



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HOUSING

**File #:** 20-537

Board Meeting Date: 7/21/2020

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**Special Notice / Hearing:** Public  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** Raymond Hodges, Director, Department of Housing

**Subject:** Department of Housing Plan for Utilizing Permanent Local Housing Allocation Funds from the State of California Department of Housing and Community Development

**RECOMMENDATION:**

Recommendation to:

- A) Open public hearing
- B) Close public hearing
- C) Adopt a resolution:
  1. Authorizing and adopting the plan for Permanent Local Housing Allocation funds on behalf of the County of San Mateo; and
  2. Representing and certifying that the County of San Mateo will subgrant some or all of its PLHA funds to another entity or entities, as "entity" is defined in Section 302(c)(3) of the Permanent Local Housing Allocating Final Guidelines; and
  3. Representing and certifying that the County of San Mateo's subgrantee selection process will be accessible to the public and shall avoid any conflicts of interest.

**BACKGROUND:**

On May 19, 2020, the Board of Supervisors (the Board) approved Resolution No. 077442, which authorized and directed the Department of Housing (DOH) to develop and submit an application to California Department of Housing and Community Development (HCD) for Permanent Local Housing Allocation (PLHA) funds on behalf of the County. If its PLHA application is accepted, the County will receive \$7,257,300 over the next five years, beginning with \$1,209,550 during FY 2020-21. Among other purposes, the funds will be used to assist persons experiencing or at risk of homelessness, increase the supply of housing for households at or below 60 percent of area median income, and

facilitate housing affordability, particularly for low- and moderate-income households.

Through Resolution No. 077442, the Board further directed DOH to develop a plan for PLHA funds (PLHA Plan) to be included with the PLHA application as required by HCD. This PLHA Plan has been made available for public comment and is provided as Exhibit A to the accompanying resolution. In order to be included as part of a completed application for funds, the Plan must be authorized and adopted by this Board.

The PLHA Plan includes uses such as new affordable housing construction and subgranting for programs, which require specific guarantees be made to HCD relating to the subgranting. These guarantees are consistent with current DOH standards so their inclusion in PLHA agreements will not require changes to DOH grant or loan practices. These guarantees are included in the resolution using HCD recommended language to ensure a successful application process.

#### **DISCUSSION:**

DOH's PLHA Plan earmarks \$302,388 of PLHA funds (25 percent in FY 2020-21 and subsequent years) for awards to shelter providers and core services providers that apply to the Public Services Notice of Funding Availability (NOFA) this fall, which would have the following anticipated impacts:

- Funding all DOH shelter services at FY 2019-20 levels (a total of \$253,485 in funding);
- Funding all DOH core services at FY 2019-20 levels (a total of \$50,000 in funding);
- Increasing the availability of CDBG funds for public services by \$180,000, which would allow DOH to close the \$114,100 funding gap for approved CDBG funding applications that fall under the 'public services' category cap;
- Providing for up to a 20 percent increase in support for approved CDBG funding applications that fall under the 'public services' category cap; and
- More than doubling the capacity of DOH-supported rapid re-housing programs (from \$91,000 to \$214,000).

DOH's PLHA Plan earmarks another \$302,388 of PLHA funds (25 percent in FY 2020-21 and subsequent years) for rental assistance and rapid re-housing programs awarded under the Public Services NOFA administered this fall, which would have the following anticipated impacts:

- Leveraging and complementing ESG funds that have been redirected towards rapid re-housing as discussed above; and
- Increasing long-term capacity and stability of service providers in this space with longer term (up to five year) agreements.

The PLHA Plan also provides DOH with \$60,477 in administrative fees to supplement its budget, and allocates the balance of \$544,297 to be devoted to affordable housing production or other uses distributed through DOH's Affordable Housing Fund (AHF) NOFA process.

DOH seeks a resolution from this Board to approve DOH's PLHA Plan on behalf of the County. This resolution tracks a sample board resolution required for use by HCD. The PLHA Plan attached hereto as Exhibit A was also prepared using an HCD template. After reviewing the potential uses of the funds, DOH's PLHA Plan reflects the following proposal:

- Designating 25 percent of PLHA funds (\$302,388 in FY 2020-21) to shelters and Core Services to be awarded through DOH's Public Services NOFA process in the fall of 2020;
- Designating 25 percent of PLHA funds (\$302,388 in FY 2020-21) to rental assistance and rapid re-housing to be awarded through DOH's Public Services NOFA process in the fall of 2020;
- Designating the maximum five percent allowable amount for administration (\$60,477 in FY 2020-21); and
- Designating 45 percent, or the balance (\$544,297 in FY 2020-21) for the predevelopment, development, acquisition, rehabilitation, and preservation of housing that is affordable to extremely low-, very low-, low-, and moderate- income households to be awarded through DOH's AHF NOFA process in the fall of 2020.

The PLHA Plan was made available for public comment and review on June 26, 2020 to afford the public an opportunity to review and comment on it. A copy of the proposed MTW Annual Plan was posted on the Department of Housing website as well as emailed to previous County NOFA applicants, grantees, and non-entitlement jurisdictions within the urban county. No public comments were received; however, if comments were received, they would have been incorporated into the PHLA Plan to be submitted to HCD.

County Counsel has reviewed and approved the resolution as to form.

**FISCAL IMPACT:**

The amount of the grant would be \$7,257,300 over the next five years beginning with a \$1,209,550 disbursement during FY 2020-21. This is a revenue agreement so there is no Net County Cost.