

RESOLUTION NO. 18-04

A RESOLUTION OF THE HOUSING COMMISSION OF THE CITY OF CUPERTINO RECOMMENDING APPROVAL OF THE FY 2018-19 CDBG ANNUAL ACTION PLAN TO CITY COUNCIL FOR FINAL ADOPTION

WHEREAS, the Housing and Community Development Act of 1974 provides that funds be made available for the Community Development Block Grant (CDBG) Program; and

WHEREAS, the City of Cupertino will receive a \$361,597 CDBG entitlement grant from the United States Department of Housing and Urban Development (HUD) to be allocated for fiscal year (FY) 2018-19 and estimates allocating \$7,944 in CDBG program income; and

WHEREAS, the City of Cupertino is required to submit a FY 2018-19 Annual Action Plan (Exhibit 1) to HUD for review and approval prior to being allowed to expend CDBG funds for FY 2018-19; now, therefore:

BE IT FURTHER RESOLVED that the Housing Commission of the City of Cupertino hereby recommends approval of the FY 2018-19 Annual Action Plan to City Council for final adoption; and

PASSED AND ADOPTED at a regular meeting of the Housing Commission of the City of Cupertino this 14th day of June, 2018 by the following vote:

| <u>Vote</u> | <u>Members of the Housing Commission</u> |
|-------------|---|
| AYES: | Chair Bose, Vice Chair Zhao, Kapil, Daruwalla |
| NOES: | none |
| ABSENT: | Goyal |
| ABSTAIN: | none |

ATTEST:

APPROVED:

/s/Erick Serrano
Erick Serrano
Associate Planner

/s/Sue Bose
Sue Bose
Chair, Housing Commission

**City of Cupertino
FY 2018-19 Annual Action Plan**



Annual Update of the City's Consolidated Plan for Period
July 1, 2018 to June 30, 2019

Public Review and Comment Period
June 1, 2018- June 30, 2018

*Prepared by the Department of Community Development
10300 Torre Avenue
Cupertino, CA 95014*

Approved by City Council

Resolution No. _____

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

Introduction

The City of Cupertino is an entitlement jurisdiction that receives federal funding from the Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program.

The purpose of CDBG funding is to help jurisdictions address their community development needs. CDBG grantees are eligible to use the resources they receive for Public Services, Community and Economic Development, Capital Improvement Projects (CIP) Public Facilities/Infrastructure, and CIP Housing Rehabilitation. Public Service projects provide social services and/or other direct support to individuals and households in need of assistance. Community and Economic Development projects are focused on assisting businesses and organizations with small business loans, façade improvements, and other initiatives. CIP Public Facilities/Infrastructure projects are those which aim to improve public facilities and infrastructure. CIP Housing Rehabilitation projects are for housing rehabilitation improvements of single and multi-unit housing.

Summarize the objectives and outcomes identified in the Plan

The City of Cupertino is a city in Santa Clara County (County), directly west of San Jose on the western edge of the Santa Clara Valley with portions extending into the foothills of the Santa Cruz Mountains. The population is 60,297 according to the American Community Survey (2012-2016 5-year Estimate). The City has one of the most educated resident populations in the country and is one of the most expensive cities to live in with a median home value of \$2,358,449. The median list price per square foot in Cupertino is \$1,038 (<https://www.zillow.com/cupertino-ca/home-values/>).

The Action Plan provides a summary of how the City will utilize its CDBG allocation to meet the needs of the City's lower income population. According to the ACS 2012-2016 data, 4.5% of all residents within the City had incomes below the federal poverty level. Of those residents, 2.8% were under the age of 18 while 6.6% were 65 years or older. Additionally, according to the 2017 Point in Time Homeless Census, there are 127 unsheltered homeless individuals living within the City of Cupertino. This number represents an increase of 74% from the 73 individuals that were counted in 2015.

A total of \$369,541.00 is available for funding projects and programs during the 2018-19 Program Year which correlates with the City Fiscal Year (FY) 2019. The City anticipates receiving \$361,597.00 from the federal CDBG program. In addition, the City anticipates approximately \$7,944.00 in program income.

Cupertino has access to a variety of federal, state, and local resources to achieve its housing and community development priorities. Table A, FY 2018-19 CDBG Budget, summarizes the uses of the funds proposed during FY 2018-19. Specific funding resources will be utilized based on the opportunities and constraints of each particular project or program.

Table A. Fiscal Year 2018-19 Budget

| Applicant Agency | Budget |
|---|---------------------|
| CDBG Public Service (Two-Year Funding Cycle, FY 2018-19 & 2019-20) | |
| West Valley Community Services – Community Access to Resource and Education | \$35,000.00 |
| Live Oak Adult Day Services – Senior Adult Day Care | \$20,431.15 |
| <i>Subtotal:</i> | \$55,431.15 |
| Planning and Administration | |
| Administration (20% of Grant Total) | \$73,908.20 |
| 2017/18 Program Income (PI) | \$7,944.00 |
| CDBG Capital/Housing Projects (One-Year Funding Cycle, FY 2018-19) | |
| Rebuilding Together Silicon Valley – Housing Repair and Rehabilitation Program | \$64,000.00 |
| West Valley Community Services – Vista Village Rehabilitation Project | \$176,201.65 |
| <i>Subtotal:</i> | \$240,201.65 |
| Grand Total | \$369,541.00 |

Evaluation of past performance

The City is responsible for ensuring compliance with all rules and regulations associated with the CDBG and HOME entitlement grant programs. The City's Annual Action Plans and CAPERs have provided many details about the goals, projects and programs completed by the City.

The City recognizes that the evaluation of past performance is critical to ensure the City and its subrecipients are implementing activities effectively and that those activities align with the City's overall strategies and goals. The City evaluates the performance of subrecipients providing public services on a quarterly basis. Subrecipients are required to submit quarterly progress reports, which include client data, performance objectives, as well as data on outcome measures. Prior to the start of the program year, program objectives are developed collaboratively by the subrecipient and the City, ensuring that they are aligned with the City's overall goals and strategies. The City utilizes the quarterly reports to review progress towards annual goals.

