

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

|   |  |  |  |   |  |
|---|--|--|--|---|--|
| (1) DEPARTMENT<br>Planning and Building   |  | (2) MEETING DATE<br>5/8/2012                   |  | (3) CONTACT/PHONE<br>Morgan Torell, Planner III/805-781-5113<br>Suzan Ehdaie, Planner II/805-781-4974         |  |
| (4) SUBJECT<br>Request to approve a resolution amending the 2010, 2011, and 2012 Action Plans of the Urban County of San Luis Obispo to reallocate Community Development Block Grant (CDBG) funds, allocate Emergency Solutions Grant (ESG) funds and approve a Budget Adjustment in the amount of \$15,870.  |  |  |  |   |  |
| (5) RECOMMENDED ACTION<br>Staff recommends that your Board:<br>1. Adopt the attached resolution approving and authorizing submittal of an amendment to the Urban County of San Luis Obispo Program Year 2010, 2011 and 2012 Action Plans to the U.S. Department of Housing and Urban Development (HUD) and amendment to Resolution 2011-139, and instruct the Chairperson to sign; and<br>2. Approve a budget adjustment, by a 4/5ths vote, to include \$15,870 of additional 2011 ESG funds. |  |  |  |   |  |
| (6) FUNDING SOURCE(S)<br>CDBG and ESG   |  | (7) CURRENT YEAR FINANCIAL IMPACT<br>\$179,368 |  | (8) ANNUAL FINANCIAL IMPACT<br>N/A  |  |
| (9) BUDGETED?<br>Yes  |  |  |  |   |  |
| (10) AGENDA PLACEMENT<br><input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. _30 min_) <input type="checkbox"/> Board Business (Time Est. _____)  |  |  |  |   |  |
| (11) EXECUTED DOCUMENTS<br><input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts<br><input type="checkbox"/> Ordinances <input type="checkbox"/> N/A   |  |  | (12) BUDGET ADJUSTMENT REQUIRED?<br>BAR ID Number: 1112023<br><input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A |   |  |
| (13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)<br>N/A  |  |  | (14) W-9<br><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes  |   |  |
| (15) LOCATION MAP<br>N/A  |  | (16) BUSINESS IMPACT STATEMENT?<br>No          |  | (17) AGENDA ITEM HISTORY<br><input type="checkbox"/> N/A Date <u>5/10/2011, Item C-1, 3/22/2012, Item #14</u> |  |
| (18) ADMINISTRATIVE OFFICE REVIEW<br><br>Reviewed by Leslie Brown   |  |  |  |   |  |
| (19) SUPERVISOR DISTRICT(S)<br>All Districts -  |  |  |  |   |  |

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Department of Planning and Building  
Morgan Torell, Planner III, Suzan Ehdaie, Planner II

VIA: Chuck Stevenson, AICP, Long Range Planning Division Manager

DATE: 5/8/2012

SUBJECT: Request to approve a resolution amending the 2010, 2011, and 2012 Action Plans of the Urban County of San Luis Obispo to reallocate Community Development Block Grant (CDBG) funds, allocate Emergency Solutions Grant (ESG) funds and approve a Budget Adjustment in the amount of \$15,870.

## **RECOMMENDATION**

Staff recommends that your Board:

1. Adopt the attached resolution approving and authorizing submittal of an amendment to the Urban County of San Luis Obispo Program Year 2010, 2011 and 2012 Action Plans to the U.S. Department of Housing and Urban Development (HUD) and amendment to Resolution 2011-139, and instruct the Chairperson to sign; and
2. Approve a budget adjustment, by a 4/5<sup>th</sup> vote, to include \$15,870 of additional 2011 ESG funds.

## **DISCUSSION**

### **Background**

***CDBG Reallocations*** - To comply with HUD's timeliness requirements for the CDBG program and reallocate the remaining CDBG balances, staff recommends that your Board approve the attached resolution amending the 2010, 2011, and 2012 Action Plans by reallocating CDBG funds as follows.

## CDBG Amendments to the 2010, 2011 and 2012 Action Plans

### City of Paso Robles

The City of Paso Robles requests amendment of the 2010 Action Plan to reallocate \$25,352 in 2010 CDBG funds from the "Sidewalk Construction on 24th/Riverside/Event Center ADA Project" to the "Turtle Creek Sidewalks Project" for the City of Paso Robles;

| #   | Project  | Reallocation       |
|---|--|--------------------|
| <b>Amendment to the 2010 Action Plan (CDBG funds)</b> |  |                    |
| 1   | Existing Project - The City of Paso Robles "Turtle Creek Sidewalks Project" – Reallocate \$25,352 from the "Sidewalk Construction on 24th/Riverside/Event Center ADA Project". | \$25,352.00        |
| <b>Total</b>  |  | <b>\$25,352.00</b> |

