



**HOUSING ENDOWMENT AND REGIONAL TRUST (HEART)
OF SAN MATEO COUNTY**

**SPECIAL BOARD MEETING AGENDA
MEETING NO. 152**

DATE: Wednesday, December 4, 2019
TIME: 3:30 – 4:30 pm
PLACE: Hillsdale Mall, Bohannon Office Conference Room
358 Hillsdale Mall, San Mateo, CA 94403

1.0 CALL TO ORDER/ ROLL CALL

2.0 PUBLIC COMMENT

Public comment permitted on both items on the agenda and items not on the agenda.

3.0 CONSENT CALENDAR

ACTION: Motion to approve minutes of October 23, 2019Attachment p. 2

- 4.0 RESOLUTION 83 AUTHORIZING THE EXECUTIVE DIRECTOR AND/OR THE BOARD CHAIR TO EXECUTE A GRANT OR LOAN AGREEMENT WITH THE CITY OF REDWOOD CITY IN THE AMOUNT OF UP TO \$750,000 FOR THE PURPOSE OF MAKING GRANTS OR LOANS TO NON-PROFIT AND FOR-PROFIT ORGANIZATIONS AND EDUCATIONAL INSTITUTIONS FOR THE PRESERVATION, ACQUISITION AND REHABILITATION OF AFFORDABLE HOUSING IN ACCORDANCE WITH THE QUICKSTART PROGRAM AND WITH ANY FUNDING CONDITIONS REQUIRED BY THE CITY OF REDWOOD CITY– ACTION:** Adopt Resolution 83 authorizing HEART to enter into a grant or loan agreement for up to \$750,000.....Administrative Report p. 4
Resolution – p. 6

5.0 FUNDRAISING COMMITTEE

Report by Committee Chair Frisella (oral report)

6.0 EXECUTIVE DIRECTOR’S REPORT

Report by Executive Director Sanchez (Oral report)

7.0 OTHER NEWS AND ANNOUNCEMENTS

Next meeting date: The Board meeting scheduled for December 25, 2019 will be cancelled. The next meeting will be on Wednesday, January 22, 2020, 3:00-4:30 pm. Location to be announced.

HEART Holiday Reception: HEART Board, staff and guests will have their annual holiday reception immediately following the Board meeting at Paul Martin’s, Hillsdale Mall.

8.0 ADJOURN



**HOUSING ENDOWMENT AND REGIONAL TRUST (HEART)
OF SAN MATEO COUNTY**

**BOARD MEETING MINUTES – DRAFT
MEETING NO. 151**

DATE: Wednesday, October 23, 2019
TIME: 3:00 – 4:30 pm
PLACE: Department of Housing, Venus Room, 264 Harbor Blvd., Building A,
Belmont, CA 94402

Present: Julie Baigent (Arrived in middle of Agenda Item 5.2), Rick Bonilla, Michael Brownrigg, Karyl Eldridge (Arrived in middle of Agenda Item 4.0), Larry Franzella, Pam Frisella, Dave Hopkins (Arrived at end of Agenda Item 5.1), Don Horsley, Diane Howard, Jack Matthews, Sarah McDowell, Robert Morehead, Deborah Penrose, James Ruigomez (Arrived at end of Agenda Item 2.0), Warren Slocum (Arrived at end of Agenda Item 2.0), Glenn Sylvester

Staff: Ken Chan, Armando Sanchez, Boris Vatin

Guests: Craig Baumgartner, Carrie Dallman, Ray Hodges

1.0 CALL TO ORDER/ ROLL CALL

- Chair Horsley called the meeting to order at 3:02.
- Staff Chan performed roll call.

2.0 PUBLIC COMMENT

Public comment permitted on both items on the agenda and items not on the agenda.

- Chair Horsley conducted the swearing in ceremony of Deborah Penrose to the HEART Board.

3.0 CONSENT CALENDAR

ACTION: Motion to approve Consent Calendar

3.1 Approval of minutes from meeting of September 10, 2019

- Board Member Brownrigg made the motion to approve the minutes from HEART's September 10, 2019 meeting. Board Member Sylvester seconded. 13-0-0. Motion passed unanimously.

3.2 Accept \$20,000 grant from Bank of America for the QuickStart Program

- Board Member Brownrigg made the motion to accept the grant from Bank of America. Board Member Sylvester seconded. 13-0-0. Motion passed unanimously.

