



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Department of Housing



Date: April 4, 2016
Board Meeting Date: May 10, 2016
Special Notice / Hearing: 10-Day Publication,
Public Hearing
Vote Required: Majority

To: Honorable Board of Supervisors

From: Ken Cole, Director

Subject: FY 2016-2017 Annual Action Plan for Housing and Community Development

RECOMMENDATION:

Adopt a resolution:

- A) Approving the Fiscal Year 2016-2017 Annual Action Plan; 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 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: the provision of (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: 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 the 16 smaller cities within the County and on its own behalf. HOME funds are provided directly to three of the five CDBG jurisdictions; the City of South San Francisco is a member of the San Mateo County HOME Consortium and in FY2016-2017, the City of San Mateo joined the County HOME Consortium as well. The addition of the City of San Mateo brings 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 November 2015 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 2016 with the HCDC, followed by an HCDC public meeting with the applicants. Today's public hearing concludes the public participation process, after which the Action Plan will be submitted for HUD review and approval prior to May 15, 2016.

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 \$3.65 million for 2016-17 which represents an increase of \$192,078 over the prior year funding. Table 1 summarizes the 2016-17 Sources and Uses including the new entitlement, any unused prior year funding and expected program income (primarily from loan payments). This will be year one of two-year agreements for all Public Service programs and the other non-housing development categories. Total available funding in FY2016-2017 increased by almost \$1.13 million due to increased program income from the repayment of outstanding loans. As a result of the additional funding, there were increased amounts available in all categories, with the exception of public facilities.

The attached Action Plan details specific activities recommended for funding.

SOURCES	FY2016-2017	
CDBG	\$ 2,295,882	38.0%
HOME	\$ 1,143,781	18.9%
ESG	\$ 213,481	3.5%
Program Income	\$ 2,347,537	38.9%
Reprogrammed Funds	\$ 36,188	0.6%
TOTAL SOURCES	\$ 6,036,869	100.0%
USES		
Housing Development	\$ 2,715,167	45.0%
Housing Rehab Programs	\$ 501,567	8.3%
Public Facilities	\$ 199,500	3.3%
Microenterprise Assistance	\$ 70,000	1.2%
Public Services		
General	\$ 235,000	3.9%
Core Safety Net Services	\$ 75,000	1.2%
Shelter Services	\$ 368,885	6.1%
Fair Housing	\$ 28,000	0.5%
Housing Rehab Loan Program	\$ 146,000	2.4%
Section 108 Repayment	\$ 688,909	11.4%
Program Admin	\$ 909,841	15.1%
Program Delivery Costs	\$ 99,000	1.6%
TOTAL USES	\$ 6,036,869	100%
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 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 2016-17 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 2016-2017.