

TO: James L. App, City Manager  
FROM: Ron Whisenand, Community Development Director  
SUBJECT: 2010 Consolidated Plan and Federal Grant Programs  
DATE: March 4, 2010

Needs: For the City Council to conduct a noticed public hearing and make a recommendation to the County Board of Supervisors regarding the 2010 Consolidated Plan and those activities to be approved for funding with the County's 2010 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. Federal Regulations require the urban county to adopt a Consolidated Plan to establish priorities for expenditures of CDBG, HOME, ESG, and American Dream Downpayment Initiative (ADDI) Funds. (Note: Congress did not appropriate any 2010 funds for the ADDI Program.)
  3. 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, ESG, and ADDI funds. The agreement does, however, provide that the County and participating cities cooperate in the allocation of these funds.
  4. Attached are "Facts About the 2010 HOME, ESG, and ADDI Programs" that contain background facts about these Programs, and which lists those applications being recommended by County Planning Staff for funding in 2010.
  5. A public hearing on the Draft 2010 Consolidated Plan has been set for the Council's meeting of March 4, 2010. A copy of the public hearing notice is attached.

Analysis and  
Conclusion:

**Consolidated Plan**

The 2005 Consolidated Plan identified four Strategies and supporting Priorities for the eligible uses of CDBG, HOME, ESG, and ADDI funds as follows:

1. Affordable Housing Strategy:

Priority #1: Increase availability of affordable and decent rental housing for low- and moderate-income persons and families.

Priority #2: Increase first-time home ownership opportunities for low- and moderate-income households.

Priority #3: Maintain and upgrade existing neighborhoods and housing units occupied by low- and moderate-income households.

2. Addressing Homelessness:

Priority #1: Provide needed emergency shelter facilities and related services.

Priority #2: Prevent homelessness by enabling people to obtain or retain decent affordable housing and supportive services.

3. Economic Development Strategy:

Priority #1: Provide business technical assistance to enable micro-enterprises to create and/or retain jobs.

Priority #2: Provide financial assistance to existing small businesses for expansion and to start-up businesses.

4. Public Facilities and Services Strategy:

Priority #1: Assist communities and neighborhoods that consist primarily of low- and moderate-income persons and cannot afford necessary public facilities or services.

The strategies listed above correspond directly to the broad categories of allowable uses of CDBG, HOME, ESG, and ADDI funds. As such, they are not expected to change. (They were essentially the same for the 2000 Consolidated Plan.) However, within any or all of the strategies, the City Council could recommend:

- New priorities;
- Amending current priorities;
- Shift in order of priorities.

For the past 5 years, the current set of strategies and priorities have enabled and guided the City's use of CDBG funds and the County's use of HOME, ESG, and ADDI funds. During this period, HOME funds have been allocated to assist affordable housing projects in Paso Robles as follows:

- \$550,000 for Canyon Creek Apartments (68 units at 400 Oak Hill Road);
- \$750,000 for Creekside Gardens Senior Apartments (29 units at 401 Oak Hill Road);
- \$1.3 million for Dotter Senior Housing (40 units at 801 – 28<sup>th</sup> Street).

It appears, therefore, that the present set of strategies and priorities serve the needs of the Citizens of Paso Robles.

**Annual Action Plan**

The Draft Annual Action Plan proposes that \$400,000 in 2010 HOME funds be allocated to the 81 unit Hidden Creek Village affordable housing project at 80 N. River Road. The Housing Authority of the City of San Luis Obispo (HASLO) applied for

\$500,000 and may request the City Council's support in recommending the Board of Supervisors award the full amount applied for.

The Draft Annual Action Plan proposes to award 2010 ESG funds to North County programs as follows: \$13,876 to the North County Women's Shelter, which operates shelters in Paso Robles and Atascadero, and \$14,824 to the El Camino Housing Organization, which operates a homeless shelter in Atascadero. Together these awards amount to a share of ESG funds that is generally proportional to the North County's share of the total population in the County.

Policy

Reference: Federal regulations for the HOME, ESG, and ADDI 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 10-XX to recommend that the County Board of Supervisors adopt the Draft 2010 Consolidated Plan and its recommended allocations of 2010 HOME, ESG, and ADDI Program Funds.
- b. Amend, modify or reject the foregoing option.

