

ATTACHMENT 4

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	651,077	30,000	200,000	881,077	655,000	City is assuming a slight decrease in CDBG funding each year and assumes \$30,000 per year in program income from rehab loan repayments.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	0	10,000	0	10,000	0	The City will not receive a direct allocation of HOME funds in FY 2016-17 as this is its first year of membership in the San Mateo County HOME Consortium. City estimates \$10,000 per year in program income from loan repayments to be used for future projects.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - local	Acquisition Admin and Planning Homebuyer assistance Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership	440,000	0	0	440,000	440,000	Local funds from loan repayments of former Redevelopment Housing loans and annual 20% of tax increment ("Boomerang") funds from former Redevelopment Agency

Table 1 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

The City receives direct entitlement funds from Federal CDBG Program that are used to address identified needs. The City is also part of the San Mateo County HOME Consortium starting this program year. The HOME funds formerly granted directly to the City are now combined with the County of San Mateo and the City of South San Francisco in order to use the funds more efficiently.

The City manages a varied portfolio of housing loans from several programs including Housing Rehabilitation and First Time Homebuyer programs as well as developer loans for new construction or acquisition/rehabilitation projects. Program income from this portfolio augments the CDBG and HOME funds as well as now defunct programs such as Redevelopment, HUD's Rental Rehabilitation program and former CalHOME owner rehab loan program. Loan repayments from loans funded with former Redevelopment funds are deposited in the Low Mod Housing Asset Fund to be used for future affordable housing programs. The City also sets aside the equivalent of 20% of the property tax increment attributed to the former Redevelopment areas for housing, known as "boomerang funds". The City collects subordination processing fees and fractional unit fees associated with its Below Market Rate Program in its City Housing Fund, which is typically used to assist regional housing initiatives that are outside of the San Mateo's city limits.

The City participated in a countywide nexus study to evaluate adoption of a commercial linkage fee, which is an impact fee on commercial development for the support of affordable worker housing. The City Council has reviewed the City's nexus study and directed staff to draft a commercial linkage fee ordinance. It is anticipated that the fee will be in place early in the 2016-17 program year.

The City has sufficient carryover of HOME matching funds from prior year HOME projects to satisfy all HOME match requirements during this planning period, as well as the above resources to combine with future HOME funded projects.

Section 8 funds are provided to San Mateo residents through the San Mateo County Housing Authority. McKinney-Vento Homeless Assistance Act funds are managed by the San Mateo County Human Services Agency as part of the Continuum of Care, in which San Mateo participates. The County of San Mateo also supports housing projects countywide with its HOME and CDBG funds which often are used to leverage City resources. The Housing Endowment and Regional Trust (HEART) of San Mateo County is a public/private partnership whose goal is to raise funds to create affordable housing opportunities in San Mateo County.

Low-Income Housing Tax Credits are offered through the State on a competitive process and with the dissolution of Redevelopment, applications for these funds are expected to become even more in demand and competitive. The State also has also set aside a portion of the Cap and Trade funds for housing located close to transit in its Affordable Housing Sustainable Communities program. This may

be a helpful resource for some of the sites in San Mateo located within ¼ miles of the three CalTrian stations. The City will support developer applications for tax credits and other State Housing programs as they become available for appropriate and eligible projects. The City also tracks and supports legislation that promotes and increases resources for affordable housing.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City received a one acre site to be used for affordable housing as part of the development agreement executed for Bay Meadows II Master Plan. Developer selection and project predevelopment are scheduled for this program year. It is anticipated that the site will support about 65 units of family rental housing.

