

RESOLUTION NO. _____

**A RESOLUTION OF THE CUPERTINO CITY COUNCIL
ADOPTING THE FY 2021-22 COMMUNITY DEVELOPMENT BLOCK
GRANT (CDBG) ANNUAL ACTION PLAN**

WHEREAS, the Housing and Community Development Act of 1974 provides that funds be made available for the CDBG program; and

WHEREAS, the City of Cupertino will receive a \$412,800 CDBG entitlement grant from the United States Department of Housing and Urban Development (HUD) to be allocated for fiscal year (FY) 2021-22 and estimates allocating \$7,944 in CDBG program income; and

WHEREAS, the City of Cupertino put into place a CDBG Contingency Plan (Exhibit 1) because of the uncertainty in the federal budget; and

WHEREAS, the City of Cupertino is required to submit a FY 2021-22 Annual Action Plan (Exhibit 2) to HUD for review and approval prior to being allowed to expend CDBG funds for FY 2021-22;

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby

1. Make the certifications required by 24 CFR Sections 91.225 and 570.303 as contained in the Annual Action Plan for FY 2021-22; and
2. Approves the Housing Commission's recommendation to adopt, and hereby adopts, the FY 2021-22 Annual Action Plan; and
3. Authorizes the City Manager to submit the FY 2021-22 Annual Action Plan approved by the City Council of the City of Cupertino to HUD.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Cupertino this 15th day of June, 2021, by the following vote:

Members of the City Council

AYES:

Resolution No. _____

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NOES:

ABSENT:

ABSTAIN:

SIGNED: _____ Darcy Paul, Mayor City of Cupertino	_____ Date
ATTEST: _____ Kirsten Squarcia, City Clerk	_____ Date

Exhibit 1 CDBG Contingency Plan

In the case of funding **increase**, the following plan is recommended:

- ⊙ Public Services: Distribute the additional available amount in the public services cap until an applicant is fully funded. If an applicant reaches the funding amount requested, any remaining funds will be distributed to other applicants who have not yet reached the maximum funding amount.
- ⊙ Administration: Funds are to be allocated to the City of Cupertino for CDBG administration. General Fund allocation will be reduced accordingly.
- ⊙ Capital/Housing Projects: Distribute the additional available amount in the capital/housing projects cap until an applicant is fully funded. If an applicant reaches the funding amount requested, any remaining funds will be distributed to other applicants who have not yet reached the maximum funding amount.

In the case of a funding **decrease**, the following plan is recommended:

- ⊙ Public Services: Distribute any funding decrease proportionately among the remaining public service applicants, but maintain a minimum funding allocation of \$15,000 for any applicant to the extent feasible.
- ⊙ Administration: Any decrease in funding will be supplemented by the General Fund for CDBG administration.
- ⊙ Capital/Housing Projects: Any decrease in funding may be supplemented wholly or partially based on funding available, by the Below Market Rate (BMR) Affordable Housing Fund (AHF) for CDBG capital/housing projects.

Exhibit 2

**City of Cupertino
Fiscal Year 2021-22
Annual Action Plan**



Annual Update of the City's Consolidated Plan for Period
July 1, 2021 to June 30, 2022

Public Comment Period
April 20, 2021 through May 30, 2021

Housing Commission Public Hearing Date: May 13, 2021
City Council Public Hearing Date: June 15, 2021

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

To be Approved by City Council
June 15, 2021
Resolution No. 21-XXX

Annual Action Plan
2021

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

Introduction

The City of Cupertino (City) 2021-22 Action Plan (for fiscal year 2021-2022) contains the City's one-year plan to carry out housing and community development activities funded by Federal formula grant funds received from the U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) Program. The 2021-22 Action Plan covers the second of five program years covered by the City's 2020-2025 Consolidated Plan approved by the Cupertino City Council on June 14, 2020.

The Housing Division of the Community Development Department is the lead agency for the Consolidated Plan and submits annual Action Plans to HUD for the City's CDBG program. Additionally, the City is also a participant in the County of Santa Clara Home Investment Partnership Program (HOME) Consortium.

The total funds available for the City in the 2021-22 Action Plan includes a total of \$468,744. This includes \$412,800 in CDBG entitlement funds, \$7,944 in program income, and \$48,000 in unused previous years CDBG funds.

HUD requires entitlement jurisdictions to submit an annual Action Plan to report the distribution of federal entitlement grant funds over the Consolidated Plan's five-year period identifying how funding allocations help meet the goals covered in the Consolidated Plan. The Action Plan reflects three overall goals, which relate to the major commitments and priorities of HUD including:

1. To provide decent housing by preserving the affordable housing stock, increasing the availability of affordable housing, reducing discriminatory barriers, increasing the supply of supportive housing for those with special needs, and transitioning homeless persons and families into housing.
2. To provide a suitable living environment through safer, more livable neighborhoods, greater integration of lower-income residents, increased housing opportunities, and reinvestment in deteriorating neighborhoods.
3. To expand economic opportunities through more jobs paying self-sufficiency wages, homeownership opportunities, development activities that promote long-term community viability, and the empowerment of lower-income persons to achieve self-sufficiency.

The 2021-22 Action Plan covers the time period from July 1, 2021 to June 30, 2022 and reports on the status of needs and outcomes the City expects to achieve in during the year. All of the activities mentioned in the Action Plan are based on current identified priorities. By addressing these priorities, the City hopes to meet the objectives stated in the 2020-2025 Consolidated Plan. All the proposed projects and activities are intended to principally benefit residents in the City who are extremely low, low- and moderate-income and populations that have special needs, such as elderly, disabled, and homeless.

