



# CITY OF SAN MATEO

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## Agenda Report

Agenda Number: 6

Section Name: {{section.name}}

Account Number: 10-3133

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

**TO:** City Council  
**FROM:** Drew Corbett, City Manager  
**PREPARED BY:** Community Development Department  
**MEETING DATE:** September 6, 2022

**SUBJECT:**

Permanent Local Housing Allocation Housing Assistance Program – Agreement and Appropriation

**RECOMMENDATION:**

Adopt a Resolution to award an agreement to HIP Housing to provide operational subsidies for resident services in the amount of \$105,000; to authorize the City Manager to execute the agreement in substantially the form presented; and to appropriate \$531,409 of new grant funds to fund the second year of all Permanent Local Housing Allocation activities.

**BACKGROUND:**

The City received a grant allocation from the California Department of Housing and Community Development for the Permanent Local Housing Allocation (PLHA) program, which provides 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 5-year plan to allocate spending, which was approved by City Council on July 20, 2020. The services provided in this agreement are included in the City's 5-year plan. The first-year full grant amount was \$341,894 and the second-year grant amount was \$531,409, for a total of \$873,303.

HIP Housing is a San Mateo based non-profit organization that provides shared housing, a self-sufficiency program and property management services that primarily serve low-income families and individuals throughout San Mateo County. In recent years, HIP Housing has experienced some funding gaps that have impacted its ability to adequately fund its programs. The City previously supported HIP Housing's Home Sharing Program from fiscal year 2011-12 to fiscal year 2020-21 for an average of \$17,800 annually with CDBG funding. Prior to CDBG funding, the City funded the Home Sharing Program from the Redevelopment Agency in the amount of \$25,000 annually. Due to rigorous client income verification and reporting requirements, which clients were often unable to meet due to limited resources and/or access to resources, HIP was unable to continue accepting CDBG funds. In addition, HIP Housing owns and operates six affordable housing complexes in the City that are home to 226 low-income people. In the past five years, operating costs have rapidly increased, which has resulted in a decrease of approximately \$90,000 in annual income from their properties. HIP Housing's units are all deed restricted and they are unable to raise rents to accommodate new fees. The \$105,000 grant will enable HIP Housing to fill their funding gaps to more adequately provide services for their residents and customers.

In addition to the \$105,000 agreement with HIP Housing described above, this appropriation will also cover two additional PLHA agreements. This includes an agreement with Bay Meadows Affordable Associates, LLC to provide operational subsidies for tenant services at the Montara affordable housing development, which was previously approved by City Council on February 16, 2021, and an agreement with LifeMoves for housing assistance with case management, which was previously approved by City Council on June 21, 2021. Both existing agreements were amended on November 23, 2021. In order to encompass the three agreements, the appropriation prepared by staff is for the total amount of PLHA funding awarded to the City of San Mateo for the second year of activities, which amounts to \$531,409.

**BUDGET IMPACT:**

The \$531,409 in new PLHA grant funds will be appropriated into the 2022-23 PLHA (Fund 36) operating budget in order to fund this agreement with HIP Housing in the amount of \$105,000. The appropriation is larger than the amount of the HIP Housing agreement because it will incorporate all of the previously funded PLHA activities, which includes two previously approved agreements.

**ENVIRONMENTAL DETERMINATION:**

This agreement is not a project subject to CEQA, because it is a government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. (CEQA Guidelines Section 15378(b)(4).)

**NOTICE PROVIDED**

All meeting noticing requirements were met.

**ATTACHMENTS**

Att 1 – Proposed Resolution

Att 2 – HIP PLHA Agreement

Att 3 – HIP Funding Request

**STAFF CONTACT**

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