



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



**Date:** March 17, 2015  
**Board Meeting Date:** April 28, 2015  
**Special Notice / Hearing:** 10-Day Publication,  
Public Hearing  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** William Lowell, Director

**Subject:** FY 2015-16 Annual Action Plan for Housing and Community Development

**RECOMMENDATION:**

Adopt a resolution:

- A) Approving the Fiscal Year 2015-16 Annual Action Plan;
- B) Approving the addition of the City of San Mateo to the Urban County for the HOME fund; and
- C) Authorizing the Director of the Department of Housing or the Director's designee to execute contracts, as approved by County Counsel, for the programs and projects as indicated in the Annual Action 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 an Annual Action Plan ("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.

ConPlan national goals are three-fold: (1) decent affordable 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. CDBG funds are provided directly to five jurisdictions in the County: Daly City, South San Francisco, San Mateo, Redwood City, and the County. As lead for the

Urban County, the County receives CDBG on behalf of the 16 smaller cities within the County and on its own behalf. HOME funds are provided directly to four of the five CDBG jurisdictions; the City of South San Francisco has joined with the Urban County for receipt of HOME funds. This past year, the City of San Mateo requested inclusion in the Urban County, adding their HOME allocation to the Urban County allocation starting in FY 2016-17. The addition would bring a little over \$200,000 more in HOME funds to the Urban County allocation on a yearly basis.

ESG funds are provided to the County as the sole recipient for countywide distribution.

**DISCUSSION:**

The Action Plan links national objectives to local project and program priorities, providing necessary context and justification for local decisions regarding use of federal funds. The ConPlan focuses expenditures in projects that are financially and politically feasible and in projects and programs that strengthen organizational partners and attract or leverage additional funding. Impact is measured by numbers of low income residents and households served.

Four overarching principles govern the County's administration of HUD entitlement funding: process; accountability; transparency; and collaboration. In accordance with these principles, the County launched the yearly process with a public priorities-setting meeting in December 2014 presided over by the Housing and Community Development Committee (HCDC), the public advisory body for making funding recommendations to the Board. A study session was held in March 2015 with the HCDC, followed by an HCDC public meeting with the applicants. Today's public hearing concludes the public process, after which the Action Plan will be submitted for HUD review and approval prior to May 15, 2015.

HUD entitlements to the County over the past 20 years show a marked decline, from a high of \$5.1 million in 1994-95 to only \$3.46 million for 2015-16 which represents a \$70,891 decrease from the prior year. The table below summarizes the 2015-16 Sources and Uses including the new entitlement, any unused prior year funding and expected program income (primarily from loan payments). All Public Service programs and the other non-housing development categories are the second year of a two-year funding plan originated with FY 2014-15 Action Plan. The Public Service and Microenterprise programs were all reduced below last year's funding amount due to reductions in the formula allocation from the CDBG program and smaller program income totals when compared to last year. Two Housing Rehab Programs (El Concilio and CID) will receive reduced funding this year due to decreased utilization, enabling the other Housing Rehab Programs to receive an amount equal to their funding from

last year. This Action Plan table also includes a new use of funds, the Public Facility Over-the-Counter (OTC) fund, designated as a source of funding to enable the County to better address emergency needs within the county. The attached Action Plan details specific activities recommended for funding.

<b>SOURCES</b>		%
CDBG	2,371,480	48.3%
HOME	876,218	17.9%
ESG	213,368	4.3%
Program Income	931,513	19.0%
Reprogrammed Funds	516,172	10.5%
<b>TOTAL</b>	<b>4,908,751</b>	100%
<b>USES</b>		
Housing Development	1,504,459	30.6%
Housing Rehab Programs	321,250	6.5%
Public Facilities	761,188	15.5%
Microenterprise Assistance	64,505	1.3%
Public Services:		
General	171,188	3.5%
Core Safety Net Services	77,164	1.6%
Shelter Services	352,667	7.2%
Fair Housing	28,120	0.6%
Housing Rehab Loan Program	146,000	3.0%
Section 108 Repayment	688,909	14.0%
Program Management	793,301	16.2%
<b>TOTAL</b>	<b>4,908,751</b>	100%

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 being asked to approve and accept the Action Plan, authorize the Director of Housing or the Director's designee to submit the certifications and Action Plan to HUD, and to execute contracts, as approved by County Counsel, for the FY 2015-16 programs and projects as indicated.

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 enable receipt of funding critical to a spectrum of activities that 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 2015-2016.