



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
County Manager



Date: December 6, 2016
Board Meeting Date: December 13, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: John L. Maltbie, County Manager

Subject: Guidance on Use of **Measure K** Funds v. General Funds

RECOMMENDATION:

Adopt a resolution formalizing criteria for use of **Measure K** funding v. General Funds.

BACKGROUND:

During the June 21, 2016 Recommended Budget hearing, the Board requested criteria for when to use **Measure K** sales tax proceeds versus General Fund reserves when providing loans and grants to outside agencies. During the September 20, 2016 Board of Supervisors meeting, the Board received a report from the County Manager, **Measure K** Process and Spending Criteria, which provided guidance on the use of **Measure K** funds.

DISCUSSION:

The Budget Director has developed proposed criteria for when to use General Fund reserves versus **Measure K** funds when providing loans and grants to outside agencies, including cities, special districts, school districts and non-profits. These criteria are contained in Attachment A and were previously provided to the Board on September 20, 2016. The only changes included herewith are the inclusion of school districts for **Measure K** loans and grants and private for-profit businesses for grants. All grants, whether to public entities, non-profits, or for-profits, should be consistent with and address the Board's priorities, including but not limited to, ending homelessness, developing affordable workforce housing, providing training opportunities and internships for emancipated foster youth, and other district-specific priorities for district-specific grants.

Adoption of the proposed criteria contributes to the Shared Vision 2025 outcome of a Collaborative Community by ensuring that the process for **Measure K** sales tax proceeds are transparent, include public input and comment, and are consistent with the Board's budget priorities for the upcoming budget cycle.

On November 8, 2016, subsequent to the submission of the criteria to the Board, the voters of San Mateo County approved “**Measure K**,” extending the one-half cent **Measure K** sales and use tax until 2043. The County’s Chief Elections Official certified the November 8, 2016, election results on December 5, 2016. Following acceptance of the Chief Elections Official’s certificate by this Board, the criteria referenced herein will thereafter apply to **Measure K**.

FISCAL IMPACT:

Adoption of this policy ensures that General Fund reserve and cash balances are not compromised by long-term loans to outside agencies.

ATTACHMENTS:

A. Criteria for Use of **Measure K** Funds v. General Funds