



## HOUSING DIVISION

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## HOUSING COMMISSION STAFF REPORT

May 28, 2026

### Subject

Fiscal Year (FY) 2026-27 Community Development Block Grant (CDBG) Draft Annual Action Plan (AAP)

### Recommended Action

Conduct Public Hearing; and

1. Approve the draft FY 2026-27 CDBG Annual Action Plan for submittal to HUD

### Discussion

The United States Department of Housing and Urban Development (HUD) annually distributes 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 nine entitlement jurisdictions within Santa Clara County. Entitlement grants are allocated on a formal 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.

### *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. The 2025-2030 Consolidated Plan was adopted by City Council on April 15, 2025, City Council approved the FY 2026-27 CDBG funding allocations on April 21, 2026.

### *2026-27 CDBG Annual Action Plan*

The FY 2026-27 Annual Action Plan (Attachment A) is a one-year plan that describes the eligible activities that the City intends to undertake during FY 2026-27 (July 1, 2026-June 30, 2027) to implement strategies to address the needs identified in the 2025-30 Consolidated Plan. The goal of the activities is to address priority housing and non-housing community development needs,

and to affirmatively further fair housing choice. As per HUD regulations, the City posted the document for a 30-day public comment period from April 24, 2026 through May 28, 2026. Any comments that are received will be included in AAP’s submission to HUD. The draft FY 2026-27 Annual Action Plan will be updated and finalized as needed prior to submission to HUD.

The City is part of the Santa Clara County HOME Consortium and must submit the Annual Action Plan to HUD along with the County by the June 15<sup>th</sup> deadline. The County intends to submit the Annual Action Plan after approval from each of the HOME Consortium members by the deadline.

*2026-27 CDBG Funding*

HUD allocated \$322,534 for the FY 2026 Community Planning and Development Formula Program Allocations for FY 2026-27. In addition, the City expects receiving \$7,944 in program income from existing CDBG loan payoffs and \$50,000.00 in prior year unexpended funds. Between the FY 2026-27 entitlement grant, program income, and prior year unexpended funds, the City will have a total of approximately \$380,478.00 of CDBG fund to use.

<b>FY 26-27 CDBG Budget (est.)</b>	
Entitlement Amount (EN)	\$322,534.00
Program Income (FY 26-27)	\$7,944.00
Unexpended Funds	~\$50,000.00
<b>Total Revenues</b>	<b>\$380,478.00</b>
Program Administration (20% EN)	\$64,500.00
Public Service (15% EN)	\$48,300.00
Capital/Housing Projects (65% EN + Unexpended Funds)	~\$267,678.00
<b>Total Expenses</b>	<b>\$380,478.00</b>

*FY 2026-27 CDBG Capital Housing Funding Allocations*

An approximate total of \$267,678 is available for eligible CDBG capital housing projects. In FY 26-27 capital housing activities will be targeted to rehabilitation of low-income housing. Funding allocations are noted on the table below.

<b>1</b>	<b>CDBG Capital Housing Projects</b>				
	<b>FY 26-27 Application Summary</b>	<b>Funds Available</b>	<b>Funding Requests</b>	<b>Funding Award</b>	<b>FY 25-26 Funding Allocations</b>
a	Rebuilding Together Silicon Valley- Homeowner Repair and Rehabilitation Program		\$107,500.00	\$107,500.00	\$107,500.00
b	West Valley Community Services – Vista Village Upgrades		\$160,000.00	\$160,000.00	\$0
<b>Sub-Total</b>			<b>\$267,678.00</b>	<b>\$267,500.00</b>	<b>\$267,500.00</b>

*FY 2026-27 CDBG Public Service Funding Allocations*

Of the total anticipated entitlement amount, an approximate total of \$48,300 has been allocated to eligible public service activities. Public service activities must benefit very low- and low-income households. Funding allocations are noted on the table below.

<b>2 CDBG Public Services</b>					
	<b>FY 26-27 Application Summary</b>	<b>Funds Available</b>	<b>Funding Requests</b>	<b>Funding Award</b>	<b>FY 25-26 Funding Allocations</b>
a	Live Oak Adult Day Services		\$22,000.00	\$15,000.00	\$16,800.00
b	West Valley Community Service (WVCS) – Community Access to Resources and Education Program (CARE)		\$87,494.00	\$33,300.00	\$37,200.00
	<b>Sub-total</b>		<b>\$54,000</b>	<b>\$109,494.00</b>	<b>\$48,300.00</b>

Sustainability Impact

Approval of the FY 2026-27 CDBG Annual Action Plan will not result in a sustainability impact.

Fiscal Impact

CDBG programs and projects are funded by HUD. Approval of the FY 2026-27 CDBG Annual Action Plan will not have a fiscal impact.

California Environmental Quality Act

Not applicable.

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Attachments:

- A – Draft FY 2026-27 CDBG Annual Action Plan
- B – Housing Commission Resolution 17-02 (CDBG Contingency Plan)