Summarize the objectives and outcomes identified in the Plan

The City of Cupertino is located 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 59,276 according to the U.S. Census “Quickfacts” (<https://www.census.gov/quickfacts/fact/table/cupertinocitycalifornia/PST045219>). The City remains one of the most expensive cities to live in with a median home value of \$2,320,790 (<https://www.zillow.com/cupertino-ca/home-values/>).

The 2021-22 Action Plan provides a summary of how the City will utilize its CDBG allocation to meet the needs of the City’s low-income population. According to the U.S. Census “Quickfacts” data, 6% of all residents within the City had incomes at or below the federal poverty level. Additionally, during the 2019 County of Santa Clara Point-in-Time Homeless Census, 159 unsheltered homeless individuals were found living within the City of Cupertino. This number represents an increase of 25% from the 127 individuals that were counted in 2017.

As mentioned previously, a total of \$468,744 in CDBG entitlement, program income, and previous year unused funds are available for funding projects and programs to address the needs of the City’s lower income and special needs populations. Additionally, the City has access to a variety of federal, state and local resources to achieve its housing and community development priorities.

Table 1, 2021-22 Action Plan CDBG Budget, summarizes the proposed uses of the funds. It should be noted that the City’s has a three-year public service grant cycle. The 2021-22 Action Plan represents year 2 of the three-year cycle.

**Table 1. Fiscal Year 2021 CDBG Budget
City of Cupertino**

Applicant Agency	Amount
Public Service (15%)	
Live Oak Adult Day Care	\$22,720.18
West Valley Community Services – CARE Program	\$40,391.42
Sub-Total	\$63,311.60
Capital/Housing Projects (65%) + \$48,000 Previous Year Unused CDBG Funds	
Rebuilding Together Silicon Valley – Minor Home Repair Program	\$98,511.88
West Valley Community Services – Vista Village Repair Project	\$222,971.72
Sub-Total	\$321,483.60
Program Administration (20%)	\$84,148.80
Total	\$468,744.00

Finally, it should be noted that HUD has established a set of outcomes and objectives entitlement jurisdictions need to address. The outcomes and objectives are noted within each of the Goals

included in the Strategic Plan (SP-45) section of the 2020-25 Consolidated Plan and are as follows:

- Outcomes: Availability/Accessibility; Affordability; Sustainability
- Objectives: Create suitable living environments; provide decent affordable housing; create economic opportunities.

The goals identified in this Action Plan are taken from the Consolidated Plan's Strategic Plan which describes how federal funds and other resources will be deployed and what other actions will be taken to address community development and affordable housing needs over the next five years. The goals are: Affordable Housing; Prevent and Assist Those Experiencing Homelessness; Community Services; and Fair Housing. All four goals will be addressed through the proposed activities shown in **Table 1** and/or through the use of the City's General Funds.

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 regarding the goals, projects and programs completed by the City through the CDBG program. Only CDBG administration have not directly served low- and moderate-income persons. Eligible public service activities have included senior and disabled adult services and housing and case management services. These activities have had a positive impact on identified needs in the community and are provided services that benefit low- and moderate-income Cupertino residents. Eligible funded capital housing projects included a single family residential minor home repair program, which served low- and moderate-income senior homeowners across the City. The repairs addressed accessibility, health and safety issues. Additionally, several units within a rental affordable multi-family were repaired. As can be expected, community needs continue to exceed the available resources.

The City recognizes that the evaluation of past performance is critical to ensure that the City and its subrecipients are implementing activities effectively and that those activities align with the City's overall strategies and goals as outlined in the 2020-2025 Consolidated Plan. The City evaluates the performance of subrecipients 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 align with the City's overall goals and strategies. The City utilizes the quarterly reports to review progress towards annual goals.

Summary of Citizen Participation Process and consultation process

The City solicited input throughout the development of the FY 2021 Action Plan. As required but HUD, the City provides multiple opportunities for public review and comment on the Action Plan. Per the City's adopted Citizen Participation Plan, the City held a 30-day public 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 for general circulation, on the City's Housing webpage and via email blasts to stakeholders. The City held two advertised public hearings on May 13, 2021 (Housing Commission) and June 15, 2021 (City

Council). The Action Plan 30-day public review period occurred from April 16, 2021 through May 16, 2021.

Summary of public comments

To date, no comments have been received during the public review period.

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 2021 Action Plan.

Summary

Please see above.

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

Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Table 2. Responsible Agency

Agency Role	Name	Department/Agency
CDBG Administrator	Cupertino	City of Cupertino, Community Development Department

Narrative

The City of Cupertino is the Lead and Responsible Agency for the United States Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) entitlement program. The Community Development Department, Housing Division is responsible for administering the Community Development Block Grant (CDBG) program. The City joined the HOME Consortium in 2015.

Entitlement jurisdictions receive entitlement funding (i.e., non-competitive, formula funds) from HUD. HUD requires the City to submit a five-year Consolidated Plan and Annual Action Plan to HUD listing priorities and strategies for the use of its federal funds. The Consolidated Plan helps local jurisdictions to assess their affordable housing and community development needs and market conditions to meet the housing and community development needs of its populations. As a part of the Consolidated Plan process for 2020-2025, the City collaborated with the County of Santa Clara (County) as the Urban County representing the Cities of Campbell, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, and Saratoga; the Cities of Gilroy, Mountain View, Palo Alto, Sunnyvale, San José, and Santa Clara; and the Santa Clara County Housing Authority (SCCHA) to identify and prioritize housing and community development needs across the region, and to develop strategies to meet those needs. The FY 2021 Action Plan represents the second year of CDBG funding of the 2020-2025 Consolidated Plan.

