

**HUD  
Consolidated  
Plan**

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**DRAFT**



**(CAPER)  
Fiscal Year 2011-2012**

***Department of Economic and Community Development  
Housing and Community Development Division***

**CITY OF DALY CITY**



***HUD CONSOLIDATED PLAN***

**Consolidated Annual Performance and Evaluation Report  
(CAPER)  
*Fiscal Year 2011-12***

**CITY COUNCIL**

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**CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT  
(CAPER)  
FY 2011-12 ONE YEAR ACTION PLAN**

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**PART I INTRODUCTION**

As part of the Consolidated Plan regulations established by the federal Department of Housing and Urban Development (HUD), Daly City must submit a completed Consolidated Annual Performance and Evaluation Report (CAPER) to HUD each year. This CAPER provides an assessment of the fourth program year of the City's Five Year Consolidated Plan (covering the period July 1, 2011 to June 30, 2012). The CAPER describes and evaluates Daly City's activities during fiscal year (FY) 2011-2012. It reports on how the City's housing and community development priorities, goals, and strategies established in the One Year Action Plan for FY 2011-2012 were met.

**PART II SUMMARY OF RESOURCES****A. RESOURCES UTILIZED****1. Federal Funds**

During FY 2011-2012, the City of Daly City continued as an entitlement locality under the CDBG Program. As an entitlement locality, the City directly receives CDBG funds from HUD. The specific use of CDBG funds in Daly City is detailed in the remainder of this report.

FY 2011-2012 marked the ninth year that the City received HOME funds directly from HUD as a participating jurisdiction (PJ). HOME funds can be used for a variety of housing activities. The City's use of HOME funds is described in Part III, Section B of this report.

**2. Redevelopment Agency Funds**

On February 1, 2012, redevelopment agencies were effectively dissolved. The "Dissolution Bill" to eliminate redevelopment agencies in California became effective on June 29, 2011 and prohibited redevelopment agencies from entering into new agreements. The Daly City Redevelopment Agency (DCRA) therefore did not take on any new affordable housing commitments in FY 11-12. The elimination of redevelopment agencies makes it more difficult for California cities to help build

affordable housing given that redevelopment funds were an important funding source for affordable housing developments and leveraged federal dollars such as HOME funds.

As reported in previous CAPERs, DCRA funds were used in the construction of over 100 units of affordable housing in Daly City. Affordable housing developments that have received both HOME and DCRA funds include:

- Vista Grande – 24 units of rental housing
- School House Station – 47 units of rental housing
- Hillcrest Gardens – 39 units of senior apartments
- Habitat Way, DeLong, and Parkview – 13 single family homes
- 7555 Mission – 36 condominiums (under construction)

DCRA funds were also used for the Daly City Facade Improvement Program (FIP). Through the FIP, property owners and businesses, located in the City's redevelopment areas were eligible to receive architectural assistance and rebates to cover a portion of construction costs incurred, while improving the façades of their properties and businesses. Overall, the FIP aimed to enhance private reinvestment and to increase the attractiveness and collective commercial viability of the neighborhood-serving commercial corridors (Mission Street and Geneva Avenue) in the City's two former redevelopment areas.

Housing obligations and housing functions of the former DCRA have been or are being transferred to the Daly City Housing Finance Development Agency (DCHFDA). The City, like other municipalities with dissolved redevelopment agencies, is still in the process of adjusting to this significant change in the fiscal landscape of local government.

### **3. State and Local Funds**

State and local funds have been valuable in helping fund various housing activities for lower-income households. The former DCRA was awarded \$1.5 million in State HELP funds which it used to purchase a five-unit apartment building at 260 Abbot Avenue in order to preserve the affordability of

the units for the very low-income households living in the building. In FY 08-09, the City received \$600,000 in CalHOME funds from the State. The monies have been used to rehabilitate homes and supplement the City's existing CDBG-funded housing rehabilitation program. In addition to directly applying to the State for state funds, the City provides support to agencies applying for state funds. The City provided assistance to Habitat for Humanity, for instance, in putting together its grant application for the State's Infill Housing program. Habitat was awarded \$1.75 million which it used towards the podium parking of the 7555 Mission Street affordable housing development. In addition, the City provided support to Mercy Housing in its application submitted to the State Tax Credit Allocation Committee for rehabilitation work on two multi-family affordable housing projects developed in the mid-1990s. The City also completed the required local Reviewing Agency project evaluation form, a component of Mercy Housing's application.

Local funds are used to fund the Daly City Community Service Center, the City's primary human services agency. The Community Service Center offers City residents a wide range of services, including crisis intervention, case management, information and referral. Also, the Center provides office facilities for a variety of nonprofit public service agencies.

All of the public services that receive the City's CDBG funds also get funding from state and/or local resources. The public service agencies offer programs that would not be possible with the City's CDBG funds alone.

#### **4. Private Funds**

The City accesses private funds in the form of foundation grants, lender financing, and owner equity. For example, Habitat for Humanity utilizes private donations to provide zero percent interest mortgages for its homebuyers. For the 13 Habitat projects completed to date in Daly City, over \$2.7 million in mortgage funds have been raised from private businesses, faith-based organizations and trade associations. With reductions in public funding at the federal, state and local levels, the City will need to be more creative and look more to sources of private funding. The City's microenterprise assistance efforts have been enhanced through financial contributions from local banks which have

sponsored various business education and microlending activities. In addition, private funds are a key resource for many of the City's nonprofit subrecipients who leverage funds from the City. In FY 11-12, the City's CDBG subrecipients reported approximately \$2 million in private funding.

### **PART III        SUMMARY OF CDBG AND HOME ACTIVITIES AND ACCOMPLISHMENTS**

#### **A.        USE OF CDBG FUNDS**

A total of \$1,866,708 in CDBG funds was initially committed for activities in the FY 2011-12 One Year Action Plan. This amount represents a \$1,119,607 CDBG Entitlement Grant, FY 2011-12 estimated program income of \$54,882, unallocated FY 10-11 funds of \$262,219 and anticipated unspent FY 10-11 funds of \$430,000. Table 1 summarizes the actual CDBG commitments made for FY 2011-12, includes CDBG commitments that were carried over from prior years, and incorporates allocation adjustments made during the program year. The table also reports actual expenditures in FY 2011-12 and indicates that 66% of funds committed during the year have been expended.

**Table 1**  
**CDBG Funds Committed vs. Expended (FY2011-12)**

Grantee/ Program Name	Total CDBG Funds Committed	Carryover Amount from Prior Years	New CDBG Funds Committed FY11-12	Funds Expended FY11-12	Percent Expended
<b>CDBG ADMINISTRATION</b>					
Daly City/Gen. Administration	\$ 234,898.00	\$ -	\$ 234,898.00	\$ 210,442.65	90%
<b>ECONOMIC DEVELOPMENT</b>					
Microenterprise Development Program	\$ 340,817.00		\$ 340,817.00	\$ 87,166.40	26%
<b>HOUSING</b>					
Daly City/Residential Rehab	\$ 562,500.00		\$ 562,500.00	\$ 308,175.04	55%
Habitat for Humanity Greater SF (7555 Mission St.) <sup>1</sup>	\$ 12,267.76	\$ 12,267.76	\$ -	\$ 95.00	1%
Center for Independence of Individuals with Disabilities/HAM <sup>2</sup>	\$ 13,500.00		\$ 13,500.00	\$ 13,464.16	100%
N. Penin. Neigh.Svcs/House Helpers	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 22,904.64	57%
Rebuilding Together	\$ 23,500.00	\$ -	\$ 23,500.00	\$ 23,500.00	100%
Affordable Housing Development	\$ 85,414.00	\$ -	\$ 85,414.00	\$ -	0%
<b>CAPITAL IMPROVEMENTS</b>					
Section 108 Loan Payments <sup>3</sup>	\$ 390,965.75	\$ -	\$ 390,965.75	\$ 390,965.75	100%
92nd Street ADA Improvements	\$ 20,945.90	\$ 20,945.90	\$ -	\$ 5,000.00	24%
<b>PUBLIC SERVICES</b>					
Bayshore Childcare Services	\$ 30,000.00	\$ -	\$ 30,000.00	\$ 30,000.00	100%
DC Youth Health Ctr/Pathways for Success	\$ 8,000.00	\$ -	\$ 8,000.00	\$ 8,000.00	100%
Human Investment Project/Homesharing	\$ 16,500.00	\$ -	\$ 16,500.00	\$ 16,500.00	100%
John's Closet	\$ 6,825.00	\$ -	\$ 6,825.00	\$ 6,825.00	100%
Legal Aid Society/Homesavers	\$ 14,455.00	\$ -	\$ 14,455.00	\$ 14,455.00	100%
Mental Health Assoc. of SMC/Friendship Center	\$ 4,500.00	\$ -	\$ 4,500.00	\$ 4,500.00	100%
Mental Health Assoc. of SMC/Spring St. Shelter	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 5,000.00	100%
North Peninsula Food Pantry and Dining Ctr	\$ 9,000.00	\$ -	\$ 9,000.00	\$ 9,000.00	100%
Ombudsman Services	\$ 4,183.00		\$ 4,183.00	\$ 4,183.00	100%
Project Read	\$ 26,500.00	\$ -	\$ 26,500.00	\$ 26,500.00	100%
Project Sentinel	\$ 8,550.00	\$ -	\$ 8,550.00	\$ 8,550.00	100%
Samaritan House/Safe Harbor Shelter	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 10,000.00	100%
Service League/Case Management	\$ 6,600.00	\$ -	\$ 6,600.00	\$ 4,280.71	65%
Shelter Network/Family Crossroads	\$ 20,000.00	\$ -	\$ 20,000.00	\$ 20,000.00	100%
Shelter Network/Maple St. Shelter	\$ 5,000.00	\$ -	\$ 5,000.00	\$ 3,705.37	74%
<b>TOTAL</b>	<b>\$ 1,899,921.41</b>	<b>\$ 33,213.66</b>	<b>\$ 1,866,707.75</b>	<b>\$ 1,233,212.72</b>	<b>66%</b>
Notes:					

<sup>1</sup> As an amendment to the FY08-09 Action Plan, the City Council transferred \$40,000 from the 92nd Street Accessibility Improvements, \$80,000 from Bayshore Park Improvements and \$119,849 in unallocated funds to Habitat for Humanity Greater SF (7555 Mission Street).

