

**MONTEREY COUNTY
ECONOMIC OPPORTUNITY COMMITTEE**

MEETING:	September 13, 2017	AGENDA NO.: 5b
SUBJECT:	Receive a Report on the Monterey Bay Housing Trust (MBHT).	
DEPARTMENT:	Economic Development Department	

RECOMMENDATION:

It is recommended the Economic Opportunity Committee receive a report on the Monterey Bay Housing Trust (MBHT).

SUMMARY/DISCUSSION:

On August 29, 2017, the Monterey County Board of Supervisors approved a \$500,000 contribution to the Monterey Bay Housing Trust. The MBHT was established by the Monterey Bay Economic Partnership (MBEP) to raise funding for local affordable housing projects in the Monterey Bay Region, including Monterey, San Benito and Santa Cruz counties. To date, MBHT has received contributions totaling \$2.25M and anticipates providing as much as \$40M to affordable housing projects over the next ten years.

The MBHT is managed by the Housing Trust of Silicon Valley to provide loans in support of affordable housing projects. Eligible projects include multi-family rental, permanent supportive housing and mixed income ownership housing. Loans range from \$500,000 unsecured to \$2,000,000 secured with terms up to 5 years. Interest rates on the loans are competitive and based on the transaction structure, credit worthiness of the borrower, and the cost of funds (which is a blend of borrowed money and grants).

CHISPA is the first beneficiary of this new source of funding for affordable housing. They received a \$500,000 predevelopment loan with a 5% interest rate and three-year term to begin work on their Castroville Oaks project. CHISPA has proposed building 90 homes and 124 apartments. The apartments will be restricted to households earning 50-60% of the area median income based on household size.

OTHER AGENCY INVOLVEMENT:

MBEP was instrumental in establishing the MBHT and working with the Housing Trust of Silicon Valley to bring local affordable housing to the Monterey Bay Area.

FINANCING:

As part of the FY 2017-18 budget process the Board of Supervisors authorized the County of Monterey to make a one-time contribution of \$500,000 to MBHT. The Board of Supervisors action was confirmed on August 29, 2017, when the Board approved the Agreement and associated contribution. The MBHT is self-sustaining. There are no additional fiscal impacts with this recommendation.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The MBHT is intended to provide critical pre-development funding for a variety affordable housing types, which will improve the living conditions for Monterey County households. The County's funding contribution to the MBHT supports the Board approved Strategic Initiatives:

☒ Economic Development
☐ Administration
☒ Health & Human Services
☒ Infrastructure
☐ Public Safety

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