Consolidated Plan Public Contact Information

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City of Cupertino

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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 2021-2022 and their relationship to the priority housing, homeless and community development needs outlined in the 2020-2025 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 Fiscal Year 2021-22, the City will continue to work with non-profit organizations to provide programs and services for low-income households; private industry, including financial and housing development groups, to encourage the development of affordable housing opportunities regionally and within the City; and other local jurisdictions, including the County of Santa Clara, in carrying out and monitoring regional projects in a coordinated and cost-effective manner.

In addition, the City will continue to participate in the County's quarterly CDBG Coordinator's Group meetings, in which entitlement jurisdictions throughout the region gather to discuss existing CDBG needs and proposed use of federal funds for the upcoming year.

The City will also participate in the County's Regional Housing Working Group, which is a forum for entitlement and non-entitlement jurisdictions to develop coordinated responses to regional housing challenges. The City's Housing Manager regularly monitors monthly Continuum of Care (CoC) meetings. The CoC is a broad group of stakeholders dedicated to ending and preventing homelessness in Santa Clara County. The key CoC responsibilities are ensuring community-wide implementation of efforts to end homelessness and ensuring programmatic and systemic effectiveness.

The City will attend HOME Consortium meetings between member jurisdictions for affordable housing proposals and projects.

In addition to the actions listed above, the City will continue to participate in the annual Affordable Housing Week (May) activities such as partnering with nonprofit agencies to host a 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.

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 Office of Supportive Housing is the administrator of the regional Continuum of Care (CoC). The City continuously coordinates with the Santa Clara County CoC to end and prevent homelessness in the County. City staff attends monthly meetings. The Santa Clara County CoC is a group comprising stakeholders throughout the County, including

governmental agencies, homeless service and shelter providers, homeless population, housing advocates, affordable housing developers, and various private parties, including businesses and foundations.

The City's representation on the CoC Board is its Housing Manager. Members of the CoC meet monthly to plan CoC programs, identify gaps in homeless services, establish funding priorities, and pursue a systematic approach to addressing homelessness. City staff, as well as staff of other cities, meet and consult with the County's CoC staff during the bi-weekly countywide CDBG Coordinators Group meetings, and communicate more frequently via email and/or phone on joint efforts.

The CoC is governed by the CoC Board, which takes a systems-change approach to preventing and ending homelessness. This same CoC Board is comprised of the same individuals who serve on the Destination: Home (Destination Home) Leadership Board. Destination Home is a public private partnership that is committed to collective impact strategies to end chronic homelessness. Destination Home is the governing body for the CoC and is responsible for implementing by-laws and operational protocols of the CoC.

Regional efforts of the CoC include the development of The Community Plan to End Homelessness, which identifies strategies to address the needs of people experiencing homelessness in the County, including chronically homeless individuals and families, families with children, veterans, and unaccompanied youth. The plan also addresses the needs of persons at risk of homelessness.

The CoC is now in the process of updating a new plan for the next five years and the City plans to participate in these efforts. Also, during the development of the 2020-25 ConPlan, the City consulted both the CoC and County Office of Supportive Housing for their expertise and experience for identifying community needs.

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 of Cupertino does not receive ESG funds. The County does not receive ESG funds through HUD.

The County currently receives ESG funds through the State of California. The County provides a funding reference sheet that compares the differences between ESG and CoC with regards to homeless eligibility, income restrictions, assessment, rental assistance, housing standards, lease terms, eligible costs, eligible service costs, case management, service limitations and standards, policies and procedures.

This funding reference sheet may be found here:

<https://www.sccgov.org/sites/osh/ContinuumofCare/CoC%20Toolkit/Documents/Toolkit/RRH%20Funding%20Reference%20Chart%20-%20ESG%20vs%20CoC%20-%20May%202020.pdf>

The Santa Clara County Continuum of Care takes the role of Homeless Management Information System (HMIS) administration. The County, and its consultant Bitfocus, work jointly to operate and oversee HMIS. Both software and HMIS system administration are now provided by Bitfocus. Funding for HMIS in Santa Clara County comes from HUD, the County of Santa Clara, and the City of San Jose. The County's HMIS is used by many city service providers across the region to record information and report outcomes. The software meets and exceeds HUD's requirements for the implementation and compliance of HMIS Standards. The project has a rich array of service provider participation and is utilized to capture information and report on special programming and prevention service delivery.

