



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** HOUSING

**File #:** 23-256

Board Meeting Date: 4/25/2023

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**Special Notice / Hearing:** 30 day notice (newspaper and electronic)

**Vote Required:** Majority

**To:** Honorable Board of Supervisors

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

**Subject:** Consolidated Plan and FY 2023-24 Annual Action Plan and Projects

**RECOMMENDATION:**

Public Hearing regarding the Consolidated Plan and FY23-24 Annual Action Plan and Projects:

A) Open Public Hearing

B) Close Public Hearing

C) Adopt a resolution:

1. Approving and accepting the five-year Consolidated Plan ("ConPlan"), in Attachment A, and the associated FY 2023-2024 Annual Action Plan ("Annual Action Plan") and projects to be funded by the United States Department of Housing and Urban Development ("HUD") Entitlement Awards: Community Development Block Grant ("CDBG") and Emergency Solutions Grant ("ESG") in Attachment B; and, pending notification of the State's ESG and Permanent Local Housing Allocation (PLHA) allocations, approve projects funded via the State's ESG and PLHA programs, which were also included in the Winter FY 2023-2024 Notice of Funding Availability ("NOFA"), and are shown in Attachment B with adjustments to be made to individual State ESG awards on a pro rata basis once the State ESG notification has been issued; and
2. Authorizing the Director of the Department of Housing, or designee, to submit the ConPlan and associated Annual Action Plan and the projects funded by State ESG and PLHA programs shown in Attachment B, the related certifications, and all understandings and assurances contained therein to HUD, to take all necessary actions in connection with the submission of the ConPlan and Annual Action Plan, including providing additional information that the federal government may require, and to execute contracts, as approved by the County Attorney, for the programs and projects as indicated in the Annual Action Plan and for programs funded by State ESG and PLHA programs as shown in Attachment B.

## **BACKGROUND:**

The County receives funding allocations from HUD under three programs: CDBG, HOME Investment Partnerships (“HOME”), and ESG. To receive these funds, the County is required to submit a ConPlan to HUD every five years, and an 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 the 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 County HOME Consortium and, instead, these cities receive HOME funding directly. Federal ESG funds are provided to the County as the sole recipient for countywide distribution.

In addition, the County is the sole recipient for countywide distribution of State ESG funds, which were included in the NOFA. The County, along with the cities of Daly City, San Mateo, South San Francisco, and Redwood City, also receives PLHA funding. The County invests half of its annual PLHA allocation in projects that serve individuals at risk of or experiencing homelessness. \$647,800 of PLHA funds were included in the NOFA and five projects were recommended for funding as shown in Attachment B. The balance of PLHA funding is allocated to affordable housing developments and projects, which are selected via the annual Affordable Housing Fund.

## **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 the five-year ConPlan process and yearly Annual Action Plan process with a public priorities-setting meeting in November 2022, which was presided over by the San Mateo County Housing and Community Development Committee (“HCDC”), the public advisory body for making funding recommendations to the Board of Supervisors (“Board”). For the ConPlan and associated Annual Action Plan, a study session was held in February 2023 with the HCDC, followed by an HCDC public hearing with applicants. The public hearing with the Board on April 25, 2023, will conclude the Community Participation Process, after which the ConPlan and associated Annual Action Plan will be submitted to HUD for review and approval prior to May 15, 2023.

HUD entitlements to the County over the past 20 years have declined, from a high of \$5.1 million in FY 1994-1995 to \$4.18 million for FY 2023-24. Additionally, this year's entitlement amount is approximately \$200,000 less than the year prior (FY 2022-23). The total value of funding available including the new entitlement, any unused prior year funding, expected program income (primarily from loan payments), State ESG, and PLHA funding equals \$7,226,092.70. Of that total value, \$2,031,922.83 will be allocated to community development and public service projects, \$529,414.50 to section 3 loan repayments, and \$935,677.47 to program administration. The balance, \$3,729,077.91, will be allocated for new housing development or rehabilitation projects via the Affordable Housing Fund Notice of Funding and/or over the counter requests.

This is Year 2 of two-year agreements for all public service, housing rehab programs, micro-enterprise development, fair housing, minor home repair, and shelter operations programs and will be one time only funding for public facilities. Attachment B: Winter FY 2023-24 NOFA and Annual Action Plan Sources also details specific activities recommended for funding from the State's ESG and PLHA programs, which were included in the NOFA.

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 five-year ConPlan, in Attachment A, and associated FY 2023-24 Annual Action Plan, and authorize the Director of Housing, or designee, to submit the ConPlan and Annual Action Plan and the projects funded by State ESG and PLHA programs shown in Attachment B, the related certifications, and all understandings and assurances contained therein to HUD, to take all necessary actions in connection with the submission of the ConPlan and 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 and for programs funded by State ESG and PLHA programs as shown in Attachment B.

The County Attorney has reviewed and approved the resolution as to form.

**FISCAL IMPACT:**

There is no net County cost. The Annual Action Plan and Winter FY 2023-24 NOFA activities are included in the Department of Housing budget for FY 2023-24.

**ATTACHMENTS:**

Attachment A: Consolidated Plan and FY 2023-24 Annual Action Plan and Projects Attachment B: Attachment B: Winter FY 2023-24 NOFA and Annual Action Plan Sources and Uses