



# Council Agenda Report

From: Darren Nash, Associate Planner

Subject: 2017 Federal Home Investment Partnership Act (HOME) and Emergency Shelter Grant (ESG) Federal Grant Programs; recommendation to the San Luis Obispo County Board of Supervisors regarding the Countywide allotments of HOME and ESG funds.

Date: March 21, 2017

## Facts

- 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.
- Federal Regulations require the urban county to adopt a Consolidated Plan to establish priorities for expenditures of CDBG, HOME, and ESG funds.
- 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.
- The following Countywide projects are proposed for funding including three projects within the City of Paso Robles:

## HOME FUNDS

Applicant	Project	Community	Amount
PRHA	Oak Park III	<b>Paso Robles</b>	\$241,088
PSHHC	Los Robles Terrace	<b>Paso Robles</b>	\$90,750
SLO Housing Consortium	Tenant Based Rental Assistance		\$45,000
TMHA	Bishop Street Studios	San Luis Obispo	\$200,000
<b>TOTAL</b>			<b>\$576,838</b>

## ESG FUNDS

Applicant	Project	Community	Amount
Community Action Partnership (CAPSLO)	Prado Day Center for the Homeless	County of San Luis Obispo	\$34,886
CAPSLO	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$47,119
Central Coast Link	Homeless Services Case Mgt., Prevention and Rapid Rehousing Program	County of San Luis Obispo <b>Provides services in Paso Robles</b>	\$54,670
<b>TOTAL</b>			<b>\$136,675</b>

5. "Facts About the 2017 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 2017 (Attachment A).
6. A public hearing on the Draft 2017 Consolidated Plan has been set for the Council's meeting of March 21, 2016. A copy of the public hearing notice is provided at Attachment C.

### **Options**

- a. Approve Resolution 17-XXX to recommend the San Luis Obispo County Board of Supervisors adopt the Draft 2017 Annual Action Plan for all of the proposed Countywide 2017 HOME and ESG Funds including the following projects within the City of Paso Robles: Los Robles Terrace, Oak Park III, and Central Coast Link.
- b. Refer the item back to staff for additional analysis and funding scenarios.
- c. Amend, modify or reject the foregoing options.

### **Analysis and Conclusions**

**Option A:** The Draft Annual Action Plan proposes to award \$90,750 in 2017 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. Also, the Draft Annual Action Plan proposes to award \$241,088 to Oak Park Phase III, consisting of 76 low-income units, with community center.

The Draft Annual Action Plan proposed to award 2017 ESG funds to the following North County program: \$54,670 to Central Coast Link, which provides homeless services to North County including Paso Robles. 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 - 2940 Spring Street

(Google Street View)

# Oak Park 3



City of El Paso de Robles  
City Council Meeting  
December 6, 2016

Presented By:



**PASO ROBLES HOUSING AUTHORITY**

*To provide quality, affordable housing that promotes quality of life through a healthy community.*



**Option B:** Council could determine that more information and analysis is necessary and refer back to staff.

**Option C:** Council could amend, modify or reject the foregoing options.

## **Fiscal Impact**

No impact to the General Fund.

## **Recommendation**

Approve Resolution 17-XXX to recommend the San Luis Obispo County Board of Supervisors adopt the Draft 2017 Annual Action Plan for all of the proposed Countywide 2017 HOME and ESG Funds including the following projects within the City of Paso Robles: Los Robles Terrace, Oak Park III, and Central Coast Link.

## **Attachments**

1. Facts About The 2017 Home and ESG Programs
2. Draft Resolution 17-XXX Approving an Annual Action Plan for 2017 CDBG Funds
3. Newspaper Notice Affidavit

# Attachment 1

## FACTS ABOUT THE 2017 HOME and 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 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.

6. The Draft Annual Action Plan, prepared by County Planning Staff with comments from the participating cities, proposes that 2017 HOME funds be spent on the following projects:

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
PRHA	Oak Park III	Paso Robles	\$241,088
PSHHC	Los Robles Terrace	Paso Robles	\$90,750
SLO Housing Consortium	Tenant Based Rental Assistance		\$45,000
TMHA	Bishop Street Studios	San Luis Obispo	\$200,000
<b>TOTAL</b>			<b>\$576,838</b>

### **ESG FUNDS**

1. Emergency Shelter Grants (ESG) are federal funds to be used to provide shelter for the homeless.
2. The Draft Consolidated Plan, prepared by County Planning Staff with comments from the participating cities, proposes that 2017 ESG funds be spent in the same manner as 2016 ESG funds as shown in the table below.

