



# **Financing Affordable Housing**

**MidPen Housing**

**Presentation to  
San Mateo County  
Jobs Housing Gap Task Force  
February 25, 2016**

# AFFORDABLE HOUSING ... It's complicated, and



- Reputation for City/County collaboration
- San Mateo County – Department of Housing
- Best in class developer/operators



# CAPITAL FINANCING AVAILABLE

*Donated Land/ or below-market Groundlease*

*Soft debt*

- public funding in the form of 55-year loans, 0%-3% simple interest repayment due only if cash flow is available

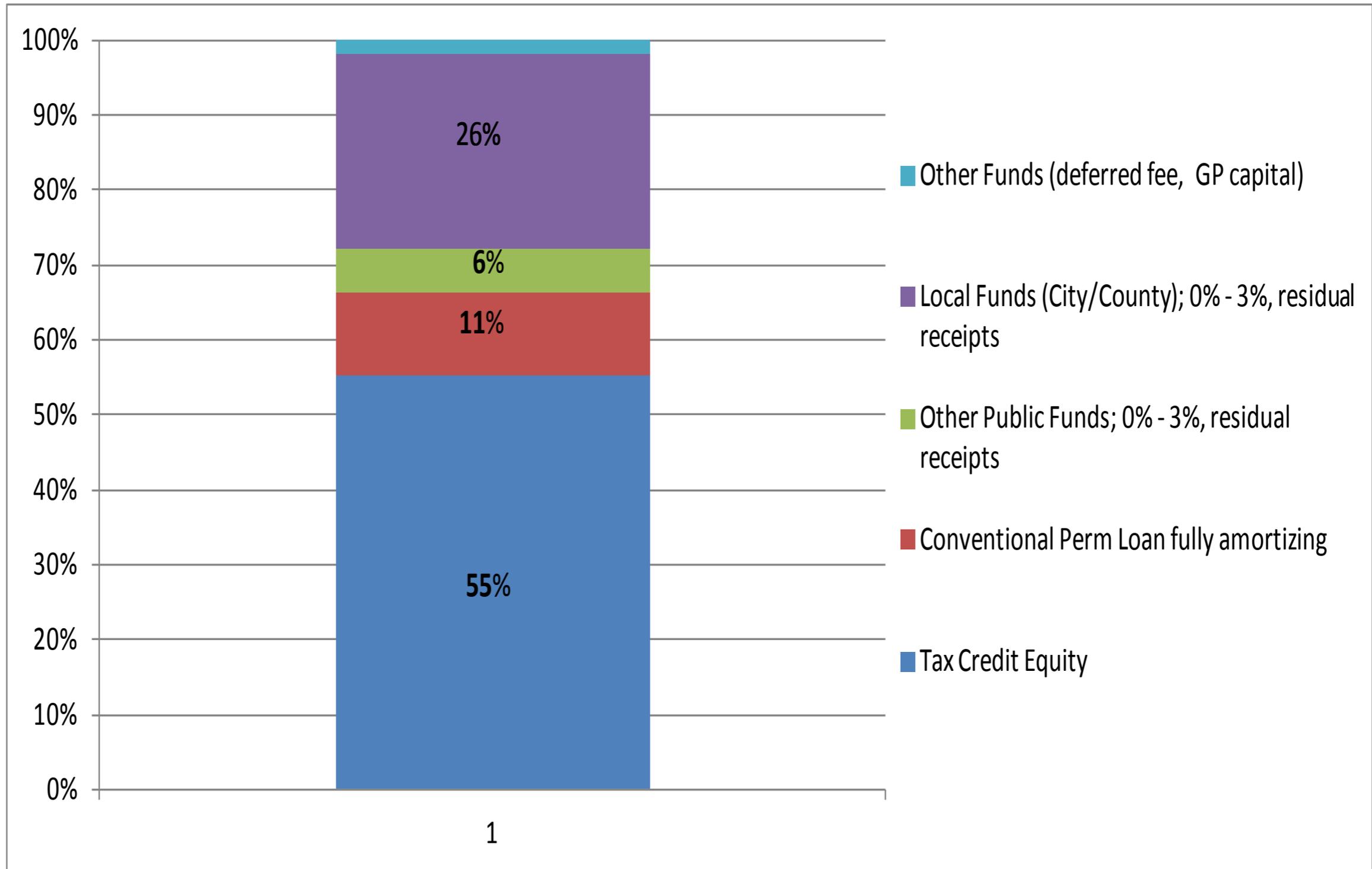
*Conventional hard debt*

- construction loan
- permanent mortgage with mandatory debt service

*Low-Income Housing Tax Credit Equity*

- Competitive Process to qualified sponsors
- Sold to investors for up front equity in exchange for a 10 year stream of tax credits

# THE CAPITAL STACK



# RESOURCES – LAND

- Acquisition Financing – San Mateo
  - ❖ Peninsula Station Site
- Donated Land – Daly City Parcel Assemblage
  - ❖ Private
  - ❖ Public
- Groundlease (below-market) – Half Moon Bay
  - ❖ Housing Authority-owned sites
- Zoning Opportunities – Menlo Park
  - ❖ Intensify use (increasing units from 48 to 90)



