

Housing Commission Meeting

April 25, 2024

Presentations

Item 2

FY 2024-25 Community
Development Block Grant
(CDBG) Annual Action
Plan (AAP)

**Fiscal Year (FY) 2024-25
Community Development Block Grant (CDBG)
Annual Action Plan (AAP)**



CUPERTINO

Alec Vybiral, Senior Housing Coordinator
April 25, 2024

Purpose

Approve the FY 2024-25 CDBG Annual Action Plan.

Community Development Block Grant (CDBG) Program

- Annual Entitlement grant funding from HUD
- Assist low- and moderate-income persons

Annual Action Plan (AAP)

- Covers one fiscal year (July 1 – June 30)
- Consistent with Consolidated Plan
- Describes the activities and funding allocations

Allocated CDBG Funds

Organization	Funding Amount
Rebuilding Together Silicon Valley- Homeowner Repair and Rehabilitation Program	\$96,237.00
City of Cupertino – Senior Center Cooling System Improvements	\$55,468.80
Live Oak Adult Day Services	\$9,902.34
West Valley Community Services (WVCS) – Community Access to Resources and Education Program (CARE)	\$18,695.61
TOTAL	\$180,303.75

COMPLIANCE TIMELINE

**NOFA Application
Window:**
Nov 6 - Feb 6

**HC Funding
Recommendations:**
March 14

**CC Approves
Recommendations:**
April 16

**Housing
Commission
Approves AAP:**
April 25

Submit AAP to HUD:
By May 15th

30-Day Public Comment Period: March 26, 2024, through April 24, 2024

Next Steps

Approve the FY 2024-25 CDBG Annual Action Plan.

The AAP will be submitted to HUD by the May 15, 2024, deadline.



Housing Commission Meeting

April 25, 2024

Presentations

Item 3

Study Session and Staff
Presentation on the 6th
Cycle Housing Element
Update

6th Cycle Housing Element Update Adoption

Planning Commission

April 29, 2024



CUPERTINO

HOUSING ELEMENT

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Agenda

- Background
- Current Status
 - **Conditional Certification Letter received from HCD (April 10)**
- RHNA/Priority Sites
- Policies and Strategies
- Timeline and next steps



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Background

- What is a Housing Element?
 - State-mandated Element of City's General Plan
- Why update it now?
 - Unlike other General Plan Elements required by State law to be updated every 8 years
- Purpose of the Update:
 - Study and plan for housing needs in the community, across all income levels



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Background

- What does State law require?
 - Public Participation
 - Needs Analysis
 - Review of prior Housing Element policies/programs
 - Develop policies/programs to address current needs
 - Housing Sites Inventory
- Who reviews and certifies compliance with State law?
 - CA Department of Housing and Community Development (HCD)



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Related Updates

- Conforming changes:
 - Other General Plan Elements – Land Use, Transportation, Specific Plans and appendices
 - **Rezoning** – map and text
- State law requirements:
 - Health and Safety Element
- Other – necessary to implement HE programs (e.g. Objective design standards for housing developments)



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Related Updates

- 6th Cycle Housing Element update covers 2023-2031 Planning Period
- Certification deadline: Jan. 31, 2023 (passed)
- Six jurisdictions in Santa Clara County (15 cities/1 county) still **do not** have compliant Housing Elements
- 38 of 109 ABAG jurisdictions not in compliance
- 58 of 197 SCAG jurisdictions out of compliance



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ABAG RHNA

- State-wide Housing Needs Determination made by HCD for each region within State
 - Cupertino in 9 County ABAG region
 - City's RHNA ~1% of ABAG region's RHNA

Income Category	Percent	Housing Unit Need
Very Low	25.9%	114,442
Low	14.9%	65,892
Moderate	16.5%	72,712
Above Moderate	42.6%	188,130
Total	100%	441,176



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Cupertino's 6th Cycle RHNA

Income Group	Units	% of total
Very Low Income (<small><50% of AMI</small>)	1,193	26.0
Low Income (<small>50%-80% of AMI</small>)	687	15.0
Moderate Income (<small>80%-120% of AMI</small>)	755	16.5
Above Moderate Income (<small>>120% of AMI</small>)	1,953	42.5
Total	4,588	100

Affordable Units = 2,635

Buffer ~ 25 - 35% particularly for lower income levels recommended to ensure city does not have to update sites inventory before next HE update for "no net loss" purposes. RHNA + Buffer accommodates over 6,200 units.

