

TO: James L. App, City Manager  
FROM: Bob Lata, Community Development Director  
SUBJECT: 2003 Consolidated Plan and Federal HOME and Emergency Shelter Grant (ESG) Programs  
DATE: March 4, 2003

Needs: For the City Council to conduct a noticed public hearing and make a recommendation to the County Board of Supervisors regarding those activities to be approved for funding with the County's 2003 allotments of Federal Home Investment Partnership Act (HOME) and Emergency Shelter Grant (ESG) funds.

Facts:

1. HOME and ESG funds are federal funds allocated annually by the Department of Housing and Urban Development (HUD) to states, "urban counties" and entitled cities. Via a cooperative agreement, the City of Paso Robles is a member of an "urban county" along with the cities of San Luis Obispo, Atascadero, Arroyo Grande, and Grover Beach and the County of San Luis Obispo.
2. The cooperative agreement among the County and participating cities stipulates that CDBG funds will be allocated to each jurisdiction per a HUD-developed formula. The cooperative agreement does not provide for a similar allocation for HOME and ESG funds. The agreement does, however, provide that the County and participating cities cooperate in the allocation of HOME and ESG funds.
3. Federal Regulations governing the CDBG, HOME and ESG Programs require that housing and community development needs to which these funds are applied be addressed in a Consolidated Plan. In 2000, the Board of Supervisors adopted a Consolidated Plan for the urban county, taking into consideration recommendations from the participating cities. One chapter of this plan is the "Annual Action Plan", which is adopted annually.
4. The Draft Annual Action Plan proposes award of an additional \$525,000 in HOME funds to Peoples' Self-Help Housing Corp. to assist the Creekside Gardens Senior Housing Project in Paso Robles.
5. The Creekside Gardens project has previously been awarded \$225,000 in 2001 HOME funds. Additionally, the Paso Robles Redevelopment Agency has agreed to provide a total of \$635,000 in Low and Moderate Income Housing Funds for this project.
6. County Planning Staff have requested that the participating cities make recommendations to the Board of Supervisors regarding the proposed allocations of HOME and ESG funds.
7. Attached are "Facts About the 2003 HOME and ESG Programs" that contain background facts about the HOME and ESG Programs, and which lists those HOME and ESG applications being recommended by County Planning Staff for funding in 2003.

8. A public hearing on the Draft 2003 Consolidated Plan has been set for the Council's meeting of March 4, 2003. Notice of the public hearing was published in the *Tribune* on February 10. A copy of the newspaper notice is attached.

Analysis and  
Conclusion:

Peoples' Self-Help Housing Corp. has completed plan check for the Creekside Gardens project and hopes to begin construction in Spring 2003. The County's proposal to allocate \$525,000 in HOME funds to this project is critical to the overall financing portfolio. The attached resolution strongly encourages the Board of Supervisors to approve this proposed allocation.

The Draft Annual Action Plan proposes an award of \$20,162 in 2003 ESG funds to the North County Women's Resources Center, which operates women's shelters in Atascadero and Paso Robles. The attached resolution also expresses support for the activities as recommended in the Draft One Year Action Plan for funding with 2003 ESG funds.

Policy

Reference: Federal regulations for the HOME and ESG Programs

Fiscal

Impact: No impact to the General Fund.

Options: Upon completion of a public hearing, take one of the following actions:

- a. Adopt the attached resolution to support the HOME and ESG-funded activities listed in the 2003 Draft One Year Action Plan.
- b. Amend, modify or reject the foregoing option.

Prepared By:

Ed Gallagher  
Housing Programs Manager

Attachments:

1. Resolution Recommending Approval of the Draft 2003 Consolidated Plan
2. Facts About the 2003 HOME and ESG Programs
3. Newspaper Notice

ED\CDBG\03\HOME CCR 030403

RESOLUTION NO. 03-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
RECOMMENDING APPROVAL OF THE DRAFT 2003 CONSOLIDATED PLAN FOR THE  
URBAN COUNTY OF SAN LUIS OBISPO AND ITS RECOMMENDATIONS FOR ALLOCATIONS  
OF YEAR 2003 HOME AND ESG PROGRAM FUNDS