### City of Atascadero

The City of Atascadero requests the amendment of the 2011 Action Plan to reallocate \$30,706.87 in 2011 CDBG funds from the "Program Administration" project to the existing "Architectural Barrier Removal Project"; and

| #   | Project   | Reallocation       |
|---|---|--------------------|
| <b>Amendment to the 2011 Action Plan (CDBG funds)</b> |   |                    |
| 1   | Existing Project - The City of Atascadero "Architectural Barrier Removal Project" – Reallocate \$30,706.87 from the "Program Administration" project. | \$30,706.87        |
| <b>Total</b>  |   | <b>\$30,706.87</b> |

### City of San Luis Obispo

The City of San Luis Obispo requests to amend the 2012 Action Plan by reducing the allocation share from \$573,125 to \$506,588 for the City of San Luis Obispo. In order to reduce the CDBG awards to reflect their 2012 share of funds the City Council reduced the allocation awards to four city projects as identified in Exhibit "B": Program Year 2012 Program Specific Requirements.

### Amendment to Resolution No. 2011-139

The Department of Planning and Building recommends that your Board amend Resolution No. 2011-139 by removing paragraph eight (8) pertaining to the property acquisition condition deadline identified as May 12, 2012, to allow North County Connection (NCC) to continue with the property acquisition

### **Summary**

On May 10, 2011, the Board approved Resolution No. 2011-139 (See Exhibit C) approving the amendment of the 2006, 2007 and 2009 Action Plans. One approval consisted of the allocation of \$35,000 in 2009 CDBG funds for NCC to acquire the property they rent in the City of Atascadero.

Staff developed a set of milestones to guide NCC as it increases its capacity to operate and maintain the property for a yet undetermined term of an agreement with the County for the use of CDBG funds to acquire the site. One milestone identified in the resolution was for the close of escrow by May 12, 2012. NCC would comply with the milestones to the satisfaction of the Director of the County Department of Planning and Building prior to the release of the CDBG funds.

Other milestones include:

1. NCC must collect client information to help the County determine the project's eligibility under CDBG regulations. At least 51% of the clients must have a moderate-income or below for eligibility purposes and must maintain the data collection for the term of the agreement. If the County determined that the project is eligible, then NCC must:
2. Demonstrate that it qualifies for a market rate loan to purchase the property;
3. Develop a capital improvement plan for associated costs to maintain the property;
4. Continue to comply with applicable CDBG regulations for the term of the agreement between the County and NCC, and
5. Meet other conditions as applicable to comply with local, state and federal laws.

The staff report indicated that once NCC meets the milestones, the County will prepare the necessary agreement(s) between the County and NCC for the acquisition and release the funds into an escrow account shortly before the close of escrow.

The staff report also indicated that should NCC fail to meet the milestone, the \$35,000 would be automatically reallocated to the "Oceano Drainage Improvements at Hwy. 1 at 13<sup>th</sup> and Paso Robles Streets by County Public Works.

### **Recommendation**

The Department of Planning and Building recommends the Board amend Resolution 2011-139 by eliminating paragraph eight (8) of Resolution 2011-139.

The reason for the recommendation is that NCC has worked with both the County and the City of Atascadero and was successful in obtaining \$55,000 in 2012 CDBG funds from the City of Atascadero and \$43,614 from the County for the property acquisition. NCC has also worked with the property owner who agreed to provide favorable terms for the property acquisition by NCC and not sell the property to another buyer. Also, on April 10, the Atascadero City Council awarded NCC \$100,000 from their affordable housing in-lieu fund for the acquisition of the property. Because of these favorable conditions, staff does not feel a new deadline for property acquisition is necessary.

**ESG Allocations** - In 2011, your Board allocated \$91,683 of Emergency Shelter Grant funds to activities in the Urban County through the approval of the 2011 Action Plan. In December 2011, HUD released Emergency Solutions Grant regulations to replace the Emergency Shelter Grant program. With the release of these new regulations, HUD also allocated \$51,572 of 2011 grant funds to the Urban County ("second allocation"), above the \$91,683 already allocated. The second allocation of funds is to be used for ESG eligible activities under the new regulations. Additionally, HUD allocated \$71,737 of 2012 Action Plan program year funds ("second allocation"), above the \$91,683 recently allocated by your Board in March. All 2012 and beyond ESG funded Action Plan activities must comply with the new Emergency Solutions Grant program regulations.

