



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



Date: March 28, 2013
Board Meeting Date: April 9, 2013
Special Notice / Hearing: None
Vote Required: 4/5ths

To: Honorable Board of Supervisors

From: Duane Bay, Director

Subject: Approve an Appropriation Transfer Request (ATR) to increase Federal Community Development HUD Grant for FY 2012-2013

RECOMMENDATION:

Adopt a Resolution authorizing an Appropriation Transfer Request in the amount of \$1,500,000 from unanticipated revenue in Federal Community Development HUD Grant to fund unanticipated expenditures in HCD Project Costs, and Salaries and Benefits Adjustments.

BACKGROUND:

Each year the Board reviews and approves an Annual Action Plan that allocates federal funds in the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) programs to non-profit community service providers and affordable housing developers for the forthcoming fiscal year. The draft Annual Action Plan is prepared by the Department of Housing, taking into account the recommendations of the Board-appointed Housing and Community Development Committee. The amount of funds available for allocation for a given year are based on projections of the annual federal entitlement grants plus principal and interest payments from outstanding loans.

The sources and uses of funds in the Annual Action Plan do not directly match the respective sources and uses of funds in the departmental budget because funds allocated in a given year to large, multi-year housing development projects are not necessarily spent in the same year. When housing developments are able to proceed more quickly than anticipated, County expenditures to reimburse the developers can outpace the budget. The Department can cover these extra costs almost immediately by drawing down federal funds. Nonetheless, in order to make these reimbursements the budget for HCD Project Costs must be increased, as well as the offsetting revenue in Federal Community Development HUD Grant.

DISCUSSION:

For FY2012-13 the Department of Housing budgeted \$5,368,964 for HCD Project Costs (6811). The Department now projects that it will be able to place an additional \$1,400,000 into community loans and grants this year. The Department will be able to draw down federal funds to reimburse all of these expenditures. Therefore, the budget for Federal Community Development HUD Grant revenues (1954) will be increased as well.

Approval of this Appropriation Transfer Request (ATR) contributes to the Shared Vision 2025 outcome of a Livable Community by increasing the supply of affordable housing in San Mateo County.

The Department is also requesting an increase of \$100,000 to cover unanticipated one-time expenses associated with a staff retirement, including accrued paid time off.

PERFORMANCE MEASURE(S):

Measure	FY 2011-12 Actual	FY 2012-13 Projected
Number of county-funded housing units developed and occupied	123	60
Number of households benefitting directly from county-administered loans and grants	220	250

FISCAL IMPACT:

The amount of this ATR is \$1,500,000 that will be offset by drawdown of HUD CDBG and HOME funds. There is no Net County Cost incurred with this Appropriation Transfer Request.