

TO: James L. App, City Manager

FROM: Ed Gallagher, Community Development Director

SUBJECT: 2014 Consolidated Plan and Federal Grant Programs

DATE: February 4, 2014

Needs: For the City Council to conduct a noticed public hearing and make a recommendation to the County Board of Supervisors regarding the 2014 Annual Action Plan with respect to those activities to be funded with the County's 2014 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 2014.
5. A public hearing on the Draft 2014 Consolidated Plan has been set for the Council's meeting of February 4, 2014. 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 2014. 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 2014 ESG funds to North County programs as follows: \$39,340 to Central Coast Link, which provides homeless services

to 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, and ESG.

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 14-XX to recommend that the County Board of Supervisors adopt the Draft 2014 Annual Action Plan and its recommended allocations of 2014 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 2014 Annual Action Plan
2. Facts about the 2014 HOME and ESG Programs
3. Newspaper Notice Affidavit

RESOLUTION NO. 14-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
RECOMMENDING APPROVAL OF THE DRAFT 2014 ANNUAL ACTION PLAN FOR THE
URBAN COUNTY OF SAN LUIS OBISPO WITH ITS RECOMMENDATIONS FOR
ALLOCATIONS OF 2014 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 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 20, 2013, the urban county published a “Request for Proposals” for projects to be funded under the 2014 HOME, ESG, and ADDI Programs, which provided that proposals were to be submitted by October 15, 2013; and

WHEREAS, on September 16, 2013 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, 2014, 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 2014 Annual Action Plan; and

WHEREAS, the Urban County expects to receive about \$650,549 in HOME funds and about \$108,615 in ESG funds; and

WHEREAS, on January 10, 2014, the City published a notice in the Tribune, indicating that a public hearing would be conducted on the Draft 2014 Annual Action Plan on February 4, 2014; and

WHEREAS, at its meeting of February 4, 2014, the City Council conducted a public hearing to obtain public testimony on the proposed Draft 2014 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 2014 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 2014 HOME and ESG funds.

HOME FUNDS

Applicant	Project	Community	Amount
PSHHC	Cambria Pines – Construction of 33 affordable rental units	Cambria	\$585,494
Housing Authority of	Tenant Based Rental	San Luis Obispo	\$8,333

Applicant	Project	Community	Amount
City of San Luis Obispo	Assistance Program (Admin.)		
County of San Luis Obispo	Administration	County of San Luis Obispo	\$63,000
TOTAL			\$650,549

ESG FUNDS

Applicant	Project	Community	Amount
Community Action Partnership (CAPSLO)	Prado Day Center for the Homeless	County of San Luis Obispo	\$25,644
CAPSLO	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$35,485
Central Coast Link	Homeless Services Case Mgt., Prevention and Rapid Rehousing Program	County of San Luis Obispo	\$39,340
LINK and CAPSLO	Non-Profit Administration		\$4,073
County of San Luis Obispo	Administration		\$4,073
TOTAL			\$108,615

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 4th day of February 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Duane Picanco, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk

FACTS ABOUT THE 2014 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), Hidden Creek Village (81 low income units at 80 S. River Road), and Oak Park Redevelopment.

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. The County anticipates that the allocation for 2014 will be \$650,549. 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 2014 HOME funds be spent on the following projects:

HOME FUNDS

Applicant	Project	Community	Amount
PSHHC	Cambria Pines –	Cambria	\$585,494

Applicant	Project	Community	Amount
	Construction of 33 affordable rental units		
Housing Authority of City of San Luis Obispo	Tenant Based Rental Assistance Program (Admin.)	San Luis Obispo	\$8,333
County of San Luis Obispo	Administration	County of San Luis Obispo	\$63,000
TOTAL			\$650,549

ESG FUNDS

1. Emergency Shelter Grants (ESG) are federal funds to be used to provide shelter for the homeless.
2. In 2014, the urban county received \$108,615, 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 2014 ESG funds be spent in the same manner as 2013 ESG funds as shown in the table below.

Applicant	Project	Community	Amount
Community Action Partnership (CAPSLO)	Prado Day Center for the Homeless	County of San Luis Obispo	\$25,644
CAPSLO	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$35,485
Central Coast Link	Homeless Services Case Mgt., Prevention and Rapid Rehousing Program	County of San Luis Obispo	\$39,340
LINK and CAPSLO	Non-Profit Administration		\$4,073
County of San Luis Obispo	Administration		\$4,073
TOTAL			\$108,615

THE Newspaper of the Central Coast TRIBUNE

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In The Superior Court of The State of California
In and for the County of San Luis Obispo
AFFIDAVIT OF PUBLICATION

AD # 7041112
CITY OF PASO ROBLES

STATE OF CALIFORNIA

SS.

County of San Luis Obispo

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen and not interested in the above entitled matter; I am now, and at all times embraced in the publication herein mentioned was, the principal clerk of the printers and publishers of THE TRIBUNE, a newspaper of general Circulation, printed and published daily at the City of San Luis Obispo in the above named county and state; that notice at which the annexed clippings is a true copy, was published in the above-named newspaper and not in any supplement thereof – on the following dates to wit; JANUARY 10, 2014, that said newspaper was duly and regularly ascertained and established a newspaper of general circulation by Decree entered in the Superior Court of San Luis Obispo County, State of California, on June 9, 1952, Case #19139 under the Government Code of the State of California.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.


(Signature of Principal Clerk)

DATED: JANUARY 10, 2014
AD COST: \$113.02

CITY OF EL PASO DE ROBLES

NOTICE OF PUBLIC HEARING

2014 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 2014 Annual Action Plan for Federal Community Development Block Grant (CDBG), Home Investment Partnership (HOME), and Emergency Solutions Grant (ESG) 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 2014 CDBG funds, which is estimated to be \$152,240, will be approved and will be making a recommendation to the County Board of Supervisors regarding the proposed expenditures of 2014 HOME, and ESG Funds.

This hearing will take place in the Conference Room at the Paso Robles Library/ City Hall, 1000 Spring Street, Paso Robles, California, on Tuesday, February 4, 2014, at the hour of 7:30 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 2014 Annual Action Plan may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 or e-mailed to planning@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
January 10, 2014

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RECEIVED

JAN 13 2014

City of Paso Robles
Community Development Dept.