Agencies, groups, organizations and others who participated in the process and consultations

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Table 3. Agencies, Groups, Organizations Who Participated

1	Agency/Group/Organization	Boys and Girls Club of Silicon Valley
	Agency/Group/Organization Type	Services- Children
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Santa Clara focus group meeting on 11/17/19 as part of the 2020-25 Consolidated Plan process.
2	Agency/Group/Organization	Healthier Kids Foundation Santa Clara County
	Agency/Group/Organization Type	Services- Children
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Santa Clara focus group meeting on 11/7/19 as part of the 2020-25 Consolidated Plan process.
3	Agency/Group/Organization	Community Services Agency
	Agency/Group/Organization Type	Services – Elderly Person
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation conference call on 11/16/19 as part of the 2020-2025 Consolidated Plan.
4	Agency/Group/Organization	San Jose Conservation Corps Charter
	Agency/Group/Organization Type	Services – Education
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Gilroy focus group meeting on 11/18/19 as part of the 2020-25 Consolidated Plan process.
5	Agency/Group/Organization	CommUniverCity San Jose
	Agency/Group/Organization Type	Services- Education
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan

	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation conference call on 11/25/19 and regional forum meeting in San Jose on 11/20/19 as part of the 2020-25 Consolidated Plan process.
6	Agency/Group/Organization	The Health Trust
	Agency/Group/Organization Type	Services- Persons with Disabilities Services – Persons with HIV/AIDS Services - Health
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation on 11/21/19 as part of the 2020-25 Consolidated Plan process.
7	Agency/Group/Organization	Rebuilding Together Silicon Valley
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation conference call on 11/20/19 and San Jose regional forum on 11/20/19 as part of the 2020-25 Consolidated Plan process.
8	Agency/Group/Organization	City of Gilroy
	Agency/Group/Organization Type	Other government – local
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The City was consulted and provided emailed feedback as part of the 2020-25 Consolidated Plan process.
9	Agency/Group/Organization	City of Mountain View
	Agency/Group/Organization Type	Other government – local
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The City attended regional forum meeting at Palo Alto on 11/7/19 as part of the 2020-25 Consolidated Plan process.
10	Agency/Group/Organization	City of Palo Alto
	Agency/Group/Organization Type	Other government – Local

	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The City attended the regional forum meeting at Palo Alto on 11/7/19 as part of the 2020-25 Consolidated Plan process.
11	Agency/Group/Organization	Bill Wilson Center
	Agency/Group/Organization Type	Services – Children
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Santa Clara focus group meeting on 11/7/2019, community meetings on 11/5/19 at Morgan Hill and 11/20/19 at Roosevelt as part of the 2020-25 Consolidated Plan process.
12	Agency/Group/Organization	Heart of the Valley
	Agency/Group/Organization Type	Services – Elderly Persons
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was consulted through interview questions. Agency provided emailed feedback as part of the 2020-25 Consolidated Plan process.
13	Agency/Group/Organization	City of San Jose
	Agency/Group/Organization Type	Other government – Local
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The City was contacted for consultation as a partner in addressing the needs of the County as part of the 2020-25 Consolidated Plan.
14	Agency/Group/Organization	City of Morgan Hill
	Agency/Group/Organization Type	Other government – local
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended regional forum meeting at Morgan Hill on 11/4/19 as part of the 2020-25 Consolidated Plan process.
15	Agency/Group/Organization	City of Sunnyvale
	Agency/Group/Organization Type	Other government - local

	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	The City attended regional forum meeting at Palo Alto on 11/7/19 and provided emailed feedback as part of the 2020-25 Consolidated Plan process.
16	Agency/Group/Organization	Servant Partners
	Agency/Group/Organization Type	Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended community meeting on 11/13/19 at Hillview Library as part of the 2020-25 Consolidated Plan process.
17	Agency/Group/Organization	Senior Adults Legal Assistance (SALA)
	Agency/Group/Organization Type	Service – Fair Housing Legal
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Palo Alto and San Jose public engagement meeting on 11/17/19 and 11/19/19, regional forum meeting on 11/4/19 at Morgan Hill and 11/7/19 at Palo Alto as part of the 2020-25 Consolidated Plan process.
18	Agency/Group/Organization	HomeFirst
	Agency/Group/Organization Type	Services- Homeless
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended regional forum meeting at Morgan Hill on 11/4/19 as part of the 2020-25 Consolidated Plan process.
19	Agency/Group/Organization	Santa Clara County Office of Supportive Housing
	Agency/Group/Organization Type	Other government – County Continuum of Care
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes	Agency attended regional forum meeting at Morgan Hill on 11/4/19 and at Palo Alto on 11/7/19 as part of the 2020-25

	of the consultation or areas for improved coordination?	Consolidated Plan process.
20	Agency/Group/Organization	City of Santa Clara
	Agency/Group/Organization Type	Other government – Local
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended regional forum meeting at Morgan Hill on 11/4/19 and provided emailed feedback as part of the 2020-25 Consolidated Plan process.
21	Agency/Group/Organization	Vista Center for the Blind and Visually Impaired
	Agency/Group/Organization Type	Services – Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation on 12/9/19 as part of the 2020-25 Consolidated Plan process.
22	Agency/Group/Organization	Destination: Home
	Agency/Group/Organization Type	Services – homeless
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation on 11/11/19 as part of the 2020-25 Consolidated Plan process.
23	Agency/Group/Organization	Community Solutions
	Agency/Group/Organization Type	Services – Victims of Domestic Violence
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the AFH and ConPlan joint meeting on 12/11/19 at the Gilroy Council Chambers as part of the 2020-25 Consolidated Plan process
24	Agency/Group/Organization	St. Mary Parish
	Agency/Group/Organization Type	Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan
	How was the Agency/group/Organization consulted	Agency attended the AFH and ConPlan joint meeting on 12/11/19 at the Gilroy

	and what are the anticipated outcomes of the consultation or areas for improved coordination?	Council Chambers as part of the 2020-25 Consolidated Plan process
25	Agency/Group/Organization	Community and Neighborhood Revitalization Committee - Gilroy
	Agency/Group/Organization Type	Community Organization
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency co-hosted the AFH and ConPlan joint meeting on 12/11/18 at the Gilroy Council Chambers as part of the 2020-25 Consolidated Plan process.

