

TO: Thomas Frutchey, City Manager

FROM: Warren Frace, Community Development Director

SUBJECT: 2016 Consolidated Plan and Federal Grant Programs

DATE: March 1, 2016

Needs: For the City Council to conduct a noticed public hearing and make a recommendation to the County Board of Supervisors regarding the 2016 Annual Action Plan with respect to those activities to be funded with the County's 2016 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 2016 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 2016.
5. A public hearing on the Draft 2016 Consolidated Plan has been set for the Council's meeting of March 1, 2016. A copy of the public hearing notice is attached.

Analysis and
Conclusion:

The Draft Annual Action Plan proposes to award \$300,000 in 2016 HOME funds to Los Robles Terrace. Los Robles Terrace is located at 2940 Spring Street in Paso Robles, and has applied for grant to fund a substantial rehabilitation of 39 units of Very Low Income Senior rental units, plus 1 manager's unit. 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 2016 ESG funds to North County programs as follows: \$52,876 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.



Los Robles Terrace (Google Street View)

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 16-XX to recommend that the County Board of Supervisors adopt the Draft 2016 Annual Action Plan and its recommended allocations of 2016 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 2016 Annual Action Plan
2. Facts about the 2016 HOME and ESG Programs
3. Newspaper Notice Affidavit

RESOLUTION NO. 16-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
RECOMMENDING APPROVAL OF THE DRAFT 2016 ANNUAL ACTION PLAN FOR THE
URBAN COUNTY OF SAN LUIS OBISPO WITH ITS RECOMMENDATIONS FOR
ALLOCATIONS OF 2016 HOME AND ESG PROGRAM FUNDS

WHEREAS, on May 5, 2014 the City of El Paso de Robles (City) adopted Resolution 14-057, and as amended by the Council with Resolution 14-127 on September 16, 2014 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 September 4, 2015, the urban county published a "Request for Proposals" for projects to be funded under the 2016 HOME, ESG, and ADDI Programs, which provided that proposals were to be submitted by October 23, 2015; and

WHEREAS, on September 2, 2015 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 February 23, 2015, the urban county conducted a public meeting in San Luis Obispo for residents of northern San Luis Obispo County, including the City of Paso Robles, to accept comments on the Draft 2016 Annual Action Plan; and

WHEREAS, the Urban County expects to receive about \$605,955 in HOME funds and about \$145,085 in ESG funds; and

WHEREAS, on February 5, 2016, the City published a notice in the Tribune, indicating that a public hearing would be conducted on the Draft 2016 Annual Action Plan on March 1, 2016; and

WHEREAS, at its meeting of March 1, 2016, the City Council conducted a public hearing to obtain public testimony on the proposed Draft 2016 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 2016 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 2016 HOME and ESG funds.

HOME FUNDS

Applicant	Project	Community	Amount
PSHHC	Rolling Hills Apartments II	Cambria	\$200,000
PSHHC	Los Robles Terrace	Paso Robles	\$300,000
SLO Housing Consortium	Tenant Based Rental Assistance		\$45,359
TOTAL			\$545,359

ESG FUNDS

Applicant	Project	Community	Amount
Community Action Partnership (CAPSLO)	Prado Day Center for the Homeless	County of San Luis Obispo	\$34,222
CAPSLO	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$47,106
Central Coast Link	Homeless Services Case Mgt., Prevention and Rapid Rehousing Program	County of San Luis Obispo	\$52,876
TOTAL			\$134,204

ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 1st day of March 2016 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Steven W. Martin, Mayor

ATTEST:

Kristy Buxkemper, Deputy City Clerk

Attachment 2

FACTS ABOUT THE 2016 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 received 817,031. The County anticipates that the allocation for 2016 will be \$605,955, which is a 5% cut from 2015. 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.

- The Draft Annual Action Plan, prepared by County Planning Staff with comments from the participating cities, proposes that 2016 HOME funds be spent on the following projects:

Applicant	Project	Community	Amount
PSHHC	Rolling Hills Apartments II	Cambria	\$200,000
PSHHC	Los Robles Terrace	Paso Robles	\$300,000
Tenant Based Rental Assistance	SLO Housing Consortium	San Luis Obispo	\$45,359
County of San Luis Obispo	Administration	County of San Luis Obispo	\$60,596
TOTAL			\$605,955

ESG FUNDS

- Emergency Shelter Grants (ESG) are federal funds to be used to provide shelter for the homeless.
- The Draft Consolidated Plan, prepared by County Planning Staff with comments from the participating cities, proposes that 2016 ESG funds be spent in the same manner as 2015 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	\$34,222
CAPSLO	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$47,106
Central Coast Link	Homeless Services Case Mgt., Prevention and Rapid Rehousing Program	County of San Luis Obispo	\$52,876
County of San Luis Obispo	Administration		\$10,881
TOTAL			\$134,204

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FEB 22 2016

City of Paso Robles
Community Development Dept.

THE Newspaper of the Central Coast
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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 # 2261563
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; FEBRUARY 10, 2016 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: FEBRUARY 10, 2016
AD COST: \$183.92

CITY OF EL PASO DE ROBLES
NOTICE OF PUBLIC HEARING
2016 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 2016 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 2016 CDBG funds, which is estimated to be \$188,960 will be approved and will be making a recommendation to the County Board of Supervisors regarding the proposed expenditures of 2016 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 Tuesday, March 1, 2016, at the hour of 6:30 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 2016 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 10, 2016

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