Cupertino was successful in addressing the goals and objectives cited in the FY 2017-18 (July 1, 2017 – June 30, 2018) Action Plan. The CDBG funds were used to carry out activities that benefited low- and moderate-income persons. Only CDBG administration funds did not directly serve low- and moderate-income persons. Eligible funded public service activities included fair

housing, food, clothing, senior services and emergency housing services. These activities continue to make a positive impact on identified needs in the community and are providing services that might otherwise have gone unmet. Eligible funded capital housing projects included a single family residence minor repair program which served low-income homeowners city-wide by addressing accessibility and health and safety measures and a multi-family residential rehabilitation project. As can be expected, community needs continue to exceed the available resources.

Summary of Citizen Participation Process and Consultation Process

The City, in collaboration with other jurisdictions and a consultant team, launched a comprehensive outreach strategy to enhance and broaden citizen participation in the preparation of the Consolidated Plan. The team informed the public that it was in the process of creating the 2015-2020 Consolidated Plan, and encouraged public participation in the process by conducting a Regional Needs Survey and hosting regional forums in collaboration with other jurisdictions in the County, and conducting local hearings.

In addition to the extensive consultation conducted for the Consolidated Plan, as noted above, the City solicited additional input for the FY 2018-19 Annual Action Plan. As required by HUD, the City provides multiple opportunities for public review and comment on the Action Plan and on any substantial amendments to it.

Per the City's adopted Citizen Participation Plan, the City held a 30 day public review comment period for the Action Plan. The City published notifications of upcoming public hearings and the 30 day public review comment period in the local Cupertino Courier newspaper of general circulation. The City held two advertised public hearings on June 14, 2018 and July 3, 2018. The Action Plan 30-day public review period occurred from June 1, 2018 through June 30, 2018.

Summary of public comments

To date, no comments have been received.

Summary of comments or views not accepted and the reasons for not accepting them

The City accepts and responds to all comments that are submitted. As mentioned above, no public comments were received regarding the FY 2018 Action Plan.

Summary

Please see discussion above.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The City is the Lead and Responsible Agency for the HUD entitlement program in Cupertino. The Community Development Department is responsible for administering the City's HUD entitlement grants, including the CDBG grant. By federal law, the City is required to submit to HUD a five-year Consolidated Plan and Annual Action Plans listing priorities and strategies for the use of federal funds.

Table 1 – Responsible Agencies

| Agency Role | Name | Department/Agency |
|--------------------|-------------|----------------------------------|
| Lead Agency | Cupertino | |
| CDBG Administrator | Cupertino | Community Development Department |

The Consolidated Plan shows how the City plans to use its CDBG funds to meet the housing and community development needs of its residents. To update its 2015-2020 Consolidated Plan, the City collaborated with the County of Santa Clara (County) and other entitlement jurisdictions in the County to identify and prioritize housing and community development needs across the region, and to develop strategies to meet those needs. The FY 2018-19 Annual Action Plan represents the fourth year of CDBG funding of the 2015-2020 Consolidated Plan.

Consolidated Plan Public Contact Information:

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AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

Introduction

The Action Plan is a one-year plan which describes the eligible programs, projects and activities to be undertaken with funds expected during FY 2018-19 (July 1, 2018 – June 30, 2019) and their relationship to the priority housing, homeless and community development needs outlined in the 2015-20 Consolidated Plan.

Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

During FY 2018-19, the City will continue to work with non-profit organizations in providing programs and services for low-income households; private industry, in particular financial and development groups, to encourage the development of affordable housing opportunities regionally and in the City; and other local jurisdictions in carrying out and monitoring regional projects in a coordinated and cost-effective manner. The City will provide technical assistance to the public service agencies it funds and will continue to attend the Regional CDBG/Housing Coordinators meeting.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Santa Clara County Continuum of Care (CoC) is a multi-sector group of stakeholders dedicated to ending and preventing homelessness in the County. The CoC’s primary responsibilities are to coordinate large scale implementation of efforts to prevent and end homelessness in the County. The CoC is governed by the Santa Clara CoC Board (CoC Board), which stands as the driving force committed to supporting and promoting a systems change approach to preventing and ending homelessness in the County.

The CoC Board is comprised of individuals who also serve on the Destination: Home (D:H) Leadership Board. D:H is a public-private partnership committed to collective impact strategies to end chronic homelessness, and leads the development of community wide strategy related to the CoC’s work.

Currently, the County’s Office of Supportive Housing (OSH) is the Collaborative Application for the CoC. OSH is responsible for implementing by-laws and protocols that govern the operations of the CoC and ensuring that the CoC meets the requirements outlined under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH). In 2015, D:H and the CoC released a Community Plan to End Homelessness in the County (the Plan), which outlined a roadmap for community-wide efforts to end homelessness in the County by 2020. The strategies and action steps included in the plan were informed by members who participated in a series of community summits designed to address the needs of homeless populations from April to August 2014. The Plan identifies strategies to address the needs of homeless persons in the

County, including chronically homeless individuals and families, families with children, veterans, and unaccompanied youth. Additionally, it also intended to address the needs of persons at risk of homelessness.

The City participates in the CoC. The City's Senior Housing Planner regularly attends the CoC meetings. Members of the CoC meet on a monthly basis in various work groups to ensure successful implementation components of the Plan action steps. A Community Plan Implementation Team, which includes members of the CoC and other community stakeholders, meets quarterly to evaluate progress toward the Plan's goals, identify gaps in homeless services, establish funding priorities, and pursue an overall systematic approach to address homelessness.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City does not receive ESG funds.

Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities.

The City consulted with various groups and organizations as part of the 2015-2020 Consolidated Plan process. Table 2, Agencies, groups, organizations who participated in the Consolidated Plan lists all of those parties who participated in the process.