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

Not applicable. No agency types were intentionally left out of the consultation process. Over 20 agency types were contacted during the consultation process.

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

Table 4. 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?
Continuum of Care	Regional Continuum of Care Council Santa Clara County	Addresses issues pertaining to homelessness through provision of social services such as food-related assistance, legal services, and employment training opportunities.
City of Cupertino General Plan Housing Element	City of Cupertino	Serves as a policy guide to evaluate existing and future housing needs, i.e., determines whether housing availability meets the needs of the population.
Regional Housing Needs Plan for the San Francisco Bay Area	Association of Bay Area Governments	Analyzes total regional housing needs, i.e., determines number of units needed to be built per income category.
Community Plan to End Homelessness in Santa Clara	Destination: Home	Creates a community-wide road map that identifies specific homeless populations in the County and strategies to address the needs of these populations.
Santa Clara County Housing Authority (SCCHA) Moving to Work	Housing Authority of the County of Santa Clara	Addresses housing authority updates and strategies pertaining to public housing and vouchers.
Comprehensive Economic Development Strategy	Association of Bay Area Governments	Addresses issues relating to the job and labor issues, and economic development issues in the area.

Narrative

The collaborative implementation of the 2020-2025 Consolidated Plan began with the coordinated efforts of multiple public agencies working together to gather feedback and information for both regional and local community needs and priorities. Once the needs and priorities were identified, they were incorporated into the City's Consolidated Plans that included both regional and local strategies for addressing those needs and priorities. The seven entitlement grantee jurisdictions involved in the collaborative outreach efforts were the Cities of Cupertino, Gilroy, Mountain View, Palo Alto, San Jose, Santa Clara, and Sunnyvale. Several other government stakeholder agencies were contacted and assisted the City in its efforts to gather feedback on the 2020-2025 Consolidated Plan and the annual Action Plan.

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AP-12 Participation - 91.401, 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, Housing Division is the lead agency for overseeing the development of the Consolidated Plan and the annual Action Plan. Per the City's adopted Citizen Participation Plan, the City provides a 30-day public review comment period for the Action Plan. The City has published the notifications of upcoming public hearings and the 30-day public review comment period in the local Cupertino Courier newspaper for general circulation. The City held two advertised public hearings on May 13, 2021 and June 15, 2021. The Action Plan 30-day public review period occurred from April 16, 2021 to May 16, 2021. The City has not received any public comments to date.

Citizen Participation Outreach

Table 5 – 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 11, 2021 to discuss the FY 2021-22 review the funding recommendations from the City staff.	No comments were received.	All comments were accepted	
2	Public Hearing	Nontargeted/broad community	The City Council met on April 6, 2021 to discuss the FY 2021-22 funding allocations.	No comments were received.	All comments were accepted	
3	Newspaper Ad	Nontargeted/broad community	Notice of Public Hearing and Public Comment Period on the Draft Action Plan was published in the Cupertino Courier on April 16, 2021.	No comments were received.	All comments were accepted	
4	Website	Nontargeted/broad community	Draft Action Plan was posted at: https://www.cupertino.org/our-city/departments/community-development/housing/community-development-block-grant-program ON April 20, 2021.	No comments were received.	Updated if Comments Received.	
5	Email Blast	Nontargeted/broad community	Notice of Public Hearing and Public Comment Period on the Draft AAP was emailed to City's extensive "Items of Interest" list-serve.	No comments were received.	Updated if Comments Received.	
6	Public Hearing	Nontargeted/broad community	The Housing Commission met on May 13, 2021 to review and approve the 2021 Action Plan	No comments were received.	All comments were accepted.	

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)
7	Public Hearing	Nontargeted/broad community	The City Council met on June 15, 2021 to review and approve the 2021 Action Plan.	Updated if Comments Received	All comments were accepted.	

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

The City was notified by HUD that it will receive \$412,800 in CDBG entitlement funds with an additional \$7,944 in program income and \$48,000 in unused funds from previous fiscal years for a total of \$468,744 in CDBG for the 2021-22 program year. It should be noted that while the HUD CDBG allocations are critical, the allocations are not sufficient to overcome barriers and address all of the needs that low-income individuals and families face in attaining self-sufficiency. The City will continue to leverage additional resources as described below to provide support and services to the populations in need within the community.

Table 6 shows a break-down of the CDBG and non-CDBG sources of funds that are intended for community development activities during the 2021-2022 program year.

Anticipated Resources

Table 6 - Expected Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder 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	\$412,800	\$7,944	\$48,000	\$468,744		Funds will be used to support various community development activities, including Self-Sufficiency Services, Frail Elderly/Elderly Services, Rental Unit Rehabilitation, and Homeowner Rehabilitation.
Below Market Rate Affordable Housing Fund	Public Local	Affordable Housing-Fair Housing	\$50,000	\$0	\$0	\$50,000		Fund will be used to provide fair housing services.
Other General Fund Human Services Grant	Public Local	Non-housing Community Services	\$115,780	\$0	\$0	\$115,780		The City issues grants to nonprofit agencies providing services to Cupertino residents.
CDBG-CV	Public Federal	Homelessness	\$0	\$0	\$0	\$0	\$259,937.60	Funds will be used for six or more months of temporary lodging, supportive services, and storage for Wolfe Rd. Encampment members.

