



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Department of Housing  
Housing & Community Development



**Date:** April 15, 2013  
**Board Meeting Date:** May 7, 2013  
**Special Notice / Hearing:** 10-Day Publication,  
Public Hearing  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Duane Bay, Director  
**Subject:** San Mateo County HOME Consortium

**RECOMMENDATION:**

Adopt a Resolution to approve:

- A) Five-Year Consolidated Plan for the San Mateo County HOME Consortium for Fiscal Years 2013-14 through 2017-18; and
- B) Fiscal Year 2013-14 Annual Action Plan; and
- C) Citizens Participation Plan

**BACKGROUND:**

The County receives funding allocations from the United States Department of Housing and Urban Development (HUD) under three programs: Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG). To receive these funds, the County is required to submit a Consolidated Plan (ConPlan) to HUD every five years, and is also required to submit an Annual Action Plan each year that delineates allocations of the HUD funding to specific local projects, and reports outcomes attributable to these expenditures. These required documents serve both as an application for funds and a local policy statement. In the first year of each five-year cycle the ConPlan and Annual Action Plan are combined.

The ConPlan is "consolidated" in two senses, geographically, as explained below, and topically, covering all three HUD programs through which the County is entitled to receive funds as the lead agency of the San Mateo County HOME Consortium.

CDBG national goals are statutory: (1) decent housing, (2) a suitable living environment, and (3) expanded economic opportunities. Within this framework, HUD encourages local jurisdictions to tailor objectives and outcomes to local needs and conditions. The four largest cities in San Mateo County, Daly City, South San Francisco, San Mateo,

and Redwood City, each are entitled to receive a CDBG grant from HUD. CDBG funds are provided to the County and the 16 smaller cities, which together comprise an Urban County, for which the County is the lead agency. For purposes of administering HOME funds, the City of South San Francisco joins with the Urban County to comprise a HOME Consortium, and the three other entitlement cities remain independent. ESG funds are provided to the County as the sole recipient for countywide distribution.

HUD requires that each entitlement entity adopt and follow a Citizens Participation Plan (CPP) that establishes procedures to assure substantial public notice and meaningful opportunity for public input in the development of the ConPlan and Annual Action Plans.

### **DISCUSSION:**

The ConPlan links national objectives and local project and program priorities, providing necessary context and justification for local decisions to use federal funds for particular local activities. Federal guidelines encourage localities to focus expenditures on areas, programs and projects that can make the most difference in terms of advancing the national program priorities, and to periodically review priorities.

The ConPlan calls for focusing expenditures in areas of need, in projects that are financially and politically feasible, in projects and programs that strengthen organizational partners and attract or leverage additional funding, and on serving residents who bear the greatest circumstantial burdens and/or whose circumstances manifest in burdensome public costs.

The ConPlan and Annual Action Plan were developed in accordance with HUD public participation process requirements and the CPP. The Housing and Community Development Committee (HCDC), a citizen advisory body appointed by the Board to formulate recommendations on CDBG, HOME, and ESG, met publicly in Fall 2012 to determine funding priorities for the three federal funding programs. On December, 7 2012, the HCDC presided over a follow-up public session to review and confirm both five-year and annual housing and community development goals and objectives. As a precursor, on November 29, 2012, housing program staff from the County, South San Francisco and Daly City held a joint community input meeting. During December and January, the County solicited funding applications from nonprofits, city and County agencies. During February and March, the proposals were reviewed and evaluated by staff and the HCDC in order to development the specific funding recommendations to be included in the Annual Action Plan. The final piece of the County's public process is a public hearing before the Board of Supervisors, after which the ConPlan and Action Plan will be finalized for submission to HUD, due no later than May 15, 2013.

In addition to requesting approval of the ConPlan and Annual Action Plan, the Department of Housing and the HCDC are recommending amendments to the CPP. The proposed amendments authorize electronic methods for public notification and facilitate better alignment with the County's tiered delegation of authority regarding contract approval. The CPP is intended to match the extent of required public

participation with the degree of materiality of any change to the ConPlan or Action Plan. The proposed amendment to the CPP has undergone a public comment period, from the December 7, 2012 public meeting to January 20, 2013, during which no comments were received, and a subsequent public hearing conducted by the HCDC.

Pending HUD confirmation of the entitlement allocations, the total FY 2013-14 Annual Action Plan budget is approximately \$4 million. Although the final HUD allocations for FY 2013-14 have not been finalized, the budget assumes that cuts under federal sequestration will impact CDBG, HOME, and ESG by 5%. While seemingly small, the effect of this cut is amplified because it continues a two-decade downward HUD funding trend. CDBG rules cap funding for public services at 15% of the new CDBG entitlement grant amount plus 15% of program income (loan repayments). Last year, when two-year contracts were implemented for public services, unscheduled loan repayments were projected to be atypically large. This year, by contrast, they are projected to be atypically small. As such the effective cut to public services will be approximately 20%.

The table below summarizes HUD funding under CDBG, HOME, and ESG, while the attached Action Plan table summarizes project details. Attachment A enumerates activities for FY 2013-14.

<u>Total Sources</u>		
CDBG Grant	\$2,355,364	
HOME Grant	\$898,388	
ESG Grant	\$210,910	
CDBG Program Income & Reprogrammed Funds	\$544,591	
HOME Program Income & Reprogrammed Funds	\$72,201	
<b>TOTAL</b>	<b>\$4,081,454</b>	
<u>Total Uses</u>		
Housing Development Reserve	\$846,774	20.7%
Multifamily Housing Rehab	\$286,616	7.0%
Minor Home Repair Programs	\$362,500	8.9%
Housing Rehab/Reserves	\$245,002	6.0%
Public Facilities	\$250,000	6.1%
Micro-enterprise Assistance	\$70,000	1.7%
Public Services/Fair Housing	\$606,146	14.9%
Section 108 Loan Repayment (Trestle Glen Apts)	\$615,989	15.1%
Program Management & Administration	\$798,427	19.6%
<b>TOTAL</b>	<b>\$4,081,454</b>	<b>100.0%</b>

HUD Certifications. In order to receive HUD entitlement funds, the County must submit *pro forma* certifications to HUD assuring that the County: (1) will not discriminate in providing services; (2) is following a citizens participation process; (3) is providing a drug-free workplace for staff; and (4) has adopted and is enforcing a policy prohibiting

the excessive use of force against any individuals engaged in non-violent civil rights demonstrations. The Board is asked to authorize these certifications.

County Counsel has reviewed and approved the Resolution as to form. Approval of these actions contributes to the Shared Vision 2025 outcome of a Livable Community in that they garner funding critical to assisting a spectrum of activities to help vulnerable residents achieve a sustainable quality of life.

**FISCAL IMPACT:**

There is no Net County Cost. The Annual Action Plan activities are included in the Department of Housing Budget for FY 2013-2014.