Table 2 – Agencies, Groups, Organizations who Participated in the 2015-2020 Consolidated Plan Process

| | | |
|---|---|---|
| 1 | Agency/Organization | Abilities United |
| | Type of Agency/Organization | Service Persons with Disabilities |
| | What section of the Plan was addressed by Consultation? | Non-Homeless Special Needs |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 2 | Agency/Organization | Afghan Center |
| | Type of Agency/Organization | Cultural Organization |

| | | |
|---|---|---|
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 3 | Agency/Organization | California Housing Odd Fellows Foundation |
| | Type of Agency/Organization | Housing, Services-Children, Community/Family Services and Organizations |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 4 | Agency/Organization | Casa de Clara San Jose Catholic Worker |
| | Type of Agency/Organization | Services-Homeless, Services-Health |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 5 | Agency/Organization | Catholic Charities of Santa Clara County |
| | Type of Agency/Organization | Services-Elderly Persons |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 6 | Agency/Organization | City of Campbell |

| | | |
|----|---|---|
| | Type of Agency/Organization | Other government – local |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 7 | Agency/Organization | City of Cupertino |
| | Type of Agency/Organization | Other government – local |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 8 | Agency/Organization | City of Gilroy |
| | Type of Agency/Organization | Other government – local |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 9 | Agency/Organization | City of Mountain View |
| | Type of Agency/Organization | Other government – local |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 10 | Agency/Organization | Bill Wilson Center |
| | Type of Agency/Organization | Services-Children |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |

| | | |
|----|---|---|
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 11 | Agency/Organization | City of Palo Alto-Human Relations Commission |
| | Type of Agency/Organization | Other government – local civic leaders |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 12 | Agency/Organization | City of San Jose |
| | Type of Agency/Organization | Other government – local |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 13 | Agency/Organization | City of Santa Clara |
| | Type of Agency/Organization | Other government – local |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 14 | Agency/Organization | City of Sunnyvale |
| | Type of Agency/Organization | Other government – local |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 15 | Agency/Organization | Coldwell Banker |
| | Type of Agency/Organization | Business leaders |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |

| | | |
|----|---|---|
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 16 | Agency/Organization | Community School of Music and Arts |
| | Type of Agency/Organization | Community Family Services and Organizations |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |
| 17 | Agency/Organization | Community Services Agency of Mountain View and Los Altos |
| | Type of Agency/Organization | Services-Elderly persons |
| | What section of the Plan was addressed by Consultation? | Needs Assessment and Strategic Plan |
| | Describe how the Agency/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination? | Agency attended Community Forum as part of the 2015-2020 Consolidated Plan process. |

Identify any Agency Types not consulted and provide rationale for not consulting

There were no agency types that were not consulted as part of the 2015-2020 Consolidated Plan process.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Table 3 – Other local / regional / federal planning efforts

| Name of Plan | Lead Organization | How do the goals of your Strategic Plan overlap with the goals of each plan? |
|--|--|---|
| City of Cupertino General Plan Housing Element (2014-2022) | City of Cupertino | The Housing Element serves as a policy guide to help the City plan for its existing and future housing needs. This effort aligns with the Strategic Plan's goal to assist in the creation and preservation of affordable housing for low-income and special needs households. |
| Continuum of Care Regional | Continuum of Care Council | The Continuum of Care works to alleviate the impact of homelessness in the community through the cooperation and collaboration of social service providers. This effort aligns with the Strategic Plan's goal to prevent and end homelessness. |
| Regional Housing Needs Assessment (RHNA) for the San Francisco Bay Area: 2014-2022 | Association of Bay Area Governments | This plan analyzes the total regional housing need for Santa Clara County and all of the Bay Area. This effort aligns with the Strategic Plan's goal to assist in the creation and preservation of affordable housing for low-income and special needs households. |
| Community Plan to End Homelessness in Santa Clara County 2015-2020 | Destination: Home | This plan analyzes the total regional housing need for Santa Clara County and all of the Bay Area. This effort aligns with the Strategic Plan's goal to assist in the creation and preservation of affordable housing for low-income |

AP-12 Participation – 91.105, 91.200(c)

Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The Housing Division of the Community Development Department is the lead agency for overseeing the development of the Consolidated Plan and Action Plan.

Per the City's adopted Citizen Participation Plan, the City is to allow a 30 day public review comment period for the Action Plan. The City has published notifications of upcoming public hearings and the 30 day public review comment period in the local Cupertino Courier newspaper of general circulation. The City held two advertised public hearings on June 14, 2018 and July 3, 2018. The Action Plan 30-day public review period occurred from June 1, 2018 through June 30, 2018. The City has not received any public comments to-date.

Citizen Participation Outreach

Table 4 – Citizen Participation Outreach

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|------------------|------------------------------|--|---|--|---------------------|
| 1 | Public Meeting | Non targeted/broad community | The Housing Commission met on March 22, 2018 to discuss the FY 18-19 funding allocations. | Non-profit agencies discussed their funding request and thanked the City for its continued support. | Not applicable | |
| 2 | Public meeting | Non targeted/broad community | The City Council held a public hearing April 17, 2018 to discuss the FY 18-19 funding allocations. | Members of the public discussed the funding requested and thanked the City for its continued support. | Not applicable | |
| 3 | Public meeting | Non targeted/broad community | A public hearing notice was published in the Cupertino Courier and the public comment period was held from June 1, 2018 – June 30, 2018. | There were no public comments received on the draft Action Plan. | Not applicable | |

| Sort Order | Mode of Outreach | Target of Outreach | Summary of response/attendance | Summary of comments received | Summary of comments not accepted and reasons | URL (If applicable) |
|------------|------------------|------------------------------|--|--|--|---------------------|
| 4 | Public Meeting | Non targeted/broad community | The Housing Commission held a public hearing on June 14, 2018 to approve the FY 18/19 Annual Action Plan | There were no public comments received on the Action Plan. | Not applicable | |
| 5 | Public Meeting | Non targeted/broad community | The City Council meet on July 3, 2018 to approve the FY 18/19 Annual Action Plan. | There were no public comments received on the Action Plan. | Not applicable. | |

AP-15 Expected Resources – 91.220(c) (1, 2)

Introduction

In FY 2018-19, the City will allocate approximately \$369,541 to eligible activities that address the

needs identified in the Consolidated Plan.

Table 5 - Expected Resources – Priority Table

| Program | Source of Funds | Uses of Funds | Expected Amount Available | | | | Expected Amount Available Reminder of ConPlan \$ | Narrative Description |
|---------|-----------------|--|---------------------------|--------------------|--------------------------|--------------|--|---|
| | | | Annual Allocation: \$ | Program Income: \$ | Prior Year Resources: \$ | Total: \$ | | |
| CDBG | Public-Federal | Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services | \$361,597.00 | \$7,944.00 | \$0.00 | \$369,541.00 | \$0 | CDBG funds will be used for the creation and preservation of affordable housing units and public services that benefit low-income and special needs households. |

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Entitlement Funds

The City leverages financial resources to maximize the reach and impact of the City's HUD programs. The City joined the Santa Clara County HOME Consortium in 2015. HOME funds can be used to fund eligible affordable housing projects for acquisition, construction, and rehabilitation. Starting in FY 2015-16, developers of affordable housing projects were eligible to competitively apply through an annual RFP process. Applications are submitted to the County OSH for the HOME funds to help subsidize affordable housing projects within the City. If the City receives HOME funds from its participation in the HOME Consortium, the required 25% matching funds will be provided from the City's Below Market Rate Affordable Housing Fund (BMR AHF). Currently, the BMR AHF had an available balance of approximately \$5,000,000. The Veranda, which will be developed by Charities Housing, applied for and received \$500,000 in HOME funds from the HOME Consortium. The property will provide 18 units low-income senior housing and

one property manager unit to 18 households. The City provided a 25% match for the project.

