

TO: James L. App, City Manager
FROM: Ed Gallagher, Community Development Director
SUBJECT: 2012 Consolidated Plan and Federal Grant Programs
DATE: March 8, 2012

Needs: For the City Council to conduct a noticed public hearing and make a recommendation to the County Board of Supervisors regarding the 2012 Annual Action Plan with respect to those activities to be funded with the County's 2012 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, and ESG funds.
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, and ESG 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 2012 HOME and ESG Programs" that contain background facts about these Programs, and which lists those applications being recommended by County Planning Staff for funding in 2012.
5. A public hearing on the Draft 2012 Consolidated Plan has been set for the Council's meeting of March 8, 2012. A copy of the public hearing notice is attached.

Analysis and

Conclusion: The Draft Annual Action Plan proposes to award 2012 HOME- funds to the Paso Robles Housing Authority programs as follows: \$300,000 for the Oak Park Apartments Redevelopment and \$35,328 for the Tenant Based Rental Assistance Program. Together, these awards amount to a share of HOME funds that is generally proportional to the North County's share of the total population in the County.

The Draft Annual Action Plan proposes to award \$13,587 in 2012 ESG- funds to the North County Women's Shelter, which operates shelters in Paso Robles and Atascadero. Additionally, the El Camino Homeless Organization (ECHO), is proposed to receive \$14,392 to help with the operation of a homeless shelter in Atascadero, where 21% of its clients come from Paso Robles.

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 12-XX to recommend that the County Board of Supervisors adopt the Draft 2011 Annual Action Plan and its recommended allocations of 2012 HOME and ESG Funds.
- b. Amend, modify or reject the foregoing option.

Prepared By: Darren Nash, Associate Planner

Attachments:

1. Resolution Recommending Approval of the Draft 2012 Annual Action Plan
2. Facts about the 2012 HOME and ESG Programs
3. Newspaper Notice Affidavit

RESOLUTION NO. 12-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
RECOMMENDING APPROVAL OF THE DRAFT 2012 ANNUAL ACTION PLAN FOR THE
URBAN COUNTY OF SAN LUIS OBISPO WITH ITS RECOMMENDATIONS FOR
ALLOCATIONS OF 2012 HOME AND ESG PROGRAM FUNDS

WHEREAS, on May 17, 2011 the City of El Paso de Robles (City) adopted Resolution 11-059 approving a renewal of the 2014 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 14, 2011, 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 24, 2011; and

WHEREAS, on September 15, 2011 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 31, 2012, 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 2012 Annual Action Plan; and

WHEREAS, the Urban County expects to receive about \$817,031 in HOME funds and about \$91,683 in ESG funds; and

WHEREAS, on February 3, 2012, the City published a notice in the Tribune, indicating that a public hearing would be conducted on the Draft 2012 Annual Action Plan on March 8, 2012; and

WHEREAS, at its meeting of March 8, 2012, the City Council conducted a public hearing to obtain public testimony on the proposed Draft 2012 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 2012 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 2012 HOME and ESG funds.

HOME FUNDS

Applicant	Project	Community	Amount
Housing Authority of the City of SLO	Tenant Based Rental Assistance Program	San Luis Obispo	\$56,500
ROEM Development	Property Acquisition, 313 South Street, San Luis Obispo	San Luis Obispo	\$300,000
Paso Robles Housing Authority	Oak Park Apartments Redevelopment	Paso Robles	\$300,000
Paso Robles Housing Authority	Tenant Based Rental Assistance Program	Paso Robles	\$35,328
County of San Luis Obispo	First Time Homebuyer Program	County of San Luis Obispo	\$50,000
County of San Luis Obispo	Administration	County of San Luis Obispo	\$75,203
TOTAL			\$817,031

