



CITY OF SAN MATEO

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Agenda Report

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TO: City Council

FROM: Alex Khojikian, City Manager

PREPARED BY: Community Development Department

MEETING DATE: September 16, 2024

SUBJECT:

Consolidated Annual Progress and Evaluation Report for the Community Development Block Grant 2023-2024 Program Year – Adoption

RECOMMENDATION:

Adopt the 2023-2024 Consolidated Annual Progress and Evaluation Report (CAPER) for submittal to the United States Department of Housing and Urban Development.

BACKGROUND:

Each year, the City is required to submit to the United States Department of Housing & Urban Development (HUD) a Consolidated Annual Performance Evaluation Report (CAPER). The primary focus of the CAPER is the use of Community Development Block Grant (CDBG) funds, which the City receives on an annual basis from HUD. It also serves to document progress made towards the City's housing and community development goals as identified in associated planning documents. These include the five-year Consolidated Plan and Annual Action Plan, the document where the City outlines where funding will be spent the following year and what goals the City would like to achieve with those activities. This year's CAPER documents progress made on the 2023-24 Annual Action Plan and the 2023-27 Consolidated Plan.

The City uses CDBG funds to assist the public in many categories, as defined by HUD. These include public services, economic development, community development, fair housing administration, minor home rehabilitation, and public facilities. The CAPER responds to questions asked in a template provided by HUD and consists of narratives on the progress of San Mateo's community development programs and accomplishments made possible by use of CDBG funds.

The CAPER in Attachment 1 is the narrative portion of the report, describing program activities and achievements. Much of this information is generated from the HUD computer system, Integrated Disbursement and Information System (IDIS), and from internal reporting systems.

Several areas are highlighted in the CAPER, including:

1. Community Funding

The City funded several activities through its Community Funding program, which encompasses the spending categories of public services, minor home rehabilitation, and fair housing under CDBG regulations. This program provides grants to local organizations providing a wide range of services to low- and moderate- income residents. In Program Year 2023-2024, the City funded \$271,100 total in the following areas:

- Nine public services grants totaling \$116,100, which assisted 4,024 people.
- Three minor home repair grants totaling \$90,000, which assisted 11 households.
- One economic development grant to support a microenterprise assistance program totaling of \$25,000,

which assisted 33 people.

- One grant for fair housing services totaling \$25,000, which assisted 11 people.

2. Public Facilities

Public Facilities are another category of CDBG funding. The City uses these funds to support City street and sidewalk improvements and local non-profits that primarily serve low- and moderate-income households. In the 2023-24 Program Year, one street and sidewalk safety project from the 2022-23 Program Year was completed, and the (two-year) Third Avenue/Norfolk Traffic Corridor Project completed its design phase. The latter project, led by Public Works, is expected to solicit bids in winter 2024 and includes the following:

- Signal modifications
- Bicycle and pedestrian access improvements
- Street restoration improvements
- Concrete work
- Roadway striping

3. Other Accomplishments

The City undertook other efforts beyond CDBG to address affordable housing, homelessness, poverty reduction, fair housing and affirmative action issues identified in its planning documents, including the 2023-2027 Consolidated Plan and the 2023-24 Annual Action Plan. These include the following:

- Kiku Crossing, a 225-unit affordable housing development by MidPen Housing on City-owned land, completed construction in spring of 2024, began lease-up beginning of 2024, and is working through the rest of the year to get the building fully occupied;
- 6 very low-income units were created through the City's Below Market-Rate program at the Brickline Flats development at 303 Baldwin Avenue; and
- Homeless shelter, rapid rehousing, home-sharing, and supportive housing programs serving 183 San Mateo residents were supported through other grant programs (Permanent Local Housing Allocation).

HUD requires that the CAPER be submitted no more than 30 days after the close of the Program Year, which was June 30, 2024. This year, the deadline for submittal is September 28, 2024. The submittal of the CAPER must be preceded by a public comment period, during which time the draft CAPER must be available to the public. The draft 2023-24 CAPER was published and posted to the City's website on August 30, 2024. The public comment period closes on the date of this meeting, September 16, 2024.

The Community Relations Commission (CRC) reviewed the draft CAPER at a Special Meeting on September 5, 2024. The CRC voted 5-0-0 to recommend that the City Council adopt the CAPER and direct staff to submit the final version to HUD by the September 28 deadline. Comments from CRC Commissioners included:

- Making clarifying additions to Table 2 on race and ethnicity of households served with CDBG-funded activities and associated narrative.
- Based on race and ethnicity data provided in Table 2 on households served with CDBG-funded activities, considering in future Program Years how to improve overall program reach to households in the Asian category.
- Evaluating goal-setting for future years for home repair/rehabilitation programs, given the difference between the annual goal (29) and actual number served this Program Year (11).

BUDGET IMPACT:

There are no budget impacts involved in the presentation, approval, and submission of this report.

ENVIRONMENTAL DETERMINATION:

This administrative review of the 2023-24 CAPER is not a project subject to CEQA, because it can be seen with certainty that it will not cause a physical change in the environment. (Public Resources Code Section 21065.)

NOTICE PROVIDED:

All meeting noticing requirements were met. The draft CAPER was placed on the City's website and a notice was published on August 30, 2024 in the San Mateo Daily Journal of public comment period from August 30 to September 16, which meets the 15-day period required by the City's Citizen Participation Plan. By the date of publication of this report, no comments have been received. The same public notice provided information about the Community Relations Commission Special Meeting on September 5, 2024 and this public hearing on September 16, 2024.

ATTACHMENTS

Att 1 – Draft Consolidated Annual Performance Evaluation Report

STAFF CONTACT

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