



COMMUNITY DEVELOPMENT DEPARTMENT

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HOUSING COMISSION STAFF REPORT

Meeting: June 23, 2022

Subject

FY 2022-23 Community Development Block Grant (CDBG) Program Annual Action Plan

Recommended Action

Conduct Public Hearing; and

1. Approve the FY 2022-23 CDBG Annual Action Plan

Discussion

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 nine entitlement jurisdictions within Santa Clara County. Jurisdictions typically must have a population of 50,000 or more to qualify as an entitlement jurisdiction that receives grant funding directly from HUD. Entitlement grants are largely allocated on a formula basis, based on several objective measures of community needs, included the extent of poverty, populations, housing overcrowding, age of housing, and extent of population growth lag in relationship to other metropolitan areas. As a requirement to receive these entitlement grants, Title I of the National Affordable Housing Act mandates that jurisdictions prepare a five-year Consolidated Plan, Annual Action Plan, and Consolidated Annual Performance Evaluation and Report (CAPER) that identifies local community development needs and sets forth a strategy to address these needs. The 2020-2025 Consolidated Plan was adopted by City Council on June 14, 2020. City Council approved the FY 2022-23 CDBG, Below Market Rate (BMR) Affordable Housing Funds (AHF), and Human Service Grant (HSG) funding allocations on May 3, 2022.

2022-23 CDBG Annual Action Plan

The FY 2022-23 Annual Action Plan (Exhibit 2) is a one-year plan that describes the eligible activities that the City intends to undertake in FY 2022-23 (July 1, 2022 – June 30, 2023) to address the needs and implement the strategies identified in the adopted 2020-25 Consolidated Plan. The Annual Action Plan describes the activities that the City intends to fund to address priority housing and non-housing community development needs and to affirmatively further fair housing choice. HUD regulations require the City to post the Annual Action Plan for public comment for thirty days. The City posted the document for

greater than the required thirty days: April 1, 2022 to May 30, 2022. The City did not receive any public comments. The draft FY 2022-23 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 is required to submit the Annual Action Plan to HUD along with the County by the July 12, 2022 deadline. The County intends to submit the Annual Action Plan after approval from each of the HOME Consortium members by the deadline.

2022-23 CDBG Funding

The City received notification from HUD on May 13, 2022 awarding \$388,459 in entitlement funding for FY 2022-23. The City intends to reallocate \$7,944 in program income from existing CDBG loan payoffs and \$22,531.39 in FY 20-21 unexpended funds. Between the FY 2022-23 entitlement grant, program income, and FY 20-21 unexpended funds, the City will have a total of approximately \$418,934.39 of CDBG funds to utilize.

FY 2022-23 CDBG Budget	
Entitlement Amount	\$388,459.00
Program Income (22-23)	\$7,944.00
Prior Year Unexpended Funds (20-21)	\$22,531.39
Total	\$418,934.39
Program Administration (20%)	\$79,280.60
Public Service (15%)	\$59,460.45
Capital/Housing Projects (65%)	\$280,193.34
Total	\$418,934.39

2022-23 CDBG Public Service Funding Allocations

Of the total anticipated entitlement amount, a total of \$59,460.45 has been allocated to eligible public service activities. Public service activities must benefit very low- and low-income households. Funding allocations are noted in the table below.

FY 2022-23 CDBG Public Services	
Live Oak Adult Day Services - Senior Adult Day Care / Caregiver Respite	\$21,405.76
West Valley Community Services (WVCS) – CARE Program	\$38,054.69
Total	\$59,460.45

2022-23 CDBG Capital Housing Funding Allocations

A total of \$280,193.34 has been allocated to eligible CDBG capital housing projects. The City awarded \$88,966 in eligible CDBG capital housing funds. The City did not receive eligible applications for the excess \$191,227.34 in funds and is actively seeking

opportunities to spend funding on eligible opportunities. At the point in time that an activity is identified, the City will complete a Substantial Amendment to the FY 22-23 Annual Action Plan to allocate the funding. Funding allocations are noted in the table below.

FY 2022-23 CDBG Capital Housing Projects	
Rebuilding Together Silicon Valley- Ownership Housing Repair and Rehabilitation Program	\$88,966.00
Total	\$88,966.00

Process

This is the second public hearing required by HUD for CDBG. All required HUD notices are published in advance announcing upcoming CDBG public hearings.

Sustainability Impact

No sustainability impact.

Fiscal Impact

Sufficient funding will be available and budgeted for FY 2022-23 CDBG funding allocations. CDBG programs and projects are funded by HUD grant funds.

Prepared by: Kerri Heusler, Housing Manager

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

Attachments:

A - FY 22-23 CDBG Annual Action Plan