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
Community Action Partnership (CAPSLO)	Prado Day Center for the Homeless	County of San Luis Obispo	\$34,886
CAPSLO	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$47,119
Central Coast Link	Homeless Services Case Mgt., Prevention and Rapid Rehousing Program	County of San Luis Obispo	\$54,670
<b>TOTAL</b>			<b>\$136,675</b>

**RESOLUTION NO. 17-XXX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
RECOMMENDING TO THE SAN LUIS OBISPO COUNTY BOARD OF SUPERVISORS  
APPROVAL OF THE DRAFT 2017 ANNUAL ACTION PLAN FOR THE  
URBAN COUNTY OF SAN LUIS OBISPO WITH ITS RECOMMENDATIONS FOR  
ALLOCATIONS OF 2017 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 agrees 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 19, 2016, the urban county published a "Request for Proposals" for projects to be funded under the 2017 HOME, ESG, and ADDI Programs, which provided that proposals were to be submitted by October 21, 2016; and

WHEREAS, on September 14, 2016 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 16, 2017, 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 2017 Annual Action Plan; and

WHEREAS, the Urban County expects to receive about \$637,338 in HOME funds and about \$142,000 in ESG funds; and

WHEREAS, on March 9, 2017, the City published a notice in the Tribune, indicating that a public hearing would be conducted on the Draft 2017 Annual Action Plan on March 21, 2017; and

WHEREAS, at its meeting of March 21, 2017, the City Council conducted a public hearing to obtain public testimony on the proposed Draft 2017 Annual Action Plan.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. All of the above recitals are true and correct and incorporated herein by reference.

Section 2. The City Council recommends that the Board of Supervisors for the County of San Luis Obispo adopt the 2017 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 2017 HOME and ESG funds.

**HOME FUNDS**

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
PRHA	Oak Park III	Paso Robles	\$241,088
PSHHC	Los Robles Terrace	Paso Robles	\$90,750
SLO Housing Consortium	Tenant Based Rental Assistance		\$45,000
TMHA	Bishop Street Studios	San Luis Obispo	\$200,000
<b>TOTAL</b>			<b>\$576,838</b>

**ESG FUNDS**

<b>Applicant</b>	<b>Project</b>	<b>Community</b>	<b>Amount</b>
Community Action Partnership (CAPSLO)	Prado Day Center for the Homeless	County of San Luis Obispo	\$34,886
CAPSLO	Maxine Lewis Memorial Shelter	County of San Luis Obispo	\$47,119
Central Coast Link	Homeless Services Case Mgt., Prevention and Rapid Rehousing Program	County of San Luis Obispo	\$54,670
<b>TOTAL</b>			<b>\$136,675</b>

APPROVED this 21st day of March 2017, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Steven W. Martin, Mayor

ATTEST:

\_\_\_\_\_  
Kristen L. Buxkemper, Deputy City Clerk



PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION  
PROJECT NOTICING

Newspaper: The Tribune

Date of Publication: 03/09/17

Meeting Date: 03/21/17  
City Council

Project: 2017 Federal Community  
Development Block Grant (CDBG)  
Annual Action Plan

I, Monica C Hollenbeck, employee of the  
Community Development Department, Engineering  
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: Monica C Hollenbeck  
Monica C Hollenbeck

**CITY OF EL PASO DE ROBLES**  
**NOTICE OF PUBLIC HEARING**

**2017 FEDERAL COMMUNITY  
DEVELOPMENT BLOCK GRANT (CDBG)  
ANNUAL ACTION 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 matter:

1. Draft 2017 Annual Action Plan for Federal Community Development Block Grant (CDBG). The Annual Action Plan is a component of the 5 year Consolidated Plan for these funding programs. The City Council will consider a recommendation to the San Luis Obispo County Board of Supervisors identifying applications for funding through the City's share of 2017 CDBG funds, which are estimated to be \$183,790.

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 21, 2017, 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](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 2017 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).

March 9, 2017 2963439