As a result of the dissolution of the Redevelopment Agency of the City of San Mateo, a Long Range Property Management Plan has been drafted and approved by the State. City staff is currently evaluating development alternatives for two sites (approx. 2.4 acres total) located in downtown San Mateo. Housing is a high priority as a component for one or both of the sites, although housing and/or affordable housing may be included in the final development scheme for one or both of the sites.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Maintain and Preserve Existing Housing	2016	2017	Affordable Housing		Affordable Housing	CDBG: \$102,500	Homeowner Housing Rehabilitated: 45 Household Housing Unit
2	First Time Homebuyer Program	2016	2017	Affordable Housing		Affordable Housing	Other City Funds	Direct Financial Assistance to Homebuyers: 6 Households Assisted
3	Community Funding	2016	2017	Public Services		Community Services	CDBG: \$105,000	Public service activities other than Low/Moderate Income Housing Benefit: 4200 Persons Assisted
4	Street and Sidewalk Improvements	2016	2017	Non-Housing Community Development	CDBG Priority Neighborhood	Neighborhood Stabilization	CDBG: \$500,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 20000 Persons Assisted
5	Public Facilities	2016	2016	Non-Housing Community Development		Public Facility Improvements	CDBG: \$50,000	Facade treatment/business building rehabilitation: 2 Business

Table 2 – Goals Summary

Goal Descriptions

1	Goal Name	Maintain and Preserve Existing Housing
	Goal Description	Provide funds to preserve and repair existing housing stock.
2	Goal Name	First Time Homebuyer Program
	Goal Description	Ensure continued affordability for low income homebuyers in the City's First Time Homebuyer program for the purchase of resales of price restricted units at Gateway Commons and Meadow Court or other City assisted units citywide.
3	Goal Name	New Affordable Housing
	Goal Description	Provide funding for new construction, acquisition and/or rehabilitation of affordable units through City financial assistance and the inclusionary BMR program.
4	Goal Name	Community Funding
	Goal Description	<p>Provide funding to nonprofit organizations for social services which address the four core priorities:</p> <ul style="list-style-type: none"> • Basic Needs Services • Youth Services • Senior Services • Preserving or Providing Affordable Housing

5	Goal Name	Street and Sidewalk Improvements
	Goal Description	Replace street and sidewalk segments in deteriorated conditions and provide accessibility improvements to streets and sidewalks in the CDBG Priority Neighborhoods.
7	Goal Name	Public Facilities
	Goal Description	Provide safe, secure facilities that are in good repair for nonprofit organizations in order to serve low income residents effectively.

DRAFT

Projects

AP-35 Projects – 91.220(d)

Introduction

The activities planned for 2016-17 are similar to programs from past years. After success in 2015-16, the City will again provide funding for capital repairs to facilities owned by non profit organizations, is proposed this year. This program is included based on requests from social service organizations during the last fiscal year and during the community hearing process.

This year, the City's Code Enforcement services will no longer be funded with CDBG money. The Code Enforcement Staff continue provide the same level of service city-wide, but with funding reallocation Code Enforcement will now be fully funded by the City's general fund. This allows the City to put more CDBG money into street and sidewalk reconstruction in the CDBG target area.

Projects

#	Project Name
1	Community Funding Program
2	Home Energy and Repair Program
3	Street and Sidewalk Reconstruction
4	Public Facilities
5	CDBG Administration
6	First Time Homebuyer
7	Affordable Housing Project

Table 3 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The housing, social service and community development needs are overwhelming in excess of available funds. Therefore the allocations were made taking into consideration the amount of funding available, the input from the citizen participation process and consultation with the Community Relations Commission, as well as past experience with prior programs. City staff along with other jurisdictions and community partners cooperate in order to streamline processes and avoid duplication of services in an effort to maximize the available resources.

AP-38 Project Summary

Project Summary Information1	Project Name	Community Funding Program
	Target Area	
	Goals Supported	Community Funding
	Needs Addressed	Community Services
	Funding	CDBG: \$105,000
	Description	Provide funds to nonprofit agencies to provide public services to residents.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	Based on prior year reports, it is estimated that 4200 low income residents will be assisted with services from the agencies who receive grant funds.
	Location Description	This project occurs citywide.

