



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 24-549

Board Meeting Date: 6/25/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Raymond Hodges, Director, Department of Housing
Subject: CDBG and PLHA funding commitments

RECOMMENDATION:

Adopt a resolution:

- A) Approving the allocation of \$592,887.50 in Community Development Block Grant ("CDBG") funding for the Alta 2809 El Camino project; and
- B) Approving the allocation of an additional \$2,603 in state Permanent Local Housing Allocation ("PLHA") funding to CORA for operating support for its Safe Houses for a total PLHA fiscal year (FY) 2024-25 grant amount of \$19,999 and to allocate \$19,965 in PLHA funding to LifeMoves for operating support for its Haven House shelter in FY 2024-25; and
- C) Authorizing the Director of the Department of Housing or designee, to take all necessary actions in connection with the submission of and any amendments to the Annual Action Plan, including providing additional information that the federal government may require, and to execute contracts, as approved by the County Executive, acting in consultation with the County Attorney, for the above three projects.

BACKGROUND:

The County receives funding allocations from the United States Department of Housing and Urban Development ("HUD") under three entitlement programs: Community Development Block Grant ("CDBG"), Home Investments Partnership Program ("HOME"), and the Emergency Solutions Grant program ("ESG"). The CDBG Program supports community development activities to build stronger and more resilient communities. The HOME Program provides formula grants to states and localities to fund a wide range of activities including building affordable housing for rent or homeownership. The ESG Program is designed to assist people with quickly regaining stability in permanent housing after experiencing a housing crisis and/or homelessness.

To receive these funds, the County is required to submit an Annual Action Plan each year that delineates allocations of the HUD funding to specific local projects, and reports outcomes attributable to these expenditures. This required document serves both as an application for funds and a local policy statement. After the public hearing at the Board of Supervisors' April 23, 2024 meeting, this Board approved the FY24-25 Annual Action Plan.

The County also receives state Permanent Local Housing Allocation ("PLHA") funding. PLHA provides funding to local governments in California for housing-related projects and programs that assist in addressing the unmet housing needs of their local communities. The County invests 50 percent of its annual PLHA allocation in projects that serve individuals at risk of or experiencing homelessness; 45 percent of its annual PLHA allocation in new affordable housing developments, and 5 percent of its annual PLHA allocation to support the administration of this source of funding. After the public hearing at the Board of Supervisors' April 23, 2024 meeting, the Board approved a set of FY 2024-25 projects to be funded with PLHA funding.

DISCUSSION:

During the April 23, 2024 Board of Supervisors meeting and public hearing, staff recommended that the Board postpone approving CDBG funding for the Alta 2809 El Camino project because staff were in discussions with HUD and Alta related to the eligibility and amount of funding that could be provided for this specific project. Staff informed the Board that once these discussions concluded this item would return to the Board for approval with an adjusted scope of work and associated budget.

The discussions have now concluded, and staff recommends awarding \$592,887.50 in CDBG funds for Alta's 2809 El Camino project. These funds will be used for the acquisition of the site, which will provide 51 affordable homes for older adults in the North Fair Oaks community.

Because the federal ESG funding allocation was lower in FY 2024-25 compared to FY 2023-24, staff are also recommending allocating an additional \$2,603 in PLHA funding to CORA for operating support for its Safe Houses for a total PLHA fiscal year (FY) 2024-25 grant amount of \$19,999. In addition, staff recommend allocating \$19,965 in PLHA funding to LifeMoves for operating support for its Haven House shelter for FY24-25. With this additional PLHA funding, the funding requests for these two projects will be complete.

In view of the foregoing, staff recommends that this Board authorize the Director of the Department of Housing or designee, to take all necessary actions in connection with the submission of and any amendments to the Annual Action Plan, including providing additional information that the federal government may require, and to execute contracts, as approved by the County Executive, acting in consultation with the County Attorney, for the above projects.

The County Attorney has reviewed and approved the resolution as to form.

EQUITY IMPACT:

These three projects will positively impact low-income individuals in our community with a focus on older adults, persons experiencing domestic violence, and/or persons experiencing homelessness.

Staff invest federal and state funds in community-based organizations and non-profit housing organizations that actively engage groups traditionally excluded from housing opportunities through feedback from clients and/or community meetings. County of San Mateo Department of Housing Staff are working on mitigating negative impacts in our County that are hindering equitable outcomes for identified groups by investing federal and state funding, to support projects to build equity.

FISCAL IMPACT:

Federal CDBG and State PLHA funds for these three projects are included in the Department of Housing FY 2024-25 Adopted Budget. There is no net County cost associated with expenditures under the federal entitlement programs and state pass-through funds.