Other Federal Grant Programs

In addition to the entitlement dollars listed above, the federal government has several other funding programs for community development and affordable housing activities. These include: the Section 8 Housing Choice Voucher Program, Section 202, Section 811, the Affordable Housing Program (AHP) through the Federal Home Loan Bank, and others. It should be noted that, in most cases, the City would not be the applicant for these funding sources as many of these programs offer assistance to affordable housing developers rather than local jurisdictions.

County of Santa Clara and Local Housing and Community Development Sources

There are a variety of countywide and local resources that support housing and community development programs. Some of these programs offer assistance to local affordable housing developers and community organizations while others provide assistance directly to individuals. These resources are discussed below:

Below Market-Rate (BMR) Affordable Housing Fund (AHF)

The BMR AHF receives its revenue from the payment of housing mitigation fees from non-residential (office, commercial, retail, research and development (R&D), hotel and industrial) and residential development. The non-residential housing mitigation fee jobs/housing nexus study acknowledges housing needs created by the development of office, commercial, retail, hotel, R&D and industrial development. A fee is applied to new square footage of non-residential development in the City. The fees collected are deposited in the City's BMR AHF and are to be used for the provision of affordable housing.

A portion of the BMR AHF funds will be targeted to benefit extremely low-income households and persons with special needs (such as the elderly, victims of domestic violence, and the disabled, including persons with development disabilities).

General Fund Human Service Grants (HSG) Program

Annually the City Council allocates funds from the General Fund to public and human service agencies within the City. In 2018-19, the City will allocate approximately \$83,600 to various service providers including: Catholic Charities, Maitri, Senior Adults Legal Assistance (SALA), and West Valley Community Services.

West Valley Community Services (WVCS)

WVCS is a non-profit organization that administers affordable housing programs in-house which include providing support services to homeless individuals and managing an

affordable housing property.

Housing Trust Silicon Valley (HTSV)

The HTSV is a public/private venture, dedicated to increasing affordable housing in the County. The HTSV makes available funds for developers to borrow for the construction of the affordable units. Cupertino originally contributed \$250,000 to the fund and accessed the fund to assist in the development of Vista Village, a 24-unit affordable apartment complex constructed by BRIDGE Housing and Cupertino Community Services. Subsequently, the City contributed \$25,000 in 2008, 2009, and 2010 and an additional \$1,000,000 in 2011. The City's one million dollar contribution has been committed to The Veranda, an affordable senior development in the City.

Mortgage Credit Certificate (MCC) Program

The MCC program provides assistance to first-time homebuyers by allowing an eligible purchaser to take 20% of their annual mortgage interest payment as a tax credit against federal income taxes. The County administers the MCC Program on behalf of the jurisdictions in the County, including Cupertino. The program does establish maximum sales price limits on units assisted in this program and, due to the high housing costs in Cupertino, there have been few households assisted in Cupertino in recent years.

Santa Clara County Affordable Housing Fund (SCCAHF)

In July 2002, the County Board of Supervisors created an Office of Affordable Housing and established a housing trust fund in the amount of \$18.6 million to be used for affordable housing developments. The primary goal of the fund is to leverage funding with other sources and create affordable housing in the County.

Density Bonus Ordinance

The City's Density Bonus Ordinance allows up to a 35% increase in density for developments greater than 5 units that provide a proportion of units for very low- or low-income households or housing for senior citizens. In addition to the density bonus, certain incentives and/or concessions may also be eligible for the developer to apply for.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

The City has no surplus vacant land that would be available for the development of housing or services.

The City of Cupertino FY 2018-2019 Action Plan covers the time period from July 1, 2018 to June 30, 2019 (HUD Program Year 2018). The City's FY 2018-2019 entitlement amount is \$361,597.00. Additionally, the City estimates approximately \$7,944.00 in program income,

bringing the total estimated budget for FY 2018-2019 to \$369,541.00

While HUD allocations are critical, the allocations are not sufficient to overcome barriers and address all needs that low-income individuals and families face in attaining self-sufficiency. The City will continue to leverage additional resources as described above to provide support and services to the populations in need within the community.

The City is not eligible to receive direct funding under the HOME Investment Partnership Act (HOME), Emergency Solutions Grant (ESG), or Housing Opportunities for Persons with AIDS (HOPWA). These programs are also covered under the Consolidated Plan Regulations.

Discussion

Please see information provided in previous sections.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Table 1 – Goals Summary

| | Goal Name | Start Year | End Year | Category | Geographic Area | Needs Addressed | Projected Annual Funding | Goal Outcome Indicator |
|----------|--------------------------|------------|----------|---|-----------------|--|---|--|
| 1 | Affordable housing | 2015 | 2020 | Affordable Housing | N/A | Affordable Housing | CDBG \$64,000.00 CDBG \$176,201.66 | Homeowner housing units rehabilitated: 7 Housing Units Rental units rehabilitated: 6 housing units |
| 2 | Homelessness | 2015 | 2020 | Homeless | N/A | Homelessness | CDBG: \$35,000.00 | Public service activities other than for low/mod income housing benefit: 100 persons assisted |
| 3 | Strengthen Neighborhoods | 2015 | 2020 | Non-housing community development Non-homeless special needs | N/A | Community services and public improvements | CDBG \$20,431.15 | Public service activities other than for low/mod income housing benefit: 21 persons assisted |
| 4 | Fair Housing | 2015 | 2020 | Non-Housing community development | N/A | Fair Housing | BMR Funds \$43,000.00 | Public service activities other than for low/mod income housing benefit: 5 persons assisted. |

Goal Descriptions

Table 2 – Goal Descriptions

| | | |
|----------|------------------|---|
| 1 | Goal Name | Affordable Housing |
| | Goal Description | Assist in the creation and preservation of affordable housing for low-income and special needs households |
| 2 | Goal Name | Homelessness |
| | Goal Description | Support activities to prevent and end homelessness |
| 3 | Goal Name | Strengthen Neighborhoods |
| | Goal Description | Support activities that strengthen neighborhoods through the provision of community services and public improvements to benefit low-income and special needs households |
| 4 | Goal Name | Fair Housing |
| | Goal Description | Promote fair housing choice |

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.215(b):

Not applicable.