	<p>Planned Activities</p>	<p>This program provides CDBG Public Service grants to social service and other nonprofit agencies that assist low and moderate-income San Mateo residents. These agencies interface with a variety of City departments including Police, Housing, and Code Enforcement on an as-needed basis to further their efforts in the community.</p> <p>For 2016-17, the following 7 agencies will receive \$15,000 each for core service grants.</p> <p>Human Investment Program. The Home Sharing Program provides housing assistance in the City of San Mateo for 32 individuals.</p> <p>St. James Zion Church – Providing academic skills training and other programs at its facility in the North Central neighborhood Reporting goal: 100 individuals.</p> <p>Legal Aid Society – Eviction prevention & other legal assistance for tenants. Reporting goal: 125 individuals.</p> <p>Ombudsman Program of San Mateo – Advocate for residents of 526 long-term care facilities- Countywide. Monitor, receive, investigate and bring resolution to complaints made by or on behalf of residents. State-mandated to investigate all abuse allegations. Reporting goal 100 individuals.</p> <p>CORA Legal Services– Community Overcoming Relationship Abuse provides assistance to victims of domestic abuse. This program will assist clients with legal advice primarily in the areas of restraining orders and other family law matters. Reporting goal: 66 individuals.</p> <p>Samaritan House – Provide bilingual case management for basic needs and safety-net services for the low-income residents and families of San Mateo. Reporting goal: 2,557 individuals.</p> <p>PCRC – Peninsula Conflict Resolution Center – Prevents violence and improves neighborhood safety using community building strategies in specific targeted areas. Program activities focus on neighborhood youth . Reporting goal: 30 individuals.</p>
<p>2</p>	<p>Project Name</p>	<p>Home Energy and Repair Program</p>

	Target Area	
	Goals Supported	Maintain and Preserve Existing Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$102,500
	Description	Provides funding to nonprofit agencies to provide minor repairs, exterior paint, accessibility modifications and repairs associated with weatherization upgrades free to income eligible homeowners.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 45 families, primarily low income, will be assisted with home repairs.
	Location Description	This program is available citywide
	Planned Activities	Agreements will be executed with nonprofit agencies to provide free services for minor repairs, exterior paint, and accessibility and weatherization improvements.
3	Project Name	Street and Sidewalk Reconstruction
	Target Area	CDBG Priority Neighborhood
	Goals Supported	Street and Sidewalk Improvements
	Needs Addressed	Neighborhood Stabilization
	Funding	CDBG: \$500,000
	Description	Funding to reconstruct failing streets and/or sidewalks and install curb cuts for accessibility.
	Target Date	6/30/2017

	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that sidewalk improvements will occur in neighborhoods that include over 19,000 individuals.
	Location Description	North Central neighborhood, exact street TBD
	Planned Activities	Award contract to contractor to reconstruct street including curbs and gutters.
4	Project Name	Public Facilities
	Target Area	
	Goals Supported	Public Facilities
	Needs Addressed	Public Facility Improvements
	Funding	CDBG: \$50,000
	Description	Provide local nonprofit Samaritan House with funding for a capital improvement project to rebuild the parking lot at their facility. This will provide for a safe and comfortable experience to staff and clients coming and going from their facility.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	Located at Samaritan House offices, 4031 Pacific Blvd.
Planned Activities	Proposals have been solicited from non profit agencies who have needed repairs to their facilities. Samaritan House was chosen through the City's regular RFP program.	
5	Project Name	CDBG Administration
	Target Area	

	Goals Supported	
	Needs Addressed	
	Funding	CDBG: 136,215
	Description	Provide funds for staff and overhead to administer the CDBG grant which is capped to no more than 20% of grant and program income.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	
	Planned Activities	Staff and overhead costs identified with management of CDBG programs.
6	Project Name	First Time Homebuyer
	Target Area	
	Goals Supported	First Time Homebuyer Program
	Needs Addressed	Affordable Housing
	Funding	Other City funds
	Description	Provide down payment assistance to home buyers purchasing resale units at City sponsored complexes such as Gateway Commons and Meadow Court.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that six moderate income families will purchase homes with this assistance.

	Location Description	This is available citywide.
	Planned Activities	Provide deferred second mortgages to income eligible first time homebuyers.
7	Project Name	Affordable Housing Project
	Target Area	
	Goals Supported	New Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	Other City funds, amount TBD
	Description	Provide funds for new construction at Bay Meadows site.
	Target Date	6/30/2017
	Estimate the number and type of families that will benefit from the proposed activities	65 low income come households.
	Location Description	Bay Meadows
	Planned Activities	Select developer and enter into Development agreement , initiate predevelopment activities, and obtain local planning approvals.

