



## HOUSING DIVISION

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### HOUSING COMMISSION STAFF REPORT

May 22, 2025

#### Subject

2025-2030 Community Development Block Grant (CDBG) Consolidated Plan (ConPlan) and 2025-2026 Annual Action Plan (AAP)

#### Recommended Action

Approve the draft 2025-2030 CDBG ConPlan and 2025-2026 AAP for submittal to the United States Department of Housing and Urban Development (HUD).

#### Discussion

##### ***CDBG Funding***

The United States Department of Housing and Urban Development (HUD) annually allocates grants such as CDBG, Home Investment Partnerships Program (HOME), Housing Opportunities for People with AIDS (HOPWA), and Emergency Shelter Grants (ESG) to local jurisdictions for community development activities. Cupertino is one of seven entitlement jurisdictions within Santa Clara County. Entitlement grants are allocated on a formula basis, to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low-and moderate-income persons. Funds are then allocated to jurisdictions based on several objective measures of community needs, including the extent of poverty, populations, housing overcrowding, age of housing, and extent of population growth lag in relationship to other metropolitan areas.

HUD regulations require that eligible activities selected for funding meet one of the three national objectives: to benefit low- and moderate- income households; to aid in the prevention or elimination of a blighted area; or to address an urgent community need, such as when conditions pose a serious and immediate threat to the health or welfare of the community and where other financial resources are not available to meet such needs. In addition, only certain types of eligible activities qualify under the CDBG regulations. Examples of eligible activities are:

- Public facilities and improvements
- Public service activities
- Affordable housing developments
- Property acquisition for affordable housing

- Rehabilitation of affordable units
- Fair housing services
- Economic development activities
- Planning and administration of the CDBG program

### ***2025-2030 Consolidated Plan***

The Consolidated Plan is a five-year long-range plan which determines which of the eligible CDBG activities best aligns with the City of Cupertino's needs based on economic, housing, infrastructure, environmental and demographic research. Root Policy has been selected as the consultant for the City of Cupertino to develop the 2025-2030 Consolidated Plan. The Consolidated Plan is comprised of six sections which include Executive Summary, the Process, Needs Assessment, Market Analysis, Strategic Plan, and Annual Action Plan.

#### *Executive Summary Section*

This section is an introduction to the Consolidated Plan including an evaluation of the previous five-year Consolidated Plan period. The Consolidated Plan serves three functions; as a planning document for the City of Cupertino, which builds on a participatory process, as an application for federal funds under HUD's CDBG formula grant program, and as a strategy for carrying out the CDBG program.

#### *Process Section*

This section outlines the process used to solicit community input for the Consolidated Plan. Community engagement is a key piece of the Consolidated Plan and through Root Policy, the City will participate in a countywide effort to collect data and information from residents and stakeholders across the county as well as within the City to identify both local and regional trends. The jurisdictions that participated in this effort include the cities of Cupertino, Gilroy, Mountain View, Palo Alto, Sunnyvale, Santa Clara and the County of Santa Clara representing unincorporated areas of Campbell, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill and Saratoga.

#### *Needs Assessment Section*

This section incorporates quantitative data from a variety of sources and qualitative information from various organizations and community stakeholders. Quantitative data sources can include various government institutions, and other scholarly private demographic vendors. Information in this section analyzes the impact that housing problems have on low- and moderate-income households, racial and ethnic groups, and special needs populations. Additionally, this section addresses the public service needs of the homeless population, special needs populations, and public housing participants in the City.

#### *Housing Market Analysis Section*

This section discusses the housing stock in the City and the multiple factors that impact housing. Both constructed housing as well as housing units in the project pipeline

are compared against the City of Cupertino's share of the Regional Needs Housing Allocation (RHNA), which takes into account greater economic and population trends. Market analysis is done to identify the gaps that exist between the existing housing stock and the needs identified in the Needs Assessment section, which leads to actionable goals that be created for HUD funded activities and projects identified in the Strategic Plan.

#### *Strategic Plan*

This section serves as a blueprint for addressing the needs identified in the Needs Assessment and Market Analysis sections. The Strategic Plan establishes a work plan with goals and strategies to guide the allocation of entitlement grant funds and the implementation of HUD programs over the next five years. The goals and strategies listed in the five-year strategic plan will compliment the policies, programs, and objectives described in the City's General Plan Housing Element. The goals and strategies also reflect input from community stakeholders, local service providers, and staff. The goals and strategies within the Strategic Plan are organized into multiple categories to help the City determine the priority needs, funding available, goals sought, potential barriers, increasing economic opportunities, and abiding by all HUD requirements. However, not every need identified in the Plan can be met and sufficiently addressed in the next five years due to infeasibility, lack of funding, or simply being too large to be addressed in just five years.

Per HUD requirements, the Strategic Plan addresses how the City works with the local public housing authorities, and is mitigating barriers to address affordable housing, addressing poverty and coordinating with the public and private sector on community development efforts.

#### *Annual Action Plan Section*

This section is a one-year plan that describes the eligible activities that the City intends to undertake in FY 2025-2026 to address the needs and implement the strategies identified in the adopted 2025-2030 Consolidated Plan. The Annual Action Plan describes the activities that the City will fund to address the priority needs of the 2025-2030 Consolidated Plan.

#### Sustainability Impact

No sustainability impact.

#### Fiscal Impact

Sufficient funding will be available and budgeted for CDBG funding allocations. CDBG programs and projects are funded by HUD grant funds.

#### California Environmental Quality Act

No California Environmental Quality Act impact.

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Reviewed by: Luke Connolly, Assistant Director of Community Development

Approved for Submission by: Benjamin Fu, Director of Community Development

Attachments:

A – Draft FY 2025-30 CDBG Consolidated Plan and FY 2025-2026 Annual Action Plan

B – Housing Commission Resolution 17-02 (CDBG Contingency Plan)