

**RESOLUTION NO. XX**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUPERTINO  
APPROVING THE (FY) 2021-22 COMMUNITY DEVELOPMENT BLOCK  
GRANT (CDBG) PROGRAM AND BELOW MARKET RATE (BMR)  
AFFORDABLE HOUSING FUND (AHF) FUNDING ALLOCATIONS.**

WHEREAS, the Housing and Community Development Act of 1974 provides that funds be made available for the CDBG Program; and

WHEREAS, the City of Cupertino wishes to apply for funds as an entitlement jurisdiction under said Act; and

WHEREAS, the City of Cupertino was notified by the United States Department of Housing and Urban Development (HUD) that it will receive a \$406,806.00 CDBG entitlement grant to be allocated for FY 21-22; and

WHEREAS, the City of Cupertino estimates allocating \$7,944 in CDBG program income for FY 21-22; and

WHEREAS, the City of Cupertino estimates allocating \$48,000 in unused CDBG funds from FY 20-21 to the CDBG capital housing project category; and

WHEREAS, the City of Cupertino is required to submit a FY 21-22 CDBG Annual Action Plan to HUD for review and approval prior to being allowed to expend CDBG funds for FY 21-22; and

WHEREAS, the City of Cupertino put into place a CDBG Contingency Plan (Exhibit 1) because of the uncertainty in the federal budget; and

WHEREAS, the Housing Commission held a public hearing on March 11 to finalize their initial rating and ranking of the FY 2021-22 CDBG and BMR AHF funding allocations and provided their recommendations to City Council.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby:

1. Approve the FY 21-22 CDBG and BMR AHF funding allocations (Exhibit 2).

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2. The FY 21-22 CDBG and BMR AHF recommended grant funding allocations will be decreased/increased based on final budget allocations by HUD and the City Council.

BE IT FURTHER RESOLVED that this Resolution is not a project under the requirements of the California Environmental Quality Act, together with related State CEQA Guidelines (collectively, "CEQA") because it has no potential for resulting in physical change in the environment. In the event that this Resolution is found to be a project under CEQA, it is subject to the CEQA exemption contained in CEQA Guidelines section 15061(b)(3) because it can be seen with certainty to have no possibility that the action approved may have a significant effect on the environment. CEQA applies only to actions which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. In this circumstance, the proposed action (FY 21-22 funding allocations) would have no or only a de minimis effect on the environment because it has no potential for resulting in physical change in the environment. The foregoing determination is made by the City Council in its independent judgment.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Cupertino this 6<sup>th</sup> day of April, 2021, by the following vote:

Members of the City Council

AYES:

NOES:

ABSENT:

ABSTAIN:

|  |                       |
|--|-----------------------|
| SIGNED:<br><br>_____<br>Darcy Paul, Mayor<br>City of Cupertino | <br><br>_____<br>Date |
| ATTEST:<br><br>_____<br>Kerri Heusler, Housing Manager         | <br><br>_____<br>Date |

**Exhibit 1**  
**CDBG Contingency Plan**

In the case of funding **increase**, the following plan is recommended:

- ⊙ Public Services: Distribute the additional available amount in the public services cap until an applicant is fully funded. If an applicant reaches the funding amount requested, any remaining funds will be distributed to other applicants who have not yet reached the maximum funding amount.
- ⊙ Administration: Funds are to be allocated to the City of Cupertino for CDBG administration. General Fund allocation will be reduced accordingly.
- ⊙ Capital Housing Projects: Distribute the additional available amount in the capital/housing projects cap until an applicant is fully funded. If an applicant reaches the funding amount requested, any remaining funds will be distributed to other applicants who have not yet reached the maximum funding amount.

In the case of a funding **decrease**, the following plan is recommended:

- ⊙ Public Services: Distribute any funding decrease proportionately among the remaining public service applicants, but maintain a minimum funding allocation of \$15,000 for any applicant to the extent feasible.
- ⊙ Administration: Any decrease in funding will be supplemented by the General Fund for CDBG administration.
- ⊙ Capital/Housing Projects: Any decrease in funding may be supplemented wholly or partially based on funding available, by the Below Market Rate (BMR) Affordable Housing Fund (AHF) for CDBG Capital Housing projects.

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| Exhibit 2   |   |                       |                       |                                    |
|---|---|-----------------------|-----------------------|------------------------------------|
| FY 2121-22 CDBG and BMR AHF Grant Application Summary |   |                       |                       |                                    |
|   | FY 21-22 Grant Application Summary  | Funds Available       | Funding Requests      | Funding Recommendations            |
|   | CDBG Program Administration   | \$82,950.00           | \$82,950.00           | \$82,950.00                        |
|   | <b>Sub-Total</b>  | <b>\$82,950.00</b>    | <b>\$82,950.00</b>    | <b>\$82,950.00</b>                 |
| <b>1</b>  | <b>CDBG Capital Housing Project Applications</b>                              |                       |                       |                                    |
| a   | Rebuilding Together Silicon Valley- Housing Repair and Rehabilitation Project |                       | \$97,318.00           | \$97,318.00                        |
| b   | West Valley Community Services (WVCS) - Vista Village Renovation Project      |                       | \$221,022.45          | \$220,269.50                       |
|   | <b>Sub-Total</b>  | <b>\$317,587.50</b>   | <b>\$318,340.45</b>   | <b>\$317,587.50</b>                |
| <b>2</b>  | <b>BMR AHF Capital Housing Project Applications</b>                           |                       |                       |                                    |
| a   | Pacific West Communities, Inc.- Westport Project                              |                       | \$2,000,000.00        | <i>Not recommended for funding</i> |
|   | <b>Sub-Total</b>  | <b>\$6,000,000.00</b> | <b>\$2,000,000.00</b> | <b>\$0</b>                         |