Planning and Building Department staff held three workshops and an additional meeting to consult with interested agencies about the ESG program. At these meetings, County staff and the agencies discussed ESG program provisions/ guidelines, the general allocation of funds, and other items related to the substantial amendment process. It was decided that 5 percent of the funds should be set-aside for Homeless Management Information System (HMIS) activities and 7.5 percent of the total ESG allocation (first and second allocations) should be set aside for administrative activities. Of the remaining funds, 70 percent should be for rapid re-housing and 30 percent for homelessness prevention activities.

The Planning Department published a Request for Proposals for applicants to apply for ESG program activities using the second allocations. The Department received three applications, including the following:

- *The Women's Shelter Program of San Luis Obispo County:*  
The Women's Shelter Programs located in San Luis Obispo and in Paso Robles requests 10 percent of the available ESG funds minus administration (\$4,541 from 2011 and \$6,407 from 2012) to serve 20 persons over a 2-year period with financial assistance, including rental assistance, security deposits, utility deposits, etc. The applicant would provide case management and administration costs at no charge to the ESG program. All clients would be homeless or at-risk of becoming homeless, and also victims of domestic violence.
- *Community Action Partnership of San Luis Obispo County (CAPSLO):*  
CAPSLO requests all of the available ESG funding. The proposed program would focus on the north county region and would include a .65 FTE case manager. Clients would receive financial assistance (i.e. rental assistance, deposits, and moving cost assistance) and stabilization services such as housing stability case management from the case manager. All clients would be homeless or at-risk of becoming homeless. CAPSLO estimates that a total of 50 persons could benefit from these funds in this program and approximately 40 percent of the clients served would be families with children.
- *The LINK:*  
The LINK requests all of the available ESG funding. The proposed program would focus primarily on the north county area but would also serve persons in the south county and San Luis Obispo areas. The program would include a full-time homeless services case manager, and would collaborate closely with the schools and the participating agencies of the Homeless Services Coalition of the North County. All clients would be homeless or at-risk of becoming homeless. These funds would assist the LINK in developing a north county Housing Resource Center. Clients would receive financial assistance (primarily rental assistance) and stabilization services such as housing stability case management through the case manager and through other co-case managing agencies. The LINK case manager would connect clients to and rely on other agencies for some of the stabilization services when possible. The LINK estimates that up to 78 persons could benefit from these funds based on the estimate that approximately 70 percent of the clients served would come from families with children.

The Homeless Services Oversight Council (“HSOC”), created and authorized an ad hoc grant review subcommittee to evaluate the ESG applications and make a funding recommendation to the Planning and Building Department and the Board of Supervisors. The subcommittee spent a great deal of time discussing these applications, as all three programs were compelling. The final funding recommendation by the subcommittee is to fully fund the Women’s Shelter Program of San Luis Obispo County, and to provide the remaining funds to the LINK (excluding some of the administration funds which would be allocated to the County).

Splitting up the funds between all three agencies would make it difficult to administer. Neither the LINK nor CAPSLO would have much funding to run a program. The main reasons why the subcommittee recommended to fund the LINK include 1) there is a proposed regional and cooperative approach to the application through the start up of a housing resource center (which would be open and accessible to potential clients and non-profit agencies), 2) there is proposed strong collaboration between the LINK, the schools, and many other non-profit agencies, and 3) CAPSLO is part of the Homeless Services Coalition of the North County, so CAPSLO clients could still potentially benefit from these funds through co-case management.

**Amendments to the 2011 and 2012 Action Plans: ESG Funds**

| #  | Project: ESG11 County of San Luis Obispo  | Allocation      |
|--|---|-----------------|
| <b>Amendment to the 2011 Action Plan (ESG funds)</b> |   |                 |
| 1  | Allocate \$9,445 to the new “Rapid Re-Housing” Activity for Rental Assistance by the LINK   | \$9,445         |
| 2  | Allocate \$17,541 to the new “Rapid Re-Housing” Activity for Housing Relocation and Stabilization Services by the LINK  | \$17,540        |
| 3  | Allocate \$5,782 to the new “Homelessness Prevention” Activity for Rental Assistance by the LINK  | \$5,782         |
| 4  | Allocate \$5,783 to the new “Homelessness Prevention” Activity for Housing Relocation and Stabilization Services by the LINK  | \$5,783         |
| 5  | Allocate \$2,321 to the new “Data Collection (HMIS)” Project by the LINK  | \$2,321         |
| 6  | Allocate an additional \$6,160 to the existing “ESG Administration by services agencies” Activity by the LINK   | \$4,160         |
| 7  | Allocate \$2,000 to a new activity named “ESG Administration by County”   | \$2,000         |
| 8  | Allocate \$1,049 to the new “Rapid Re-Housing” Activity for Rental Assistance by the Women’s Shelter Program of San Luis Obispo County                                  | \$1,049         |
| 9  | Allocate \$1,949 to the new “Rapid Re-Housing ” Activity for Housing Relocation and Stabilization Services by the Women’s Shelter Program of San Luis Obispo County     | \$1,949         |
| 10   | Allocate \$643 to the new “Homelessness Prevention” Activity for Rental Assistance by the Women’s Shelter Program of San Luis Obispo County                             | \$643           |
| 11   | Allocate \$642 to the new “Homelessness Prevention” Activity for Housing Relocation and Stabilization Services by the Women’s Shelter Program of San Luis Obispo County | \$642           |
| 12   | Allocate \$258 to the new “Data Collection (HMIS)” Activity by the Women’s Shelter Program of San Luis Obispo County  | \$258           |
| <b>Total</b>   |   | <b>\$51,572</b> |

