:
 - \$17M loan
 - \$6.3M land seller loan
- No city or state HCD funding
- Unsuccessful HUD 202 app
- Apply 4% 2026
 - Assumes state tax credits \$8,561,461 (\$7,213,585 equity)

Funding

- TDC: \$68,907,036
- Cost/unit: \$872,241
- Measure K funds/unit if full request: \$130,603
- Measure K funds/unit if full request AND no state tax credits: \$221,914

Midway Village Phase 3, Daly City

Developer: MidPen Housing Corporation

AHF 13 Ask: \$4,000,000



Overview

- Low resource area
- Third phase of HACSM redevelopment plan
- 148 units @ avg 47% AMI
 - 31 units \leq 30% AMI
 - 66 units \leq 50%MI
 - 49 units \leq 60% AMI
- Large Family Housing
- 8 homeless Units

Readiness

- Site control achieved under Master AHPDA
- Entitlement achieved
- NEPA achieved
- Funding secured
 - 44 PBVs
 - HACSM predev loan \$428,700

Funding

- TDC: \$152,936,113
- Cost/unit: \$1,033,352
- MHSA funds/unit: \$200,000 for 6 MHSA restricted units
- Funds not secured:
 - AHF 14 \$11,800,000
 - HACSM \$11,880,000
 - 4% tax credits/bonds
 - Expect to apply first round of 2027

Ridge on Masonic, Belmont

Developer: CRP Affordable Housing
AHF 13 Ask: \$3,000,000



Overview

- High resource area
- 63 units @ avg 60% AMI
 - 10 units \leq 30% AMI
 - 7 units \leq 50% AMI
 - 9 units \leq 60% AMI
 - 36 units \leq 80% AMI
- 4 Homeless units

Readiness

- Site control achieved.
- Entitlement received.
- Secured funding:
 - \$1,148,238 impact fees waiver from City of Belmont

Funding

- TDC: \$56,680,251
- Cost/unit: \$899,686.52
- Measure K funds/unit if full request: \$47,619
- Funds not secured:
 - 4% tax credits/bonds and state tax credits
 - Apply either Sept 2025 or first round 2026

Metzgar Street, Half Moon Bay

Developer: MidPen

AHF 13 Ask: \$7,527,247



Overview

- High resource area Downtown HMB
- 52 units @ avg 49% AMI
 - 3 homeless units @ 15% AMI
 - 8 units \leq 30%MI
 - 17 units \leq 50% AMI
 - 23 units \leq 60% AMI
- Large Family Project
- 13 Farmworker units (25%)

Readiness

- Site Control: PSA (close by 01/14/2026)
- Entitlement:
 - Unit allocation received per HMB growth control ordinance
 - SB 35 approval expected by 07/2026
- Funds Committed:
 - Land sale proceeds \$1.2 M
- Funds Not Secured:
 - State HCD Serna \$5,098,052
 - Not in State budget
 - 9% LIHTC (rural) + state tax credit; Round 1, March 2027

County Funding

- TDC: \$50,181,649
- Cost/unit: \$965K
- Measure K Funds:
 - \$7,527,247 (full request w/Serna)
 - \$12,625,299 (full request w/out Serna)
- Measure K Funds/unit:
 - \$144,754.75 (w/Serna)
 - \$242,794 (w/out Serna)

3051 Edison Way, North Fair Oaks

Developer: Novin Development

AHF 13 Ask: \$8,100,000



Overview

- Low Resource Area
- 70 units @ avg 54% AMI
 - 20 units \leq 30% AMI
 - 14 Units \leq 50%MI
 - 16 Units \leq 60% AMI
 - 18 Units \leq 80% AMI
- Supportive Housing Units
 - 4 homeless @ 30% AMI
 - 31 I/DD units (10 @30% AMI & 21@50% AMI)

Readiness

- Own Site
- Entitled under SB 35
- Secured funding--County fee waivers \$604,218
- Funds not secured:
 - MHP \$15,500,000
 - IIG: \$3,222,279 (not in state budget)
 - 9% LIHTC apply 2027
 - State tax credits \$7,965,744

County Funding

- TDC: \$64,190,926
- Cost/unit: \$917,013
- Measure K funds/unit:
 - \$115,714 (w/MHP/IIG/state tax credits)
 - \$161,747 (w/out IIG)
 - \$383,175 (w/out MHP/IIG)
 - Higher w/out state tax credits/MHP/IIG

Next Steps:

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

Next Meeting:

Public Hearing on September 10, 2025

10:00 AM-12:00PM

Location: 350 Convention Way, Redwood City, CA 94063

Adjourn AHF 13.0 Study Session