



Legislation Text

File #: 23-36, Version: 1

Report regarding holding a public hearing on the City of South San Francisco's 2023-2027 Five-Year Consolidated Plan and 2023-2024 Annual Action Plan for the Community Development Block Grant Program and consideration of adoption a resolution: 1) approving the City's 2023-2027 Five-Year Consolidated Plan and 2023-2024 Annual Action Plan; 2) authorizing submittal of the plans and all other required documents to the United States Department of Housing and Urban Development; 3) accepting funds from all sources and approving appropriation of CDBG and HOME Administrative fund expenditures as detailed in Attachment 1 for the 2023-2024 CDBG operating budget; 4) authorizing the City Manager to execute all documents and certifications necessary to secure and award the CDBG and HOME Administrative funds for the City; and 5) approving appropriation of \$101,050 from the Housing Trust Fund for the 2023-2024 operating budget to support nonprofit organizations that provide homeless prevention program for South San Francisco residents. *(Heather Ruiz, Management Analyst II)*

RECOMMENDATION

Staff recommends that the City Council hold a Public Hearing to receive public testimony on the 2023-2027 Five-Year Consolidated Plan and 2023-2024 Annual Action Plan for the Community Development Block Grant (CDBG) Program and adopt a resolution:

- Approving the City's 2023-2027 Five-Year Consolidated Plan and 2023-2024 Annual Action Plan
- Authorizing submittal of the plans and all other required documents to the United States Department of Housing and Urban Development
- Accepting funds from all sources and approving appropriation of CDBG and HOME Administrative fund expenditures as detailed in Attachment 1 for the 2023-2024 CDBG operating budget
- Authorizing the City Manager to execute all documents and certifications necessary to secure and award the CDBG and HOME Administrative funds for the City
- Approving appropriation of \$101,050 from the Housing Trust Fund for the 2023-2024 operating budget to support nonprofit organizations that provide homeless prevention program for South San Francisco residents

BACKGROUND

The purpose of this Public Hearing is to receive public comment on the City of South San Francisco's draft 2023-2027 Five-Year Consolidated Plan (Consolidated Plan) and 2023-2024 Annual Action Plan (Action Plan) for the CDBG Program (together, the "Plans"). The Consolidated Plan assesses the City's housing, community, and economic development needs and available resources and outlines a strategy for program years 2023 to 2027. The Consolidated Plan incorporates the Action Plan and provides the estimated CDBG and HOME funded grant allocations to non-profit agencies for program year (PY) 2023-2024.

Federal legislation requires citizen participation in all phases of the development of the Plans; accordingly, two public hearings were scheduled. The first public hearing was on March 8, 2023, to obtain the views of citizens on housing, community, and economic development needs.

This May 10, 2023 hearing is the second and final hearing to receive public comments on the Plans. This is also

the final public hearing regarding the CDBG funding allocations for PY 2023-2024. The draft Plans were made available for a 30-day public comment period beginning on April 7, 2023 and notice of the Plans' availability for comment was published in the San Mateo County Times on April 7, 2023.

DISCUSSION

Funding Recommendations

The City Council reviewed all funding requests and held a public hearing to receive public testimony at its March 8, 2023 meeting. During the public hearing, 18 non-profit organizations made public comments. All these non-profits were seeking CDBG, Housing Trust, or HOME Administrative Funds; they provided information on their programs and thanked City Council for their support.

The City's entitlement allocation for PY23-24 is \$457,048 along with approximately \$77,000 of prior year uncommitted funds and \$7,000 of estimated program income. The City will also allocate \$14,971 of HOME Administrative Funds. On March 15, 2023, the CDBG Subcommittee of the City Council (Subcommittee) met to provide staff with direction on funding priorities, which were incorporated in the Action Plan.

Attachment 1 outlines the budget for PY23-24, which totals \$541,048. The spending caps for Public Services (15%) and Administrative Costs (20%) are HUD regulated formulas and cannot be amended.

CDBG Programs

PY23-24 marks the second year of a two-year funding cycle for Public Service non-profits. The non-profits that received funds in PY22-23 were required to submit renewal applications in order to receive PY23-24 funds.

Based on the feedback received during public outreach, affordable housing, public services, public facility and infrastructure improvements, and homeless and housing services continue to be of greatest concern to the community. The Plans established goals and programs to address these concerns. Please refer to Attachment 2 for the recommended funding and programs.