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City of San Mateo provides a number of programs that assist low income individuals and households based on their income and therefore may be located anywhere within the city limits of San Mateo. In addition, the City has identified a CDBG Priority Neighborhood by utilizing the low-income definitions provided by HUD. This area includes any census tract or block group with at least 50% of the persons considered low-income as reported in the Census and includes North Central, North Shoreview and South Norfolk areas.

Geographic Distribution

Target Area	Percentage of Funds
CDBG Priority Neighborhood	60

Table 4 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The CDBG Priority Neighborhood has a variety of deteriorating conditions including higher than average crime rates, high degree of dumping, and the highest percentages of overcrowding, crowded streets, and homes in disrepair.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	104
Special-Needs	0
Total	104

Table 5 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	53
Rehab of Existing Units	45
Acquisition of Existing Units	6
Total	104

Table 6 - One Year Goals for Affordable Housing by Support Type
Discussion

Home Repair Program - The revised Home Energy and Repair Program will provide minor repairs, paint, and accessibility and weatherization improvements. The City expects 40 homes will be assisted, with 5 more households assisted by Rebuilding Together Peninsula, which provides free home repairs for VLI households.

First Time Homebuyer Program - The program provides first time buyers the opportunity to purchase resale condos at several City sponsored complexes and BMR units scattered citywide. Units carry resale restrictions and give the City the first option to purchase for new eligible buyers on the waitlist. The City projects 6 households will purchase through this program in 2016-17, with 3 purchased by LI homebuyers using HOME for down payment assistance.

Below Market Rate Program - The City's Neighborhood Improvement and Housing Division coordinates the City's Below Market Rate (BMR) program. The City's inclusionary zoning ordinance requirements apply to developments consisting of 11+ units and state:

15% of rental units will be affordable to LI families, or 10% of rental units will be affordable to VLI families.

15% of new ownership units will be affordable to MOD income families, or 10% of new ownership units

will be affordable to LI families

About 18 new ownership units will be completed during this year. Several projects have received planning approvals that will generate 563 market rate units and 63 BMRs.

Bay Meadows at 28th and Delaware --Through a Development Agreement, the City has obtained an approximately 1 acre building site reserved expressly for the creation of low, very low, or moderate income housing. After preliminary project design work, the City approximates that we will be able to provide 65 units affordable to LI families on the site. The City expects to have a developer selected, execute a DDA, and have funds committed by the end of the year.

BMR Pipeline Projects and Projects Under Construction - Several market rate residential projects are in the pipeline that will generate future affordable BMR units. The City's Planning department reports a significant increase in inquiries/submittals for new residential projects. Currently there are 6 housing projects under construction that provide inclusionary units. Some projects have approved planning applications but have not yet pulled building permits and others that are in the pre-application process but are not yet approved projects.

AP-60 Public Housing – 91.220(h)

Introduction

The City of San Mateo does not have a Public Housing Agency. The County of San Mateo Department of Housing includes the Public Housing Authority, which manages any Section 8/Housing Voucher Program and other public housing assistance programs countywide. Additionally, there are no public housing units within the City of San Mateo. Residents of San Mateo are assisted through the Section 8/Housing Vouchers Program at individually rented and privately owned properties or through Project Based Section 8 assisted units.

Actions planned during the next year to address the needs to public housing

N/A

Actions to encourage public housing residents to become more involved in management and participate in homeownership

N/A

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

N/A

Discussion

N/A

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

Although the City does not directly manage any homeless prevention or assistance programs, it collaborates and financially supports a variety of programs countywide. The sources of funds for homeless programs in the City of San Mateo are CDBG, Affordable Housing Funds, and City Housing funds. County level funding that helps to benefit San Mateo residents in need include McKinney-Vento, HPRP, and Section 8 programs. All homeless outreach, assistance and prevention programs are conducted by local nonprofit organizations in coordination with various local government agencies.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The Housing Outreach Team (HOT) is a multi-disciplinary team, including City staff, formed through the HOPE initiative that addresses chronic homelessness by outreach and engagement. This program helps to provide housing and bring medical, mental health and substance abuse support services to those who might not otherwise seek such services. The outreach and case management of this team supports the residents of The Vendome, a permanent supportive housing SRO in Downtown San Mateo. The Vendome was acquired and renovated by the City with various housing financial resources in 2009. The Vendome will continue to serve HOT identified clients and other very low income residents this program year. City staff also supports the efforts of LifeMoves (formerly InnVision Shelter Network) to bring additional financial resources for services and rent assistance to the operation.

