



# CITY OF SAN MATEO

City Hall  
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## Agenda Report

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Agenda Number: {{item.number}}

Section Name: {{section.name}}

File ID: {{item.tracking\_number}}

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**TO:** City Council

**FROM:** Drew Corbett, City Manager

**PREPARED BY:** Community Development Department

**MEETING DATE:** July 20, 2020

**SUBJECT:**  
Permanent Local Housing Allocation State Grant Funds – Application

### RECOMMENDATION:

Adopt a Resolution to apply to the State of California for Permanent Local Housing Allocation grant program.

### BACKGROUND:

The purpose of the Permanent Local Housing Allocation (PLHA) grant is to provide a permanent source of funding to all local governments in California to help cities and counties implement plans to increase housing affordability. This is a flexible funding source that can be used for a wide range of activities from increasing the housing supply to providing supportive services. The PLHA application requires that the City develop a five-year plan to allocate spending. The first year allocation amount is \$341,894.

Council directed staff to use PLHA funds for rapid rehousing during a special meeting on June 1, 2020. Rapid rehousing includes rent assistance typically from six to twelve months combined with supportive services to households who are homeless or at risk of homelessness.

Staff has consulted with local agencies that have expressed interest in managing the program. During those discussions, the nonprofit providers advised that the full grant amount might be difficult to place in one year due to lack of available affordable market rate housing. Staff recommends that a Request for Proposals for a pilot program for the first year be issued this summer in order to select a provider to work together to design and implement the program.

Since the Council study session, another need for these funds has been identified. The new affordable housing development at Bay Meadows, called Montara, will be completed later this summer. The project will include 12 units that will participate in the VASH program, a housing assistance program for veterans who are homeless or at risk of homelessness. Another four units will be set aside for formerly homeless households referred by San Mateo County Human Services Department. These targeted units include supportive services from the Veterans Affairs and the County in addition to rental assistance as part of the financing package provided by the County of San Mateo. In response to feedback received at stakeholder meetings with neighboring properties, the City's Community Development and Police Departments worked with the developer, BRIDGE Housing, to expand its residence services at the property so more services are available and onsite hours are expanded for all the tenants. To achieve the expanded services, a full-time services coordinator rather than a half time position is required. This cost was not anticipated when the developer sought its funding commitments and results in a gap in the operating budget for the first four years of the project. This gap is estimated at \$60,000 to \$65,000 per year for four years. The PLHA funds can be used to cover the gap. For the first year, this would still provide about \$280,000 for rapid rehousing, which should be adequate based on recommendations of the providers.

The five-year plan that is submitted to the State can be amended in the future if changes are desired. After the pilot year of rapid rehousing, staff can evaluate the appropriate budget and provide Council with alternatives, if needed.

**BUDGET IMPACT:**

Staff set up a new fund (referred to as Fund 36) for this grant. PLHA is a new, noncompetitive grant that will be allocated to the City over a course of five years. The grant amount for the first year is \$341,894. The exact dollar amount will vary based upon the collection of the real estate recording fees, but the total estimated dollar amount the city will receive over five years is \$2,051,364.

**ENVIRONMENTAL DETERMINATION:**

This resolution is in accordance with California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(4), submitting an application for grant funding is not a project subject to CEQA to the extent that it is a funding activity that does not involve commitment to a particular project that will impact the environment. However, in accordance with Public Resources Code Section 21065, to the extent that the funds are committed to specific projects, the City's commitment of those funds is not a project subject to CEQA because the funds will be used to subsidize operational expenses which will not impact the environment.

**NOTICE PROVIDED**

All meeting noticing requirements were met. Notifications were sent to the Housing NotifyMe list for both the special study session held on June 1, 2020 and the City Council meeting July 20, 2020. A public notice was published to announce the availability of the draft plan on the city website. The draft was open to a 10-day comment period from July 10, 2020 to July 20, 2020.

**ATTACHMENTS**

Att 1 - Proposed Resolution

**STAFF CONTACT**

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