



COMMUNITY DEVELOPMENT DEPARTMENT  
CITY HALL  
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## HOUSING COMMISSION STAFF REPORT

May 16, 2019

### Subject

FY 2019-20 Community Development Block Grant (CDBG) Program Annual Action Plan

### Recommended Action

Conduct Public Hearing; and

1. Adopt Resolution No. 19-02; recommending approval of the FY 2019-20 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) 2019-20 CDBG, Below Market Rate (BMR) Affordable Housing Funds (AHF), and Human Service Grant (HSG) funding allocations at their meeting on April 2, 2019.

### ***2019-20 CDBG Annual Action Plan***

The FY 2019-20 CDBG Annual Action Plan (Exhibit 2) is a one-year plan that describes the eligible activities that the City intends to undertake in FY 2019-20 (July 1, 2019 – June 30, 2020) 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 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 Annual Action Plan available for public comments for thirty days: May 1, 2019 to May 30, 2019.

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. The County intends to submit the Annual Action Plan in June after City Council approval from each of the HOME Consortium members. The Annual Action Plan must be submitted to HUD by the August 15, 2019 deadline.

### ***2019-20 CDBG Funding***

The City received notification from HUD on April 29, 2019 awarding \$369,264 in entitlement funding for FY 2019-20. The City intends to reallocate \$7,944 in program income from existing CDBG loan payoffs. Between the FY 2019-20 entitlement grant and program income, the City will have a total of approximately \$377,208 of CDBG funds to utilize.

Due to delays in HUD funding allocations, the City originally estimated \$361,597 in funds based on FY 2018-19 entitlement numbers. On April 2, 2019, City Council awarded FY 2019-20 CDBG funding allocations with a Contingency Plan that allowed staff to adjust the estimated amounts at the time that HUD issues entitlement numbers. Funding allocations are noted in the table below.

<b>FY 2019-20 CDBG Budget</b>	
Entitlement Amount	\$369,264.00
Program Income FY 2018-19	\$7,944.00
<b>Sub-Total</b>	<b>\$377,208.00</b>
Program Administration (20%)	\$75,441.60
Public Service (15%)	\$56,581.20
Capital/Housing Projects (65%)	\$245,185.20
<b>Total</b>	<b>\$377,208.00</b>

### ***2019-20 CDBG Public Service Funding Allocations***

A total of \$56,581.20 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 2019-20 CDBG Public Services</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>

### ***2019-20 CDBG Capital Housing Funding Allocations***

A total of \$245,185.20 has been allocated to eligible CDBG capital housing projects. Funding allocations are noted in the table below.

<b>FY 2019-20 CDBG Capital Housing Projects</b>	
Maitri- Anjali Transitional House	\$120,000.00
Rebuilding Together Silicon Valley- Housing Repair and Rehabilitation Project	\$81,875.00
WVCS - Vista Village Renovation Project	\$43,310.20
<b>Total</b>	<b>\$245,185.20</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. 19-02