Addressing the emergency shelter and transitional housing needs of homeless persons

Safe Harbor Emergency Shelter

The City will provide \$15,000 from City Housing for the operation of Safe Harbor, the regional emergency shelter for adult individuals located in South San Francisco and operated by Samaritan House. After the basic human needs have been met and shelter clients have been stabilized, Safe Harbor provides case management for financial counseling including job search and employment services as well as budgeting to help achieve financial self-sufficiency. The program also provides housing search assistance, including assistance to find subsidized housing when possible. One example is access to the San Mateo County Housing Readiness Voucher program which includes 3 years of continuous case management and rental housing vouchers. Safe Harbor's overall goal is to ensure stabilized housing for three years.

Life Moves, First Step for Families

This facility provides 24-hour emergency shelter and transitional housing with comprehensive on-site support services and serves up to 39 San Mateo County families on any given day. Bilingual Spanish-speaking case managers are on-site to assist monolingual Spanish-speaking clientele.

Supportive services include workshops and individual counseling to achieve financial self-sufficiency which is measured by the goal to assist families to increase their household income at least 20% between program entrance and exit. The comprehensive Children's Program includes a Therapeutic Child Development Center for preschoolers and after school programs for older children, as well as customized services for each family to address any social/emotional issues of the children as well as the requirement that they attend school. These services plus coordination with numerous countywide agencies assist families to achieve stability in order to stay housed in the future. The overall program goal is to place 80% of families who complete the First Step programs into longer term transitional or permanent housing.

Although the City will not be funding First Step this program year, this facility does receive Continuum of Care (CoC) funding through the county. The CoC approved a set of objective performance standards that were developed by the Project Performance Subcommittee. These standards are being used on an ongoing basis to evaluate the effectiveness of all projects within the homeless system .

Home and Hope

Home and Hope Interfaith Sheltering Program assists both the homeless and those at risk of homelessness. Through their network of over 30 churches and 1,200 volunteers they provide short-term emergency shelter and meals, to those in need. Home and Hope has a day center where participants can spend the day in a safe, warm environment, receive job counseling, and have access to the 'Closet' where they can select clothing appropriate for attending upcoming job interviews. Home and Hope also offers assistance and financial counseling to families that have recently experienced a loss of income, and are at risk of losing their home. Individualized case management focuses on healthcare, financial literacy, education/employment, childcare and permanent housing. While the city will not be funding the agency this year, they continue to receive funds from the County for its operation. The churches involved with Home and Hope are located county wide, and local outreach will continue to those in need.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

HIP Housing Self Sufficiency Program

Although the City does not anticipate providing financial assistance to this program this year, staff does serve on the selections committee for entry into this program that provides support services and rent assistance for a one to two year term for candidates with educational and/or vocational training plans to find employment at a level to get off of government assistance payments. The program provides deep supportive services to the clients to move toward self-sufficiency within a 2 year time period.

HIP Housing Home Share Program

The City will provide \$16,000 in CDBG funding to Human Investment Project for the Home Sharing Program. This provides some of the most affordable housing in the community and therefore allows individuals an alternative to homelessness due to rent affordability issues.

Samaritan House

Samaritan House, as well as other local agencies, provides services for the extremely low income residents that include homeless prevention through a variety of programs funded by others such as Rapid ReHousing, and emergency housing vouchers in addition to their counseling and supports service.

