



COMMUNITY DEVELOPMENT DEPARTMENT  
CITY HALL  
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## HOUSING COMMISSION STAFF REPORT

June 14, 2018

### Subject

FY 2018-19 Community Development Block Grant (CDBG) Program Annual Action Plan.

### Recommended Action

Conduct Public Hearing; and

1. Adopt Draft Resolution No. 18-04; recommending approval of the FY 2018-19 CDBG Annual Action Plan to City Council for final adoption.

### 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 2015-2020 Consolidated Plan was adopted by City Council on April 7, 2015. City Council approved the fiscal year (FY) 2018-19 CDBG, Below Market Rate (BMR) Affordable Housing Funds (AHF), and Human Service Grant (HSG) funding allocations at the public meeting on April 17, 2018.

### ***2018-19 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 2018-19 (July 1, 2018 – June 30, 2019) to address the needs and implement the strategies identified in the adopted 2015-20 Consolidated Plan. The Annual Action Plan describes the activities that the City

intends to fund with CDBG funds in FY 2018-19 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 FY 2018-19 Annual Action Plan available for public comments for 30 days: June 1, 2018 to June 30, 2018.

### ***2018-19 CDBG Funding***

The City received notification from HUD on May 1, 2018 awarding \$361,597.00 in CDBG funding for FY 2018-19. Due to delays in HUD funding allocations, the City originally estimated \$311,943 in funds for FY 2018-19 funding allocations based on the CDBG entitlement amount of \$311,943 from FY 2017-18. The City intends to reallocate \$7,944 in program income from existing CDBG loan payoffs. Between the FY 2018-19 entitlement grant and program income, the City will have a total of \$319,887.00 in CDBG funds to utilize. On April 17, 2018, City Council awarded FY 2018-19 CDBG funding allocations with a Contingency Plan that allowed staff to adjust the estimated amounts at the time that HUD issued final funding allocations. Funding allocations are noted in the table below.

<b>FY 2018-19 CDBG Budget</b>	
Entitlement Amount	\$361,597.00
Program Income FY 2017-18	\$7,944.00
<b>Sub-Total</b>	<b>\$369,541.00</b>
Program Administration (20%)	\$73,908.20
Public Service (15%)	\$55,431.15
Capital/Housing Projects (65%)	\$240,201.65
<b>Total</b>	<b>\$369,541.00</b>

### ***2018-19 CDBG Public Service Funding Allocations***

A total of \$73,908.20 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.

<b>FY 2018-19 CDBG Public Service Programs</b>	
Live Oak Adult Day Services - Senior Adult Day Care / Caregiver Respite	\$20,431.15
West Valley Community Services (WVCS) – CARE Program	\$35,000.00
<b>Total</b>	<b>\$55,431.15</b>

### ***2018-19 CDBG Capital Housing Funding Allocations***

A total of \$240,201.65 has been allocated to eligible CDBG capital housing projects. Funding allocations are noted in the table below.

<b>FY 2018-19 CDBG Capital Housing Projects</b>	
Rebuilding Together Silicon Valley – Housing Repair and Rehabilitation Project	\$64,000
West Valley Community Services – Vista Village Renovation Project	\$176,201.65
<b>Total</b>	<b>\$240,201.65</b>

### Process

This is the first of two public hearings required by HUD for CDBG. The second public hearing will be held at a future City Council meeting. All required HUD notices are published in the Cupertino Courier newspaper in advance announcing upcoming CDBG public hearings.

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### Attachments:

- A - Draft Resolution No. 18-04
- B - FY 2018-19 Draft CDBG Annual Action Plan