



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
County Manager's Office



**Date:** September 13, 2016  
**Board Meeting Date:** September 20, 2016  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** John L. Maltbie, County Manager

**Subject:** **Measure A** Process and Spending Criteria

**RECOMMENDATION:**

Accept the following report back items from the June 21, 2016 Recommended Budget hearing:

- a) **Measure A** Parameters and Timeline for the FY 2017-19 Budget Cycle; and
- b) Criteria for Use of **Measure A** vs. General Fund.

**BACKGROUND:**

During the June 21, 2016 Recommended Budget hearing, the Board requested a proposed process for the upcoming **Measure A** funding cycle and criteria for when to use **Measure A** sales tax proceeds versus General Fund reserves when providing loans and grants to outside agencies. Both report backs are attached for the Board's review and consideration.

Acceptance of these report back items contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that the process for allocating **Measure A** sales tax proceeds are transparent, include public input and comment, and are consistent with the Board's budget priorities for the upcoming budget cycle.

**FISCAL IMPACT:**

There is no Net County Cost associated with accepting these reports.



## COUNTY OF SAN MATEO

### COUNTY MANAGER'S OFFICE

#### Measure A Parameters and Timeline for FY 2017-19 Budget Cycle

We are coming up on the third two-year budget cycle since voters approved **Measure A**. Given the Board's broad portfolio of existing **Measure A** investments, and the importance of new investments demonstrating broad public benefit, our recommendation is to limit the next phase of investments to the following areas:

- **Continue initiatives that are demonstrating results in priority areas**
  - Ending homelessness – coordinated intake, rapid re-housing, living wage
  - Preserving and increasing affordable housing
  - Improving 3<sup>rd</sup> grade reading proficiency in school districts below county average
  - Ensuring all foster youth graduate from high school and attend college or enter a vocational program
  - Prevention and early intervention – at-risk youth, mentally ill, older adults
- **Continue designating specific amounts for one-time investments**
  - Parks, public safety and library facilities, technology infrastructure projects
    - § Prepare multi-year plans and consider ongoing maintenance and operations costs in priority-setting
  - Assistance to non-profit service providers – use similar approach to residential treatment providers; application process for designated pool of funds
  - District-specific funds – set aside funds for one-time grants to address specific needs in individual Board districts which might not otherwise be addressed in connection with the continuing initiatives listed above.
- **New investments**
  - Census tract and client data from Health, Human Services and Criminal Justice will be used to identify high concentrations of need, so that recommendations for new initiatives, and realignment of existing initiatives, can be brought to the Board in December.

Emphasis on prioritizing the needs of County clients, using **Measure A** to leverage other funding sources, and reporting on results and outcomes, will continue.

Timeline	Activity
September 20, 2016	County Manager gets initial Board input on <b>Measure A</b> parameters
October - November	Departments develop initial recommendations using <b>Measure A</b> parameters, meet with County Manager, get Board input; begin issuing RFPs where appropriate
December 6 or 13	County Manager recommends budget priorities and <b>Measure A</b> allocation plan; Board sets priorities for FY2017-19 budget and <b>Measure A</b>
January – June 2017	Board direction folded into budget development
Spring 2017	Departments issue Requests for Proposal (RFPs) for July 1 start-up
June 2017	Recommended Budget Hearings

## Criteria for Use of Measure A vs. General Fund

During the June 2016 budget hearings a request was made by Supervisor Tissier to provide direction on when to use General Fund reserves versus **Measure A** funds when providing loans and grants to outside agencies. Given the County's current General Fund reserve levels and future capital/IT needs, we recommend against issuing General Fund loans except to County Non-General Fund departments where the payback is guaranteed through taxes, surcharges and/or fees. We don't believe it is prudent at this time to provide General Fund loans and grants to outside agencies and non-profits.

**Measure A** and Measure K (if passed) funds may be used for loans to cities and special districts provided there is a guaranteed funding source, and to non-profits based on sound financial statements and may include liens if deemed necessary. In addition, **Measure A** and Measure K funds may be used to provide grants to cities, special districts and non-profits as long as such grants are consistent with the Board's budget priorities. The following table is submitted for the Board's consideration:

Proposed Use	Borrower	Payback Terms	Gen Fund	Meas A	Meas K
Short-term loan (< 5 years)	County Dept	Guaranteed	X		
Short-term loan (< 5 years)	City / Special	Guaranteed		X	X
Short-term loan (< 5 years)	Non-Profit	Financials / Lien		X	X
Long-term loan (> 5 years)	County Dept	Guaranteed	X		
Long-term loan (> 5 years)	City / Special	Guaranteed			X
Long-term loan (> 5 years)	Non-Profit	Financials / Lien			X
Grant*	City / Special	N/A		X	X
Grant*	Non-Profit	N/A		X	X
*Grants should be consistent with the County's budget priorities approved by the Board during their forthcoming planning sessions tentatively scheduled for December 2016.					