



COMMUNITY DEVELOPMENT DEPARTMENT
CITY HALL
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CITY COUNCIL STAFF REPORT

Meeting: July 3, 2018

Subject

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

Recommended Action

1. Conduct the Public Hearing; and
2. Adopt Resolution the draft resolution adopting the FY 2018-19 Community Development Block Grant (CDBG) Annual Action Plan and authorizing the City Manager to submit the plan to the US Department of Housing and Urban Development (HUD); and
3. Authorize the appropriation of CDBG funds to the US Department of Housing (HUD) to allow spending of the fiscal year 2018-2019 grant award and program income in the amount of \$369,541.

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. 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 their meeting on April 17, 2018.

Housing Commission Recommendation

The Housing Commission held a public hearing on June 14, 2018 and recommended approval of the FY 2018-19 Annual Action Plan.

2018-19 CDBG Annual Action Plan

The Annual Action Plan is a one-year plan that describes the eligible activities that the City intends to undertake in FY 2018-19 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 HUD entitlement CDBG grant 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 2018-18 CDBG Annual Action Plan available for public comments for thirty days. The 2018-19 Annual Action Plan was made available to the public at www.cupertino.org/housing and the City Clerk's office from June 1, 2018 to June 30, 2018. No public comments have been received. The 2018-18 Annual Action Plan is due to HUD by August 16, 2018.

FY 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 \$369,541.00 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.

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

2018-19 Program Administration Funding Allocation

A total of \$73,908.20 has been allocated to program administration activities. Program administrative activities help to cover the costs for the overall management, coordination, and evaluation of the CDBG program, and the project delivery costs associated with bringing projects to completion.

2018-19 CDBG Public Service Funding Allocations

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

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.

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

Process

This is the second of two public hearings required by HUD for CDBG. The first public hearing was held at a Housing Commission meeting on June 14, 2018. All required HUD notices are published in the Cupertino Courier newspaper in advance.

Fiscal Impact

Sufficient funding will be available and budgeted for FY 2018-19 CDBG funding allocations. CDBG programs and projects are funded by HUD grant funds.

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. 18-04

C - FY 2018-19 CDBG Annual Action Plan