



## HOUSING DIVISION

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### HOUSING COMMISSION STAFF REPORT

December 8, 2025

#### Subject

Study fiscal impacts of federal housing program budget cuts and government shutdown, approve resolution to recommend the City Council increase funding to local housing programs through the Human Services Grant (HSG).

#### Recommended Action

Receive presentation and approve the resolution to recommend the City Council approve a funding allocation increase to City low-income housing programs to mitigate impacts of federal housing program budget cuts and government shutdown.

#### Background

##### ***Federal Budget Proposals***

On May 2, 2025, the White House released a discretionary budget request which proposed sweeping cuts, reductions, and consolidations to funding programs provided by the Department of Housing and Urban Development and administered by cities and counties. Two of these programs, the Community Development Block Grant (CDBG) and HOME Investment Partnerships, are allocated to the City of Cupertino for the benefit of its low- and moderate-income households. Both programs were proposed to be entirely eliminated which would severely impact the City's ability to continue funding local non-profits for the provision of services to low-income residents. On July 17 and July 24, appropriations committees from the Housing and Senate both passed bills that did not adopt the elimination of the CDBG program but had inconsistencies as to whether to eliminate the HOME program.

##### ***Federal Government Shutdown***

On October 1, 2025, the federal government entered a shutdown after Congress failed to pass appropriations legislation for the 2026 fiscal year, halting review of the FY25-26 Annual Action Plan of the City's CDBG program and delaying its funding disbursement. As of November 2025, the City of Cupertino has still not received its expected FY 2025 CDBG allocation of \$354,559. As uncertainty grows regarding the reliability of federal funding, the Housing Commission requested that they explore, through a study session, the possibility of requesting an increase in funding from the City Council to housing programs to replace funding gaps and ensure the long-term stability of housing programs in the City.

## Funding Gap

### ***Community Development Block Grant***

Through the CDBG program, the City funds three annual contributions to non-profit organizations: Live Oak Adult Day Care, West Valley Community Services (CARE) and Rebuilding Together Silicon Valley. These services provide care for vulnerable elderly, general assistance to low-income households, and rehabilitation services to low-income homeowners.

Figure 1: CDBG Programs

Program	Average Contract	Annual Households Served
Live Oak Adult Day Care	\$19,000	15
West Valley Community Services (CARE)	\$37,000	100
Rebuilding Together Silicon Valley	\$96,000	7
Total	\$152,000	122

A funding increase to the City's Housing Programs through Human Services Grant (HSG) equal to the amount lost through the CDBG program would protect these programs and continue to bring service to 122 low-income Cupertino families. The remainder of the CDBG annual allocation that is not used for housing programs is used for public infrastructure upgrades. A funding increase to protect these projects would be best achieved with separate action through the City's Public Works Department.

### ***HOME Investment Partnerships***

The City indirectly receives its HOME allocation through the Santa Clara County Consortium, which administers the fund. The Consortium also administers the HOME allocations of all participating Santa Clara County cities and receives a lump sum as a joint allocation. As a result, it is difficult to determine how much of the joint allocation is Cupertino's portion of the fund. It is more administratively feasible to implement a funding increase to replace lost HOME funds at the County level of government.

### ***Human Services Grant***

The City of Cupertino currently funds the local Human Services Grant (HSG) through the General Fund to supplement housing program funding in the amount of \$129,000 per year with annual Consumer Price Index (CPI) increases. Without the continued stability of the CDBG program, the programs previously supported by CDBG would have to compete with other programs currently funded through the City's local funding grant program, the HSG. This would lower the amount of funding available on average for each current subrecipient of local funding, leading to impacts for not only CDBG subrecipients, but all of the City's non-profit housing programs. A reduction in deliverables and clients served across all programs would be expected to occur. Therefore, an increase in the HSG program annual allocation would not only maintain stability of the City's CDBG program recipients, but also the HSG program recipients as well.

### Recommendation

Approve submittal of the resolution to City Council to recommend an annual funding increase of \$152,000 for a grand total of \$281,000 with an annual CPI increase to the Human Services Grant fund to mitigate impacts from federal housing program budget cuts and government shutdown.

### Sustainability Impact

None

### Fiscal Impact

An annual increase in funding allocation of \$152,000 to the Human Services Grant from the General Fund.

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### Attachments:

A – Resolution 25-XXXX (HSG Program Funding Increase)  
B – FY 2025 Federal Discretionary Budget Request