# RESOURCES - LOCAL



- City Resources
  - CDBG/HOME
  - Residential & commercial impact fees
  - “Boomerang Funds” (former RDA-funds)
  - Fee waivers

Cities in San Mateo / Santa Clara Counties with Impact Fees:

City	Residential Impact Fees	Commercial Impact Fees
Daly City	X	
San Carlos	X	
Redwood City	X	X
East Palo Alto	X	
Menlo Park		X
Mountain View	X	X
Sunnyvale	X	X
Cupertino	X	
San Jose	X	
Palo Alto		X

# RESOURCES - COUNTY



- Federal Resources managed locally
  - CDBG/HOME
  - Housing Authority – Move to Work funds
  - Project-Based Section 8 Vouchers
  - HUD-VASH (rental assistance for Veterans)
- County-Specific Resources
  - County Affordable Housing Funds (“Boomerang”)
  - Measure A funding

# RESOURCES - STATE



- CAP & TRADE FUNDING (“AHSC”)
- CA Housing Finance Agency (CalHFA)
- CA Housing & Community Development Funds
  - ❖ Grants for Emergency Housing
  - ❖ Bond Funding for Transportation-Oriented Development & Infill
  - ❖ And more from time to time ...

# PENINSULA STATION, SAN MATEO

68 units for families - \$33M

- Land: \$3.9M City Acquisition Loan
- County: \$2M CDBG/HOME
- State: \$3.9M HEART construction loan
- Federal: \$19M prop IC funds – Infill Infrastructure Grant
- Hard debt: \$3.5M tax credit equity
- Timeline: 2006 land acquired – 2010 occupied conventional first mortgage



# 636 EL CAMINO, SOUTH SAN FRANCISCO



**MidPen**  
HOUSING

109 units for families - \$45.5M

- Land: \$3M City Acquisition Loan
- City: \$7.2M RDA
- County: \$1.8M CDBG/HOME
- \$1M HEART loan (Genentech)
- \$4.7M hard debt leveraging Project-Based Section 8
- \$2.2M Mental Health services act
- Federal: \$21M tax credit equity
- Hard debt: \$3.3M conventional first mortgage
- Def. Fee: \$1.2M
- Timeline: 2008 acquired – 2012 occupied



# DELAWARE PACIFIC, SAN MATEO

60 units for families - \$26.6M

- Land: \$3M Value of Land Groundleased for \$1/yr to MidPen
- City: \$1.2M RDA/HOME
- County: \$2M CDBG/HOME
- State: \$3.2M leveraged Project-Based Section 8
- Local: \$1.1M Mental Health services act
- Regional: \$600k AHP Loan
- Federal: \$14.5M tax credit equity
- Hard debt: \$1M conventional first mortgage
- Timeline: 2009 RFP – 2013 occupied



# HALF MOON VILLAGE

160 units for families - \$57M

- Land: \$8.3M Value of Land Groundleased by Housing Authority
- County: \$2.1M CDBG/HOME
- \$3M leveraged Project-Based Section 8
- \$1M Housing Authority Capital
- Regional: \$900k AHP Loan
- Federal: \$36.6M tax credit equity
- Hard debt: \$5.2M conventional first mortgage
- Timeline: 2010 RFP – 2015 occupied



# ALMA POINT at FOSTER CITY

66 units for seniors - \$31M

- Land: \$4.75M City Acquisition Loan
- City of SM: \$420k HOME\*
- County: \$2.75M AHF
- Regional: \$590k leveraged Project-Based Section 8
- Federal: \$18M AHP Loan
- Hard debt: \$1.35M tax credit equity
- Timeline: 2012 RFP – 2016 *anticipated completion* conventional first mortgage



# 6800 MISSION STREET, DALY CITY



52 units for families - \$26.6M

- Land: \$1.4M City Land Donation
- City: \$1M HOME
- County: \$2M CDBG/HOME
- State: \$2.1M leveraged Project-Based Section 8
- Local: \$1.1M Mental Health services act
- Regional: \$510k AHP Loan
- Federal: \$16M tax credit equity
- Hard debt: \$2.1M conventional first mortgage
- Timeline: 2013 acquired – 2016 *anticipated completion*



# UNIVERSITY AVE, EAST PALO ALTO



40 units for seniors - \$25M

- Land: \$721k County HOME (a portion)
- City: \$700k TOT
- County: \$4.8M leveraged Project-Based Section 8
- Regional: \$1.6M AHF
- Regional: \$400k AHP Loan
- Federal: \$17M tax credit equity
- Timeline: 2005 to 2013 parcel assemblage – 2017 *anticipated completion*



# SEQUOIA BELLE HAVEN, MENLO PARK



90 units for seniors - \$43M

- Land: \$1.2M Seller Carryback
- City: \$5M RDA/BMR Funds
- County: \$1M CDBG/HOME
- State: \$6.9M leveraged Project-Based Section 8
- Local: \$685k AHF
- Regional: \$890k AHP Loan
- Federal: \$25M tax credit equity
- Hard debt: \$2.1M conventional first mortgage
- Timeline: 2013 up zoned – 2017 *anticipated completion*



# WORKING TOGETHER TO BUILD A PIPELINE

- San Mateo County: 249
- Peninsula/Silicon Valley: 409
- Bay Area: 533 units