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

Leverage, in the context of the CDBG and HOME Investment Partnerships Program (HOME), means bringing other local, state, and federal financial resources to maximize the reach and impact of the City's HUD Programs. HUD, like many other federal agencies, encourages the recipients of federal monies to demonstrate that efforts are being made to strategically leverage additional funds in order to achieve greater results.

The City joined the Santa Clara County's HOME Consortium in 2015 and does not receive federal HOME funds on an entitlement basis from HUD. The HOME Consortia consists of the cities of Cupertino, Gilroy, Palo Alto, and the Urban County. 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 directly to the County for HOME funds to help subsidize affordable housing projects in Cupertino. The County will only fund a project that has the local support of the City. If the City receives HOME dollars from its participation in the HOME consortium, the required 25 percent matching funds will be provided from the City's Affordable Housing Fund. To date, one senior affordable housing rental project, The Veranda, has been funded through the HOME Consortium.

The City plans to increase outreach to developers to provide additional information on the HOME Consortium and available funding.

Other Federal Grant Programs

In addition to the CDBG entitlement dollars, the federal government has several other funding programs for community development and affordable housing activities. These include: Section 8 Housing Choice Voucher Program, Section 202, Section 811, the Federal Home Loan Bank Affordable Housing Program (AHP), 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.

State Housing and Community Development Sources

In California, the Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA) administer a variety of statewide public affordable housing programs that offer assistance to nonprofit affordable housing developers. Examples of HCD's programs include the Multifamily Housing Program (MHP), Affordable Housing Innovation Fund (AHIF), Building Equity and Growth in Neighborhoods Program (BEGIN), and CalHOME. Many HCD programs have historically been funded by one-time State bond issuances and, as such, are subject to limited availability of funding. CalHFA offers multiple mortgage loan programs, down payment assistance programs, and funding for the construction, acquisition, and rehabilitation of affordable ownership units. The State also administers the federal Low-Income Housing Tax Credit (LIHTC) program, a widely used financing source for affordable housing projects. As with the other federal grant programs discussed above, the City would not apply for these funding sources. Rather, local affordable housing developers could apply for funding through these programs for particular developments in the City. Additionally, the County also receives Mental Health Services Act (MHSA) funds from the State for housing

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

The City's 2015-2023 Housing Element update has identified five sites that would be able to accommodate up to 1,400 housing units.

Discussion

CDBG allocations are critical to overcoming barriers to affordable housing; however, they are not sufficient to address all the needs of LMI households nor the lack of affordable housing units. Therefore, the City will continue to leverage other funding sources to support affordable housing and provide services to populations in need. The City anticipates researching and/or pursuing additional funding opportunities.

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

Goals Summary Information

Table 7. Goal Summary

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homeowner Rehabilitation Rebuilding Together Silicon Valley	2021	2022	Affordable Housing	Citywide	Affordable Housing	CDBG: \$97,318.00	Homeowner Housing Rehabilitated – 8 housing units
2	Rental Unit Rehabilitation Vista Village Repair	2021	2022	Affordable Housing	Citywide	Affordable Housing	CDBG: \$220,269.50	Rental Units Rehabilitated – 5 housing units
3	Frail Elderly/Elderly Services Live Oak Adult Day Care	2021	2022	Non-Housing Community Development Non-Homeless Special Needs	Citywide	Non-housing Community Services	CDBG: \$22,396.50	Public Service Activities Other Than Low/Moderate-Income Housing Benefit – 22 persons
4	Services for Low-Income Families and Homeless Populations CARE Program	2021	2022	Homeless Non-Housing Community Development	Citywide	Homelessness and Non-housing Community Services	CDBG: \$39,816.00	Homelessness Prevention Public service activities for low/moderate-income housing benefit 100 persons
5	Fair Housing	2021	2022	Non-Housing Community Development Non-Homeless Special Needs Homeless	Citywide	Fair Housing	BMR AFH: \$50,000	Public Service Activities for low/moderate-income housing benefit 82 persons
6	Planning and Administration	2021	2022	Not Applicable	Not Applicable	Not Applicable	CDBG: \$82,950	Not Applicable

Goal Descriptions

The Consolidated Plan goals below represent high priority needs for the City of Cupertino 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:

Table 8. Goal Descriptions

1	Goal Name	Homeowner Rehabilitation
	Goal Description	Make critical home repairs for lower income and disabled resident homeowners who could not otherwise afford to make critical repairs in their homes. Repairs/rehabilitation is for critical health and safety issues and/or the addition of accessible features for disabled and/or elderly homeowners who may otherwise not be able to stay in their homes.
2	Goal Name	Rental Unit Rehabilitation
	Goal Description	Repair/rehabilitate affordable rental housing units for extremely low- and low-income residents.
3	Goal Name	Frail Elderly/Elderly Services
	Goal Description	Provide services to frail elderly, elderly, and disabled residents. Supportive services may include activities geared to maximize the social experience and mental stimulation of elderly clients, and to improve/sustain their mental and physical function and their quality of life.
4	Goal Name	Services for Low-Income Families and Homeless Populations
	Goal Description	Provide supportive services for low-income families and homeless populations.
5	Goal Name	Fair Housing
	Goal Description	Provide landlord/tenant counseling, and dispute resolution services activities to LMI residents.
6	Goal Name	Planning and Administration
	Goal Description	General administration of the CDBG program, including all planning and reporting activities.

