

TO: James L. App, City Manager
FROM: Ron Whisenand, Community Development Director
SUBJECT: 2011 Consolidated Plan and Federal Grant Programs
DATE: March 3, 2011

Needs: For the City Council to conduct a noticed public hearing and make a recommendation to the County Board of Supervisors regarding the 2011 Annual Action Plan with respect to those activities to be funded with the County's 2011 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 funds for the ADDI Program in 2010 or in 2011.)
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 2011 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 2011.
5. A public hearing on the Draft 2011 Consolidated Plan has been set for the Council's meeting of March 3, 2011. A copy of the public hearing notice is attached.

Analysis and Conclusion: The Draft Annual Action Plan does not include any HOME-funded projects in Paso Robles for 2011. However, in recent years, the City received \$400,000 in HOME funds to assist the development of Hidden Creek Village and \$1.325 million in HOME funds to assist the development of Chet Dotter Senior Housing.

The Draft Annual Action Plan proposes to award 2011 ESG funds to North County programs as follows: \$13,831 to the North County Women's Shelter, which operates shelters in Paso Robles and Atascadero, and \$14,848 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 11-XX to recommend that the County Board of Supervisors adopt the Draft 2010 Annual Action Plan and its recommended allocations of 2011 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 2011 Annual Action Plan
2. Facts about the 2011 HOME, ESG, and ADDI Programs
3. Newspaper Notice Affidavit

RESOLUTION NO. 11-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
RECOMMENDING APPROVAL OF THE DRAFT 2011 ANNUAL ACTION PLAN FOR THE
URBAN COUNTY OF SAN LUIS OBISPO WITH ITS RECOMMENDATIONS FOR
ALLOCATIONS OF 2011 HOME AND ESG PROGRAM FUNDS

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 as set forth in the Annual Action Plan; and

WHEREAS, on September 22, 2010, the urban county published a "Request for Proposals" for projects to be funded under the 2011 HOME, ESG, and ADDI Programs, which provided that proposals were to be submitted by October 22, 2010; and

WHEREAS, on October 7, 2010, 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 Annual Action Plan; and

WHEREAS, on January 26, 2011, 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 2011 Annual Action Plan; and

WHEREAS, the Urban County expects to receive about \$1,283,444 in HOME funds and about \$91,837 in ESG funds; and

WHEREAS, on February 1, 2011, the City published a notice in the Tribune, indicating that a public hearing would be conducted on the Draft 2011 Annual Action Plan on March 3, 2011; and

WHEREAS, at its meeting of March 3, 2011, the City Council conducted a public hearing to obtain public testimony on the proposed Draft 2011 Annual Action 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 2011 Annual Action 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 2011 HOME and ESG funds.

HOME FUNDS

Applicant	Project	Community	Amount
People's Self-Help Housing	Construct Affordable Housing – Courtland Street	Arroyo Grande	\$863,470
Housing Authority of the City of SLO	Construct 19 Single Room Occupancy Units on Humbert Street	San Luis Obispo	\$291,630
County of San Luis Obispo	Administration	County of San Luis Obispo	\$128,344
TOTAL			\$1,283,444

ESG FUNDS

Applicant	Project	Community	Amount
North County Women's Shelter	Women's shelter	County of San Luis Obispo	\$13,831
Women's Shelter Program of SLO Co.	Women's shelter	County of San Luis Obispo	\$7,117
El Camino Housing Organization	Homeless Shelter	County of San Luis Obispo	\$14,848
Community Action Partnership (CAPSLO)	Prado Day Center for the Homeless	County of San Luis Obispo	\$20,773
CAPSLO	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$35,268
TOTAL			\$91,837

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 3rd day of March 2011 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk

FACTS ABOUT THE 2011 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), Chet Dotter Senior Apartments (40 low income units at 801 – 28th Street), and Hidden Creek Village (81 low income units at 80 S. River 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 – 1.6 million in HOME funds annually. The County anticipates that the allocation for 2011 will be \$1.28 million. 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 Annual Action Plan, prepared by County Planning Staff with comments from the participating cities, proposes that 2011 HOME funds be spent on the following projects:

Applicant	Project	Community	Amount
People's Self-Help Housing	Construct Affordable Housing – Courtland Street	Arroyo Grande	\$863,470
Housing Authority of the City of SLO	Construct 19 Single Room Occupancy Units on Humbert Street	San Luis Obispo	\$291,630

Applicant	Project	Community	Amount
County of San Luis Obispo	Administration	County of San Luis Obispo	\$128,344
TOTAL			\$1,283,444

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.

Applicant	Project	Community	Amount
North County Women's Shelter	Women's shelter	County of San Luis Obispo	\$13,831
Women's Shelter Program of SLO Co.	Women's shelter	County of San Luis Obispo	\$7,117
El Camino Housing Organization	Homeless Shelter	County of San Luis Obispo	\$14,848
Community Action Partnership (CAPSLO)	Prado Day Center for the Homeless	County of San Luis Obispo	\$20,773
CAPSLO	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$35,268
TOTAL			\$91,837

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 did not appropriated any ADDI funds in 2010 or in 2011.

PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION/CITY COUNCIL
PROJECT NOTICING

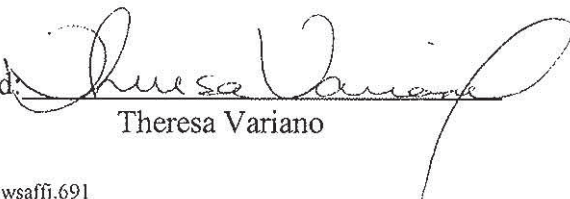
Newspaper: Tribune

Date of
Publication: February 1, 2011

Hearing
Date: March 3, 2011
(City Council)

Project: 2011 Consolidated Plan

I, Theresa Variano, 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: 
Theresa Variano

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CITY OF EL PASO DE ROBLES
NOTICE OF PUBLIC HEARING
2011 Consolidated Plan

NOTICE IS HEREBY GIVEN that the City Council of the City of El Paso de Robles will hold a Public Hearing on the Draft 2011 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 2011 CDBG funds will be approved and will be making a recommendation to the County Board of Supervisors regarding the proposed expenditures of 2011 HOME, ESG, and ADDI 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 3, 2011, at the hour of 7:00 pm.

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 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 2011 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 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.

Ed Gallagher, City Planner
February 1, 2011 6927038