AP-35 Projects – 91.220(d)

The Consolidated Plan goals below represent high priority needs for the City and serve as the basis for the strategic actions the City will use to meet these needs. The goals, listed in no particular order, are:

1. Assist in the creation and preservation of affordable housing for low-income and special needs housing
2. Support activities to prevent and end homelessness.
3. Support activities that strengthen neighborhoods through the provision of community services and public improvements to benefit low-income and special needs households.
4. Promote fair housing choice.

Table 8 – Project Information

| # | Project Name |
|---|--|
| 1 | City of Cupertino – Planning & Administration |
| 2 | West Valley Community Services – Community Access to Resource and Education (CARE) |
| 3 | Live Oak Adult Day Services – Senior Adult Day Care |
| 4 | Rebuilding Together Silicon Valley – Housing Repair and Rehabilitation Program |
| 5 | West Valley Community Services – Vista Village Rehabilitation Project |

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs.

The City awards CDBG funding to nonprofit agencies to provide public services and housing for low-income and special needs households. The City operates on a two-year grant funding cycle for CDBG public service grants (FY 2017-2019), and a one-year cycle for CDBG capital housing projects (FY 2018-2019). Projects are only considered for funding within the Consolidated Plan period if they address the goals discussed above. The City's overall allocation priorities are as follows:

- CDBG administrative funds will not exceed the 20% cap of the estimated entitlement amount and program income.
- CDBG public service funds will not exceed the 15% cap of the estimated entitlement amount and program income.
- The remainder of CDBG funds (65%) is proposed to be allocated toward eligible capital housing projects.
- Available uncommitted funds from the prior FY is proposed to be allocated for additional eligible CDBG capital housing projects.

AP-38 Projects Summary

Table 3 – Project Summary

| | | |
|-----------|--|--|
| 1 | Name of Organization: | Live Oak Adult Day Services |
| | Project Name: | Senior Adult Day Care |
| | Target Area: | N/A |
| | Goal Supported: | Strengthen Neighborhoods. |
| | Needs Addressed: | Community services |
| | Funding: | CDBG \$20,431.15 |
| | Description: | Provides specialized program of adult day care for frail elderly dependent adults who are residents of the City of Cupertino. |
| | Target Date: | June 30, 2019 |
| | Estimated the number and type of families that will benefit from the proposed activities | 21 unduplicated frail, depended, low-income Cupertino seniors. |
| | Location Description: | Serves all residents. Services provided at 20920 McClellan Road, Cupertino. |
| 2. | Name of Organization: | West Valley Community Services (WVCS) |
| | Project Name: | Community Access to Resource and Education (CARE) |
| | Target Area: | N/A |
| | Goal Supported: | Strengthen neighborhoods and homeless. |
| | Needs Addressed: | Community Services and Homeless Services |
| | Funding: | CDBG \$35,000.00 |
| | Description: | Support activities to prevent and end homelessness and support activities that strengthen neighborhoods through the provision of community services and public improvements to benefit low- income and special needs households. |

| | | |
|----|---|--|
| | Target Date: | June 30, 2019 |
| | Estimated the number and type of families that will benefit from the proposed activities: | Serve a total of 100 unduplicated households by providing case management and support services. |
| | Location Description: | Citywide |
| | Planned Activities: | The CARE program incorporates both case management and wrap around services to help at-risk and vulnerable household's manage crisis and provide stabilization to help them move towards self-sufficiency. The target population of the CARE program includes low-income seniors, families with children, at-risk youth and adults. The CARE program includes case management, access to food pantry and emergency financial assistance. |
| 3. | Name of Organization: | Rebuilding Together Silicon Valley (RTSV) |
| | Name of Program: | Housing Repair and Rehabilitation Project |
| | Target Area | N/A |
| | Goal Supported: | Affordable housing |
| | Needs Addressed: | Community services, health and safety repairs and affordable housing |
| | Funding: | CDBG \$64,000.00 |
| | Description: | Preserves affordable housing by transforming homes through critical repairs, accessibility modifications and energy efficient upgrades for low-income homeowners and community centers, at no cost to the service recipient. The majority of the low-income homeowners served are elderly seniors and/or people with disabilities, who are physically and financially unable to maintain safe and warm living conditions for themselves and their families |
| | Target Date | June 30, 2019 |
| | Location Description: | Citywide |
| | Planned Activities: | Provide home safety repairs, mobility and accessibility improvements for low- income households in Cupertino with the primary consideration being the correction of safety hazards. |
| 4. | Name of Organization: | West Valley Community Services |
| | Name of Program: | Vista Village Rehabilitation Project |
| | Target Area: | N/A |
| | Goal Supported: | Affordable Housing |

| | | |
|----|------------------------------|--|
| | Needs Addressed: | Community services, health and safety repairs and affordable housing. |
| | Funding: | \$176,201.65 |
| | Description: | This project will help revitalize Vista Village affordable housing complex with various repairs and renovations. This project aligns with the agency's vision of transforming the lives of low-income households by providing a safe and affordable home. |
| | Target Date: | June 30, 2019 |
| | Location Description | 10104 Vista Drive, Cupertino, CA 95014 |
| | Planned Activities: | <p>The total project scope includes repairing six housing units:</p> <ol style="list-style-type: none"> 1. The repairs include laminate flooring, painting, new kitchen countertops, cabinets, replacing old carpets, and a new laminate floor for the bathroom. <p>The residents of these units moved into their apartment in 2002 when the Vista Village complex was first built, and no significant repairs have been conducted since then. There are three one-bedroom units and three two-bedroom units that require these repairs. During the repairs, tenants will be temporarily relocated.</p> |
| 5. | Name of Organization: | City of Cupertino |
| | Name of Project: | Administration and Planning |
| | Target Area: | N/A |
| | Goal Supported | Affordable housing, Homelessness, Strengthen Neighborhoods, Fair Housing |
| | Need Addressed | Affordable housing, Homelessness, Strengthen Neighborhoods, Fair Housing |
| | Funding: | CDBG \$73,908.20 |
| | Description: | Planning and administration |
| | Target Date: | June 30, 2019 |
| | Location Description: | City of Cupertino, Community Development 10300 Torre Avenue, Cupertino, CA 95014 |
| | Planned Activities: | Administer the Administrative costs for the overall management, coordination, and evaluation of the CDBG program, and the project delivery costs associated with bringing projects to completion. |

AP-50 Geographic Distribution – 91.220(f)**Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

Not applicable. The City has not established specific target areas to focus the investment of CDBG funds.

