



COMMUNITY DEVELOPMENT DEPARTMENT

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA
95014-3255 TELEPHONE: (408) 777-3308 • FAX: (408) 777-3333
CUPERTINO.ORG

CITY COUNCIL STAFF REPORT

Meeting: June 15, 2021

Subject

Consider approving the FY 2021-22 Community Development Block Grant (CDBG) Program Annual Action Plan

Recommended Action

Conduct Public Hearing; and

1. Adopt draft resolution approving the FY 2021-22 CDBG Annual Action Plan

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, including 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 2020-2025 Consolidated Plan was adopted by City Council on June 14, 2020. City Council approved the FY 2020-25 CDBG, Below Market Rate (BMR) Affordable Housing Funds (AHF), and Human Service Grant (HSG) funding allocations on April 6, 2021.

Housing Commission Recommendation

The Housing Commission held a public hearing on May 13, 2021 and recommended approval of the FY 2021-22 Annual Action Plan.

2021-22 CDBG Annual Action Plan

The FY 2021-22 Annual Action Plan (Exhibit 2) is a one-year plan that describes the eligible activities that the City intends to undertake in FY 2021-22 (July 1, 2021 – June 30, 2022) to address the needs and implement the strategies identified in the adopted 2020-25

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 posted the Annual Action Plan for public comments for thirty days: April 16 - May 16, 2021. The City did not receive any public comments. The Annual Action Plan must be submitted to HUD by the August 16, 2021 deadline.

2021-22 CDBG Funding

On April 6, 2021, City Council awarded FY 2021-22 CDBG funding allocations with a Contingency Plan that allowed staff to adjust the estimated amounts at the time that HUD issues entitlement numbers. The City received original notification from HUD on February 25, 2021 awarding \$406,806 in entitlement funding for FY 2021-22. Due to a formula error, HUD notified the City on May 13, 2021 that the new entitlement amount would be \$412,800. Between the FY 2021-22 entitlement grant, program income, and unused funds from FY 20-21, the City will have a total of approximately \$420,744 of CDBG funds to utilize in FY 21-22. Funding allocations are noted in the table below.

FY 2021-22 CDBG Budget	
Entitlement Amount	\$412,800.00
Program Income FY 2020-21	\$7,944.00
Sub-Total	\$420,744.00
Program Administration (20%)	\$84,148.80
Public Service (15%)	\$63,111.60
Capital/Housing Projects (65%) + \$48,000 Unused FY 20-21 CDBG funds	\$321,483.60
Total	\$468,744.00

2021-22 CDBG Public Service Funding Allocations

A total of \$63,111.60 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 2021-22 CDBG Public Services	
Live Oak Adult Day Services - Senior Adult Day Care / Caregiver Respite	\$22,720.18
West Valley Community Services (WVCS) – CARE Program	\$40,319.42
Total	\$63,111.60

2021-22 CDBG Capital Housing Funding Allocations

A total of \$321,483.60 has been allocated to eligible CDBG capital housing projects. Funding allocations are noted in the table below.

FY 2021-22 CDBG Capital Housing Projects	
Rebuilding Together Silicon Valley- Housing Repair and Rehabilitation Program	\$98,511.88
WVCS - Vista Village Renovation Project	\$222,971.72
Total	\$321,483.60

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 May 13, 2021. All required HUD notices are published in the Cupertino Courier newspaper in advance.

Sustainability Impact

No sustainability impact.

Fiscal Impact

Sufficient funding will be available and budgeted for FY 2021-22 CDBG funding allocations. CDBG programs and projects are funded by HUD grant funds.

Prepared by: Gabe Borden, Sr. Housing Planner

Reviewed and Approved for Submission by: Kerri Heusler, Housing Manager

Benjamin Fu, Director of Community Development

Approved for Submission by: Dianne Thompson, Assistant City Manager

Attachments:

A – Draft Resolution (FY 21-22 CDBG Annual Action Plan)

B - Housing Commission Resolution No. 21-02 (FY 21-22 CDBG Annual Action Plan)