

TO: James L. App, City Manager  
FROM: Ed Gallagher, Community Development Director  
SUBJECT: 2013 Consolidated Plan and Federal Grant Programs  
DATE: February 7, 2013

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Needs: For the City Council to conduct a noticed public hearing and make a recommendation to the County Board of Supervisors regarding the 2013 Annual Action Plan with respect to those activities to be funded with the County's 2013 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 2013 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 2013.
5. A public hearing on the Draft 2013 Consolidated Plan has been set for the Council's meeting of February 7, 2013. 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 2013. However, in recent years, the City received \$300,000 in HOME funds to assist the development of Oak Park Apartments Redevelopment.

The Draft Annual Action Plan proposes to award 2013 ESG funds to North County programs as follows: \$13,237 to the North County Women's Shelter, which operates shelters in Paso Robles and Atascadero, and \$14,022 to the El Camino Housing Organization, which operates a homeless shelter in Atascadero, and \$10,476 to North County Case Management (CAPSLO/TFS), which provides food and shelter in the North County. 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 13-XX to recommend that the County Board of Supervisors adopt the Draft 2013 Annual Action Plan and its recommended allocations of 2013 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 2013 Annual Action Plan
2. Facts about the 2013 HOME and ESG Programs
3. Newspaper Notice Affidavit

RESOLUTION NO. 13-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
RECOMMENDING APPROVAL OF THE DRAFT 2013 ANNUAL ACTION PLAN FOR THE  
URBAN COUNTY OF SAN LUIS OBISPO WITH ITS RECOMMENDATIONS FOR  
ALLOCATIONS OF 2013 HOME AND ESG PROGRAM FUNDS

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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 August 23, 2012, the urban county published a "Request for Proposals" for projects to be funded under the 2013 HOME, ESG, and ADDI Programs, which provided that proposals were to be submitted by October 12, 2012; and

WHEREAS, on September 12, 2012 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 16, 2013, 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 2013 Annual Action Plan; and

WHEREAS, the Urban County expects to receive about \$823,357 in HOME funds and about \$163,420 in ESG funds; and

WHEREAS, on January 29, 2013, the City published a notice in the Tribune, indicating that a public hearing would be conducted on the Draft 2013 Annual Action Plan on February 7, 2013; and

WHEREAS, at its meeting of February 7, 2013, the City Council conducted a public hearing to obtain public testimony on the proposed Draft 2013 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 2013 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 2013 HOME and ESG funds.

## HOME FUNDS

| <b>Applicant</b>                             | <b>Project</b>                                  | <b>Community</b>          | <b>Amount</b>    |
|--|---|---------------------------|------------------|
| Housing Authority of the City of SLO         | Tenant Based Rental Assistance Program          | San Luis Obispo           | \$58,000         |
| PSCDC Morro Del Mar, L.P.                    | Morro del Mar Senior Apartments, Morro Bay      | Morro Bay                 | \$315,000        |
| Paso Robles Housing Authority                | Tenant Based Rental Assistance Program          | Paso Robles               | \$30,000         |
| ROEM Development                             | Property Acquisition, 313 South Street          | San Luis Obispo           | \$200,000        |
| Unallocated                                  |   |                           | \$72,000         |
| Housing Authority of City of San Luis Obispo | Tenant Based Rental Assistance Program (Admin.) | San Luis Obispo           | \$9,000          |
| Paso Robles Housing Authority                | Tenant Based Rental Assistance Program (Admin.) | Paso Robles               | \$3,000          |
| County of San Luis Obispo                    | Administration                                  | County of San Luis Obispo | \$63,000         |
| <b>TOTAL</b>                                 |   |                           | <b>\$750,000</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 | \$13,237         |
| Women's Shelter Program of SLO Co.            | Women's shelter                   | County of San Luis Obispo | \$12,210         |
| El Camino Housing Organization                | Homeless Shelter                  | County of San Luis Obispo | \$14,022         |
| Community Action Partnership (CAPSLO)         | Prado Day Center for the Homeless | County of San Luis Obispo | \$19,685         |
| CAPSLO  | Maxine Lewis Memorial Shelter     | County of San Luis Obispo | \$33,446         |
| Central Coast Link                            |                                   |                           | \$48,088         |
| North County Case Mgt (CAPSLO/TFS)            |                                   |                           | \$10,476         |
| Non-profit Agencies ESGprogram Administration |                                   |                           | \$6,128          |
| County of San Luis Obispo                     | Administration (2.5%)             |                           | \$6,128          |
| <b>TOTAL</b>                                  |                                   |                           | <b>\$163,420</b> |

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 7<sup>th</sup> day of February 2013 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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Duane Picanco, Mayor

ATTEST:

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Caryn Jackson, Deputy City Clerk

## FACTS ABOUT THE 2013 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 – 28<sup>th</sup> 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 received 817,031. The County anticipates that the allocation for 2013 will be \$750,000. 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 2013 HOME funds be spent on the following projects:

| <b>Applicant</b>                             | <b>Project</b>                                  | <b>Community</b>          | <b>Amount</b>    |
|--|---|---------------------------|------------------|
| Housing Authority of the City of SLO         | Tenant Based Rental Assistance Program          | San Luis Obispo           | \$58,000         |
| PSCDC Morro Del Mar, L.P.                    | Morro del Mar Senior Apartments, Morro Bay      | Morro Bay                 | \$315,000        |
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| ROEM Development                             | Property Acquisition, 313 South Street          | San Luis Obispo           | \$200,000        |
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| Paso Robles Housing Authority                | Tenant Based Rental Assistance Program (Admin.) | Paso Robles               | \$3,000          |
| County of San Luis Obispo                    | Administration                                  | County of San Luis Obispo | \$63,000         |
| <b>TOTAL</b>                                 |   |                           | <b>\$750,000</b> |

**ESG FUNDS**

1. Emergency Shelter Grants (ESG) are federal funds to be used to provide shelter for the homeless.
2. In 2013, the urban county received \$163,420, which was 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 2013 ESG funds be spent in the same manner as 2012 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 | \$13,237         |
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| <b>TOTAL</b>                                  |                                   |                           | <b>\$163,420</b> |



PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION/CITY COUNCIL  
PROJECT NOTICING

Newspaper: Tribune

Date of Publication: January 29, 2013

Hearing Date: February 7, 2013  
(City Council – Special Meeting)

Project: 2013 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  
2013 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 2013 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 2013 CDBG funds, which is estimated to be \$167,775 will be approved and will be making a recommendation to the County Board of Supervisors regarding the proposed expenditures of 2013 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, February 7, 2013, 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](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 2013 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 Darren Nash, Associate Planner, at (805) 237-3970 or send email to [dnash@prcity.com](mailto:dnash@prcity.com).

Darren Nash, Associate Planner  
January 29, 2013 7012119