<sup>2</sup> During the program year, an additional \$2,500 was allocated to the Center for Independence of Individuals with Disabilities.

<sup>3</sup> The Bayshore Community Center is being partly financed by a Section 108 loan.

## B. USE OF HOME FUNDS

In FY 11-12, construction continued at 7555 Mission Street, a thirty-six unit development by Habitat for Humanity. Construction is approximately 70 percent complete, with a completion target date of February/March 2013. The completion date was pushed back by a few months in part because there were

fewer volunteers in the winter months than projected. The City has committed just over \$1.2 million in HOME funds towards the project.

The City has fully disbursed all of its HOME funds through program year FY 08-09. Table 1b summarizes the City of Daly City's current HOME allocations. The City is required to commit 15% of its annual HOME allocation to a project sponsored, developed, or owned by a community housing development organization (CHDO). The City has reserved its FY 09-10 and FY 10-11 CHDO funds to HIP Housing.

The HOME match report in Appendix H demonstrates that the City is meeting its HOME match requirement. The City has accrued a HOME match requirement of approximately \$287,597 this fiscal year, and currently has excess match to carry over to the next fiscal year of about \$2.5 million dollars. This amount may change as the City tries to collect more detailed information on how the rehabilitation of two HOME-assisted projects, School House Station and Vista Grande apartments, is being financed. The City has been unable to put any funds into the rehabilitation of these projects, but it did contribute to their construction in the mid-1990s. Previously, most of the City's HOME match had been funded with redevelopment dollars. The City will need to look for other sources of match funding given the dissolution of the Redevelopment Agency.

**Table 1b**  
**SUMMARY OF HOME FUNDS ALLOCATED AND EXPENDED**

Fiscal Year	Total HOME Funds Authorized Allocation Amount	Funds Committed	Percent Reserved/ Committed	Funds Drawn in IDIS thru 6/30/12	Percent Expended
2011-12	\$491,664.00	\$206,798	42%	\$131,939.08	27% <sup>1</sup>
2010-11	\$188,395.50 <sup>2</sup>	\$188,395 <sup>3</sup>	100%	\$55,679.40	30%
2009-10	\$492,929.50 <sup>4</sup>	\$492,929.50 <sup>5</sup>	100%	409,142.20	85%

<sup>1</sup>This is what is expected to be expended. The City is still in the process of closing out FY11-12 accounting.

<sup>2</sup> HUD de-obligated \$417,595.50 from the original allocation and credited back \$49,197 for the 08-09 CHDO reservation.

<sup>3</sup>This amount committed/reserved is for HOME administration and the 2008 and 2010 CHDO project.

<sup>4</sup> HUD de-obligated \$65,652.50 from the original allocation.

<sup>5</sup> \$55,858.20 expended for HOME admin; \$83,787.30 reserved to HIP Housing for a CHDO project; the balance is committed to 7555 Mission Street project.

**C. ASSESSMENT OF THE ONE YEAR ACTION PLAN**

The One Year Action Plan for FY 2011-12 identified priority activities from the Five Year HUD Consolidated Plan covering FY 2008-2012 to address housing and community development needs in the City. These were organized and listed within the categories of Housing, Public Services, Public Facilities and Economic Development. In order to evaluate how activities undertaken during the fiscal year succeeded in addressing goals set out in the One Year Action Plan, program accomplishment information in these four categories is presented below.

**(1) HOUSING**

The high cost of housing in Daly City is a common dilemma throughout San Mateo and San Francisco counties. The scarcity of available sites in several of the cities, including Daly City, makes the need to preserve existing renter and owner-occupied housing units a key strategy and priority.

The City's efforts to preserve the existing housing stock are reflected in its support of housing rehabilitation activities. The City's housing rehabilitation achievements through its Residential Rehabilitation Program, North Peninsula Neighborhood Services, and Rebuilding Together are highlighted in Table 2a, below. The City's Residential Rehabilitation Program provides grants, low interest loans, and deferred loans to low and very low-income City residents, both homeowners and owners of multifamily properties. Low interest loans are available for complete home rehabilitation, or for specific tasks, such as "Roof only" or "Paint only" loans. In addition, grants of up to \$1,000 are available to lower income seniors for minor home repairs/improvements. A grant of up to \$1,500 is also available to low-income households for the replacement of existing security grills with ones that can be opened in bedrooms and at exterior doors.

In FY 11-12, the City awarded 14 single-unit rehabilitation loans and grants, providing assistance for 13 ownership units. The 14 single family unit rehab loans/grants were issued to four extremely low-income households, three low-income households, and six moderate-income households.

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These included nine senior minor home repair grants, two security bar replacement grants, two complete rehab loans and one roof only loan. Of the 13 housing units assisted through the single-unit Residential Rehabilitation Program, approximately 62% were female-headed households. The City received 400 inquiries about the program during the program year.

In FY 10-11, the City allocated \$82,328 to Mercy Housing California to fund the rehab of Vista Grande Apartments, a 24-unit affordable housing development in Daly City owned by Mercy Housing. In FY 11-12, however, Mercy Housing decided to pursue other funding sources for the Vista Grande rehab project, and the City re-allocated the funding that had been set aside to other CDBG eligible activities.

North Peninsula Neighborhood Services (NPNS) and Rebuilding Together are two subrecipients whose activities complement the City's Rehabilitation Program. Rebuilding Together rehabbed nine housing units using volunteers in FY 11-12. Meanwhile, NPNS assisted 14 households with home repairs in FY 11-12. During the program year, City staff assisted both Rebuilding Together and NPNS in including information about their respective programs in the water bill to City residents.

In their outreach efforts, NPNS also distributed backpack fliers to all students in Daly City's elementary schools and dispensed doorknob fliers to homes in Daly City. In addition, NPNS hired a graphic designer to redesign their website and brochures. The redesigned website allowed for the download of the minor home repair application to expedite the application process. NPNS' Minor Home Repair Coordinator also personally hand delivered many applications to homebound seniors to assist in the application process.

**Table 2a**  
**Housing Rehabilitation Accomplishments FY 2011-12**

<b>RESIDENTIAL REHABILITATION ACTIVITY (Organization)</b>	<b>CDBG FUNDS COMMITTED</b>	<b>UNITS ASSISTED (ALL LOW/MOD INCOME HOUSEHOLDS)</b>
Complete Single-Unit Rehabilitation Loans	\$78,966	2
Roof Only Loans	\$7,474	1
Window Only Loans	\$0	0
Paint Only Loans	\$0	0
Sewer Only Loans	\$0	0
Underground Utility Only Loans	\$0	0

<b>RESIDENTIAL REHABILITATION ACTIVITY (Organization)</b>	<b>CDBG FUNDS COMMITTED</b>	<b>UNITS ASSISTED (ALL LOW/MOD INCOME HOUSEHOLDS)</b>
Combo Loan (roof, paint, window)	\$0	0
Senior Home Repair Grants	\$8,972	9
Security Bars Replacement Grants	\$1,400	2
Multi-Unit Rehab Loans/Projects	\$0	0
House Helpers Program (minor home repair available through North Peninsula Neighborhood Services)	\$22,904.64	14
Rebuilding Together (housing rehabilitation)	\$23,500.00	9
Center for Independence of Individuals with Disabilities (housing accessibility modifications)	\$13,464.16	25

The City addressed the need for supportive facilities and services for persons with special needs as indicated in Table 2b below. The Center for Independence of Individuals with Disabilities (CID) made accessibility modifications to 25 housing units through its Housing Accessibility Modification Program. The Human Investment Project's (HIP) Shared Housing Program takes advantage of the existing underutilized housing stock, while simultaneously providing assistance to people needing affordable housing. In FY 11-12, HIP matched sixteen households, including nine extremely low income, four low income, two moderate income, and one non low/moderate income household. The average income of Daly City housing providers in the program was \$33,722, while the average income of Daly City housing seekers was \$20,256. Of the sixteen households matched in the program, 69% were female-headed households, 31% were elderly, and 44% were disabled.

During FY 11-12, construction continued at 7555 Mission Street, the 36-unit Habitat for Humanity multi-family housing development. Over the course of the year, the City monitored the progress of the project. The City also worked with Mercy Housing to refinance School House Station and Vista Grande, two affordable multi-family housing properties developed in the mid-1990s with HOME funds. These two developments are undergoing rehabilitation to address water intrusion problems. In order to finance the rehabilitation of these projects, Mercy Housing is using a combination of four percent tax credits and tax-exempt bond funds for the acquisition and rehabilitation of the properties. The Mercy ownership entity has transferred ownership to a new

Mercy ownership entity. Although the City did not provide direct financing for these rehabilitation projects, it facilitated Mercy's applications for both the tax credits and tax-exempt bonds. The City also conducted the required Local Agency Review for the tax credit application, and conducted the public hearing as required by the Tax Equity and Fiscal Responsibility Act (TEFRA) for the issuance of tax-exempt bonds.

In FY 11-12, the City provided \$6,600 in CDBG funding to Service League to provide case management services for those Daly City residents living in the organization's four transitional homes. During FY 11-12, Service League provided case management services to five Daly City residents residing in the transitional homes.

