



County of San Mateo

Inter-Departmental Correspondence

Department: GOVERNING BOARD

File #: 21-334

Board Meeting Date: 5/4/2021

Special Notice / Hearing: Public Hearing
Vote Required: Majority

To: Honorable Board of Supervisors
From: Raymond Hodges, Director, Department of Housing
Subject: FY 2021-22 Annual Action Plan for Housing and Community Development

RECOMMENDATION:

Adopt a resolution:

- A) Approving and accepting the Fiscal Year 2021-2022 Annual Action Plan ("Annual Action Plan") pending notification of U.S. Department of Housing and Urban Development ("HUD") Entitlement Awards for Community Development Block Grant, HOME Investment Partnerships, and Emergency Solutions Grant, with adjustments to be made to individual awards on a pro rata basis once that notification has been issued; and
- B) Authorizing the Director of the Department of Housing or designee, to submit the Annual Action Plan, the related certifications, and all understandings and assurances contained therein to HUD, to take all necessary actions in connection with the submission of the Annual Action Plan, including providing additional information that the federal government may require, and to execute contracts, as approved by County Counsel, for the programs and projects as indicated in the Annual Action Plan.

BACKGROUND:

The County of San Mateo 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 (the "ConPlan") to HUD every five years, and an Annual Action Plan ("Annual 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: 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 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 San Mateo County, the City of South San Francisco and the City of San Mateo. The City of Redwood City and the City of Daly City are not members of the San Mateo County HOME Consortium and receive HOME funding directly.

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

DISCUSSION:

The Annual 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. 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.

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 2016 presided over by the Housing and Community Development Committee ("HCDC"), the public advisory body for making funding recommendations to the Board of Supervisors ("Board"). For the FY 2021-22 Annual Action Plan, a study session was held in February 2021 with the HCDC, followed by an HCDC public meeting with applicants. The public hearing with the Board on May 4, 2021 will conclude the Community Participation Process, after which the FY 2021-22 Annual Action Plan will be submitted to HUD for review and approval prior to May 15, 2021.

HUD entitlements to the County over the past 20 years have declined, from a high of \$5.1 million in 1994-95 to \$4.3 million for FY 2021-22. Additionally, this year's entitlement amount is slightly less funding than the year prior (FY 2020-21). Table 1 summarizes the 2021-2022 Sources and Uses including the new entitlement, any unused prior year funding and expected program income (primarily from loan payments). Table 1 sources include a contribution from the CDBG Revolving Loan fund balance. This will be Year 2 of 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. Total available funding in FY 2021-2022 has slightly decreased compared to FY 20-21 due to less grant funding for public services.

The attached Annual Action Plan details specific activities recommended for funding as set out in the table below:

Sources	*before program admin costs	FY 2021-2022	% of Total
CDBG		\$3,876,144	56.5%

CDBG Rehab	\$263,180	3.8%
HOME	\$2,485,980	36.3%
ESG	\$227,700	3.3%
TOTAL SOURCES	\$6,853,005*	
TOTAL SOURCES AFTER ADMIN ALLOCATION	\$5,778,093	
Uses		
Housing Development	\$3,854,631	60.4%
Housing Rehab Programs	\$200,000	3.4%
Public Facilities	\$66,519	1.1%
Microenterprise Assistance	\$45,000	0.7%
Public Services		
General	\$203,687	3.5%
Core Safety Net Services	\$75,000	1.3%
Shelter Services/Rapid Rehousing	\$340,622	5.9%
Fair Housing	\$35,000	0.6%
Minor Home Repair Grants	\$413,000	7.1%
Section 108 Loan Repayment (Trestle Glen)	\$493,445	8.5%
Program Administration	\$1,074,912	18.7%
Program Delivery Costs	\$11,000	0.1%
TOTAL USES	\$5,737,914	
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 citizen's participation process (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.

Accordingly, staff recommends that the Board approve and accept the Annual Action Plan, and authorize the Director of Housing, or designee, to submit the Annual Action Plan, the related certifications, and all understandings and assurances contained therein to HUD, to take all necessary actions in connection with the submission of the Annual Action Plan, including providing additional information that the United States government may require, and to execute contracts, as approved by County Counsel, for the programs and projects as indicated in the Annual Action Plan.

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

FISCAL IMPACT:

There is no net County cost. The Annual Action Plan activities are included in the Department of Housing Budget for FY 2021-2022.