



County of San Mateo

Inter-Departmental Correspondence

Department: HOUSING

File #: 19-318

Board Meeting Date: 4/23/2019

Special Notice / Hearing: Public Hearing
Vote Required: Majority

To: Honorable Board of Supervisors

From: Ken Cole, Director

Subject: FY 2019-20 Annual Action Plan for Housing and Community Development

RECOMMENDATION:

Public hearing regarding the FY 2019-20 Annual Action Plan for Housing and Community Development:

- A) Open public hearing
- B) Close public hearing
- C) Adopt a resolution:
 1. Approving the FY 2019-20 Annual Action Plan pending notification of Housing and Urban Development Entitlement Awards for the Community Development Block Grant program, the HOME Investment Partnerships program, and the Emergency Solutions Grants program, with adjustments to be made to individual awards as directed by the San Mateo County Housing and Community Development Committee at its previously held February 27, 2019 meeting; and
 2. 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: the Community Development Block Grant ("CDBG") program, the HOME Investment Partnerships ("HOME") program and Emergency Solutions Grants ("ESG") program. 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: Daly City, the City of South San Francisco, the City of San Mateo, Redwood City, and the County of San Mateo.

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 the County, the City of South San Francisco, and the City of San Mateo. Redwood City and Daly City are not members of the San Mateo County HOME Consortium and receive HOME funding directly from HUD.

ESG funds are provided to the County as the sole recipient for countywide distribution.

DISCUSSION:

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. 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.

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 2018 presided over by the Housing and Community Development Committee ("HCDC"), the public advisory body for making funding recommendations to the County Board of Supervisors ("Board"). A study session was held in February 2019 with the HCDC, followed by an HCDC public meeting with applicants. The public hearing on April 23, 2019 will conclude the Community Participation Process, after which the Action Plan will be submitted to HUD for review and approval prior to May 15, 2019.

HUD entitlements to the County over the past 20 years showed a marked decline, from a high of \$5.1 million in FY 1994-95 to an estimated \$3.60 million for FY 2019-20, which represents flat funding from the prior year (FY 2018-19). Table 1 summarizes the expected FY2019-20 Sources and Uses including the estimated new entitlements, any unused prior year funding, and expected program income (primarily from loan payments). Table 1 sources include estimated entitlements from HUD and a contribution from the San Mateo County CDBG Revolving Loan fund balance. FY 2019-20 will be year two of the 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.

The attached Action Plan details specific activities recommended for funding as set out on Table 1: FY 2019-20 Sources and Uses, attached to this Board Memorandum.

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 participation plan (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 Annual Action Plan, which is attached, and to 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 2019-20 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 2019-20.