| #  | Project: ESG12 County of San Luis Obispo  | Allocation      |
|--|---|-----------------|
| <b>Amendment to the 2012 Action Plan (ESG funds)</b> |   |                 |
| 1  | Allocate \$13,335 to the new "Rapid Re-Housing" Activity for Rental Assistance by the LINK  | \$13,335        |
| 2  | Allocate \$24,766 to the new "Rapid Re-Housing" Activity for Housing Relocation and Stabilization Services by the LINK  | \$24,766        |
| 3  | Allocate \$8,165 to the new "Homelessness Prevention" Activity for Rental Assistance by the LINK  | \$8,165         |
| 4  | Allocate \$8,165 to the new "Homelessness Prevention" Activity for Housing Relocation and Stabilization Services by the LINK  | \$8,165         |
| 5  | Allocate \$3,228 to the new "Data Collection (HMIS)" Activity by the LINK   | \$3,228         |
| 6  | Allocate an additional \$3,836 to the existing "Administration" activity by the LINK  | \$3,836         |
| 7  | Allocate an additional \$3,835 to the existing "ESG Administration by services agencies" Activity by the County of San Luis Obispo                                      | \$3,835         |
| 8  | Allocate \$1,482 to the new "Rapid Re-Housing" Activity for Rental Assistance by the Women's Shelter Program of San Luis Obispo County                                  | \$1,482         |
| 9  | Allocate \$2,752 to the new "Rapid Re-Housing" Activity for Housing Relocation and Stabilization Services by the Women's Shelter Program of San Luis Obispo County      | \$2,752         |
| 10   | Allocate \$907 to the new "Homelessness Prevention" Activity for Rental Assistance by the Women's Shelter Program of San Luis Obispo County                             | \$907           |
| 11   | Allocate \$907 to the new "Homelessness Prevention" Activity for Housing Relocation and Stabilization Services by the Women's Shelter Program of San Luis Obispo County | \$907           |
| 12   | Allocate \$359 to the new "Data Collection (HMIS)" Activity by the Women's Shelter Program of San Luis Obispo County  | \$359           |
| <b>Total</b>   |   | <b>\$71,737</b> |

### **OTHER AGENCY INVOLVEMENT/IMPACT**

Staff consulted with County Counsel, the cities of Atascadero, Paso Robles, and San Luis Obispo, the Women's Shelter Program of San Luis Obispo County, the North County Women's Shelter, Community Action Partnership of San Luis Obispo, the LINK, and the Homeless Services Oversight Council. County Counsel approved the resolution as to form and effect.

### **FINANCIAL CONSIDERATIONS**

The CDBG program provides most funding needed to cover expenses related to administrative activities. The ESG program will provide the Planning and Building Department with \$2,000 from 2011 ESG funds and \$6,127 from 2012 funds for administrative activities (\$2,292 from the first allocation and \$3,835 from the second allocation). A budget adjustment is necessary to include \$15,870 amount of additional 2011 Action Plan ESG funds allocated to the Urban County. The Planning Department budgeted \$127,386 in the 2011 Action Plan, as this was the estimated total allocation from HUD at the time. The \$15,870 is the difference between what was budgeted and what HUD allocated to the Urban County.

## **RESULTS**

The reallocation of CDBG funds will improve the Urban County's efforts to comply with federal regulations for the timely expenditure of CDBG funds. The ESG funded activities will further the Communitywide Indicator of a Healthy Community through housing and stabilization services for homeless and those at risk of becoming homeless.

## **ATTACHMENTS**

1. Exhibit A - Resolution
2. Exhibit B - Program Year 2012 Funding Recommendations
3. Exhibit C - Resolution 2011-139
4. Exhibit D - 2011 ESG Substantial Amendment
5. Exhibit E - 2012 ESG Substantial Amendment
6. Exhibit F - 2011 Action Plan (on file with the Clerk of the Board)
7. Exhibit G- 2012 Action Plan (on file with the Clerk of the Board)
8. Exhibit H – Letter from Community Action Partnership