4.0 ACCEPT \$15,000 GRANT FROM WELLS FARGO BANK FOR THE QUICKSTART PROGRAM AND APPROVE RELATED BUDGET EXPENSES:

ACTION: Motion to accept grant and increase budget for consultants by \$7,500 (Oral Report)

- Director Sanchez provided oral report on the proposed grant from Wells Fargo Bank and indicated the need for a motion from the HEART Board to accept.
- Board Member Brownrigg made the motion to approve. Board Member Ruigomez seconded. 14-0-0. Motion passed unanimously.

5.0 EXECUTIVE DIRECTOR'S REPORT

Report by Executive Director Sanchez (Oral report)

- 5.1 Loan to ROEM Corporation
 - Director Sanchez gave oral report on the status of HEART's loan to ROEM Corporation.
- 5.2 Pacifica School District loan and project update
 - Director Sanchez provided update on the Pacifica School District loan and on the status of the project.
- 5.3 QuickStart loan commitment term
 - Director Sanchez indicated that the HEART Program Committee will be convened to determine the QuickStart loan commitment term length.
- 5.4 California Local Housing Trust Fund (LHTF)
Attachment: CA Department of Housing Notice of Funding Calendar
 - Director Sanchez provided status update on the California Local Housing Trust Fund.
- 5.5 First Time Homebuyer Program update
 - Staff Vatin updated the Board on the number of loans provided by the First Time Homebuyer Program for calendar year.
 - The Board directed Staff to post videos on the HEART website highlighting individual success stories.
- 5.6 HEART Teacher Housing workshop at Housing Leadership Day
Attachment: Tony Thurmond Announcement
 - Director Sanchez informed the Board that CA State Superintendent Tony Thurmond will be the keynote speaker at Housing Leadership Council's annual Housing Leadership Day event on October 25, 2019. He also indicated that HEART will be co-sponsoring a workshop regarding teacher housing at the event and encouraged the Board to attend.
- 5.7 Corporation contributions to affordable housing
 - Director Sanchez updated the Board on local corporate contributions to affordable housing in San Mateo County.
- 5.8 Board and staff annual holiday celebration
 - Director Sanchez informed the Board that the HEART board meeting scheduled for November 27, 2019 has been canceled. He indicated that the next meeting will take place on December 4, 2019 at the conference rooms located in the Hillsdale Mall; Staff will provide details prior to the meeting.

6.0 OTHER NEWS AND ANNOUNCEMENTS

- 6.1 Board Member retirements
 - Director Sanchez informed the Board on Board Member Kim's resignation from his Belmont City Council seat and will thus no longer sit on the HEART Board.
 - Board Member Sylvester announced that the City of Daly City will be accepting applications regarding housing slated for low-income residents.
- 6.2 **Next meeting date:** Regular meeting on Wednesday, November 27 is cancelled. A special meeting will be scheduled in early December.
 - Chair Horsley reiterated that the HEART Board meeting on November 27th will be cancelled. The next meeting will be held on December 4th at 3 pm.

7.0 ADJOURN

- Chair Horsley adjourned the meeting at 4:06 pm.



Administrative Report

To: Chair and Board of Directors
From: Armando Sanchez, Executive Director
Date: December 4, 2019

Subject: RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR AND/OR THE BOARD CHAIR TO EXECUTE A GRANT OR LOAN AGREEMENT WITH THE CITY OF REDWOOD CITY IN THE AMOUNT OF UP TO \$750,000 FOR THE PURPOSE OF MAKING GRANTS OR LOANS TO NON-PROFIT AND FOR-PROFIT ORGANIZATIONS AND EDUCATIONAL INSTITUTIONS FOR THE PRESERVATION, ACQUISITION AND REHABILITATION OF AFFORDABLE HOUSING IN ACCORDANCE WITH THE QUICKSTART PROGRAM AND WITH ANY FUNDING CONDITIONS REQUIRED BY THE CITY OF REDWOOD CITY

UPDATED Wednesday, November 27, 2019, 3:00 p.m.:

This item is in a state of flux as the City of Redwood City continues to determine how to proceed. Through our work with them we may have found a solution whereby they may not need to involve HEART at all. However, given the evolving opinions of the attorneys, things may change again. Therefore, HEART staff decided to send this item to the Board to have it on the agenda for action on December 4th should it be necessary. We will update the Board at the meeting on whether HEART's participation is necessary and at what level.