Table 10 - Geographic Distribution

| Target Area | Percentage of Funds |
|----------------|---------------------|
| Not applicable | Not applicable |

Rationale for the priorities for allocating investments geographically

Not applicable.

Discussion

Please see discussion above.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

The City identified affordable housing as a primary objective for the expenditure of CDBG funds in the Consolidated Plan. Although CDBG entitlement dollars are limited, the City does anticipate expending a significant portion of its CDBG funds on the preservation and provision of affordable housing. A detailed discussion of how HUD entitlements will be used to support affordable housing needs within the City is provided in AP-20, with the number of households to be assisted itemized by goal.

Table 11. One Year Goals for Affordable Housing by Support Requirement

| One Year Goals for the Number of Households to be Supported | |
|---|----|
| Homeless | 0 |
| Non-Homeless | 13 |
| Special-Needs | 0 |
| Total | 13 |

Table 12 - One Year Goals for Affordable Housing by Support Type

| One Year Goals for the Number of Households Supported Through | |
|---|----|
| Rental Assistance | 0 |
| The Production of New Units | 0 |
| Rehab of Existing Units | 13 |
| Acquisition of Existing Units | 0 |
| Total | 13 |

Discussion

Please see discussion above.

AP-60 Public Housing – 91.220(h)

Introduction

The Housing Authority of the County of Santa Clara (HACSC) assists approximately 17,000 households through the federal Section 8 Housing Choice Voucher program (Section 8). HACSC develops, controls, and manages more than 2,000 affordable rental housing properties throughout the County. HACSC's programs are targeted toward LMI households and more than 80 percent of their client households are extremely low-income families, seniors, veterans, persons with disabilities, and formerly homeless individuals.

In 2008, HACSC entered a ten-year agreement with HUD to become a Moving to Work (MTW) agency. The MTW program is a federal demonstration program that allows greater flexibility to design and implement more innovative approaches for providing housing assistance.

Actions planned during the next year to address the needs to public housing

Not applicable. HACSC owns and manages four public housing units, which are all located in the City of Santa Clara.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

Although the majority of their units have been converted to affordable housing stock, HACSC is proactive in incorporating resident input into the agency's policy-making process. An equitable and transparent policy-making process that includes the opinions of residents is achieved through the involvement of two tenant commissioners on the HACSC board.

HACSC has been a MTW agency since 2008. In this time the agency has developed 31 MTW activities. The vast majority of its successful initiatives have been aimed at reducing administrative inefficiencies, which provides resources for programs aimed at LMI families.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable.

Discussion

Please see discussion above.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The homeless assistance program planning network is governed by the Santa Clara Continuum of Care (CoC) and the Destination: Home Leadership Board, who serves as the CoC Board of Directors. The membership of the CoC is a collaboration of representatives from local jurisdictions comprised of community-based organizations, the Housing Authority of Santa Clara, governmental departments, health service agencies, homeless advocates, consumers, the faith community, and research, policy and planning groups. The homeless services system utilized by the CoC is referred to as the Homeless Management Information System (HMIS). The HMIS monitors outcomes and performance measures for all the homeless services agencies funded by the County. The CoC and its service providers transitioned to a new system referred to as Clarity. The system provides additional tools and resources to assist the CoC and service providers to track information regarding clients served.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

The City will provide \$35,000 in CDBG funds to West Valley Community Services for the CARE program. The CARE program supports activities to prevent and end homelessness. The CARE program incorporates both case management and wrap around services to help at-risk and vulnerable households manage crisis and provides stabilization to help the clients move towards self-sufficiency. The target population of the CARE program includes low-income seniors, families with children, at-risk youth and adults. The CARE program includes case management, access to food pantry and emergency financial assistance.

Additionally, the City will provide \$40,000 in BMR funds to West Valley Community Services (WVCS) Haven to Home program. The goal of the Haven to Home (HTH) is to help currently un-housed Cupertino individuals and families secure permanent housing, maintain employment, enhance income opportunities and financial stability. The supportive services critical to the success of this program are intensive case management, housing search, landlord mediation, benefits clinic, and financial coaching. HTH aims to end homelessness and prevent homelessness by coordinating multilevel services and leveraging further resources in the community in order to build long-term stability and self-sufficiency for participants. Through this funding, WVCS will serve 50 homeless individuals and families whose last address was in Cupertino by moving them into permanent housing. The target population for this grant will be families or individuals who have become homeless in the City of Cupertino.

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

In January 2017, a Point in Time (PIT) count was conducted for Santa Clara County by the City of San Jose in conjunction with the County of Santa Clara. The PIT is an intense survey used to count the number of homeless living throughout Santa Clara County on the streets, in shelters, safe

havens or in transitional housing, or in areas not meant for human habitation. The survey was conducted by hundreds of volunteers who asked those living on the streets, as well as the residents of shelters, safe havens and transitional housing, to respond to questions related to their needs. A portion of the survey addresses the needs of those surveyed. Cupertino financially contributed to this effort. The PIT found 127 unsheltered homeless individuals living within Cupertino. This number represents an increase of 74% from the 73 individuals that were counted in 2015. Countywide, the number of homeless increased from 6,556 in 2015 to 7,394 in 2017 – a 13% increase. The next PIT is scheduled for January 2019.

Addressing the emergency shelter and transitional housing needs of homeless persons

In FY 2018-2019, the City will allocate General Fund dollars to the following transitional housing programs:

- Maitri – Direct Client Services: Provides transitional housing and related supportive services to low-income victims of domestic violence who are at high risk of becoming homeless and/or suffering further abuse to themselves and their children.

The City will continue to coordinate services to the homeless through inter-agency such as efforts through the Collaborative, Help House the Homeless, and the Community Technology Alliance.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

In FY 2018-2019 the City will allocate CDBG dollars to the following services and programs:

- West Valley Community Services – Community Access to Resource and Education (CARE) - The CARE program incorporates both case management and wrap around services to help at risk and vulnerable household's manage crisis and provide stabilization to help them move towards self-sufficiency. The target population of the CARE program includes low-income seniors, families with children, at-risk youth and adults. The CARE program includes case management, access to food pantry and emergency financial assistance.