Prepared By: Ed Gallagher, City Planner

Attachments:

1. Resolution Recommending Approval of the Draft 2010 Consolidated Plan
2. Facts about the 2010 HOME, ESG, and ADDI Programs
3. Newspaper Notice Affidavit

RESOLUTION NO. 10-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
RECOMMENDING APPROVAL OF THE DRAFT 2010 CONSOLIDATED PLAN FOR THE  
URBAN COUNTY OF SAN LUIS OBISPO WITH ITS RECOMMENDATIONS FOR  
ALLOCATIONS OF 2010 HOME AND ESG PROGRAM FUNDS

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WHEREAS, on April 12, 2005, the Board of Supervisors for the County of San Luis Obispo adopted the 2005 Consolidated Plan, which included the following strategies and priorities for use of Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), and American Dream Downpayment Initiative (ADDI) programs administered by the Federal Department of Housing and Urban Development (HUD):

1. Affordable Housing Strategy:

Priority #1: Increase availability of affordable and decent rental housing for low- and moderate-income persons and families;

Priority #2: Increase first-time home ownership opportunities for low- and moderate-income households;

Priority #3: Maintain and upgrade existing neighborhoods and housing units occupied by low- and moderate-income households;

2. Addressing Homelessness:

Priority #1: Provide needed emergency shelter facilities and related services;

Priority #2: Prevent homelessness by enabling people to obtain or retain decent affordable housing and supportive services;

3. Economic Development Strategy:

Priority #1: Provide business technical assistance to enable micro-enterprises to create and/or retain jobs;

Priority #2: Provide financial assistance to existing small businesses for expansion and to start-up businesses;

4. Public Facilities and Services Strategy:

Priority #1: Assist communities and neighborhoods that consist primarily of low- and moderate-income persons and cannot afford necessary public facilities or services;

WHEREAS, the priorities and strategies listed in the 2005 Consolidated Plan have proven effective, given the amount of funding available for the subject grant programs, in addressing the affordable housing, emergency shelter, and community development needs of the City of Paso Robles; and

WHEREAS, on June 2, 2008 the City of El Paso de Robles (City) adopted Resolution 08-087 approving a renewal of the 2005 Cooperation Agreement with the County of San Luis Obispo (County) in which the City and County agreed 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 18, 2009, the urban county published a “Request for Proposals” for projects to be funded under the 2010 HOME, ESG, and ADDI Programs, which provided that proposals were to be submitted by October 19, 2009; and

WHEREAS, on September 29, 2009, the urban county conducted a public meeting in Atascadero 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 February 3, 2010, the urban county conducted a public meeting in Atascadero for residents of northern San Luis Obispo County, including the City of Paso Robles, to accept comments on the Draft 2010 Consolidated Plan; and

WHEREAS, the Urban County expects to receive about \$1,439,586 in HOME funds and about \$91,679 in ESG funds; and

WHEREAS, on February 2, 2010, the City published a notice in the Tribune, indicating that a public hearing would be conducted on the Draft 2009 Annual Action Plan on March 4, 2010; and

WHEREAS, at its meeting of March 4, 2010, the City Council conducted a public hearing to obtain public testimony on the proposed Draft 2010 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 2010 Consolidated Plan, a copy of which shall be kept on file in the Community Development Department, as follows:

1. To maintain the same priorities and strategies in the 2010 Consolidated Plan as were included in the 2005 Consolidated Plan; and
2. To include the activities listed below to be funded with the 2010 HOME and ESG funds.

**HOME FUNDS**

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
People’s Self-Help Housing	Construct Affordable Housing – Courtland Street	Arroyo Grande	\$648,713
SLO Nonprofit Housing Corp.	Construction of 81 Units: Hidden Creek Village	Paso Robles	\$400,000
County of San Luis Obispo	First time home buyer program	County Wide	\$107,415
SLO Housing Consortium	Tenant based rental assistance program	County Wide	\$139,500
SLO Housing Consortium	Tenant based rental assistance program Administration	County Wide	\$15,500
County of San Luis Obispo	Administration	County of San Luis Obispo	\$128,458
<b>TOTAL</b>			<b>\$1,439,586</b>

**ESG FUNDS**

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
North County Women's Shelter	Women's shelter	County of San Luis Obispo	\$13,808
Women's Shelter Program of SLO Co.	Women's shelter	County of San Luis Obispo	\$7,105
El Camino Housing Organization	Homeless Shelter	County of San Luis Obispo	\$14,824
Economic Opportunity Commission	Prado Day Center for the Homeless	County of San Luis Obispo	\$20,737
Economic Opportunity Commission	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$35,205
<b>TOTAL</b>			<b>\$91,679</b>

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 4<sup>th</sup> day of March 2010 by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

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Duane Picanco, Mayor

ATTEST:

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Lonnie Dolan, Deputy City Clerk

## FACTS ABOUT THE 2010 HOME, ESG, & ADDI 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 have been used to assist develop the 71 lot Spring Meadows self-help housing subdivision east of Airport Road, Creekside Gardens (29 low income senior apartments at 401 Oak Hill Road), Canyon Creek Apartments (68 low income family apartments at 400 Oak Hill Road), and Chet Dotter Senior Apartments (40 low income units at 801 – 28<sup>th</sup> Street).