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Background: 6th Cycle vs. 5th Cycle

- RHNA 4x higher in Cupertino--4,588 vs. 1,064
- Few remaining undeveloped sites, reliance on redevelopment to meet RHNA
- 62 properties, 36 development sites
- 70% of properties 50 units/acre or more
- New legislation adds requirements in:
 - Developing policies/programs
 - Greater accountability to produce housing
 - Site selection
 - Less discretion approving housing developments
 - Affirmatively Furthering Fair Housing (AFFH)
 - More outreach and inclusion



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Background: Noncompliance

- What can happen if City does not have a certified Housing Element?
 - Loss of local land use and zoning control – Builder’s Remedy projects
 - Lawsuits and attorney fees
 - Ineligibility for grant funding
 - Financial penalties, court issued fines
 - Streamlined ministerial approval of projects
 - Court receivership appointing an agent to bring City’s Housing Element into compliance



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Affirmatively Furthering Fair Housing (AFFH)

- AB 686 (2018) defines AFFH as:
“taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.”
- Three community meetings focused on AFFH held May-September 2022



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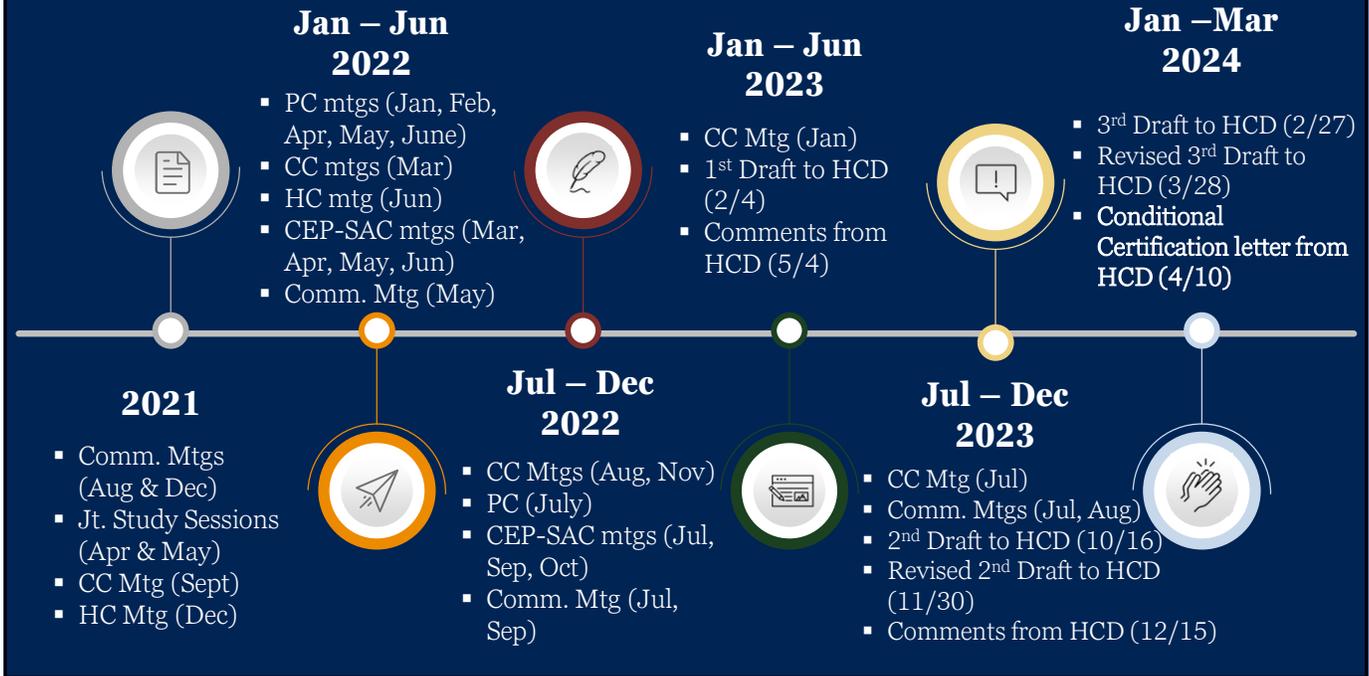
Affirmatively Furthering Fair Housing (AFFH) - Cupertino

- City is designated High or Highest Resource regarding Access to Opportunities
- Housing anywhere in City would regionally Affirmatively Further Fair Housing
- City must look to accommodate persons who currently do not reside here
- Meeting RHNA alone does not equate to satisfying AFFH (Missing Middle Strategy)



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What's happened so far?