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WHEREAS, on July 16, 2002 the City of El Paso de Robles (City) executed a Cooperation Agreement with the County of San Luis Obispo (County) to form an "Urban County" for purposes of allocating annual entitlements to the Community Development Block Grant (CDBG), Home Investment Partnership (HOME) and Emergency Shelter Grant (ESG) grant programs administered by the Federal Department of Housing and Urban Development (HUD); and

WHEREAS, via the Cooperation Agreement, the City agree to cooperate in the preparation of the Consolidated Plan and the annual allocation of HOME and ESG funds; and

WHEREAS, on September 12, 2002, the urban county published a "Request for Proposals" for projects to be funded under the 2003 HOME and ESG Programs, which provided that proposals were to be submitted by October 28, 2002; and

WHEREAS, on October 3, 2002, the urban county conducted a public hearing in Paso Robles for residents of the City and of northern San Luis Obispo County to ascertain the housing and community development needs to be addressed in the Consolidated Plan; and

WHEREAS, on January 14, 2003, the urban county released a Draft 2003 Consolidated Plan for public review; and

WHEREAS, the Urban County expects to receive about \$1,253,323 in HOME funds and about \$95,000 in ESG funds in 2003; and

WHEREAS, Peoples' Self-Help Housing Corp. has filed an application for \$525,000 in 2003 HOME funds to assist the Creekside Gardens Senior Housing Project in Paso Robles; and

WHEREAS, the North County Women's Resource Center has filed an application for ESG funds to support its women's shelters in Paso Robles and Atascadero; and

WHEREAS, on February 10, 2003, the County published a notice in the Tribune, indicating that a public hearing would be conducted on the Draft 2003 Consolidated Plan on March 4, 2003; and

WHEREAS, at its meeting of March 4, 2003, the City Council conducted a public hearing to obtain public testimony on the proposed Draft Consolidated Plan;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of El Paso de Robles, California, to recommend that the Board of Supervisors for the County of San Luis Obispo adopt the 2003 Consolidated Plan, a copy of which shall be kept on file in the Community Development Department, to include the activities listed below to be funded with the 2003 HOME and ESG funds.

**HOME FUNDS**

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
SLO Non-Profit Housing	Site acquisition for 20 one-bedroom	San Luis Obispo	\$300,000

Corp.	rental units		
SLO Supportive Housing Coalition	Tenant-Based Rental Assistance	County-wide	\$250,000
PSHHC *	Creekside Gardens Senior Housing	Paso Robles	\$525,000
PSHHC	Home purchasing financing for a new self-help housing project	San Miguel	\$ 52,991
County of SLO	Administrative Funds for HOME Program	County-wide	\$125,332
<b>TOTAL</b>			<b>\$1,253,323</b>

\* PSHHC = Peoples' Self-Help Housing Corp.

**ESG FUNDS**

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
Economic Opportunity Commission	Homeless Shelter Operation and North County Homeless Outreach	San Luis Obispo, North County	\$46,360
Economic Opportunity Commission	Homeless Day Center Operation	San Luis Obispo	\$15,658
SLO Women's Shelter	Women's Shelter Operation	San Luis Obispo	\$8,070
North County Women's Shelter	Women's Shelter Operation	North County	\$20,162
ECHO *	motel vouchers, program operating funds	Atascadero	\$4,750
<b>TOTAL</b>			<b>\$95,000</b>

\* ECHO = El Camino Homeless Organization

PASSED AND ADOPTED THIS 4th day of March 2003 by the following roll call vote:

AYES:  
 NOES:  
 ABSTAIN:  
 ABSENT:

\_\_\_\_\_  
 Mayor Frank R. Mecham

ATTEST:

\_\_\_\_\_  
 Sharilyn M. Ryan, Deputy City Clerk

## FACTS ABOUT THE 2003 HOME & ESG PROGRAMS

### HOME FUNDS

1. HOME funds are federal funds that may be used to provide incentives to develop and support affordable rental housing and homeownership affordability for low income households (those earning 80% or less of the County median income).
2. Eligible uses of HOME funds include: site acquisition, construction costs\* for new homes and apartments, on- and off-site improvements for housing, rehabilitation costs, financing costs, and first-time homeowner assistance.

\* Note: CDBG funds may be used for all of the above, except for construction costs for new housing.