The following is a summary of the recommended activities for funding under the CDBG program.

Public Services (Non-profits) (\$68,557)

Attachment 2, lines 2 - 6 show the 4 non-profit organizations selected to receive CDBG funding. These organizations include Peninsula Family Service, Friends for Youth, Rape Trauma Services Center, and Ombudsman Services of San Mateo County of which all provide public services to the community.

Housing Trust Fund (Fund 205) (\$101,050)

The CDBG Subcommittee and staff recommend funding six non-profits - CORA, HIP Housing, Samaritan House, Life Moves, Legal Aid, and StarVista through the City's Housing Trust Fund instead of CDBG. Together, these non-profits provide housing production and housing programs, such as shelters, transitional housing, legal assistance, and housing referrals to lower income South San Francisco residents, which are eligible for funding through the City's Housing Trust Fund. This will allow the City to provide funding to non-profits providing critical resources to the community, without impacting the City's General Fund. Please refer to Attachment 2, lines 14 - 19.

HOME Funds (\$14,971)

In the past, the City has allocated the HOME Administrative Funds it receives from the County for fair housing activities. CDBG regulations require that the City use HOME funding to affirmatively further fair housing and, these activities can only be funded from administration or public service funds. The allocation from the County

regarding the HOME entitlement amount is \$14,971. The City had only one applicant for this funding, Project Sentinel. Please refer to Attachment 2, line 31.

Minor Home Repair Programs (\$108,000)

The CDBG Subcommittee recommends funding the three non-profits (CID, El Concilio, and Rebuilding Together Peninsula) that implement a total of four programs. All four of these programs have received CDBG funding in previous years. Please refer to Attachment 2, lines 22 - 25.

City-Sponsored Activities (\$77,000)

The City-Sponsored Activities for housing include the debris box vouchers, emergency home repairs, and the housing rehabilitation program. The CDBG Subcommittee recommends retaining a small budget for the Housing Rehab Loan Program, as well as continuing to fund the Debris Box Vouchers and Emergency Home Repairs. Please refer to Attachment 1, lines 19 - 22.

Public Improvements Program (\$196,081)

In PY23-24, CDBG funds are proposed to be used to make public improvements. Such projects include updating and improving lighting to address safety concerns in the public right of way, improving public pathways, or ADA access improvements. Please refer to Attachment 1, line 7.

FISCAL IMPACT

If approved by resolution, the CDBG budget and the City's housing funds will be fiscally impacted as described above.

RELATIONSHIP TO STRATEGIC PLAN

By completing the HUD-mandated public process, including the required Annual Action Plan, the City will be able to secure its allocation of CDBG funds for the coming year. This, in turn will advance several components of the City's Strategic Plan, in particular:

- Provide funding for social services and public projects to support residents (Strategic Plan Priority #2 Quality of Life);
- Help fund non-profits that work to address various affordable housing-related issues (Initiative 2.3 - Promote a balanced mix of housing options);
- Shift the financial burden away from the City's General Fund by securing Federal grant funds (Priority Area 3 Financial Stability); and
- Partner with non-profits that provide information to residents and help strengthen community relationship (Priority Area 6 Community Connections).

CONCLUSION

The CDBG Subcommittee and staff recommend that the City Council hear public testimony on the City's 2023-2027 Five-Year Consolidated Plan and 2023-2024 Annual Action Plan and adopt a resolution:

- Approving the City's 2023-2027 Five-Year Consolidated Plan and 2023-2024 Annual Action Plan
- Authorizing submittal of the plans and all other required documents to the United States Department of Housing and Urban Development
- Accepting funds from all sources and approving appropriation of CDBG and HOME Administrative fund expenditures as detailed in Attachment 1 for the 2023-2024 CDBG operating budget
- Authorizing the City Manager to execute all documents and certifications necessary to secure and award the CDBG and HOME Administrative funds for the City
- Approving appropriation of \$101,050 from the Housing Trust Fund for the 2023-2024 operating budget

to support nonprofit organizations that provide homeless prevention program for South San Francisco residents.

Attachments:

1. PY23-24 Budget
2. PY23-24 Funding Recommendations
3. Presentation