AP-35 Projects - 91.420, 91.220(d)

Introduction

The City received its an allocation from HUD for Program Year 2021-22 which includes \$412,800 in entitlement funds, \$7,944 in program income, and \$48,000 in unexpended funds from previous years. In addition, the City is making available \$115,780 in General Funds, \$50,000 in Below Market Rate/Affordable Housing Funds, and \$259,937.60 in CDBG-CV funds.

Although not anticipated, should these expected resources be revised prior to the Plan being adopted, the City will adjust each project/program listed below on a pro-rated basis to reflected the overall funds available.

Table 9 – Project Information

#	Project Name
1	Frail Elderly/Elderly Services, Live Oak Adult Day Care Program
2	Services for Low-income Families and Homeless, Community Access to Resources and Education (CARE)
3	Homeowner Rehabilitation, Rebuilding Together Silicon Valley
4	Rental Unit Rehabilitation, Vista Village Renovation Project
5	Program Administration

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

The City awards CDBG funding to projects and programs that will primarily benefit low-income, homeless and special needs households. The City operates on a three-year grant funding cycle for CDBG public service grants and a one-year cycle for CDBG capital housing rehabilitation projects. Projects are only considered for funding within the Consolidated Plan period if they address the goals discussed above.

Funding of most projects was based on a competitive process that involved a Request for Proposals from the City's annual NOFA that was released on November 10, 2020. Interested applicants submitted funding proposals to the City based on the targeted priorities developed by the City. Proposals were then reviewed by the City staff and the City Housing Commission. Funds were distributed based on the applicants meeting the stated priorities and funding availability. The main obstacle to this process was the limited availability of funding. The City also contributed BMR funds (\$50,000) and General Fund (\$115,780) to the NOFA process to assist additional organizations that could not be funded with CDBG dollars due to funding constraints.

AP-38 Project Summary

Project Summary Information

Table 9 below provides additional information on the projects that will be funded in FY 2021-22 with the City's CDBG funds. One project, Fair Housing, will be funded with \$50,000 from the City's BMR fund.

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1	Project Name	Live Oak Adult Day Care Program
	Target Area	Citywide
	Goal Supported	Frail Elderly/Elderly Services
	Needs Addressed	Non-housing Community Services Non-Homeless Special Needs
	Funding	\$22,396.50
	Description	Live Oak Adult Services will provide services for 22 frail elderly and elderly disabled residents who otherwise may have to be institutionalized. Supportive services are geared to maximize the social experience and mental stimulation of elderly clients, and to improve/sustain their mental and physical function and their quality of life through exercise, music, nutritious meals, visual arts, music and games and puzzles. Caregiver support workshops are also available.
	Target Date	June 30, 2022
	Estimate the number and type of families that will benefit from the proposed activities	22 persons will be served.
	Location Description	Citywide (20930 McClellan Road, Cupertino)
	Planned Activities	See above description.
2	Project Name	Community Access for Resources and Education
	Target Area	Citywide
	Goal Supported	Supportive Services for Low-Income Families and Homeless Populations
	Needs Addressed	Prevent and Assist Those Experiencing Homeless Non-housing Community Services
	Funding	\$39,816.00
	Description	The WVCS CARE program will provide services for 100 low-income and homeless families and individuals. The program connects clients with community resources, making services easily available and accessible, and works with them on capacity building. The main objectives of CARE are to encourage more stable and sustainable solutions that foster self-sufficiency instead of dependency.
	Target Date	June 30, 2022
	Estimate the number and type of families that will benefit from the proposed activities	100 persons will be served.

	Location Description	Citywide
	Planned Activities	See above description.
3	Project Name	Rebuilding Together Silicon Valley
	Target Area	Citywide
	Goal Supported	Homeowner Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	\$97,318.00
	Description	Rebuilding Together Silicon Valley will provide funds to seven low-income Cupertino homeowners who could not otherwise afford to make critical repairs in their homes, resulting in health and safety issues. Grants may include funding for the addition of accessible features for disabled and/or elderly homeowners who may otherwise not be able to stay in their homes.
	Target Date	June 30, 2022
	Estimate the number and type of families that will benefit from the proposed activities	8 housing units will be rehabilitated.
	Location Description	Citywide
	Planned Activities	See above description.
4	Project Name	Vista Village Renovation Project
	Target Area	Citywide
	Goal Supported	Rental Unit Rehabilitation
	Needs Addressed	Affordable Housing
	Funding	\$220,269.50
	Description	West Valley Community Services, Inc. will repair 5 rental units in the Vista Village BMR rental complex. Tenants who live in the complex are very low- and low-income residents.
	Target Date	June 30, 2022
	Estimate the number and type of families that will benefit from the proposed activities	5 housing units will be rehabilitated.
	Location Description	10104 Vista Drive, Cupertino
	Planned Activities	See above description.
5	Project Name	Fair Housing
	Target Area	Citywide
	Goal Supported	Fair Housing

	Needs Addressed	Fair Housing
	Funding	\$0 (\$50,000 provided annually by BMR: AFH)
	Description	Project Sentinel will provide landlord/tenant counseling and dispute resolution services activities to 82 low moderate residents.
	Target Date	June 30, 2022
	Estimate the number and type of families that will benefit from the proposed activities	82 persons will be served.
	Location Description	Citywide
	Planned Activities	See above description.
	Planned Activities	See above description.
6	Project Name	Planning and Administration
	Target Area	Citywide
	Goal Supported	Not applicable
	Needs Addressed	Not applicable
	Funding	\$82,950.00
	Description	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.
	Target Date	June 30, 2022
	Estimate the number and type of families that will benefit from the proposed activities	Not applicable
	Location Description	Citywide
	Planned Activities	See above description.