As site preparation activities progressed for the 36-unit affordable housing project at 7555 Mission Street, it became clear that the City would not use all its CDBG funds nor all its CDBG-R funds it had allocated toward such activities due to significantly lower than anticipated costs. In April 2011, the City Council approved the reallocation of \$130,000 of CDBG-R funds toward the construction of sidewalk curb ramps to improve accessibility within the city. A contract for this work was executed in June 2011, and construction was complete in March 2012. The City had a small remaining balance of CDBG-R funds due to lower than expected site preparation costs at 7555 Mission Street. The City has therefore reprogrammed the remaining CDBG-R funds towards a housing rehab loan for a low-income Daly City household in need of home repairs for their health and safety.

Table 2b summarizes the City's housing activities and demonstrates the City's efforts to provide supportive facilities and services for homeless persons. The City, through the funding of three CDBG subrecipients (i.e., Shelter Network of San Mateo County, Mental Health Association of San Mateo County, and Samaritan House), assisted 79 homeless households. Seventeen of the households were families and consisted of 60 persons.

**Table 2b**  
**Housing Summary FY 2011-12**

HOUSING PRIORITIES	ACTIVITIES	GOALS	ACCOMPLISHMENTS
Rehabilitate Existing Owner & Rental Units	Rehabilitation of ownership units (includes all single unit rehab loans/grants issued, see page 7)	26 ownership units	13 ownership units
	Rehabilitation of renter units	N/A	N/A
	Senior minor home repair grants	17 grants	9 grants
	Minor home repairs to low/mod income homeowners	38 ownership units	23 ownership units (NPNS and Rebuilding Together)
Construct New Rental Units	Construct new rental units	Work with developers as interest in potential sites arise	0 rental units
Construct New Ownership Units	Develop self-help housing	Continue to work with Habitat for Humanity Greater San Francisco on the development of an affordable 36-unit ownership project at 7555 Mission Street.	Construction on 36-unit multi-family project began in August 2010. Construction is about 70 percent complete.
Provide Supportive Facilities & Services for Persons with Special Needs	Housing accessibility modification services	25 units	18 ownership units 7 renter units
	Shared Homes Program	10 renter households & 6 owner households	16 households: 9 provider households & 7 seeker households
	Case management for Hope House Programs	4 persons	5 persons
Provide Rental Assistance	Maintain existing vouchers and certificates	623 Section 8 vouchers	761 Section 8 vouchers as of 7/23/12 (County Housing Authority administers Sec. 8)
Acquire and rehabilitate existing rental apartments	Working with developers to acquire rental units	N/A	N/A
Monitor Status and Preserve At-Risk Affordable Housing Inventory	Preservation of at-risk rental units	120 at-risk affordable rental units	Preserved affordability of 120 rental units.
Provide Supportive Facilities and Services for Homeless Persons	Funding support for homeless programs	109 homeless persons	122 homeless persons

## (2) ECONOMIC DEVELOPMENT

As stated in the Consolidated Plan, Daly City is committed to strengthening the City's economic climate, expanding employment opportunities for all residents, enhancing small business opportunities, and improving commercial areas in low and moderate income neighborhoods. To this end, the City created and operated the Daly City Enterprise Center from 1994 to May 2011 with the goal of helping new and expanding microenterprises by providing technical assistance. In

May 2011, the City closed the Daly City Business Center, which also housed the offices of the Enterprise Center. The closure of the Business Center in FY 10-11 prompted the City to re-conceptualize how it would provide microenterprise assistance in the future. In February 2012, the City entered into a contract with Renaissance Entrepreneurship Center to provide microenterprise assistance services. Services to be provided included: the creation of a targeted outreach and marketing plan to increase participation in the City's microenterprise program, instruction for workshops and classes, and the provision of one-on-one consulting services for microenterprises. Since execution of the contract, Renaissance has attended various community events to get the word out about their services. The organization has also outreached to local businesses, city libraries, local churches as well as the Daly City-Colma Chamber of Commerce. In addition, City staff has assisted in outreach efforts by providing information regarding Renaissance's services on the City's website and placing an informational pamphlet in the water bill to residents.

In FY 11-12, Renaissance offered a total of 3 class series in Daly City. These classes included a Personal Business Readiness workshop, a Start and Grow Smart class, and a Business Planning class. A total of 16 low-income microenterprise students were enrolled in these classes.

After completion of the Business Planning and/or Start and Grow Smart classes, students become eligible for post-class support such as one-on-one consulting services and/or access to capital assistance offered by Renaissance.

**Table 3**  
**Economic Development (ED) Summary FY 11-12**

ED PRIORITIES	FY 11-12 ACTIVITIES	GOALS	ACCOMPLISHMENTS
Provide Technical Assistance to Businesses	Technical assistance to microenterprises [24 CFR 570.201(o)]	30 microenterprises	16 microenterprises

As FY 11-12 represented the first year that microenterprise assistance services were offered to Daly City residents by Renaissance Entrepreneurship Center, the number of microenterprises served did not meet the target goal. However, the City anticipates that Renaissance will continue to grow its client base, with enrollment in their classes growing at a healthy level.

### (3) PUBLIC FACILITY IMPROVEMENTS

The One Year Action Plan addressed public facilities that served low-income households and were located in and benefited low or moderate income neighborhoods. The construction of the Bayshore Community Center was completed during FY 05-06, with the grand opening of the Center occurring on February 18, 2006. The City continues to make payments on the Section 108 loan for this project.

In addition, the City's FY 06-07 Action Plan called for ADA improvements to make the property at 271 92<sup>nd</sup> Street more accessible. The City building located at this site houses job training, income maintenance and employment services for North County residents. In FY 06-07, the City used CDBG funds to reconfigure the handicap spaces in the parking lot adjacent to the building. In FY 11-12, the City completed ADA improvements at the site by adding handrails to the existing exterior ramp and staircase.

In FY 10-11, the City allocated \$130,000 in CDBG-R funding for the construction of sidewalk wheelchair ramps (curb cuts) throughout the City. The City entered into a contract in June 2011 to perform work on 56 curb cuts throughout the City. Construction of the curb cuts began in August 2011 and was complete in March 2012.

**Table 4**  
**Public Facility Improvements Summary FY 11-12**

PUBLIC FACILITY PRIORITIES	FY 11-12 ACTIVITIES	GOALS	ACCOMPLISHMENTS
Provide Neighborhood Serving Recreational Facilities	Section 108 loan payments for the construction of the Bayshore Community Center	Periodic loan payments	\$390,966 loan payment during FY 11-12
Remove Architectural Barriers for the Physically Disabled	Construct sidewalk wheelchair ramps (curb cuts) using CDBG-R funds	Perform work on 56 curb cuts	56 sidewalk curb cuts constructed
	Construct ADA improvements to make building at 271 92 <sup>nd</sup> Street more accessible	Implement ADA improvements	ADA accessibility improvements in FY11/12 include adding handrails on the existing exterior ramp and staircase

**(4) PUBLIC SERVICES**

Public service programs provide necessary services at reduced or low cost to low-income residents. In FY 11-12, the City funded the Pathways for Success program operated by the Daly City Youth Health Center (DCYHC). Pathways for Success is a school-to-career transition program that includes vocational advising for at-risk students ages 14 – 19. During FY 11-12, DCYHC reported serving 48 Daly City youth through the program. Youth eligible for the Pathways program are recruited from Westmoor and Jefferson High Schools in Daly City. Referrals are made by JUHSD Special Services and Workability counselors, independent studies teachers, and DCYHC's providers. Outreach efforts include classroom presentations, school bulletin announcements, meetings with youth service providers, and media at the targeted schools. In addition, the program's coordinator meets with school staff to identify possible participants, especially those who are underserved.

The One Year Action Plan contains priority public service needs as outlined in the Five Year Consolidated Plan. The accomplishments within each category, broken down by fiscal year, are tabulated below in Table 5. Through CDBG funds, the City supported the provision of a substantial amount of public services to Daly City residents. As Table 5 reveals, the City met or exceeded most of its goals in addressing the following needs: supplying food to low income residents, advocacy services for seniors, preventative services for low income "at-risk" youths, legal assistance, services for special needs populations, as well as fair housing assistance. The goals are often estimates based on historical performances and may not account for variables that affect performance during the program year. When there are significant discrepancies between accomplishments and goals, the City works with the public service subrecipient to identify the cause of the discrepancies and takes this into consideration.

**Table 5**  
**Public Services Summary FY 11-12\***

<b>PUBLIC SERVICE PRIORITIES</b>	<b>FY 11-12 ACTIVITIES</b>	<b>GOALS</b>	<b>ACCOMPLISHMENTS</b>
Provide Child Care and Other Services for Children and Their Families	Support affordable child care services	265 children	242 children
	Support clothing services for needy children	200 children	197 children

PUBLIC SERVICE PRIORITIES	FY 11-12 ACTIVITIES	GOALS	ACCOMPLISHMENTS
Provide Support for Services Supplying Food for Low Income Residents	Funding for food to low-income households	7,500 hot meals	10,730 meals served
Provide Legal Assistance to Low-Income Residents	Provision of low-cost legal services	152 households (405 persons)	242 households (823 persons)
Provide Preventative Services to "At-Risk" Youth	Support the provision of low cost preventative services	15 persons	48 persons
Provide Public Services and Facilities for Special Needs Populations	Provision of special needs services	119 persons	204 persons
Affirmatively Further Fair Housing Activities	Fair housing information and assistance	14 households	15 households
Provide Advocacy Services to Seniors	Provision of advocacy services for those in long-term care facilities	52 persons	142 persons

\*With the exception of one person receiving at-risk youth preventative services and four households receiving fair housing services, all households and persons reported in Table 5 meet the HUD definition of low/moderate income.

The substantial number of Daly City residents receiving necessary assistance shown in Table 6 reflects the impact of CDBG funds that the City allocated for public services this past year as well as the impact of the downturn in the economy leading to increased demand for public services. In addition to the number of persons served in Table 6, there were 10,730 hot meals served by the North Peninsula Food Pantry and Dining Center.

