

The seal of the City of Santa Clara, California, is circular. It features a central illustration of a mission building with a red roof and a bell tower, set against a blue sky with clouds. Below the building is a green field. The text "CITY OF SANTA CLARA CALIFORNIA" is written in a circle around the top, and "1852" is at the bottom. Below the seal, the text "THE MISSION CITY" is visible.

## City Council Meeting

Item #6 – RTC# 24-188  
Public Hearing #1: FY24/25  
DRAFT Annual Action Plan for the  
Use of Federal Housing and  
Urban Development Grant Funds

March 19, 2024

1

## Federal Funding Programs

- HOME: The HOME Investment Partnerships Program
  - Eligible Uses:
    - Providing direct rental assistance and security deposits to low-income people
    - Building, buying, and/or rehabilitating affordable housing for rent or homeownership
    - Flexible; can be used as grants, direct loans, loan guarantees or other forms of credit enhancements

2

2

**POST MEETING MATERIAL**

1

## Federal Funding Programs

- CDBG: Community Development Block Grants

- Eligible Uses:

- Acquisition of Real Property
- Construction of Public Facilities and Improvements
- Public Services (limited to 15% of Grant)
- Rehabilitation of Residential and Non-Residential Structures
- Activities related to Energy Conservation and Renewable Energy Sources
- Relocation and Demolition
- Economic Development
- Planning/Administration for Program (limited to 20% of allocation)

3

3

## Federal Funding Programs

- CDBG: Community Development Block Grants

- National Objectives: (Must meet at least 1)

1. Benefit low-and moderate-income persons (LMI)
2. Prevent or eliminate slum or blight
3. Meet urgent community development needs

- Eligible Beneficiaries:

- Not less than 70% of CDBG funds must be used for activities that benefit low- and moderate-income persons.

4

4

## Federal Funding Cycle

### 2020-2025 Consolidated Plan

#### FY 2024-2025 Annual Action Plan

FY 2023-2024 Annual Action Plan ✓

FY 2022-2023 Annual Action Plan ✓

FY 2021-2022 Annual Action Plan ✓

FY 2020-2021 Annual Action Plan ✓

5

5

## Annual Action Plan

- The FY24/25 DRAFT Annual Action Plan details programming recommendations for federal Housing and Urban Development funds for the upcoming 2024-2025 program year.
- HUD requires that the City hold two public hearings to attain public comment on staff recommendations; this is the first hearing.
- A 30-day public comment period on the FINAL version of the Annual Action Plan will begin on April 5<sup>th</sup> and ends on the final public hearing on May 7<sup>th</sup> prior to the submission of the Plan to HUD.

6

6



## Annual Action Plan

- The City typically receives the entitlement amounts in March, yet due to the Federal budget process, announcements have been delayed.
- FY 23/24 CDBG entitlement was \$1,041,762
- FY 23/24 HOME entitlement was \$437,58

7

7

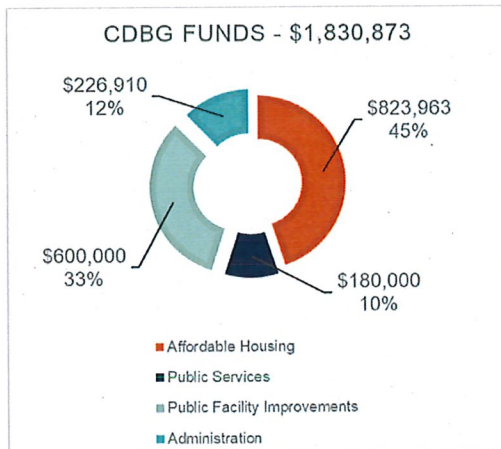
## 2024-2025 Annual Action Plan Estimated Resources

CDBG Estimated Resources \$1,830,873	HOME Estimated Resources \$1,025,000
<ul style="list-style-type: none"> <li>• \$1,034,553</li> <li>• 24/25 Allocation</li> </ul>	<ul style="list-style-type: none"> <li>• \$437,588</li> <li>• 24/25 Allocation</li> </ul>
<ul style="list-style-type: none"> <li>• \$15,574</li> <li>• Funds from prior years</li> </ul>	<ul style="list-style-type: none"> <li>• \$577,412</li> <li>• Funds from prior years</li> </ul>
<ul style="list-style-type: none"> <li>• \$780,746</li> <li>• Program Income</li> </ul>	<ul style="list-style-type: none"> <li>• \$10,000</li> <li>• Program Income</li> </ul>

8

8

## 2024-2025 Proposed Commitment Of CDBG Funds



### • Affordable Housing

- \$100,000 Capital Improvements
- \$500,000 NCIP Home Repair Loan Program
- \$73,963 NCIP Home Repair Activity Delivery
- \$150,000 Rebuilding Together Grant Program

### • Public Services

#### • Public Service Facility Improvements

- Capital Improvements to public facilities that serve low-income residents.

### • Administration

- Approximately 20% of our annual allocation and next year's estimated program income.