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 – 1.6 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. The Draft One Year Action Plan, prepared by County Planning Staff with comments from the participating cities, proposes that 2010 HOME funds be spent on the following projects:

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
People’s Self-Help Housing	Construct Affordable Housing – Courtland Street	Arroyo Grande	\$648,713
SLO Nonprofit Housing Corp.	Construction of 81 Units: Hidden Creek Village	Paso Robles	\$400,000
County of San Luis Obispo	First time home buyer program	County Wide	\$107,415
SLO Housing Consortium	Tenant based rental assistance program	County Wide	\$139,500
SLO Housing Consortium	Tenant based rental assistance program Administration	County Wide	\$15,500
County of San Luis Obispo	Administration	County of San Luis Obispo	\$128,458
<b>TOTAL</b>			<b>\$1,439,586</b>

**ESG FUNDS**

1. Emergency Shelter Grants (ESG) are federal funds to be used to provide shelter for the homeless.
2. In 2009, the urban county received \$91,679, which were allocated as shown in the table below.
3. The Draft Consolidated Plan, prepared by County Planning Staff with comments from the participating cities, proposes that 2010 ESG funds be spent in the same manner as 2009 ESG funds as shown in the table below.

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
North County Women's Shelter	Women's shelter	County of San Luis Obispo	\$13,808
Women's Shelter Program of SLO Co.	Women's shelter	County of San Luis Obispo	\$7,105
El Camino Housing Organization	Homeless Shelter	County of San Luis Obispo	\$14,824
Economic Opportunity Commission	Prado Day Center for the Homeless	County of San Luis Obispo	\$20,737
Economic Opportunity Commission	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$35,205
<b>TOTAL</b>			<b>\$91,679</b>

**ADDI FUNDS**

1. American Dream Downpayment Initiative (ADDI) Grants are federal funds to be used to provide first-time homebuyer loans for low income households.
2. The urban county became entitled to receive ADDI funds in 2003. The County received \$68,506 in ADDI funds in 2003, \$80,839 in 2004, \$46,096 in 2005, and \$23,002 in 2006 and 2007, \$13,708 in 2008, and \$9,294 in 2009. During the same time frame, the County's allotment of HOME funds was decreased by the amount of ADDI funds allocated.
3. Congress has not appropriated any 2010 funds for the ADDI Program.



PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION/CITY COUNCIL  
PROJECT NOTICING

Newspaper: Tribune

Date of Publication: February 2, 2010

Meeting of: March 4, 2010  
(City Council)

Project: 2010 Consolidated Plan and Amendment to 2007 Annual Action Plan

I, Lonnie Dolan, employee of the Community Development Department, Planning Division, of the City of El Paso de Robles, do hereby certify that this notice is a true copy of a published legal newspaper notice for the above named project.

Signed:   
Lonnie Dolan

forms/newsaffi.691

CITY OF EL PASO DE ROBLES  
NOTICE OF PUBLIC HEARING

2010 Consolidated Plan and Amendment to 2007 Annual Action Plan

NOTICE IS HEREBY GIVEN that the City Council of the City of El Paso de Robles will hold a Public Hearing on the following issues:

1. The Draft 2010 Annual Action Plan for Federal Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Service Grant (ESG), and American Dream Downpayment Initiative (ADDI) Programs. The Annual Action Plan is a component of the 5 year Consolidated Plan for these funding programs. The City Council will be deciding which applications for the City's share of 2010 CDBG funds will be approved and will be making a recommendation to the County Board of Supervisors regarding the proposed expenditures of 2010 HOME, ESG, and ADDI Funds.
2. An amendment to the 2007 Annual Action Plan for CDBG Funds to re-allocate approximately \$52,000 of \$58,000 in CDBG funds that had been allocated to the First 5 Commission of San Luis Obispo County to demolish an existing building on the northwest corner of Spring and 36th Streets in order to prepare a site for an early childhood learning center. The City Council will be deciding which applications/activities will be funded with the reallocated CDBG funds.

This hearing will take place in the Conference Room at the Paso Robles Library/ City Hall, 1000 Spring Street, Paso Robles, California, on Thursday, March 4, 2010, at the hour of 7:00 pm.

All interested parties may appear and be heard at the above hearing.

**All interested parties may appear and be heard at the above hearing.**

Copies of the staff report with the proposed funding are available at Paso Robles City Hall, 1000 Spring Street, Paso Robles, and will be posted on the City's web site: [www.prcity.com](http://www.prcity.com) one week prior to the hearing. Copies of the staff report may be purchased at City Hall for the cost of reproduction.

Comments on the Draft 2009 Annual Action Plan may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 or e-mailed to [CDdirector@prcity.com](mailto:CDdirector@prcity.com) provided that such comments are received prior to the time of the hearing.

If you have questions about this matter, you may call Ed Gallagher, City Planner, at (805) 237-3970 or send email to [ed@prcity.com](mailto:ed@prcity.com).

Ed Gallagher, City Planner  
February 2, 2010 6607362