Additionally, this year, the City will provide BMR funds to West Valley Community Services Haven to Home program.

- West Valley Community Services – Haven to Home Program - The goal of the Haven to Home (HTH) is to help currently un-housed Cupertino individuals and families secure permanent housing, maintain employment, enhance income opportunities and financial stability. The supportive services critical to the success of this program are intensive case management, housing search, landlord mediation, benefits clinic, and

financial coaching. HTH aims to end homelessness and prevent homelessness by coordinating multilevel services and leveraging further resources in the community in order to build long-term stability and self-sufficiency for participants. Through this funding, WVCS will serve 50 homeless individuals and families whose last address was in Cupertino by moving them into permanent housing. The target population for this grant will be families or individuals who have become homeless in the City of Cupertino.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

FY 2018-2019 CDBG and General Fund dollars will also fund the following:

- Live Oak Adult Day Services – Senior Adult Day Care - Provides services for seniors at-risk of being institutionalized. Provides specialized programs such as recreation, mental stimulation, companionship and nutritious meals to seniors.
- Catholic Charities of Santa Clara County – Long-Term Care Ombudsman – The program promotes the rights and well-being of residents in long term care facilities in the County and provides residents with a means by which their complaints can be heard and resolved.
- SALA – Legal Assistance for the Elderly - Provides free legal services to low-income seniors at the Cupertino Senior Center. Legal services provided are in the area of consumer complaints, housing, elder abuse, and simple wills.
- West Valley Community Services – Haven to Home (HTH)– The program will assist unhoused Cupertino individuals and families secure permanent housing, maintain employment, enhance income opportunities and financial stability. The supportive services critical to the success of this program are intensive case management, housing search, landlord mediation, benefits clinic, and financial coaching. HTH aims to end homelessness and prevent homelessness by coordinating multilevel services and leveraging further resources in the community in order to build long-term stability and self-sufficiency for participants.

Along with the coordinated efforts described above, the City offers affordable housing and other public services targeted toward low-income families that are the most at-risk of becoming homeless.

Discussion

Please see above.

AP- -75 Barriers to affordable housing – 91.220(j)

Introduction

The incorporated and unincorporated jurisdictions within the County face barriers to affordable housing that are common throughout the Bay Area. High on the list is the lack of developable land, which increases the cost of available lands and increases housing development costs. Local opposition is another common obstacle as many neighbors have strong reactions to infill and affordable housing developments. Their opposition is often based on misconceptions, such as a foreseen increase in crime; erosion of property values; increase in parking and traffic congestion; and overwhelmed schools. However, to ensure a healthy economy the region must focus on strategies and investment that provide housing for much of the region's workforce – for example, sales clerks, secretaries, firefighters, police, teachers and health service workers – whose incomes significantly limit their housing choices.

Even when developments produce relatively affordable housing, in a constrained housing supply market higher income buyers and renters generally outbid lower income households and a home's final sale or rental price will generally far exceed the projected sales or rental costs. Public subsidies are often needed to guarantee affordable homes for LMI households.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The City identified several potential constraints to the development, maintenance, and improvement of housing and affordable housing, in its 2015-2023 Housing Element update including:

- **General Plan** - The General Plan indicates the allowable uses and densities at various locations in the City. The Land Use/Community Design section identifies five categories of residential uses based on dwelling unit density, expressed as the number of dwelling units permitted per gross acre. As such, a City's General Plan contains several items that can affect the development and distribution of housing, such as land-use classifications, and density and intensity standards.
- **Zoning Ordinance** - Zoning ordinances and other land-use controls have a direct effect on the availability and range of housing choices within a community. The Cupertino Zoning Ordinance establishes development standards and densities for new housing in the City. These regulations include minimum lot sizes, maximum number of dwelling units per acre, lot width, setbacks, lot coverage, maximum building height, and minimum parking requirements.
- **Parking Requirements** - Parking requirements, when excessive, may serve as a constraint to housing development by increasing development costs and reducing the amount of land available for project amenities or additional units. The City's parking requirements are higher than many other jurisdictions, particularly for single-family homes. Considering the

high cost of land, the high parking standards may serve as a constraint to housing provision.

- **Site Improvements** - Site improvement requirements are the responsibility of residential developers who are responsible for constructing road, water, sewer, and storm drainage improvements on new housing sites. Where a project has off-site impacts, such as increased storm water runoff or added traffic congestion at a nearby intersection, additional developer expenses may be necessary to mitigate impacts. These expenses may be passed on to consumers, as increased sales or rental costs.

In general, residential developers interviewed for the 2014-2022 Housing Element update reported that the Cupertino's public policies do not stand as a constraint to new housing production.

Discussion

As part of the Housing Element Update, the City has identified several strategies to increase affordable housing:

- Designate sufficient land at appropriate densities to accommodate Cupertino's Regional Housing Needs Allocation (RHNA) of 1,064 units for the 2014-2022 General Plan Housing Element planning period. Ensure that all new developments, including market-rate residential developments help mitigate project-related impacts on affordable housing needs.
- Encourage the development of a diverse housing stock that provides a range of housing types (including smaller moderate cost housing) with an emphasis on the provision of housing for lower- and moderate-income households.
- Continue to implement the Non-Residential Housing Mitigation Program that requires developers of office, hotel, research and development (R&D), retail and industrial space to pay a mitigation fee, which will be used to support affordable housing in the City. The mitigation fees are deposited in the City's BMR AHF.
- Continue to implement the Residential Housing Mitigation Program to mitigate the need for affordable housing created by new market-rate residential development.
- The City will encourage use of density bonuses and incentives, as applicable, for housing developments.
- Continue to encourage the development of adequate housing to meet the needs of extremely low-income households and persons with special needs (such as the elderly, victims of domestic violence, and the disabled).
- Continue to facilitate housing opportunities for special needs persons by allowing emergency shelters as a permitted use in the "BQ" Quasi-Public zoning district.
- Continue to retain a fair housing services provider to provide outreach, education, counseling, and investigation of fair housing complaints.