**Table 6**  
**Total Persons Served Under Public Services**  
**FY 11-12\***

PUBLIC SERVICE PRIORITIES	Persons
Childcare/Child Support Services	439
Legal Services	823
Preventative Services for Youth	48
Special Needs Populations	204
Fair Housing Activities	26
Senior Advocacy Services	142
Total Users (Public Services)	1,682+

\*does not include beneficiaries of the 10,730 hot meals served by the North Peninsula Food Pantry and Dining Center and activities included in the Housing Summary in Table 2b.

**D. EXTENT CDBG FUNDS BENEFITED LOW/MOD RESIDENTS**

All of Daly City's FY 11-12 CDBG activities were targeted primarily at low and moderate income persons. The City's high percentage of success in implementing activities that are consistent with the CDBG program goal to help low and moderate income populations is evident in "Part III: Low/Mod Benefit This Reporting Period" under Appendix E (Financial Summary: Grantee Performance Report).

**E. CDBG ACCOMPLISHMENTS**

Appendix C, "Summary of Community Development Accomplishments Report" describes the City's FY 11-12 CDBG accomplishments by the following funding categories: public facilities/improvements, public services, economic development, and housing.

**F. DEMOGRAPHIC SUMMARY OF DALY CITY RESIDENTS AND CDBG BENEFICIARIES**

Daly City has one of the highest concentrations of Asian populations in the United States. According to the 2010 Census, 56% of Daly City's population was classified as Asian. The following table shows the racial/ethnic breakdown for the City overall.

**Table 7a**  
**Demographic Summary of Daly City Residents**

<b>Race</b>	<b>Percent of Total Population</b>
White	24%
Black/African-American	4%
American Indian/Alaskan Native	0%
Asian	56%
Native Hawaiian/Pacific Islander	1%
Some Other Race	16%
<b>Hispanic or Latino</b>	
Hispanic or Latino	24%
Not Hispanic or Latino	76%

Source: 2010 Census

Table 7b below summarizes the demographics of the CDBG beneficiaries using the racial/ethnic categories that were updated in 2002. In FY 11-12, 29 percent of the CDBG beneficiaries were Asian, 45 percent were White, 7 percent were Black, and 40 percent were Hispanic. The table suggests that an inconsistency continues to exist in the way persons of Hispanic ethnicity are categorized racially. Some agencies choose to

categorize them as White, while others categorize them as Balance/Other. Without further guidance from HUD, the City has left it to the subrecipients to make their own determination as to how these should be categorized. Appendix D, "Activity Summary Report," also provides information on the racial/ethnic composition status of beneficiaries assisted through Daly City's CDBG program.

**Table 7b**  
**Demographic Summary of CDBG Beneficiaries FY 11-12\***

RACE TOTALS	Race	Hispanic	Race %	Hispanic %
White	904	589	45	30
Black/African American (AA)	140	6	7	0
Asian	569	13	29	1
American Indian/Alaskan Native (A/A)	34	23	2	1
Native Hawaiian/Other Pacific Islander	86	3	4	0
American Indian/Alaskan Native and	12	-	1	0
Asian and White	12	-	1	0
Black/African American and White	-	-	0	0
A/A/N and Black/AA	11	1	1	0
Balance Other	226	158	11	8
Total	1,994	793	100	40

\*does not include beneficiaries of North Peninsula Food Pantry and Dining Center

Consistent with the high concentration of Asians residing in Daly City, Asians comprise a significant segment of the beneficiaries of some CDBG subrecipients. In FY 11-12, the Center for Independence of Individuals with Disabilities reported that 60 percent of the households served by their housing accessibility modification program were Asian, while Rebuilding Together reported that 44 percent of the households served by their home repair program were Asian. In addition, the North Peninsula Food Pantry reported that 41 percent of the persons served by the dining center program in Daly City were Asian.

Female-headed households in Daly City also appear to be a large contingent of the beneficiaries served by the City's CDBG housing rehab and public service providers. The following table reveals the number of female-headed households receiving services from CDBG subrecipients in FY 11-12.

**Table 7c**  
**CDBG Beneficiary Female-headed Households FY 11-12**

	<b>Number of Female- headed Households Served</b>	<b>Total Households Served</b>	<b>Female- headed Households Served as a Percent of Total</b>
<b><i>Residential Rehab Activities</i></b>			
Center for Independence of Individuals with Disabilities	6	25	24%
No. Peninsula Neighborhood Services	8	14	57%
Rebuilding Together Peninsula	5	9	56%
City Residential Rehab Program	8	13	62%
<b><i>Public Services</i></b>			
Bayshore Child Care Services	114	200	57%
Human Investment Project	11	16	69%
Legal Aid Society	46	242	19%
Project Sentinel	13	15	87%
Shelter Network Family Crossroads	16	17	94%

#### **G. GEOGRAPHIC DISTRIBUTION AND LOCATIONS OF CDBG-FUNDED ACTIVITIES**

Daly City's available resources for housing and community development were distributed throughout all geographic areas of the City. Programs offered by the City and its subrecipients are available to all qualifying residents, regardless of the geographic location of their residences. Several of the non-housing community development activities specifically target census tracts with a concentration of low-income residents. These projects benefit primarily low to moderate income census tracts. Please see the "Activity Name, Location & Description" category under Appendix D, "Activity Summary Report," for a description of locations concerning CDBG-funded projects in FY 11-12. Also, please refer to Appendix K, "Geographic Distribution of Activities," for maps of where CDBG-funded projects are located in the City.

**PART IV      ACTIVITY NARRATIVES****A.      ACTIONS TO AFFIRMATIVELY FURTHER FAIR HOUSING**

The City completed its Fair Housing Action Plan (FHAP) in July 2004. The Plan was submitted as Appendix D to the FY 05-06 One Year Action Plan. The Fair Housing Action Plan describes the City's strategies to address needs identified in its Analysis of Impediments (AI). The AI identifies policies and institutions that may be barriers to housing choice, recommends solutions to overcome impediments and provides fair housing information. The five HUD entitlement localities in San Mateo County (San Mateo County and the cities of Daly City, Redwood City, San Mateo and South San Francisco) completed the update to the AI in July 2004. Project Sentinel, a regional nonprofit fair housing organization, prepared the AI for the San Mateo County region.

In FY 11-12, the City, along with the other four San Mateo County entitlement jurisdictions, secured a consultant to prepare an update to the AI in conjunction with the City's FY 13-17 Consolidated Plan. The update to the AI will be completed in September 2012. After the AI is complete, the City will prepare and submit to HUD a Fair Housing Action Plan to describe the strategies it will use to address the needs identified in the AI.

After the submission of its Fair Housing Action Plan in FY 05-06, the City adopted in October 2007 an inclusionary housing policy for the development of affordable housing in the City outside of the redevelopment project areas. Since redevelopment has been eliminated, the City will need to update its inclusionary housing ordinance to include the project areas of the former redevelopment agency. Inclusion of these areas will be part of a larger update to the inclusionary housing ordinance. The City will work with a consultant beginning in FY 12-13 on this update.

The City has updated its Housing Element for 2009-2014 which the state has indicated is ready for certification. The City is waiting to certify the Housing Element along with its General Plan update. In the updated Housing Element, Policy HE – 16 addresses how the City intends to “prevent housing discrimination based on age, race, religion, sex, ethnic background, or familial status.” In addition to

assisting in outreach, education, implementation and enforcement efforts as part of this policy, the City also intends to amend the Zoning Ordinance to revise the definition of family to comply with State and federal fair housing laws. The new definition shall not distinguish between related and unrelated persons, and shall not impose limitations on the number of persons that may constitute a family.

The City continues to meet its Fair Housing Action Plan goals of making fair housing information available to the public and ensuring City staff effectively refers more complex fair housing questions to the right agencies. As part of fielding regular phone calls from people seeking affordable housing, City staff is able to determine if there are fair housing issues involved and to make the appropriate referrals. The City works with various nonprofits and other service providers to educate the public about fair housing. The City also posts public service announcements regarding fair housing on its Cable Channel.

In accordance with its current Fair Housing Action Plan, the City continues to annually fund and support nonprofit public service agencies that help its residents in addressing and resolving fair housing problems. These nonprofits are Project Sentinel and Legal Aid Society of San Mateo County, a legal service organization that focuses on housing law, particularly landlord/tenant disputes. The activities and accomplishments for these two public service organizations are discussed below:

#### **1. Project Sentinel**

Daly City contracts with Project Sentinel, a non-profit organization that provides fair housing information and counseling to the public. Project Sentinel provides a lawyer referral service for litigation of discrimination cases, investigates complaints of housing discrimination, maintains a phone hotline and offers counseling services.

Project Sentinel also publishes "Rent Watch," a weekly information "question and answer" column published in Bay Area newspapers and "Focus on Fair Housing," which is published in the Disabled Dealer. Project Sentinel staff members gave presentations to local community groups on topics such as an overview of fair housing laws and discrimination against families with children and persons with disabilities. Fair housing brochures were

distributed to community organizations and in City Hall as well as community facilities throughout Daly City. Fair housing brochures are available in English, Spanish, Arabic as well as Tagalog, and have been posted at City Hall. In FY 11-12, Project Sentinel staff also attended and participated in seminars, symposiums, workshops, etc., to coordinate and further the goals of fair housing in Daly City and throughout San Mateo County.

During FY 11-12, the City provided Project Sentinel with \$8,550 in CDBG funding for fair housing services. Project Sentinel completed 3 fair housing consultations and opened 12 fair housing cases involving Daly City residents during the program year. Approximately 42 percent of the cases (five) involved handicap/disability discrimination, while an equal number of cases (five) involved familial status discrimination. Of the two remaining cases, one involved religious discrimination and one involved income source discrimination. The cases are investigated, resulting in counseling, conciliation, or referral to HUD.