The State of California dissolved Redevelopment Agencies in February 2012 through Assembly Bill XI 26 and AB 1484 (together the "Dissolution Law"). Included in the Dissolution Law, was a provision allowing cities to retain ownership of housing assets and to collect program income and revenue from existing housing programs, if they elected to become housing successor agencies. Upon dissolution of its Redevelopment Agency, the City of Redwood City elected to become the housing successor and over the years has collected approximately \$2.5 million in former RDA housing funds.

The Dissolution Law established eligible uses for the housing funds and timelines by which the funds must be encumbered and expended. Depending on how the Dissolution Law is interpreted, the final deadline for using housing funds may be early January 2020. If cities do not use the funds by the deadline, they must remit any remaining funds to the State. Redwood City has not expended its housing funds and will be going to its City Council in mid-December to commit funds to various eligible projects. It is likely they will not be able to allocate all of the funds to projects, so they would like to convey any remaining funds to HEART to avoid losing them to the State.

Given Redwood City may be facing an immediate deadline before HEART's next Board meeting in January, HEART staff determined it would be best to seek approval from the Board at this time. At the time of writing this report a lot of uncertainty remains. HEART is working with Redwood City staff as well as Goldfarb Lipman to review this matter. It may be that HEART will need to accept some of the funds, all of the funds or none at all.

Also, it should be noted that any funds conveyed to HEART would have to be used subject to the terms and conditions set forth by both the Dissolution Law and the City of Redwood City. For example, the Dissolution Law is very clear that a city's funds can only be used within that city limits or within the immediate neighboring cities. Also there are strict guidelines in terms of the levels of affordability. As of all terms are not set at this time so the Board may elect to have staff communicate with the Board Chair or other individual Board Members on the final terms prior to executing any loan agreement. The final form of agreement would be subject to approval by HEART counsel.

Attachments: Resolution 83

RESOLUTION NO. 83

HOUSING ENDOWMENT AND REGIONAL TRUST OF SAN MATEO COUNTY

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR AND/OR THE BOARD CHAIR TO EXECUTE A GRANT OR LOAN AGREEMENT WITH THE CITY OF REDWOOD CITY IN THE AMOUNT OF UP TO \$750,000 FOR THE PURPOSE OF MAKING GRANTS OR LOANS TO NON-PROFIT AND FOR-PROFIT ORGANIZATIONS AND EDUCATIONAL INSTITUTIONS FOR THE PRESERVATION, ACQUISITION AND REHABILITATION OF AFFORDABLE HOUSING IN ACCORDANCE WITH THE QUICKSTART PROGRAM AND WITH ANY FUNDING CONDITIONS REQUIRED BY THE CITY OF REDWOOD CITY

RESOLVED, by the Board of the Housing Endowment and Regional Trust of San Mateo County (HEART), that

WHEREAS, on June 29, 2011 the legislature of the State of California (the "State") adopted Assembly Bill X1 26 ("AB 26"), which amended provisions of the Redevelopment Law; and,

WHEREAS, pursuant to AB 26 and the California Supreme Court decision in California Redevelopment Association, et al. v. Ana Matosantos, et al., which upheld AB 26 (together with AB 1484, the "Dissolution Law"), the former Redevelopment Agency of the City of Redwood City was dissolved on February 1, 2012; and,

WHEREAS, pursuant to the Dissolution Law, the City of Redwood City ("City") elected to be the Housing Successor Agency and as such was allowed to receive revenue and program income from existing affordable housing programs and projects to be used to further the development and preservation of affordable housing; and,

WHEREAS, HEART wishes to accept a grant or borrow funds from the City, and the City wishes to grant (the "Grant") or extend to HEART a loan (the "Loan") from its Housing Funds from the former Redevelopment Agency in the amount of up to \$750,000 to support HEART's development of affordable housing subject to the limits and conditions set forth by the City and the Dissolution Law.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED:

1. The Board of Directors hereby authorizes the Executive Director and/or the Board Chair to execute, on behalf of HEART, a grant or loan agreement with the City of Redwood City for up to \$750,000 subject to conditions set by the City and the Dissolution Law. The final form of the agreement is subject to attorney review and approval.

Approved by the Board of Directors by a vote of ____ ayes, ____ noes, and ____ abstentions on the 4th day of December, 2019.

Board Chair	Date
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Attest: Secretary	Date
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