Legal Aid Society, HomeSavers Program

Legal Aid assists tenant litigants with unlawful detainers and related matters to help people stay in their homes. They conduct weekly clinics at community centers and at the County Court House advising and representing applicants as necessary in court proceedings. Their goal is to keep people in their homes and prevent homelessness through their advocacy. They negotiate with landlords on tenant's behalf regarding other issues that threaten their ability to live in safe, decent, affordable housing. Their goal is to council 125 individuals. This program will be funded with \$15,000 of CDBG funds in this program year.

Discussion

City staff members are active members of the following regional collaboratives to address a wide variety of issues associated with homelessness and homeless prevention.

Inter-Agency Council (IAC)

The IAC is a countywide consortium of housing stakeholders to develop and support the San Mateo County HOPE: 10-year Plan to End Homelessness. This plan focusses on the provision of new affordable housing opportunities rather than development of new shelters.

Continuum of Care

The Continuum of Care committee for San Mateo County implements its plan to serve homeless persons

and families. Through this collaboration of service providers and local government agencies, efforts are coordinated for outreach, needs assessment, provision of services for the homeless. The consortium also determines the priorities and allocation of Countywide Emergency Shelter Grant funds.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Housing Task Force

At the direction of City Council in Fall 2015, the City convened a Housing Task Force made up of housing and development professionals, San Mateo residents, and housing advocates. This group met through the end of 2015 and the early part of 2016 to discuss policies and develop recommendations to deal with the City's housing crisis. The Task Force developed a series of recommendations, most of which involved facilitation of the development of more housing. City Council will provide staff direction on priority items for implementation later in 2016.

Zoning & BMR

In alignment with the Housing Element, NIH will continue its partnership with the Planning Division in identifying suitable, appropriately zoned land and multi-unit buildings appropriate for affordable and supportive housing. The Housing Element stresses an emphasis for transit oriented developments which require less parking, and in turn lessens the development costs for new housing construction. The City will continue to monitor actions that may impact the City's BMR rental program and address adjustments to the policy as the need arises.

Development

Staff will continue to work with the Planning Division to help create clearer, more streamlined building and development processes to shorten the time and decrease the cost of affordable and supportive housing development.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City recently completed its State mandated Housing Element. As part of this plan, zoning and building fees and policies were compared to neighboring jurisdictions and found to be average in comparison. The City allows higher densities than many of its neighboring jurisdictions and is fully committed to locating these denser areas close to transit centers. Upon City Council review of the Housing Task Force report, there may be direction to look at certain zoning code sections for revisions to encourage development of housing.

AP-85 Other Actions – 91.220(k)

Actions planned to address obstacles to meeting underserved needs

The primary obstacle facing City programs is the decrease in funding from several resources over past years. Decreases in federal funding of CDBG and HOME programs have made noticeable impacts on the City's ability to serve very-low and low mod households. The City has budgeted for full use of this program years entitlements. The loss of Redevelopment Agency funds has had a substantial impact on the City's efforts to assist low/mod housing. The City has made financial adjustments and will focus on opportunities to strengthen and/or support the businesses of San Mateo that are the providers of jobs, income and security to its residents. The City continues to look for new ways to streamline procedures and collaborate with other community groups and has especially focused on volunteerism. With the CDBG Public Services grants, the City will continue to partner with its nonprofit business and service providers to provide direct support and basic needs services (food, shelter, clothing, etc.) for residents most in need.

The Community Resources Commission uses the comments received at the community needs workshops to prioritize funding for the next year to address the underserved needs of the community. The primary obstacle in addressing most community needs is available funding. The Commission has tried to allocate its limited funds in a manner that provides unduplicated services and tries to stretch the funding to be cost effective.

Actions planned to foster and maintain affordable housing

The City works collaboratively with numerous nonprofit organizations and other jurisdictions in the development of affordable housing. All of the cities and the county formed a workgroup called 21 Elements to work collaboratively in preparation of the State mandated Housing Elements. This collaboration allowed jurisdictions to share best practices for housing programs and policies. The group continues to meet after the Housing Elements are completed to work on program implementation. Priority topics for the coming year include adoption of commercial linkage fees, tenant protection issues, and short term rentals.

The City of San Mateo is moving forward with guidelines to implement its commercial linkage fee on new commercial development to provide a new source of funding for affordable housing.