## **2. Legal Aid Society**

The City of Daly City also contracts with Legal Aid Society of San Mateo County to provide free legal services to low-income Daly City residents. Legal Aid Society of San Mateo County's Homesavers Program offers Daly City residents legal assistance on primarily tenant/landlord conflicts as well habitability issues. Daly City residents can receive legal assistance from Legal Aid during their office hours offered once a week at the Daly City Community Service Center, at the Fair Oaks Community Center in Redwood City, or at the main County courthouse in Redwood City. In FY 11-12, Legal Aid received \$14,455 in CDBG funding from the City and provided assistance to 242 Daly City households. The economy still in slow recovery mode has contributed to Legal Aid serving a significantly higher number of Daly City households than in years past.

**B. EVALUATION OF PROGRESS IN PROVIDING AFFORDABLE HOUSING**

Table 8 below, "Summary of Housing Accomplishments FY 11-12" displays the City's housing accomplishments based on the income of Daly City beneficiaries this past year. Several of the City's CDBG subrecipients form an informal network to assist households facing worst case housing needs. HUD defines worst case housing needs as "low-income renter households who pay more than half their income for rent, live in seriously substandard housing (which includes homeless persons) or have been involuntarily displaced." CDBG subrecipient, Legal Aid Society of San Mateo County, protects low income renters from having to live in illegal or unsafe housing conditions or become homeless as a result of wrongful evictions. Another subrecipient, Shelter Network of San Mateo County, operates a transitional housing facility in Daly City to help homeless families regain self-sufficiency and also operates an emergency and transitional housing shelter in Redwood City. Mental Health Association of San Mateo County's Spring Street Shelter in Redwood City offers emergency housing to homeless Daly City residents with mental illnesses. Samaritan House, meanwhile, began operating Safe Harbor Shelter as a year-round shelter in November 2001.

Daly City targets the housing needs of persons with disabilities through CDBG subrecipients. To assist persons with disabilities who are homeowners remain in their homes, the City awarded FY 11-12 Block Grant funds to a regional nonprofit, Center for Independence of Individuals with Disabilities (CID). The City also funded Mental Health Association of San Mateo County to operate its Spring Street Shelter in Redwood City for persons with disabilities.

**Table 8**  
**Summary of Housing Accomplishments FY 11-12**

<b>Priority Need Category</b>	<b>Actual Units</b>
<b>Renters</b>	
0 - 30% of MFI	<b>5</b>
31 - 50% of MFI	<b>2</b>
51 - 80% of MFI	<b>0</b>
81-120% MFI	<b>0</b>
Renters Total	<b>7</b>
<b>Owners</b>	
0 - 30% of MFI	<b>22</b>
31 - 50% of MFI	<b>12</b>

<b>Priority Need Category</b>	<b>Actual Units</b>
51 - 80% of MFI	<b>10</b>
<b>Owners Total</b>	<b>45</b>

<b>Homeless</b>	
Individuals	<b>62</b>
Families*	<b>17</b>
<b>Homeless Total (households)</b>	<b>79</b>
<b>Non-Homeless Special Needs</b>	
Households	<b>25</b>
<b>Non-Homeless Total</b>	<b>25</b>
<b>Total Housing</b>	<b>156</b>
Total 199 Housing	

\* The 17 families consist of 60 persons.

For additional details on the City's housing activities and accomplishments, including its efforts to develop affordable ownership housing, refer to Part III(C)(1), "Housing," beginning on Page 7.

### **C. ACTIONS TO ADDRESS CONTINUUM OF CARE NEEDS**

The City continues to participate with regional and local private and public organizations in San Mateo County's Continuum of Care planning process. The goal of this effort is to implement an integrated and humane approach to prevent and eliminate homelessness in San Mateo County. In 2003, the County established a Steering Committee comprised of about 35 local government, human services, and nonprofit representatives to serve as a year-round planning body for the Continuum of Care. The County also created a smaller body, the Executive Committee, an off-shoot of the Steering Committee, to develop and implement strategies of the Steering Committee. The City has representation on both committees and is also part of the annual Continuum of Care grant application review process. In FY 2005-06, the City contributed in the formulation of the County's Ten Year Plan to End Homelessness (aka Housing Our People Effectively (HOPE) Plan) through participation in the planning process' Leadership Committee and Housing Solutions Task Force. The City actively assists in the implementation of the HOPE plan.

During FY 11-12, Daly City used CDBG money to fund programs that served the homeless population in the City. Shelter Network of San Mateo County operates the Family Crossroads transitional housing facility in Daly City. In FY 11-12, a total of 17 Daly City families (or 60 residents) participated in the Family Crossroads program.

Shelter Network also operates the Maple Street Shelter in Redwood City that served 18 persons from Daly City during FY 11-12. Mental Health Association of San Mateo County operates the Spring Street Shelter in Redwood City, which provided emergency shelter to 20 homeless persons with mental illnesses from Daly City in FY 11-12. During the program year, Safe Harbor Shelter operated by Samaritan House, provided shelter to 24 Daly City residents. In addition to these CDBG-funded activities, the City offers homeless prevention services through its locally funded Community Service Center. These services include vouchers for emergency housing and housing counseling.

In late FY 08-09, the City was allocated \$510,070 in Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds. The City worked with the San Mateo County Continuum of Care Consortium to exchange ideas about the HPRP program. The City entered into a Subrecipient Agreement with Shelter Network of San Mateo County to provide both homelessness prevention and rapid re-housing assistance to Daly City residents. As of June 30, 2012, the HPRP program has served 103 Daly City households since its inception. The City collaborates with the Continuum of Care and accesses its HMIS system for the HPRP. The City is now working on closing out its HPRP grant.

The non-homeless special needs population encompasses a wide range of sub-populations such as 1) persons with mental, physical, or developmental disabilities, 2) adults who are illiterate, 3) those living in long-term care facilities. During 2011-12, Daly City used CDBG funds to assist several organizations that sponsor activities for households with special needs.

The following three public service providers received CDBG funding from the City in FY 11-12. Project Read is an organization that offers tutoring services to persons with no or limited English reading and writing skills. During FY 11-12, 84 Daly City residents received tutoring services from Project Read. Ombudsman Services of San Mateo County, meanwhile, provides advocacy services to those living in long-term care facilities by monitoring and investigating complaints. During the program year, Ombudsman Services investigated and closed 142 complaint cases on behalf of Daly City residents. On the other hand, the Daly City Friendship Center, operated by the Mental Health Association, provides social, recreational and educational activities for persons with mental illnesses in a safe, supportive environment. During FY 11-12, 120 Daly City residents used the services of the Friendship Center. The Mental Health Association (MHA) promotes the Daly City Friendship

Center through word of mouth, the MHA website, and monthly mailings of a calendar of activities to Friendship Center participants, mental health professionals, and families and supporters of people with mental illness. Copies of the calendar are also delivered to board and care operators and members of the Daly City community. San Mateo County Behavioral Health and Recovery Services also assists in distributing calendars and information regarding the Friendship Centers. In addition, MHA staff attend a variety of interagency community meetings such as the monthly county-wide Community Rehabilitation Coalition meeting of representatives from all North County activity and treatment programs. Interagency meetings such as these provide for additional opportunities for outreach. To promote the Friendship Center program, MHA also has recruited a Filipino peer volunteer to assist in outreach to the minority community and to provide translation services.

#### **D. STATUS OF OTHER ACTIONS IN THE ONE YEAR ACTION PLAN FOR FY 2011-12**

##### **1. Addressing Obstacles to Meeting Underserved Needs**

The primary obstacle to meeting the City's underserved needs is securing available funding resources. In order to make the most efficient use of CDBG dollars, the City continues to collaborate with public and private organizations and to leverage its dollars whenever possible to pursue funding sources as they become available for specific priority activities. As a means to ensure that CDBG subrecipients, specifically public service nonprofits, are maximizing use of City CDBG funds, the City continues to use "Diversity of Funding" as a scoring criteria during the annual funding cycle. Most of the CDBG subrecipients leverage City CDBG funds with other funding sources. In FY 11-12, the City's CDBG subrecipients leveraged an additional \$8.7 million in funding, with an averaging leveraging ratio of 44.29 (i.e. for every dollar of CDBG funding from the City, CDBG subrecipients were able to leverage an average of \$44.29 in additional funding).

##### **2. Foster and Maintain Affordable Housing**

The Bay Area region continues to be one of the most expensive homeownership and rental markets in the United States. Consequently, the City's housing policies aim to foster and maintain affordable housing in order to meet the needs of the City's socially and economically diverse population. When

financially feasible and when suitable sites are available, the City encourages affordable mixed-use housing development, which boosts the City's economy and provides needed affordable housing. However, the lack of developable land and the availability of a large number of existing housing units needing rehabilitation has caused the City to also support potential acquisition and rehabilitation projects, when feasible, in order to invigorate declining neighborhoods and stabilize rents.

With the loss of the low-moderate income housing set-aside funds from redevelopment coupled with a reduction in the City's HOME allocation, the City is challenged with finding funds to help finance affordable housing developments. In FY 11-12, the City began and continues to make its transition to a post-redevelopment reality. As part of this transition, the City issued a Request for Proposal to find a consultant to assist the City in re-evaluating and upgrading its inclusionary housing ordinance.

As part of maintaining affordable housing, the City continues to monitor its completed HOME-assisted rental housing projects. The City collects and reviews tenant income re-certifications. In addition, it conducts on-site property inspections for 1293 Hillside, Hillcrest Gardens, Vista Grande, and School House Station. All of these sites are monitored every other year, except for School House Station and Hillcrest Gardens which have 47 and 44 units, respectively, and are monitored annually. The on-site property inspections indicated that the properties have been well maintained and the units in generally good condition. Mercy Housing is the property manager for both Vista Grande and School House Station. As mentioned previously, the City helped facilitate the refinancing of these properties in order to finance the rehabilitation of these developments to address the water intrusion problems they face.

The City continues to explore ways to foster affordable housing given the difficult economic climate and the high possibility of reduced public funds available to help finance affordable housing developments. The City, for instance, participates at the County level in discussions regarding providing affordable housing in the region.

