



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-472

Board Meeting Date: 6/25/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Executive

Subject: Recommendations for proposed **Measure K** Funds for programs and services in the Children, Families and Seniors priority area

RECOMMENDATION:

Measure K: Adopt a resolution:

- A) Approving recommendations for proposed programs and services pursuant to the Fiscal Year 2024-25 **Measure K** Notice of Funding Opportunity (NOFO) as set forth in Attachment A and authorizing the County Executive or designee to negotiate agreements with recommended applicants, and/or conduct further solicitations, as necessary and advisable within the discretion of the County Executive, to be returned to the Board for approval; and
- B) Reallocating \$4,000,000 of the **Measure K** funds allocated for the NOFO grants to cover funding gaps in affected County services within the Board priority areas of Children, Families and Seniors; Housing and Homelessness; and Emergency Preparedness, which proposed appropriations will be included in the September revisions to the Fiscal Year 2024-25 Recommended Budget.

BACKGROUND:

In 2012, the County voted in favor of a ballot initiative, **Measure A**, a countywide half-cent sales tax to financially support essential County services and to ensure the maintenance of aging government infrastructure. In November 2016, **Measure K** was passed by San Mateo County voters to extend the sales tax for 20 years, until March 31, 2043.

In response to changing community needs, this Board expressed a desire to reexamine **Measure K** funding priorities and processes for allocating funds. Throughout 2023, steps were taken to design and implement a new allocation process. Feedback from residents, community-based organizations and County departments was gathered through surveys and listening sessions throughout the county. At the October 3, 2023 **Measure K** study session, staff presented a report produced by

InterEthnica, summarizing the results of the surveys and listening sessions, providing valuable input for the Board.

On October 17, 2023, after considering the County's needs and community input, this Board approved the following priority areas for FY 2024-25 **Measure K** funding: Children, Families, and Seniors; Housing and Homelessness; and Emergency Preparedness. Mental Health is a component of each priority area rather than a stand-alone item.

In addition to approving the priority areas, this Board authorized the County Executive to develop and proceed with a Notice of Funding Opportunity (NOFO) process to obtain applications from providers for funding within the approved priority areas and subcategories identified by the Board. The Board also directed staff to identify a portion of **Measure K** revenues that could be re-allocated to reflect the community input gathered through this process.

The NOFO, which closed on January 5, 2024, generated substantial interest from the community. The County received 315 applications consisting of 232 applications to provide programs for Children, Families, and Seniors; 28 applications for funding Emergency Preparedness; and 55 applications under the Housing and Homelessness category. The NOFO was heavily over-subscribed, with requests for **Measure K** funding in the first year alone totaling \$251 million - many times more than the \$34.5 million initially allocated in available funding.

On March 19, 2024, staff presented recommendations to the Board based on the panels' evaluation of the NOFO applications.

On March 26, 2024, this Board approved recommendations for **Measure K** funding allocations in the priority areas in preparation for the Fiscal Year 2024-25 Recommended Budget, including allocations of \$15,000,000 for Housing and Homelessness, \$3,500,000 for Emergency Preparedness, \$16,000,000 for Children, Family and Seniors, and \$75,500,000 in ongoing services and programs. In addition, this Board approved recommendations for proposed programs and services pursuant to NOFO for the Housing and Homelessness and Emergency Preparedness priority areas and authorized the County Executive or designee to negotiate agreements with recommended applicants, and/or to conduct further solicitations, as necessary.

In light of the sheer number of applications within the Children, Families, and Seniors priority area, staff deferred providing a full set of recommendations, but the Board did approve two applications totaling \$3,000,000 for programs to address the most immediate needs for Children, Families, and Seniors countywide.

DISCUSSION:

Following the Board's approval of **Measure K** funding allocations on March 26, 2024, the Governor released the State budget, which proposes substantial reductions in critical services, specifically within the Human Services Agency and Health Services. These reductions, if implemented, will have a significant impact on County programs serving children, families, and seniors unless offset by other funding sources. Within the current limitations of the available general fund, staff recommends utilizing \$4,000,000 of the **Measure K** funds allocated for the NOFO grants to cover funding gaps in affected County services within the Board priority areas of Children, Families and Seniors, Housing and Homelessness and Emergency Preparedness. The reallocation of the \$4,000,000 will be reflected in proposed appropriations to be included in the September revisions to the FY 2024-25

Recommended Budget.

In addition, staff recommends that the Board approve the additional recommended programs and services for the Children, Families, and Seniors priority area, which now total \$9,182,883. The recommended programs and services are specified in Attachment A.

Staff further recommends that the Board authorize the County Executive, or designee, to negotiate agreements and/or conduct further solicitations, as necessary and advisable in the County Executive's discretion, with respect to funding the applications specified in Attachment A, which agreements shall be subject to approval by this Board at a future meeting. The applications recommended for negotiation or further solicitation under the Children, Families and Seniors priority area include 22 proposals, as specified in Attachment A.

In all cases, the County Executive would have discretion to negotiate proposed agreements for Board approval, and/or conduct further solicitations, in the best interest of the County and may determine not to proceed with agreements with certain applicants, to proceed at a funding level other than proposed by applicants, and to determine such other terms and conditions as may be necessary and advisable in the County Executive's discretion.

EQUITY IMPACT:

The recommended **Measure K** programs and services address pressing community needs and priorities. The **Measure K** allocation process has considered the voices, needs, and priorities expressed by local community members. It seeks to measurably improve the lives of all San Mateo County residents.

FISCAL IMPACT:

The FY 2024-25 Recommended Budget is expected to include a total of \$110 million in **Measure K** revenue. This action would allocate \$9,182,883 in **Measure K** revenues (in addition to the \$3,000,000 previously allocated) for programs and services in the Children, Family and Seniors priority area, which amounts will be included in the FY 2024-25 Recommended Budget. The reallocation of the \$4,000,000 in **Measure K** NOFO funds will be reflected in proposed appropriations to be included in the September revisions to the FY 2024-25 Recommended Budget.