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Sites Inventory: Pre-HE Submittal

- Robust discussions in 2022 at Housing and Planning Commissions and City Council
- Started with all potential sites throughout the City which:
 - Met HCD size criteria: 0.5 – 10 acres
 - Properties outside of fire hazard and geologic hazard zones – *more environmental impacts*
 - Owner interest a factor

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Sites Inventory: Direction Pre-HE submittal

- More interest in accommodating housing west of De Anza Blvd and south of Highway 85
- Less interest in accommodating housing east of De Anza Blvd due to recent approvals
- Locate housing sites to counteract declining school enrollment
- Avoid displacement of existing residents through redevelopment of residential properties



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Policy Framework

- State laws: link land use and transportation (AB 32 and SB 375)
- Regional plans (Plan Bay Area 2050 and Regional Transportation Plan) align with state law
- AB 2011 (*eff. July 1, 2023*): Allows Residential development on Commercial-Office Corridors regardless of Zoning:
 - Density and building height varies depending on lot size and width of transportation corridor
 - Identifies min. development standards
 - Ministerial, exempt from CEQA



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Current Site selection strategy

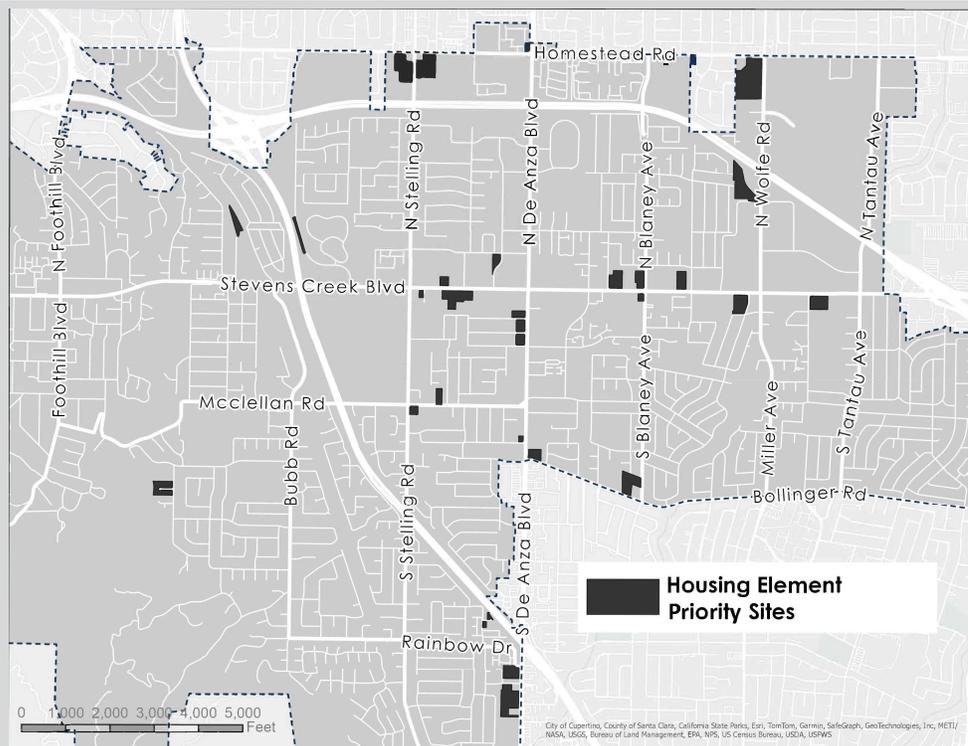
With Council direction in July 2023, site selection strategy adjusted based on:

- New State law realities – AB 2011/SB6
- Proximity to transportation – AB32/SB375
- Aligning with regional plans – PBA2050 & RTP
- City's existing policies – LU-1.1 & CAP
- Consultant experience based on likelihood of site acceptance by HCD
- Development potential of site
- Size of sites – 0.5 acres (min.) to 10 acres (max.)



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Current Housing Element Priority Housing Sites



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