3. Federal regulations governing the HOME program requires that recipients provide a 25% match. Redevelopment Low and Moderate Income Housing (LMIH) funds may be used as a match. The value of “sweat equity” and welfare property tax exemptions may also be used as a match.
4. In the City of Paso Robles, HOME funds were used by Peoples’ Self-Help Housing Corp. (PSHHC) to assist in the acquisition of the land for the 71 lot Spring Meadows subdivision east of Airport Road. A total of \$475,000 in 2001 HOME funds have been allocated to assist PSHHC’s proposed Canyon Creek Apartments (68 units on the southwest corner of Nicklaus Drive and Oak Hill Road) and Creekside Gardens Apartments (29 senior units on the northwest corner of Nicklaus Drive and Oak Hill Road).

Additionally, the County has used a portion of the urban county’s annual allotments of HOME funds for first-time homebuyers deferred payment loans, some of which have purchased homes in the City. Indirectly, the City benefited from HOME funds used by the County for consultant services to prepare loan documents prepared for the County’s HOME-funded First-Time Homebuyers Loan Program. The City basically used the County’s loan documents in the City’s CDBG-funded First-Time Homebuyers Loan Program.

5. Since 1994, the urban county, of which the City is a member, has received \$1.0 – 1.2 million in HOME funds annually. HOME funds are not allocated to member jurisdiction in the same manner that CDBG funds are. The cooperative agreement among the County and participating cities calls for all participants to cooperate in the allocation of HOME funds.
6. Since 1994, HOME funds have been used primarily by the following non-profit housing organizations:
  - PSHHC, which has developed several low income projects county-wide;
  - Housing Authority of the City of San Luis Obispo (HASLO) and its affiliate, the SLO Non-Profit Housing Corp., which used HOME fund to operate the County’s First-Time Homebuyers Loan Program, to operate a tenant-based rental assistance program, and to acquire an apartment building in San Luis Obispo;
  - Affordable Homes Development Corp. (AHDC), a new non-profit organization in the County, that used HOME funds to develop new ownership housing in Oceano; and
  - Judson Terrace, a non-profit senior housing project in San Luis Obispo, which received a total of \$900,000 from 1999, 2001, and 2002 HOME funds to add more units to the project.
7. The Draft One Year Action Plan, prepared by County Planning Staff with comments from the participating cities, proposes that 2003 HOME funds be spent on the following projects:

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
SLO Non-Profit Housing Corp. *	Site acquisition for 20 one-bedroom rental units	San Luis Obispo	\$300,000

**FACTS ABOUT THE 2001 HOME AND ESG PROGRAMS, Page 2**

SLO Supportive Housing Coalition	Tenant-Based Rental Assistance	County-wide	\$250,000
PSHHC	Creekside Gardens Senior Housing	Paso Robles	\$525,000
PSHHC	Home purchasing financing for a new self-help housing project	San Miguel	\$ 52,991
County of SLO	Administrative Funds for HOME Program	County-wide	\$125,332
<b>TOTAL</b>			<b>\$1,253,323</b>

\* The SLO Non-Profit Housing Corp. is affiliated with the Housing Authority of the City of San Luis Obispo

**ESG FUNDS**

1. Emergency Shelter Grants (ESG) are federal funds to be used to provide shelter for the homeless.
2. In 2002, the urban county received \$95,000, which were allocated to the Homeless Shelter in San Luis Obispo, Homeless Day Center in San Luis Obispo, Women's Shelter in San Luis Obispo, and Women's Shelter in Atascadero. \$95,000 in ESG funds will be allocated to the County in 2003.
3. The Draft Consolidated Plan, prepared by County Planning Staff with comments from the participating cities, proposes that 2003 ESG funds be spent on the projects indicated below.

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
Economic Opportunity Commission	Homeless Shelter Operation and North County Homeless Outreach	San Luis Obispo, North County	\$46,360
Economic Opportunity Commission	Homeless Day Center Operation	San Luis Obispo	\$15,658
SLO Women's Shelter	Women's Shelter Operation	San Luis Obispo	\$8,070
North County Women's Shelter	Women's Shelter Operation	North County	\$20,162
ECHO *	motel vouchers, program operating funds	Atascadero	\$4,750
<b>TOTAL</b>			<b>\$95,000</b>

\* ECHO is the El Camino Homeless Organization, which provides homeless shelter services in Atascadero.