ESG FUNDS

Applicant	Project	Community	Amount
North County Women's Shelter	Women's shelter	County of San Luis Obispo	\$13,587
Women's Shelter Program of SLO Co.	Women's shelter	County of San Luis Obispo	\$6,884
El Camino Housing Organization	Homeless Shelter	County of San Luis Obispo	\$14,392
Community Action Partnership (CAPSLO)	Prado Day Center for the Homeless	County of San Luis Obispo	\$20,202
CAPSLO	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$34,326
County of San Luis Obispo	Administration (2.5%)		\$2,292
TOTAL			\$91,683

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 8th day of March 2012 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk

FACTS ABOUT THE 2012 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 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. Between 1994 - 2011, the urban county, of which the City is a member, received \$1.0 – 1.6 million in HOME funds annually. For 2012, Congress reduced funding for the HOME Program, and the County will only receive \$817,031. 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 2012 HOME funds be spent on the following projects:

Applicant	Project	Community	Amount
Housing Authority of the City of SLO	Tenant Based Rental Assistance Program	San Luis Obispo	\$56,500
ROEM Development	Property Acquisition, 313 South Street, San Luis Obispo	San Luis Obispo	\$300,000
Paso Robles Housing Authority	Oak Park Apartments Redevelopment	Paso Robles	\$300,000
Paso Robles Housing Authority	Tenant Based Rental Assistance Program	Paso Robles	\$35,328
County of San Luis Obispo	First Time Homebuyer Program	County of San Luis Obispo	\$50,000
County of San Luis Obispo	Administration	County of San Luis Obispo	\$75,203
TOTAL			\$817,031

ESG FUNDS

1. Emergency Shelter Grants (ESG) are federal funds to be used to provide shelter for the homeless.
2. In 2012, the urban county received \$91,683, 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 2012 ESG funds be spent in the same manner as 2011 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	\$13,587
Women's Shelter Program of SLO Co.	Women's shelter	County of San Luis Obispo	\$6,884
El Camino Housing Organization	Homeless Shelter	County of San Luis Obispo	\$14,392
Community Action Partnership (CAPSLO)	Prado Day Center for the Homeless	County of San Luis Obispo	\$20,202
CAPSLO	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$34,326
County of San Luis Obispo	Administration (2.5%)		\$2,292
TOTAL			\$91,683

PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION/CITY COUNCIL
PROJECT NOTICING

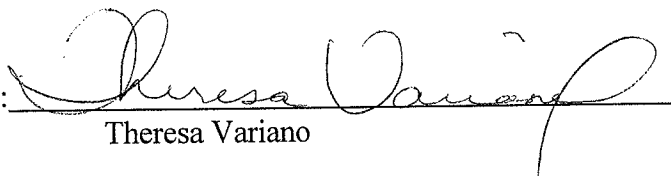
Newspaper: Tribune

Date of Publication: February 3, 2012

Hearing Date: March 8, 2012
(City Council – Special Meeting)

Project: 2012 Consolidated Plan and Amendment to 2010 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
2012 Consolidated Plan
and
Amendment to 2010 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 following matters:

1. Draft 2012 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 2012 CDBG funds, which is estimated to be \$212,486, will be approved and will be making a recommendation to the County Board of Supervisors regarding the proposed expenditures of 2012 HOME, ESG, and ADDI Funds.
2. An amendment to the 2010 Annual Action Plan for Federal Community Development Block Grant (CDBG) Program for the City of Paso Robles. The subject amendment proposes that \$25,352 in CDBG funds allocated to the Riverside Avenue Sidewalks Project be re-allocated to the Turtle Creek Sidewalks Project, which had been allocated CDBG funds from the 2010 and 2011 Program Years. The reason for the reallocation is that the Riverside Avenue Sidewalks Project was completed at a lower cost than originally estimated and the Turtle Creek Sidewalk Project will cost more than originally estimated in order to meet Americans with Disabilities Act requirements.

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 8, 2012, 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 2012 Annual Action Plan and amendment to the 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 Darren Nash, Associate Planner, at (805) 237-3970 or send email to dnash@prcity.com.

Darren Nash, Associate Planner
February 3, 2012 6974588