Actions planned to reduce lead-based paint hazards

The City will continue to use its adopted procedures and guidelines to evaluate and reduce lead-based paint hazards as required for each eligible project performed using CDBG and HOME funding. This will apply to assisted acquisition, the Minor Home Repair, Free Paint programs, and/or rehabilitation projects in its Minor Home Repair projects including Rebuilding Together Peninsula.

The City will continue to use its adopted procedures and guidelines to evaluate and reduce lead-based

paint hazards as required for each eligible project performed using CDBG and HOME funding. This will apply to assisted acquisition, the Minor Home Repair, Free Paint programs, and/or rehabilitation projects .

Actions planned to reduce the number of poverty-level families

The actions to work toward eliminating poverty in San Mateo include:

- Strengthen the economic base in order to create and retain job opportunities in San Mateo: Activities in collaboration with San Mateo Chamber of Commerce in the EDGE program. The City has initiated several downtown activities to envision the future of the Downtown and will conduct an update of the Downtown Specific Plan starting next year.
- Consider and adopt an ordinance to increase the minimum wage rate in San Mateo.
- Provide affordable housing: Select a developer for the Bay Meadows one acre site for future affordable family rentals.
- Introduce a new commercial linkage fee to obtain a new source of funding for future affordable housing.
- Create a safe and accessible living environment through Code Enforcement activities.
- Provide social services to help people reach self-sufficiency through public services grants.

Actions planned to develop institutional structure

- Gaps previously identified in institutional structure included reduction in staffing due to severe budget reductions, limiting institutional capacity. This will continue to be a reality for San Mateo and other jurisdictions and nonprofit agencies as well. This requires more careful coordination in services and as well as administration of programs. The Countywide CDBG Cohort group is an example of how staff from several cities coordinates public service agreements and monitoring in order to streamline the process. During the upcoming year the group will continue to share best practices and identify program areas that can be streamlined.

Actions planned to enhance coordination between public and private housing and social service agencies

The City will continue to collaborate with public and private housing developers as it manages its ongoing BMR program and manages new subsidized housing projects. In City sponsored affordable housing projects, it is expected that services are provided to the occupants such as transportation subsidy and information, after school programs, social activities, information and referral to other

services including health, credit and food and clothing. The community is fortunate that these agencies are very well connected already, and the City assists when it can to strengthen the networks.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income.	100.00%

Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. 2016, 2017, 2018

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(I)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

No other forms of assistance are anticipated.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

First Time Homebuyer Re-Sale Guidelines

When the City of San Mateo utilizes its HOME funds to assist in its First Time Homebuyer program, it enables households under 80% of the median income to participate in the program instead of the moderate income households at 120% of the median. The current program provides a deferred second down payment loan. No payment is due on the loan until the unit is sold. At that time a new eligible buyer assumes the loan. If the resale price is not "affordable" to a new low income buyer, the City will provide additional funding to the new buyer to ensure affordability or the loan will be paid back to the City if a new eligible buyer is not found.

The monthly "affordable" housing cost is defined by California Health and Safety Code as the combined total principal, interest, taxes, and insurance shall not exceed 30% x 70% of area median income (AMI) adjusted by family size. This allows for a range of buyers typically in the range of 60-80% AMI to be able to afford these units.

A Resale Restriction Agreement is recorded against the property, which has a term identical to the promissory note of 45 years. The Resale Restriction gives the City the first option to purchase the unit at time of sale, enabling the City to locate a new eligible buyer from its waiting list. The Resale Agreement is terminated in the event of foreclosure, transfer in lieu of foreclosure, or assignment of a FHA insured mortgage to HUD.

A resale price restriction formula has been developed to preserve affordability to future buyers, and to give the buyers a chance for a fair return on their investment. The future sales price for a new eligible buyer is determined by the percentage median income (as published annually by HUD) increases during the period of ownership, or fair market value, whichever is less. The sales price proceeds for a seller are calculated by applying the percentage increase in median income by the amount of the owner's initial equity (first mortgage and down payment), plus any capital improvement investment.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

See above.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

None