### 3. Eliminate Barriers to Affordable Housing

In conjunction with fostering and maintaining affordable housing, the City has continued to implement and promote the following on-going policies:

- a. Encourage and support, when feasible, the dual use of land through mixed-use development.
- b. Improve the public's perception and understanding of affordable housing by assisting experienced developers to create attractive and well-managed housing units and by meeting with homeowner and resident associations.
- c. Provide efficient one-stop permitting and parallel building plan checking to expedite plan approvals for developers through the City's Building and Planning Divisions.
- d. Continue implementing the high density zoning ordinance that allows for increased density (up to 65 units per acre) for mixed-use projects in urbanized commercial areas.
- e. Provide a parking reduction of up to 20% for affordable housing projects, and up to a 75% parking reduction for affordable senior housing projects.

The City's updated Housing Element has been approved by the State, but is pending certification. Information regarding the City's Housing Element can be found at [www.plandalycity.org](http://www.plandalycity.org). In addition to the policies outlined above, the City's Housing Element contains policies to encourage the supply of land for housing. Some of these policies are as follows:

- a. Provide regulatory incentives for developers to construct higher-density mixed-use developments along Mission Street, Geneva Avenue, and other locations within close proximity to public transit.

- b. Explore possibilities to allow the construction of additional second units throughout the City (i.e. eliminate the owner occupancy requirement).
- c. Avoid rezoning properties for non-residential uses that are presently designated or zoned for residential uses.
- d. Expand homeownership opportunities by facilitating condominium construction, while protecting renters from condominium conversions.

#### **4. Lead Based Paint Hazard Reduction**

During FY 11-12, the City continued to conduct the following activities to reduce the hazard of lead based paint in housing, particularly in units with children under seven years of age:

##### Strategy 1

Implement lead hazard reduction activities with CDBG subrecipients who undertake minor home repair and continue implementation under the City's Residential Rehabilitation Program. During the program year, City staff provided technical assistance to CDBG subrecipients on HUD lead hazard reduction requirements. The City and its CDBG subrecipients distribute information on lead-based paint hazards to all their housing rehabilitation clients and conduct the appropriate level of lead paint hazard inspection to determine what type of controls or abatement needs to be done, if any.

##### Strategy 2

Attend lead-based paint training sponsored by HUD and other public health and safety organizations in order to keep up with federal and State requirements and to enhance the City's technical assistance to CDBG subrecipients who provide home rehabilitation services and to other interested organizations as well. The City also encourages CDBG subrecipients to have their staffs enroll in these trainings or other educational programs involving lead hazard reduction.

Strategy 3

Provide public information and education. Daly City has continued to make available and provide information on lead based paint hazards to all property owners and tenants participating in CDBG-funded housing rehabilitation activities as well as other interested groups or individuals.

**5. Reduction of Persons Living Below Poverty Level**

The City's anti-poverty strategies as indicated in the One Year Action Plan focus on undertaking economic development activities and supporting a broad array of social services that assist low income persons find employment:

**a. Economic Development Activities**

The closure of the Daly City Business Center in FY 10-11, which also housed the City's Enterprise Center, prompted the City in to re-conceptualize how it would provide microenterprise assistance in the future. In FY 11-12, the City awarded a contract to Renaissance Entrepreneurship Center to develop a targeted outreach and marketing plan to increase participation in the City's microenterprise program, to provide instruction for workshops and classes targeted at microenterprises, and to provide post-class support such as one-on-one consulting services.

The accomplishments of the Renaissance Entrepreneurship Center this year have been discussed in Part III(C)(2), "Economic Development," beginning on page 12. Renaissance reported that a total of 16 microenterprises were provided with training (workshops/classes) during FY 11-12.

In addition to microenterprise-focused activities, the City continues to work with commercial developers to attract businesses. The Daly City Redevelopment Agency was

dissolved, however, by State legislation during FY 11-12, and the Agency was transitioned into the Daly City Successor Agency. It is presumed that the Successor Agency and City will continue to favor the development programs of the Pacific Plaza sites, consisting of a hotel and office building. For other sites, there may be some flexibility in the development programs.

The Pacific Plaza development project has created over 1,425 jobs to date. Redevelopment of former Redevelopment Agency properties, however, has been constrained by poor market conditions and the unavailability of development capital. The City received several inquiries and one Letter of Intent on the Phase III component of the Pacific Plaza project by a developer who had entered into a Disposition and Development Agreement (DDA) with the City in 2007 for a proposed 270,000 square foot office building. The developer, however, subsequently terminated the DDA due to the collapse of the capital markets. It is assumed that the recovery of the credit markets as well as the continuance of a sustainable economy in the Bay Area will be necessary for the project to move forward. Phase III, when completed, is anticipated to create 950 to 1,000 additional jobs.

The now defunct Redevelopment Agency had also been in negotiations with a developer to bring a hotel to the northern portion of the Pacific Plaza project. During FY 07-08, the developer determined that construction of a full service hotel on the site was infeasible. During FY 08-09, the Agency commissioned a marketing and feasibility analysis to determine the level of market support for a full service hotel on the site. As is the case with the aforementioned office project at Pacific Plaza, it is expected that the economy and credit markets will need to recover in order for the hotel project to move forward. When complete, the hotel project is expected to create over 150 additional jobs.

The "Landmark" mixed use development project, (now called 88 Hillside) is also located within the former Mission Street/Junipero Serra Redevelopment Area. During 2009, construction of Phase I of the project was completed. This portion of the project featured 95 residential

condominiums, about 17,000 square feet of retail space and additional parking at the "Top of the Hill" on Mission Street. One restaurant space was leased and tenant improvements were added. Due to the decline in the housing market, however, residential units in the development did not sell and subsequently, the project went into foreclosure. A new owner, OliverMcMillan, re-positioned the project and sold to Equity Group which carried out renovations and has been renting out the units. Some of the retail space has been leased to an upscale restaurant, gym, and beauty salon, while the remainder of the space is being marketed. It is estimated that with the commercial / retail space included in the project, over 100 jobs will be added.

"The Geneva," is a mixed use project consisting of condominium apartments and retail commercial space located in the former Bayshore Redevelopment Area. After construction on this project was complete in 2009, the project went through a foreclosure. However, the project is currently being operated as a rental project with eleven affordable units which are now occupied. The Agency has been assisting in referring potential tenants for the 14,000 square feet of retail space. A restaurant, auto-oriented retail and other users have expressed interest in the space. It is estimated that 35 jobs will be added as a result of the project.

As mentioned previously, 7555 Mission Street is a 36-unit affordable ownership housing project in the process of being developed by Habitat for Humanity Greater San Francisco. Although there is no commercial space component of this project, the addition of new residents living in the units and the foot traffic created by the residents will assist in building economic vitality on the southern end of Mission Street. The project is expected to be complete in February/March 2013.

The Daly City Housing Development Finance Agency (DCHDFA, successor housing agency to the Daly City Redevelopment Agency) owns several parcels on the 6800 Block of Mission Street. During early 2011, City staff explored the possibility of purchasing an available key parcel, 6800 Mission Street, the site of a long closed auto dealership, to create a multi-family or mixed-use development site that could also include property owned by the DCHDFA adjacent

to the south of 6800 Mission Street. As is the case with the aforementioned 7555 Mission project, such a project would energize a now underutilized block of Mission Street.

Monarch Village (now known as Presidio Del Rey), located along Sullivan Avenue, is another mixed-use project outside the City's former redevelopment areas, located along Sullivan Avenue. The project features 208 senior apartments. The developer recently sold a 50,000 square foot retail site to CVS Pharmacy, which will commence construction during 2012-13. Upon completion of the retail portion of the project, it is estimated the project will add 50-100 jobs.

Daly City staff continues to meet with and assist private property owners regarding vacant commercial space and land. Staff cooperated with Serramonte Center on plans to add another anchor tenant to the Center which will occupy 80,000 square feet. A new Taco Bell was approved at 7255 Mission Street with plans for construction to commence during 2012-13. The City also assisted a local entrepreneur to tenant his building with a Sherwin-Williams Paint store at 7298 Mission Street. In total, the aforementioned sites represent the replacement of 400-750 jobs lost by business closures.

In addition, staff has met with and cooperated with two development interests regarding properties along Olympic Way for hotel, shopping center and mixed use development on nearly 10 acres. Much of the site is under contract to a Canadian based retail developer, with closing anticipated for late 2012. There is a potential for 50-300 jobs to be created between the two conceptual proposals.

Finally, the City has been working for many years in the former Bayshore Redevelopment Area to foster the creation of a neighborhood shopping center that includes a grocery store, at a site controlled by the State of California - the north Cow Palace Parking Lot. The City has worked with the Cow Palace Board, State officials, and a number of private interests. As of July 2010, the Cow Palace entered into an "Exclusive Right to Negotiate" with a neighboring land owner for a prospective project, which at this stage is very preliminary and conceptual. Discussions

continued during the past year with a supermarket and another national retailer. It is estimated that a new shopping center in the area might add 200-500 jobs or more.

In addition to these business/job creation activities, the City also implemented a Hire Daly City First program in September 2001. The goal of the program is to connect jobs in Daly City with Daly City residents.

**b. Daly City Community Service Center**

The City established the Daly City Community Service Center in 1974. Since its inception, the Center's goal has been to promote and improve the quality of life for Daly City, Colma, and Broadmoor residents through the provision of quality crisis intervention services, either directly or by referral to the appropriate service provider. The Center seeks to help individuals and families achieve self-sufficiency.

**c. CDBG Public Service Subrecipients**

The City continued to fund through the CDBG Program a large number of nonprofits and public agencies serving low and moderate income Daly City residents. There were 15 public service activities receiving FY 11-12 CDBG funding. The City does not currently provide direct funding for programs with the specific goal of employment or improving job readiness. However, a few of its CDBG subrecipients provide access and stability to residents that enable them to find employment opportunities.

