



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



Date: April 3, 2014
Board Meeting Date: May 6, 2014
Special Notice / Hearing: 10-Day
Publication,
Public Hearing
Vote Required: Majority

To: Honorable Board of Supervisors

From: William Lowell, Director

Subject: FY 2014-15 Annual Action Plan for Housing and Community Development

RECOMMENDATION:

Public hearing to consider a Resolution approving the Fiscal Year 2014-15 Annual Action Plan for Housing and Community Development

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.

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 2013 presided over by the Housing and Community Development Committee (HCDC), the public advisory body for making funding recommendations to the Board. An application preparation workshop was held in January 2014, followed in March 2014 by a study session with the HCDC and 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.

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 \$3.5 million for 2014-15 which represents a \$4,545 increase from the prior year. The table below summarizes the 2014-15 Sources and Uses including the new entitlement, any unused prior year funding and expected program income (primarily from loan payments). The attached Action Plan details specific activities recommended for funding.

SOURCES		%
CDBG	2,393,716	49%
HOME	939,657	19%
ESG	198,584	4%
Program Income	1,301,412	27%
Reprogrammed Funds	39,962	1%
TOTAL	4,873,331	100%
USES		
Housing Development	1,977,119	41%
Housing Rehab Programs	351,250	7%
Public Facilities	100,000	2%
Microenterprise Assistance	67,900	1%
Public Services:	0	0%
General	187,500	4%

Core Safety Net Services	83,930	2%
Shelter Services	353,790	7%
Fair Housing	30,800	1%
Housing Rehab Loan Program	126,696	3%
Section 108 Repayment	603,779	12%
Program Management	990,567	20%
TOTAL	4,873,331	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 and authorize the Director of Housing to submit the certifications and Action Plan to HUD.

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 2014-2015.