



COUNTY OF SAN MATEO
Inter-Departmental Correspondence

Human Services Agency
Office of Housing

DATE: September 27, 2002

BOARD MEETING DATE: October 22, 2002

TO: Honorable Board of Supervisors

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

SUBJECT: AGREEMENT WITH THE CITY OF DALY CITY APPROVING A CITY-ADMINISTERED HOME PROGRAM

Recommendation

Adopt a resolution:

1. Authorizing the execution of an agreement with the City of Daly City in the amount of \$500,000, approving the FY 2002-03 City-administered HOME Program; and
2. Authorizing the Director of the Human Services Agency to execute subsequent amendments and minor modifications 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 meet certain HUD requirements.

Since the enactment of the federal HOME Program in the early 1990s, 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 FY 2002-03. It should be noted that Daly City has decided not to renew its membership in the HOME Consortium after June 30, 2003, so this contract is the last agreement with Daly City as a member of the HOME Consortium.

Discussion

The County FY 2002-03 HOME Action Plan, which allocated \$500,000 toward the Daly City HOME Program, was approved by the Board of Supervisors on June 4, 2002. 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.

To date, the City has identified a BART-owned site for acquisition, which it will then convey to Habitat for Humanity, a non-profit organization, to construct ownership housing. As the purchase price is around \$100,000, the City will have opportunities to invest in other sites for affordable housing development.

The agreement term, beginning upon County execution and expiring June 2003, would allow the City to identify suitable projects in the current fiscal year.

Consistent with County policy, the agreement further authorizes the Director of the Human Services Agency 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 \$500,000, provided under the FY 2002-03 HOME Program. This project is included in the current Housing and Community Development budget. No General Funds are involved.