Several shelters, for example, report that some of their clients have found employment and/or increased their income during their stay. Family Crossroads indicated that a total of four households they assisted increased their income levels. Of the clients served during FY 11-12, three households got a better paying job/promotion, and one household found employment. Maple Street Shelter, on the other hand, reported that one client increased their income levels by being able to obtain public benefits. Spring Street Shelter, meanwhile, conveyed that a total of eight clients increased their income levels. Three of the shelter's clients found employment

during their stay at the shelter, one client got a promotion or better paying job, and four other clients were able to gain or increase their public benefits. In addition, Samaritan House's Safe Harbor Shelter reported that three Daly City clients increased their incomes levels by finding employment and one increased their income by being able to obtain public benefits. Lastly, Service League indicated that its two of its Daly City transitional living facility clients found employment, while another three clients got a promotion or a better paying job.

Another subrecipient, Bayshore Child Care Services, requires participants of their program to be employed, enrolled in a training program, or actively looking for work. Bayshore Child Care Services offers subsidized child care that allows parents to continue or seek employment. In general, 5% (or 12) of the households Bayshore Child Care Services served in FY 11-12 were either enrolled in a training program or actively looking for employment. Job seekers have 3 months to find employment or they are no longer eligible for the low-cost child care. Bayshore Child Care Services provides a service that is important in helping low-income households with children be able to work. About 47 percent of the households the organization serves are female-headed households.

## **6. Overcoming Institutional Gaps and Enhancing Institutional Coordination**

Below is a description, categorized by institution type, of how the City addressed the issues of overcoming institutional gaps and developed or maintained more effective coordination between public and private institutions. The City's efforts are in accordance with the actions discussed in the FY 2011-12 Action Plan.

### **a. Local and Regional Governments**

Within the City of Daly City itself, there are on-going efforts to streamline the development process. The City's Building and Planning Divisions work together to efficiently and effectively review and approve plans with developers from first contact through completion of construction,

avoid duplication of tasks between themselves and other City departments, and enforce the zoning laws.

The City's Housing and Community Development Division (HCD) staff also actively participates in various consortium activities within the County. Daly City is involved in the County Continuum of Care Consortium. The City has representation on the County's Continuum of Care's Steering and Executive Committees. The Nonprofit Housing organization (NPH) also convenes a local government working group to facilitate the exchange of ideas and experiences among housing professionals. NPH has held several workshops to clarify legislation regarding the dissolution of redevelopment agencies. The City has also participated in meetings to discuss the Regional Housing Needs Allocation (RHNA). The RHNA process identifies the housing construction goals for the next Housing Element update cycle which begins in 2014.

The City collaborates closely with the other jurisdictions in San Mateo County. The City meets regularly with other CDBG entitlement jurisdictions to find ways to streamline processes. This collaboration has resulted in uniform client reporting forms, funding sources reports, and a common application and subrecipient monitoring form. The City also confers with the other participating jurisdictions in the County to discuss issues relating to the HOME program and confers with the County on the Homelessness Prevention and Rapid Re-Housing Program (HPRP).

**b. Nonprofits and Other Public Service Agencies**

Concerning affordable housing, the City has continued to seek partnerships with experienced nonprofit housing developers and property managers whenever possible. During the past year, the City's partnership with Mercy Housing has helped to secure tax-exempt bond financing for the rehabilitation of School House Station and Vista Grande apartments. The City has also sought partnerships with a regional affordable housing developer to explore how it may be able to qualify as a CHDO.

The City continues to work with a variety of social service agencies to provide needed services to Daly City residents. Each year, the CDBG funding cycle sets aside funds for public service providers, which are either nonprofits or governmental entities. These organizations offer a diversity of services to Daly City residents from mental health counseling to transitional housing to child care for low-income families.

In addition, the City collaborates with over 60 agencies and institutions through the Daly City Peninsula Partnership Collaborative (DCPPC). DCPPC was formed in 1995 to promote and facilitate collaborative efforts to ensure that all members of the Daly City community have access to the health, education, and social services they need to be successful in both school and life. The City also is a member of NPH, a nonprofit housing association. Through NPH, the City is able to network with and learn from other jurisdictions on how they remove barriers to affordable housing.

**c. Private Sector**

Developers are primary private sector forces that generate housing opportunities. The City continues to encourage private developers to develop projects with housing, particularly affordable housing. In October 2007, the City adopted a city-wide inclusionary housing ordinance that makes it mandatory for developers to provide housing that is affordable. The ordinance requires a certain percentage of inclusionary units depending on the targeted income levels and tenure of the project. There have been no affordable units built yet as a result of the inclusionary housing ordinance. As mentioned previously, the City will be beginning a process to update the ordinance.

**d. Foundations**

The City continues to encourage housing and public service organizations to access local foundations as alternative funding sources. In its annual CDBG application cycle, the City uses

"diversity of funding sources" as a scoring criteria in order to promote leveraging of the City's CDBG dollars with other funding sources like private foundations or corporate givers.

**e. Local Citizens**

As required under Consolidated Plan regulations, the City has established a Citizen Participation Plan to keep the public informed about the City's HUD-funded activities and to solicit public comments on them. The public is informed about the Consolidated Plan through the City's website, public noticing in the newspaper, public meetings, announcements on the local cable channel, and postings at local libraries, the Daly City Community Service Center and City Hall. The City is currently evaluating how to improve its public notification methods to increase public involvement consistent with its Citizen Participation Plan.

**7. Improve Public Housing and Resident Initiatives**

The San Mateo County Housing Authority has oversight over the public housing throughout the County, including Daly City. Daly City contains only one public housing complex, Midway Village, which has 150 rental units. The City continues to support any efforts by the County Housing Authority to make appropriate improvements to Midway Village.

**8. Ensure Compliance with Program and Comprehensive Planning Requirements**

The City ensures that all CDBG-funded projects and programs comply with CDBG requirements and when applicable, comprehensive planning requirements. The City regularly monitors CDBG subrecipients for compliance with program regulations and requires quarterly reports. In FY 11-12, City staff met with three subrecipients to ensure compliance and answer any questions regarding the CDBG program. City staff has also taken advantage of the several HUD trainings offered during the program year to better guide and inform CDBG and HOME administration.

**E. LEVERAGING RESOURCES**

The effective use of CDBG or HOME funds in leveraging other resources is a significant criterion in evaluating program applications. Programs funded with CDBG funds are evaluated annually on the basis of the extent to which other funding resources are utilized in meeting program expenses. Applicants are informed, both in the application package and at workshops, that a diversity of funding sources will be among the selection criteria used for funding new or continuing projects. For example, Rebuilding Together Peninsula, which provides home rehab services in Daly City, receives funding from multiple cities throughout San Mateo County, state/local funds, corporate/foundation grants as well as in-kind donations of labor and materials. In FY 11-12, Daly City's housing and public service subrecipients were able to leverage an additional \$8.7 million to fund their programs. This includes approximately \$2 million in private funds.

**F. SUMMARY OF CITIZEN COMMENTS**

The public comment period for the CAPER is from September 9, 2012 through September 24, 2012 and was noticed in the local paper, *The Examiner*. [To be completed following end of public comment period]

As specified in the City's Citizen Participation Plan, the City provides for public input on its Action Plan throughout the program year. A public hearing on housing and community development needs takes place in December, and a public hearing on the proposed One Year Action Plan is held in April. This year, the needs hearing was held on December 12, 2011 and the public hearing on the Action Plan was held on April 23, 2012. Both hearings are publicly noticed in the local paper, and are posted on the City's website and the City's Cable Access channel. Public hearing notices are also posted at City Hall, the City libraries and the Daly City Community Service Center. At these sites, notices are also posted in other languages (Chinese, Tagalog, and Spanish) regarding upcoming Action Plans. The City also offers oral interpretation services for those limited English proficient persons who have questions regarding hearings and/or who have difficulty understanding the notices.

**G. CERTIFICATIONS****1. Pursuit of Resources**

Daly City was successful in its pursuit of resources to implement its 2011-12 One Year Action Plan. The City received its annual CDBG and HOME allocations to carry out economic development, housing, capital improvement, and public service activities. Also, several of the CDBG-funded public service providers leveraged their CDBG funds with private (i.e., foundation grants) and public (e.g., federal grants from the County or nearby cities) funds from non-Daly City resources.

**2. Provision of Certificates of Consistency for HUD Programs**

The City approved a Certificate of Consistency for HUD Programs for Project Sentinel's grant application to HUD's Housing Counseling Program. Project Sentinel is a nonprofit CDBG subrecipient.

**3. Hindering of Consolidated Plan Implementation**

Daly City has not hindered through its actions, or willful inactions, the implementation of its Consolidated and annual Action Plans. During the beginning of each CDBG fiscal year, the City Council must review and approve all CDBG-funded projects. The City Council approved the implementation of the FY 2011-12 One Year Action Plan in April 2011.

**H. COMPLIANCE WITH NATIONAL OBJECTIVES**

Daly City has complied with the CDBG National Objectives and the CDBG 70% low to moderate income benefit threshold [see Part III of Appendix E, "CDBG Financial Summary"] in implementing its FY 2011-12 One Year Action Plan.

**I. COMPLIANCE WITH DISPLACEMENT PROCEDURES**

It is the intention of the City, to the greatest extent possible, to avoid displacing residents or businesses on account of any City-sponsored program or activity. When residents or businesses are displaced as a result of a City-sponsored development activity, state and federal relocation law is observed.

**J. ACTIONS TO MEET LOW/MODERATE INCOME JOBS AND LIMITED CLIENTELE REQUIREMENTS****1. Low/Mod Jobs Requirement**

The City has instructed Renaissance Entrepreneurship Center to work with the Job Training and Economic Development Division of San Mateo County to obtain referrals of qualified low and moderate income applicants for job openings. Renaissance clients are also encouraged to use other Bay Area employment sources for other referrals to place a low to moderate income person in a job opening.