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City allocates CDBG funds to benefit low-moderate income (LMI) households and does not have target areas. Instead, the City focuses its services and capital improvements across the City as a whole.

Geographic Distribution

Table 10. Geographic Distribution

Target Area	Percentage of Funds
Citywide	100%

Rationale for the priorities for allocating investments geographically

Not applicable.

Discussion

Please see discussion above.

AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

The City is subject to the same barriers to affordable housing that exist across the Bay Area. These issues include the high costs of development, constraining the development of affordable housing units in favor of higher-end units, and the lack of developable land, which prevents housing development and increases the price of land.

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 2015-2023 Housing Element update reported that the Cupertino's public policies do not stand as a constraint to new housing production.

Discussion

The City has identified strategies to remove or ameliorate barriers to affordable housing in their

2015-2023 Housing Element, which include:

- Continuing to implement the second dwelling unit ordinance;
- Facilitating lot consolidations;
- Being flexible with development standards;
- Planning for increased densities in the “Heart of the City”;
- Collecting housing mitigation fees;
- Incentivizing development; and
- Conserving housing stock.

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

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

The City’s BMR AHF receives its revenue from the payment of housing mitigation fees from non-residential (office, retail, 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 and 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. The nexus study was updated in 2020.

HOME Investment Partnerships Program (HOME)

The City joined the County’s HOME Consortium in 2015. 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 - 91.420, 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

To address obstacles to meeting underserved needs, the City supplements its CDBG funding with other resources and funds, such as:

- The City's BMR AHF fund receives its revenue from the payment of housing mitigation fees from non-residential (office, retail, R&D, hotel and industrial) and residential development. The Housing Mitigation fee program acknowledges housing needs created by the development of non-residential and residential projects, and the fees collected are deposited in the City's BMR AHF and are to be used for the provision of affordable housing.
- Each year the City allocates approximately \$50,000 from the BMR AHF to provide public service grants to public and human service agencies within the City limits.
- Each year the City allocates approximately \$100,000 from the General Fund to provide Human Service Grants to public and human service agencies within the City limits.
- HOME Program funds are available on an annual competitive basis through the State of California HOME program, and the County HOME Consortium.
- In response to COVID-19 and the associated stay-at-home order, the City allocated \$200,000 to programs such as Emergency Rental Assistance programs to help households that have become more vulnerable due to the pandemic.
- The City contributed \$25,000 to help create two new programs for qualified De Anza students. These new programs are administered by the college in partnership with West Valley Community Services and Catholic Charities of Santa Clara County.
- The City created a Homelessness Task Force to assist with the needs of the unhoused residents in Cupertino and launched a program to provide weekly outreach and a pathway to housing for encampment members at the encampment located along Wolfe Road near Interstate 280
- The State of California's Multifamily Housing Program has been a major source of funding for affordable housing since 2002. This program provides low-interest loans to developers of affordable rental housing.
- WVCS is a nonprofit organization that administers additional affordable housing programs in the City, which include providing support services to homeless individuals and managing a transitional housing facility.
- The Housing Trust Silicon Valley (HTSV) is a public/private venture, dedicated to increasing affordable housing in the county. The Trust makes available funds for developers to borrow for the construction of affordable units.
- The Mortgage Credit Certificate (MCC) Program provides assistance to first-time homebuyers by allowing an eligible purchaser to take 20 percent 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, including the City.

- The Santa Clara County Affordable Housing Fund was created in 2002, with an initial investment by the Board of Supervisors of \$18.6 million. The AHF is used for affordable housing developments and allows the leveraging of its funding with other sources to create affordable housing in the County. Additionally, a bond measure was passed this year that will add additional public funds for affordable housing projects in the County.
- The HACSC administers the federal Section 8 program countywide. The program provides rental subsidies and develops affordable housing for low-income households, seniors and persons with disabilities living within the county.

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 funded 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 is fully integrated by the City 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 at-risk of becoming homeless. In FY 2021-22, the City will allocate CDBG dollars to the following program:

- Community Access to Resources and Education (CARE) - The CARE program incorporates both case management and wrap around services to help at risk and vulnerable households 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 22 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.

Additionally, the City supports organizations working to reduce poverty throughout the region, including:

- Santa Clara County Human Services, which helps clients develop a “welfare to work” plan and provides career advising, job placement, resume development, and interviewing skills to students. The Department of Human Services also serves homeless individuals with job training and housing.
- The NOVA Workforce Development Board provides training and employment services to those residing in the Cities of Santa Clara, Cupertino, Los Altos, Milpitas, Mountain View, Palo Alto, and Sunnyvale. Many of its services and programs target disadvantaged youth and adult populations, who may have limited education and/or barriers to employment.
- The SCCCHA is a Moving to Work agency, which allows programs that focus on self-sufficiency and affordable housing.
- Santa Clara Unified School District’s Adult Education Center offers a variety of courses and resources, including English as a second language and resources for immigrants, high school diploma and GED courses, career training, enrichment courses, exercise and wellness courses, parenting classes, an on-site preschool, and on-site CalWORKs office dedicated to working with students at the Adult Education Center.

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.

AP-90 Program Specific Requirements - 91.420, 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.

Table 11. Program Income

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	\$7,944.00
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	\$7,944.00

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. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100%

Discussion

The City will attempt to meet an overall benefit of 100% for this Annual Action Plan which will be for one year.