



# County of San Mateo

## Inter-Departmental Correspondence

**Department:** COUNTY MANAGER

**File #:** 22-196

Board Meeting Date: 3/22/2022

**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors  
**From:** Michael P. Callagy, County Manager  
**Subject:** Measure K Budget for FY 2022-23

### **RECOMMENDATION:**

Accept the recommendation of the BOS **Measure K** subcommittee for the FY 2022-23 **Measure K** budget.

### **BACKGROUND:**

**Measure K** is the half-cent general sales tax initially approved by San Mateo County voters in November 2016 (then known as Measure A) and extended in November 2016 for a total of thirty years. The County's website (<https://www.smcgov.org/cmo/measure-k>) details the projects funded by Measure K.

On March 9, 2021, and March 23, 2021, the Board conducted two Measure K study sessions to set priorities for the FY 2021-23 budget cycle. Based on the Board's decisions, the FY 2022-23 Preliminarily Adopted Budget includes the following:

<b>Measure K Project</b>	<b>FY 2022-23 Prelim Adopted, Budgeted</b>
<b><i>Ongoing Initiatives</i></b>	<b><i>\$32,769,241</i></b>
<b><i>Miscellaneous One-Time Initiatives</i></b>	
MCO Airport Support (3 years)	224,870
<b><i>Misc One-Time Initiatives</i></b>	<b><i>\$224,870</i></b>
<b><i>FY 2021-23 One-Time Expenditures</i></b>	
County Fire Engine Replacement Fund	1,500,000
Pescadero Fire Station	4,000,000

Flood and Sea Level Rise District	500,000
Active Transportation	500,000
Library Summer Reading Programs	454,956
Center on Homelessness Housing Assistance	2,500,000
Fire Mitigation - CMO & Parks	2,000,000
College for All	1,000,000
Middlefield Road Bike Lane	200,000
<b>New FY 2021-23 One-Time Initiatives</b>	<b>\$12,654,956</b>
Affordable Housing Fund	20,000,000
Big Lift	8,176,383
ISDTI	5,000,000
Parks	5,000,000
FAA	2,220,047
Whole Person Care Match	2,000,000
<b>Total</b>	<b>\$88,045,497</b>

#### **DISCUSSION:**

In preparation for the upcoming FY 2022-23 budget, the Board of Supervisors ("Board") ad-hoc Measure K subcommittee, consisting of Supervisor Pine and Supervisor Canepa, worked with staff to review anticipated revenue for FY 2022-23 and to make recommendations for the full Board to consider for Measure K priorities for FY 2022-23.

County staff is projecting Measure K revenue to be \$99 million in FY 2022-23, approximately \$11.5 million more than is currently budgeted. The Board ad-hoc subcommittee recommends the anticipated additional \$11.5 million be allocated as follows:

<b>New FY 2022-23 Expenditures</b>	<b>Amount</b>
County Housing Vouchers (ongoing 15 years)	4,000,000
CBO Cost of Living Adjustment (ongoing)	2,500,000
Gun Removal Program (one-time)	1,000,000
Additional District-Discretionary Funding (one-time)	4,000,000
<b>Total</b>	<b>11,500,000</b>

#### **County Housing Vouchers (ongoing 15 years):**

The Department of Housing (DOH) proposes to develop and pilot a Local Rental Subsidy Program (LRSP) to help subsidize tenant rents and support ongoing operating costs at permanent supportive housing developments in the County. The LRSP will be modeled after the Housing Authority of the County of San Mateo's (HACSM) project-based rental assistance programs, where LRSP will pay the difference between the monthly rent and 30% of the household's income and will give the County more flexibility to meet the specific needs of homeless households. The County's LRSP proposes the following program components:

- Provide a local rent subsidy to 100 homeless units with a subsidy valued at \$2,500 a month for studios and 1-bedroom units for a total of \$3 million/year.
- Provide ongoing supportive services for the program to ensure that homeless households can remain successfully housed. The program proposes \$1 million/year to provide on-site supportive services like case management to households.
- A minimum term of the local rent subsidy program is proposed for 15 years. The longer stable term of the program will assist in leveraging private dollars from commercial lenders and tax credit investors for permanent supportive housing developments.

The LRSP is meant to be a flexible tool, acting as a supplemental source of funding to HUD's project-based voucher program. The creation of this program will allow the County of San Mateo to continue to move forward the important work of permanently housing homeless households. The LRSP will allow the County to sustain long-term feasibility of the recently acquired Homekey permanent housing sites and other homeless pipeline projects to provide a permanent path forward for many homeless households living on the streets and in the County's interim and emergency shelters.

The full program details will be worked through the subcommittee and then brought back to the Board of Supervisors in a future meeting.

#### CBO Cost of Living Adjustment (COLA) (ongoing):

The County relies on its community-based organization (CBO) partners in providing safety-net services for San Mateo County residents. Many CBOs rely on Measure K funding to provide these services on an ongoing basis. The proposal is to provide a 3% COLA in FY 2022-23.

#### Gun Removal Program (one-time):

On March 11, 2022, Supervisor Pine and Supervisor Horsley hosted the "Getting Prohibited Guns Off the Street: Firearm Relinquishment in San Mateo County" forum where Attorney General Rob Bonta spoke about the importance of getting prohibited guns off the streets, legislation in place and/or being developed to assist in this effort, efforts already in practice in San Mateo County, and opportunities to further our success in these efforts.

Supervisor Horsley and Supervisor Pine have asked the County Manager's Office to explore opportunities to increase coordination and resources to address this important topic. A multi-disciplinary team is being formed to recommend a two-year comprehensive strategy to get prohibited guns off the streets of San Mateo County.

#### Additional District-Discretionary Funding (one-time):

Under this proposal, each Board Supervisorial District will receive an additional \$800,000 in one-time Measure K funding in FY 2022-23 to be spent at the district's discretion and consistent with the guidelines for spending such funds adopted by the Board in 2018.

Staff is requesting that the Board approve the proposed Measure K budget for FY 2022-23. Upon direction from the Board, staff will include the Measure K budget in the County recommended budget brought forward in June.

#### **FISCAL IMPACT:**

The FY 2022-23 Recommended Budget will include \$99.5 million in Measure K revenue, including the \$88 million already budgeted, and an additional \$11.5 million in funding described above.