**2. Limited Clientele Eligibility Requirements**

Most of Daly City's subrecipients have a formal intake process in order to meet the limited clientele eligibility requirements. For those activities without a formal intake process, the subrecipients are assumed to serve at least 51% low to moderate income persons because of the nature of the activities. The nature and intent of the North Peninsula Food Pantry and Dining Center of Daly City is to provide meals to the neediest of families and individuals. The meal site clients tend to be homeless and most of them prefer to remain anonymous and do not want to be documented. Therefore, a formal intake process is inappropriate and counterproductive for the hot meal site. In addition, the senior clients of Ombudsman Services, an agency which provides advocacy services to those living in long-term care facilities, are considered a presumptive benefit group. The few residents of the long-term care facilities who are not seniors are Medi-Cal recipients and are considered to be temporarily disabled during their stay in the facility. As residents of the long-term care facilities are

either seniors and/or disabled, Ombudsman Services classifies its clients as falling within a presumed benefit group and therefore, does not income certify each individual client of a case investigation.

#### **K. ACTIVITIES GENERATING PROGRAM INCOME**

One activity funded through the CDBG program generates program income. The City's Residential Rehabilitation Program makes available low and deferred interest loans to low/moderate income homeowners and multifamily building owners in the City. Income received from loan payments is the source of program income for this activity. The Residential Rehabilitation Program received a total of approximately \$61,219 in program income for FY 11-12. The City also received \$12,628 from Mercy Housing Charities as repayment pursuant to the terms of the loan executed in 1995 for School House Station [See notes to Appendix E].

#### **L. STATUS OF NEIGHBORHOOD REVITALIZATION STRATEGY AREAS**

This issue is not applicable to Daly City, which has no HUD-approved Neighborhood Revitalization Strategy Areas.

#### **M. HOME PROGRAM MARKETING EFFORTS**

##### **1. Description of the City's Affirmative Marketing Actions**

In FY 11-12, there were no new HOME projects. Construction continued at 7555 Mission Street where the marketing plan was completed in FY 10-11. In the City's monitoring visits of its HOME completed rental projects, the City requests to see the wait lists for the units and inquires about how the properties are marketed. The City also requires that a marketing plan be submitted by developers who are required to build below market rate units. Although these projects have not received HOME funds, the City requests that developers include the equal opportunity housing logo on their marketing materials.

## **2. Assessment of Outreach Efforts to MBE/WBEs**

As stated previously, the City had no new HOME projects in FY 11-12. In completing form HUD-2516, a report of HUD Contract and Subcontract Activity, the City is able to track the number and dollar amounts of participation by minority and women-owned businesses. Results of the report suggest that the City explore successful outreach efforts undertaken by other jurisdictions in San Mateo County. As most of the City's HOME funds are used for construction, the City will look into compiling a list of construction-related MBE/WBE enterprises to pass along to developers for future HOME-assisted projects.

City outreach efforts shall include:

- Direct mailing of opportunities to lists obtained from Minority Clearinghouses, the Minority Business Development Agency under the Department of Commerce, the Interagency Committee on Women's Business Enterprise and United Minority Business Entrepreneurs.
- News releases, in addition to formal requests for bids, which highlight MBE and WBE opportunities under the HOME Program.

## **PART V SELF-EVALUATION**

### **A. ONE YEAR ACTION PLAN EVALUATION**

The City allocated CDBG funds during FY 11-12 to a wide range of housing and community development needs in accordance with the Five Year Plan, and consequently, the One Year Action Plan. The evaluation of the One Year Action Plan will cover the following issues: substantial amendments and minor revisions, impact on identified needs, and timely expenditure of CDBG funds.

## 1. Substantial Amendments and Minor Revisions

There were several minor revisions to FY 2011-12 HUD One Year Action Plan. At the April 25, 2011 hearing, Council approval of FY 11-12 CDBG allocations was based on staff estimates of probable HUD funding at the time. However, when the City received official news of its FY 11-12 CDBG grant allocation from HUD, the approved grant amount was \$61,407 lower than what staff had estimated. Therefore, to offset the \$61,407 deficit in CDBG funding, the City reduced the CDBG administration budget by \$12,281 and decreased the affordable housing development budget by \$40,589. The City also reduced the allocation to five public service programs by a total of \$8,537. These public service programs included: John's Closet, the Homesavers Program of Legal Aid Society, the North Peninsula Food Pantry and Dining Center of Daly City, Ombudsman Services, and Project Read. Another minor revision to the FY 2011-12 Action Plan included the allocation of an additional \$2,500 from the City's Residential Rehabilitation program to the Center for Independence of Individuals with Disabilities for porch-lift related work to assist a low-income disabled Daly City resident in dire need.

There were no substantial amendments to the FY 2011-12 HUD One Year Action Plan. However, during the course of the year, the City made one substantial amendment to the FY 2008-09 One Year Action Plan regarding the use of Recovery Act funds. The amendment included the reallocation of \$16,713 of CDBG-R funds to be used towards a housing rehab loan for a low-income Daly City household in need of home repairs for their health and safety. The funds had initially been allocated towards the construction of sidewalk curb ramps throughout the city and site preparation activities at the 36-unit affordable housing development project at 7555 Mission Street. Due to lower than anticipated costs, it became clear that the City would not expend all of its CDBG-R funds on the proposed activities. The City therefore reprogrammed the remaining balance of \$16,713 towards a rehab loan for a low-income Daly City homeowner. The City also made minor revisions to its FY 2008-09 Action Plan with regards to the use of Homelessness Prevention and Rapid Re-Housing (HPRP) funds. The City re-allocated about \$8,000 of its HPRP funds to Shelter Network to use for financial assistance. These funds were initially budgeted for housing relocation and stabilization services. As the HPRP program drew to a close, the City made small adjustments in the HPRP budget between activities to reflect the needs of the program.

## **2. Impact on Identified Needs in the Action Plan**

Below is an assessment of CDBG's impact on identified needs for housing, capital improvements, economic development, and public services during FY 11-12. Overall, Daly City's CDBG funds continue to be used effectively on the wide range of housing and community development needs found under its One Year Action Plan.

### **a. Housing**

Please refer to Part III.C, "Assessment of One Year Action Plan" on Page 7 and Part IV.B, "Evaluation of Progress in Providing Affordable Housing" on Page 22 for a more in-depth discussion on the City's housing activities and accomplishments in FY 11-12.

### **b. Economic Development**

During this fiscal year, Renaissance Entrepreneurship Center provided workshops and classes to 16 microenterprises. Please refer to Part III.C.2 on page 11 and Part IV.D.5.a on page 29 for further information on the City's economic development activities.

### **c. Capital Improvements**

Construction of the Bayshore Community Center was completed in FY 05-06, with the grand opening of the Center on February 18, 2006. The City continues to make payments on the Section 108 loan for this project. The City's Housing and Community Development Division and Public Works Department work closely together to ensure that capital projects meet national objectives and comply with CDBG regulations such as Davis-Bacon.

**d. Public Services**

The demand by public service providers for CDBG funding remained high in FY 11-12. The City received 20 public service applications and awarded funds for 15 projects. With the large number of applicants and grantees in the last several years, the City has had no problem using its CDBG funds towards worthy projects. More importantly, CDBG subrecipients have been generally successful in meeting the public service performance measures in the City's One Year Action Plan. During FY 11-12, most CDBG subrecipients met or exceeded the goals set forth for their programs in the FY 11-12 Action Plan. Public services are monitored on site by City staff at least one every three years to ensure compliance with CDBG regulations and to discuss constraints and opportunities facing each organization. The variety of public services addressed in the Action Plan include services such as those for persons with mental illnesses, at-risk youth, the homeless, seniors living in long-term care facilities, low-income families needing childcare, and persons with physical disabilities. With Asians comprising 56 percent of the City's population, the City will consider targeted outreach to Asian populations in Daly City to increase their awareness of services available to them.

**3. Timing of CDBG Expenditures**

Daly City's actual CDBG expenditures are consistent and on track with Letter of Credit (LOC) disbursement. The City's timeliness expenditure ratio (i.e., LOC balance to CDBG entitlement award) for FY 11-12 met HUD's maximum ratio limit of 1.5.

The City will continue to expend its CDBG funds in a timely manner, while meeting the priorities and goals established in the Consolidated Plan. The City will work to avoid delays to capital improvement projects as much as possible and to make sure that there are adequate marketing and outreach efforts on behalf of its community development programs.

#### **4. Performance Measurements**

Daly City participated in the various webcasts and local meetings to discuss HUD's performance measurement requirements. The City recognizes that such a system helps to assess program productivity and impact, as outlined in the HUD notice CPD-03-09. Daly City has formulated outcomes for its economic development activities, particularly the activities of the Renaissance Entrepreneurship Center, and the City has identified objectives and outcomes for its various housing and community development activities.

**APPENDIX A**  
**Five Year HUD Consolidated Plan**  
**Accomplishment Summary**

**APPENDIX B**  
**Summary of Consolidated Plan Projects for Plan Year 2011**  
**(from IDIS, PR06)**

**APPENDIX C**  
**Summary of Community Development Accomplishments Report**  
**(from IDIS, PR23)**

**APPENDIX D**  
**Activity Summary Report**  
**(from IDIS, PR03)**

**APPENDIX E**  
**Financial Summary**  
**(from IDIS, PR26)**

**APPENDIX F**  
**CDBG Performance Measures Report**  
**(from IDIS, PR83)**

**APPENDIX G**  
**HOME Housing Performance Report**  
**(from IDIS, PR85)**

**APPENDIX H**  
**HOME Match Report**

**APPENDIX I**  
**HOME Annual Performance Report**

**APPENDIX J**  
**AFFIDAVIT OF PUBLICATION**

**APPENDIX K**  
**GEOGRAPHIC DISTRIBUTION OF ACTIVITIES**