



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Human Services Agency
Office of Housing

DATE: June 12, 2002

BOARD MEETING DATE: June 25, 2002

TO: **Honorable Board of Supervisors**

FROM **Maureen Borland, Director, Human Services Agency**
Steve Cervantes, Director, Office of Housing

SUBJECT: **AGREEMENT WITH CITY OF DALY CITY APPROVING A CITY-ADMINISTERED HOME PROGRAM AND AUTHORIZING THE DIRECTOR OF THE HUMAN SERVICES AGENCY TO EXECUTE SUBSEQUENT AMENDMENTS AND MINOR MODIFICATIONS NOT TO EXCEED \$25,000.**

Recommendation

Adopt a resolution authorizing execution of agreement with the City of Daly City:

1. Approving the FY 2001-02 City-administered HOME Program; and
2. Authorizing the Director of the Human Services Agency to execute subsequent amendments not to exceed a total of \$25,000.

Background

The federal HOME Partnerships Program (HOME) provides annual funds on a formula basis to eligible jurisdictions for local affordable housing activities. Smaller eligible jurisdictions can elect to join a County-administered HOME Consortium to access HOME funds in order to circumvent certain HUD requirements.

Since the enactment of the federal HOME Program in the early 90s, the City of Daly City has participated in the San Mateo County HOME Consortium. Membership in the HOME Consortium is renewable every three years. The current HOME cooperation agreement with Daly City was executed June 1, 1999 covering the three fiscal years FY 2000-01 through FY2002/03.

Discussion

The County FY 2001-02 HOME Action Plan, which allocated \$400,000 toward the Daly City HOME Program, was approved by the Board of Supervisors on May 22, 2001. While the HOME Action Plan delineated very specific projects for HOME investments, funding to Daly City was more generic in order to allow it a degree of flexibility to support housing developments on an opportunity driven basis. The subject agreement would allow Daly City to apply the HOME funds for property acquisition and other eligible housing development costs.

The City has identified a site for acquisition in the Mission St. corridor area. The site, located at 3rd Avenue and East Market, will be purchased initially by the City and later conveyed to Peninsula Habitat for Humanity to build 8 to 15 units of ownership housing.

This agreement term, beginning upon County execution and expiring June 2007, would allow the City to identify other suitable project(s) in the interim period should the aforementioned project not work out. The agreement is just being executed now after several months' hiatus, as the City had not identified a site until recently and therefore felt no urgency to execute the agreement.

Consistent with County policy, the agreement further authorizes the Director of Human Services to execute subsequent amendments and minor modifications not to exceed \$25,000. The agreement has been approved as to form by the County Counsel's Office and meets HUD regulations. Risk Management has reviewed and approved the City's insurance coverage.

Vision Alignment

The agreement with the City of Daly City keeps two commitments: (1) Offer a full range of housing choices; and goal number 9: Housing exists for people at all income levels and for all generations of families; and (2) Responsive, effective and collaborative government; and goal number 22: County and local governments effectively communicate, collaborate, and develop strategic approaches to issues affecting the entire County. The agreement contributes to these commitments and goals by furthering mutual cooperation with the County's continued affirmation to funnel housing resources from the federal level to Daly City in order to achieve a mutually determined affordable housing goal.

Fiscal Impact

The total County obligation under this agreement is \$400,000, provided under the FY 2001-2002 HOME Program. This project is included in the current Housing and Community Development budget. No general funds are involved.

RECOMMENDED
Paul Stanner
ASSISTANT COUNTY MANAGER