



COMMUNITY DEVELOPMENT DEPARTMENT  
CITY HALL  
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## CITY COUNCIL STAFF REPORT

Meeting: August 1, 2017

### Subject

2017-18 Community Development Block Grant (CDBG) Annual Action Plan.

### Recommended Action

Conduct Public Hearing and adopt the draft resolution approving the 2017-18 CDBG Annual Action Plan.

### Background

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. This is Cupertino’s fifteenth year as an entitlement jurisdiction receiving a CDBG grant directly from HUD. Entitlement grants are largely allocated on a formula basis, 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. City Council approved the allocation of fiscal year (FY) 2017-18 CDBG, Below Market Rate (BMR) Affordable Housing Funds (AHF), and Human Service Grant (HSG) funds at their meeting on June 20, 2017.

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, Consolidated Annual Performance Evaluation and Report (CAPER) that identifies local community development needs and sets forth a strategy to address these needs. The 2015-2020 Consolidated Plan was adopted by City Council on April 7, 2015.

### ***2017-18 CDBG Annual Action Plan***

The CDBG Annual Action Plan is a one-year plan that describes the eligible activities that the City of Cupertino intends to undertake in FY 2017-18 to address the needs and implement the strategies identified in the adopted 2015-20 Consolidated Plan. The CDBG

Annual Action Plan describes the activities that the City intends to fund with HUD entitlement CDBG grant funds in FY 2017-18 to address priority housing and non-housing community development needs and to affirmatively further fair housing choice. Per HUD regulations the City is required to make the 2017-18 CDBG Annual Action Plan available for public comments for thirty days. The draft 2017-18 CDBG Annual Action Plan was made available to the public on the Cupertino website ([www.cupertino.org/housing](http://www.cupertino.org/housing)) and City Clerk's office from June 1, 2017 – June 30, 2017. No public comments have been received. The 2017-18 CDBG Annual Action Plan is due to HUD by August 16, 2017.

### ***FY 2017-18 CDBG Funding Allocations***

The City received notification from HUD on June 28, 2017 awarding \$311,943 in CDBG funding for FY 2017-18. Due to delays in HUD funding allocations, staff originally used the FY 16-17 allocation of \$307,592 to estimate the FY 2017-18 allocations. The awarded FY 2017-18 allocations are an increase of \$4,351 from FY 2016-17 and staff is working with grantees to increase their amounts accordingly and execute contracts. On June 20, 2017, City Council awarded FY 2017-18 CDBG funding allocations with a Contingency Plan that allowed staff to adjust the estimated amounts at the time that HUD issued final funding allocations. The tables below provide a summary of how CDBG funds have been allocated for FY 2017-18.

<b>Community Development Block Grant (CDBG) Program</b>	
Entitlement Amount: \$311,943	
Program Income (PI): \$7,944	
Administration (20%)	\$63,977
Public Services (15%)	\$47,983
Capital Housing Projects (65%)	\$207,927
Uncommitted Funds from Prior FY 2016-17 for Capital Housing Projects	\$8,161
<b>Total</b>	<b>\$328,048</b>

### ***Public Service Funds***

CDBG public service funds cannot exceed 15% of the 2017-18 entitlement amount (\$311,943) and PI (\$7,944) for a total of \$47,983.

<b>Community Development Block Grant (CDBG) Program</b>	
<b>Public Service Funds</b>	
Live Oak Adult Day Services – Senior Adult Day Care	\$15,495
West Valley Community Services (WVCS) – CARE Program	\$32,488

<b>Total</b>	<b>\$47,983</b>
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### *Capital Housing Project Funds*

CDBG capital housing project funds cannot exceed 65% of the 2017-18 entitlement amount (\$311,943), PI (\$7,944), and Uncommitted Funds from Prior FY 2016-17 (\$8,161) for a total of \$216,088.

<b>Community Development Block Grant (CDBG) Program Capital Housing Project Funds</b>	
Rebuilding Together Silicon Valley – Housing Repair and Rehabilitation Project	\$64,000
West Valley Community Services – Vista Village Renovation Project	\$152,088
<b>Total</b>	<b>\$216,088</b>

### *Housing Commission Review*

At its June 8, 2017 meeting, the Housing Commission adopted Resolution No. 17-03 on 4-0-1 (Kapil absent) vote recommending that the City Council adopt the 2017-18 CDBG Draft Annual Action Plan.

### *Fiscal Impact*

Sufficient funding will be available and budgeted for all 2017-18 CDBG funding allocations. CDBG programs and projects are funded by HUD grant funds.

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Prepared by: Kerri Heusler, Senior Housing Planner  
Reviewed by: Aarti Shrivastava, Assistant City Manager  
Benjamin Fu, Assistant Community Development Director  
Approved for Submission by: David Brandt, City Manager

### Attachments:

- A - Draft Resolution
- B - Housing Commission Resolution No. 17- 03
- C - 2017-18 CDBG Annual Action Plan