9

9

## Public Services

### CDBG Funds

Bill Wilson Center - Counseling & Family Therapy	\$30,000
The Health Trust - Meals on Wheels	\$30,000
HOPE Services - Educational Services	\$30,000
Silicon Valley Independent Living Center (SVILC)	\$30,000
Senior Adult Legal Assistance (SALA) - Legal Assistance	\$30,000
Heart of the Valley - Support & Transportation Services	\$30,000
<b>Total</b>	<b>\$180,000</b>

### General Funds

Project Sentinel - Landlord/Tenant Mediation Services	\$51,264
Catholic Charities Ombudsman - Ombudsman Prog.	\$15,000
United Way 211 Services	\$5,000
<b>Total</b>	<b>\$71,264</b>

10

10

## Capital Projects

### CDBG Funds

ADA Curb Cuts (Public Facilities)	\$600,000
-----------------------------------	-----------

11

11

## Affordable Housing Programs

### CDBG Funds

CIP for Affordable Housing - Liberty Tower	\$100,000
NCIP Activity Delivery Costs	\$73,963
NCIP Loans and Grants	\$500,000
Rebuilding Together - Minor Repair Program	\$150,000
<b>Total:</b>	<b>\$823,963</b>

### HOME Funds

TBRA Rents and Deposits	\$905,604
Community Housing Development Org. (CHDO) Set-aside	\$65,638
<b>Total:</b>	<b>\$971,242</b>

### Affordable Housing Fund 165

TBRA Administration & Case Management	\$160,697
---------------------------------------	-----------

### Housing Successor Fund 169

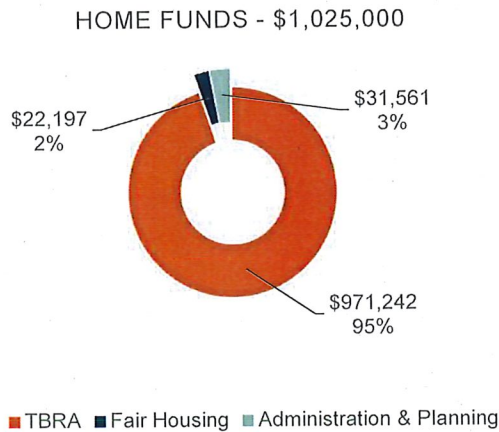
TBRA Administration & Case Management	\$140,000
---------------------------------------	-----------

12

12



## 2024-2025 Proposed Commitment Of HOME Funds



### • Tenant Based Rental Assistance

- *Assisting homeless households to acquire housing through rent subsidies and rental deposits.*

### • Fair Housing Services

- *Promote and address Fair Housing.*

### • Administration

- *Approximately 10% of our annual allocation and 10% of the estimated program income for program year 24/25.*

13

13

## Overview

### Contingency Language for CDBG

#### Higher than expected

If the City receives more Program Income than expected, the excess amount will be programmed to address the need for Affordable Housing. The funds may be programmed to either the NCIP home repair program or a Capital Improvement project for Multi-Family Affordable Housing depending on the source of the income.

#### Lower than expected

If the City receives less Program Income and/or prior year resources are lower than estimated, the City Council would decide, or delegate to the City Manager to decide, which activities would not be funded.

14

14

## Overview

### Contingency Language for HOME

#### Higher than expected

If the City receives more Program Income and/or prior year resources than estimated, the excess funds shall be allocated to the TBRA program after the City's portion for administration is set aside.

#### Lower than expected

If the City receives less Program Income and/or prior year resources than estimated, funding for TBRA will be reduced after the City's portion for administration is set aside.

15

15

## HUD Timeliness Test

- Each year HUD conducts a timeliness expenditure test for CDBG.
- In recent years, the City has fallen behind in CDBG capital spending due to a pandemic-related drop in demand for the NCIP home repair program.
- In April 2022, the City awarded over \$2.4M to six capital projects. These projects moved slower than anticipated.
- In FY 24/25 staff are proposing a \$600,000 ADA curb ramp project and increases to the NCIP home repair program to speed spending.
- Staff will meet with HUD in spring 2024 to discuss additional strategies to ensure timeliness.

16

16



## Annual Action Plan Schedule

- Public Hearing #1: March 19, 2024
- HUD finalizes allocation April/May 2024
- Public Hearing #2: May 7, 2024
- Submit Annual Action Plan to HUD: May 15, 2024

17

17

## Council Action

### Recommendation

1. Approve the 2024-2025 DRAFT AAP and direct staff to include public comments in the final version to be presented to the City Council on May 7, 2024.
2. Delegate authority to the City Manager or designee to execute all agreements and amendments that exceed the City's \$250,000 threshold for federal and local funding that is allocated through the City Council's adoption of the 2024-2025 Annual Action Plan in final forms approved by the City Attorney.

18

18

The seal of the City of Santa Clara, California, is circular. It features a central illustration of a mission-style building with a red-tiled roof and a bell tower, set against a blue sky with clouds and green grass. The year "1852" is prominently displayed below the building. The outer ring of the seal contains the text "CITY OF SANTA CLARA CALIFORNIA" at the top and "THE MISSION CITY" at the bottom, separated by small dots.

**City Council Meeting**

**Item #6 – RTC# 24-188**

**Public Hearing #1: FY24/25**

**DRAFT Annual Action Plan for the Use of Federal Housing and Urban Development Grant Funds**

**March 19, 2024**