



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



Date: March 24, 2017
Board Meeting Date: April 25, 2017
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Ken Cole, Director

Subject: FY 2017-2018 Annual Action Plan for Housing and Community Development

RECOMMENDATION:

Adopt a resolution:

- A) Approving the Fiscal Year 2017-2018 Annual Action Plan pending notification of Housing and Urban Development Entitlement Awards for Community Development Block Grant, HOME Investment Partnerships, and Emergency Shelter Grant, with adjustments to be made to individual awards on a pro rata basis once that notification has been issued; and
- B) Authorizing the Director of the Department of Housing or the Director's designee to execute contracts for the programs and projects as indicated in the Annual Action Plan.

BACKGROUND:

The County of San Mateo (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 Shelter Grant ("ESG"). To receive these funds, the County is required to submit a Consolidated Plan (The "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.

The national goals of the ConPlan are three-fold: (1) the provision of decent affordable housing, (2) the provision of a suitable living environment, and (3) the expansion of 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: The City of Daly City, the City of South San Francisco, the City of San Mateo, The City of Redwood City, and the County.

As lead for the HUD-designated Urban County, the County receives CDBG funds on behalf of 16 smaller cities within the County and on its own behalf. The County also

receives HOME funds on behalf of the San Mateo County HOME Consortium which includes San Mateo County, The City of South San Francisco and The City of San Mateo. The City of Redwood City and The City of Daly City are not members of the San Mateo County HOME Consortium and receive HOME funding directly.

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 the use of federal funds. The ConPlan focuses on 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 a yearly process with a public priorities-setting meeting in November 2016 presided over by the Housing and Community Development Committee ("HCDC"), the public advisory body for making funding recommendations to the Board of Supervisors ("Board"). A study session was held in March 2017 with the HCDC, followed by an HCDC public meeting with applicants. Today's public hearing concludes the Community Participation Process, after which the Action Plan will be submitted to HUD for review and approval prior to May 15, 2017.

HUD entitlements to the County over the past 20 years showed a marked decline, from a high of \$5.1 million in 1994-95 to \$3.65 million for FY 2017-18, which represents flat funding from the prior year (FY 2016-17). Table 1 summarizes the 2017-2018 Sources and Uses including the new entitlement, any unused prior year funding and expected program income (primarily from loan payments). Table 1 sources include a contribution from the CDBG Revolving Loan fund balance. This will be year two of two-year agreements for all public service, housing rehab programs, micro-enterprise development, fair housing and shelter operations and will be one time only funding for housing development and public facilities. Total available funding in FY 2017-2018 has neither increased, nor decreased, but remains flat, with the exception of public facilities funding, which was decreased.

The attached Action Plan details specific activities recommended for funding as set out in the table below:

Sources	FY 2017-2018	% of Total
CDBG	\$2,295,882	36.2%
HOME	\$1,149,916	18.1%
ESG	\$213,368	3.4%
Program Income	\$2,028,883	32.0%
Other Programmable Funds	\$656,527	2.9%
TOTAL SOURCES	\$6,344,576	100.0%
Uses		
Housing Development	\$2,890,514	45.6%
Housing Rehab Programs	\$330,000	5.2%
Public Facilities	\$126,178	2.0%
Microenterprise Assistance	\$70,000	1.1%
Public Services		
General	\$234,500	3.7%
Core Safety Net Services	\$75,000	1.2%
Shelter Services/Rapid Rehousing	\$368,780	5.8%
Fair Housing	\$28,000	0.4%
Housing Rehab Loan Program	\$475,222	7.5%
Section 108 Loan Repayment (Trestle Glen)	\$662,329	10.4%
Program Administration	\$902,748	14.2%
Program Delivery Costs	\$181,305	2.9%
TOTAL USES		100.0%
TABLE 1		

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 citizen's participation process (now known as a community 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 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 2017-2018 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 the 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 2017-2018.