Additionally, the City is addressing the barriers to affordable housing through the following programs and ordinances:

Below Market Rate Affordable Housing Fund (BMR AHF)

The City's Below Market Rate (BMR) Affordable Housing Fund (AHF) receives its revenue from the payment of housing mitigation fees from non-residential (office, retail,

research and development (R&D), hotel and industrial) and residential development. The residential BMR program applies to new residential developments greater than one unit. Homeownership developments of one to six units are required to pay an in-lieu fee. Homeownership developments of seven units or greater are required to designate 15 percent of the total number of units in an ownership development as affordable. Developers of market-rate rental units, where the units cannot be sold individually, must pay a housing mitigation fee to the BMR AHF.

For non-residential housing mitigation in the City, a fee is applied to new square footage of development. The fee is then deposited in the City's BMR AHF and is used for the provision of affordable housing. The City Council adopted a nexus study on May 5, 2015 that reassessed the housing mitigation fees developers pay to the BMR AHF.

HOME Investment Partnerships Program (HOME)

The City joined the County's HOME Consortium in 2014. HOME funds can be used to fund eligible affordable housing projects for acquisition, construction and rehabilitation. Starting in the federal FY 2015, developers of affordable housing projects were eligible to competitively apply through an annual RFP process directly to the County for HOME funds to help subsidize affordable housing projects in Cupertino.

AP-85 Other Actions – 91.220(k)

Introduction

This section discusses the City's efforts in addressing the underserved needs, expanding and preserving affordable housing, reducing lead-based paint hazards, and developing institutional structure for delivering housing and community development activities.

Actions planned to address obstacles to meeting underserved needs

Actions planned to foster and maintain affordable housing

The City will foster and maintain affordable housing by continuing the following programs and ordinances:

- The City's Accessory Dwelling Unit Ordinance, which allows an additional unit to be built on any already developed parcel containing a single family home.
- The City's Density Bonus Ordinance allows an increase in density for developments that provide a proportion of units for very low or low-income households or for seniors.
- All new developments must either provide BMR units or pay a housing mitigation fee, which is placed in the City's BMR AHF.
- Homeownership developments between one unit and six units pay an in-lieu fee which is deposited into the City's BMR AHF. Homeownership developments greater than six units must designate at least 15 percent of units within a development at a cost that makes the units affordable to median and moderate income households.
- The City's participation in the County's HOME Consortium will allow developers of eligible affordable housing projects in the City to competitively apply through an annual RFP process directly to the County for HOME funds to help subsidize affordable housing projects in Cupertino, including acquisition, construction and rehabilitation. The City will fund its first project through the HOME consortium with the 25% match requirement. The project, The Veranda, will provide 18 units of low-income affordable housing to seniors and one property manager unit.

Actions planned to reduce lead-based paint hazards

Lead-based paint awareness and abatement will be fully integrated by the City of Cupertino into its assisted housing programs. Each tenant, landlord and property owner will be informed of the dangers, symptoms, testing, treatment and prevention of lead-based paint poisoning. Lead-based paint hazard stabilization or abatement will be provided in each and every rehabilitation project. Furthermore, adherence to Federal guidelines for reduction activities with lead-based paint is provided for in every federally funded rehabilitation loan.

Actions planned to reduce the number of poverty-level families

In a continuing effort to reduce poverty, the City will make it a priority to fund agencies that provide direct assistance to the homeless and those in danger of becoming homeless and make a commitment to improve the communication and service delivery capabilities of agencies and

organizations that provide programs to assist the homeless.

Depending on funding availability, the City will continue to provide assistance to public agencies and nonprofit organizations providing neighborhood housing services, supportive services to the homeless, older adults with physical or mental impairment, the mentally ill, victims of domestic violence, and households with abused children among others.

Coordinate with public agencies providing job training, life skills training, lead poisoning prevention and remediation and other education programs are listed in the 2015-20 Consolidated Plan strategies.

As discussed in AP-65, in FY 2018-2019 the City will allocate CDBG dollars to the following program:

- West Valley Community Services – Community Access to Resource and Education (CARE) - The CARE program incorporates both case management and wrap around services to help at risk and vulnerable household's manage crisis and provide stabilization to help them move towards self-sufficiency. The target population of the CARE program includes low-income seniors, families with children, at-risk youth and adults. The CARE program includes case management, access to food pantry and emergency financial assistance.
- Live Oak Adult Day Services – Senior Adult Day Care – Serve 21 unduplicated frail, dependent, low-income Cupertino seniors. Provides services for seniors at-risk of being institutionalized. Provides specialized programs such as recreation, mental stimulation, companionship and nutritious meals to seniors.

Actions planned to develop institutional structure

City staff will continue the following collaborative efforts to improve institutional structure:

- Regular quarterly meetings between entitlement jurisdictions at the CDBG Coordinators Meeting and Regional Housing Working Group
- Joint jurisdiction Request for Proposals and project review committees
- Coordination on project management for projects funded by multiple jurisdictions
- HOME Consortium meetings between member jurisdictions for affordable housing projects

Actions planned to enhance coordination between public and private housing and social service agencies.

The City benefits from a strong jurisdiction and region-wide network of housing and community development partners, such as Regional Housing Working Group and the CoC. To improve intergovernmental and private sector cooperation, the City will continue to participate with other local jurisdictions and developers in sharing information and resources.

In addition to the actions listed above, the City will continue to partner with nonprofit agencies to

host a yearly Housing Fair to provide residents with access to developers, BMR managers, and housing agencies and programs. The City will also continue to leverage its BMR AHF to assist nonprofit affordable housing developers.

Discussion

Please see discussion above.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

| | |
|---|----------------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed | \$7,944 |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan | \$0 |
| 3. The amount of surplus funds from urban renewal settlements | \$0 |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan. | \$0 |
| 5. The amount of income from float-funded activities | \$0 |
| Total Program Income | \$7,944 |

Other CDBG Requirements

| | |
|---|---------|
| 1. The amount of urgent need activities | \$0 |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income | 100% |
| 3. Overall Benefit – A consecutive period of one, two, or three years may be used to determine that a minimum overall benefit of 70 percent of CDBG funds is used to benefit persons of low and moderate income. Specify the years that include this Annual Action Plan | 2018-19 |

Discussion

Please see discussion above.

Appendix A: Public Comments

City of Cupertino

Citizen Participation Comments

FY 2018-2019 Annual Action Plan

There were no comments received during the public review period.

Appendix B: Public Hearing Notice

Appendix C: Application for Federal Assistance Form SF-424 and SF-424D

Appendix D: Certifications