


**City Council Meeting**

**Item #7 (25-415)**  
**2025-2030 Final Consolidated Plan & FY 25-26 Annual Action Plan for the use of Federal Housing and Urban Development (HUD) Grant Funds**

**May 13, 2025**



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## Overview

### BACKGROUND

- The City of Santa Clara receives approximately \$1.7M annually in entitlement funding from the U.S. Department of Housing and Urban Development (HUD) to benefit low-income households
  - The Community Development Block Grant Program (CDBG) funds affordable housing and public facility improvements, and public services.
  - The HOME program can fund rental assistance to prevent homelessness and housing production
- Every 5 years, the City must develop a Consolidated Plan (5-Year Plan) that studies community needs and sets broad goals for the years ahead
- Every year, the City must develop an Annual Action Plan to detail how the city will spend funds in response to the 5-Year Plan goals
- This year, the Santa Clara County selected Root Policy, a consultant, to conduct regional outreach and analysis, and to prepare plans for each entitlement City
- Public hearings on April 8 + May 13

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## Overview

### Comments from Public Hearing #1

- Five Public Service Agencies appeared and spoke in support of funding their agencies
- Four additional public service agencies submitted written comments/letters of support
- One member of the public commented that he thinks the federal government will cut funding.
- Council Member Chahal asked if there was a backup plan if HUD funding is cut
- Councilmembers Hardy and Jain asked clarifying questions about TBRA.
- Council Member Park asked if agencies can use Public Service and Capital Improvement dollars.
- No additional public comments were received.

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## Overview


### Goals for 2025-2030

- **Affordable Housing:** Development, rehabilitation, rental assistance
- **Homelessness:** Affordable housing, case management, connection to services
- **Public Services:** Basic needs services for lower income/special needs households
- **Fair Housing:** Promote fair housing choice through education, testing, mediation
- **Public Facility Improvements:** Sidewalks, traffic calming, and other improvements
- **Administration & Planning:** Management, planning, monitoring

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<b>FY 25/26 Expected Resources</b>		
HOME \$665,000	CDBG \$1,050,000	Local Funds \$565,156
\$335,000 25/26 Allocation	\$930,000 25/26 Allocation	\$225,697 Affordable Housing Funds
\$10,000 Program Income	\$120,000 Program Income	\$250,000 Housing Successor Funds
\$320,000 Prior Years' Funding	\$0 Prior Years' Funding	\$89,459 General Fund

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<b>CDBG Funding for Public Service Activities</b>				
	Funding Requested	Proposed Funding	# Served	Funding Source
Loaves & Fishes - Meals on Wheels	\$ 40,000	\$ 30,000	30	CDBG
Senior Adult Legal Assistance (SALA) -Legal Assistance	\$ 33,000	\$ 30,000	80	CDBG
Bill Wilson - Counseling & Family Therapy	\$ 35,000	\$ 30,000	120	CDBG
Silicon Valley Independent Living Center - Housing for persons with Disabilities	\$ 35,145	\$ 30,000	70	CDBG
Heart of the Valley - Support & Transportation Services	\$ 60,000	\$ 30,000	144	CDBG
Hope Services - Educational Services	\$ 34,760	\$ 30,000	11	CDBG
<b>Total:</b>	<b>\$ 237,905</b>	<b>\$ 180,000</b>	<b>455</b>	

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## Local Funding for Public Service Activities

	Funding Requested	Proposed Funding	# Served	Funding Source
Project Sentinel - Landlord/Tenant Mediation Services	\$ 74,388	\$ 69,159	200	GF
Catholic Charities Long-Term Care Ombudsman	\$ 30,000	\$ 15,300	240	GF
United Way 211 Services	\$ 5,000	\$ 5,000	500	GF
ABODE - Case Management Services for TBRA participants	\$ 300,697	\$ 300,697	N/A	CAHF/CHSF
County Intensive Case Management	\$ 125,000	\$ 125,000	20	CAHF/CHSF
County Homeless Prevention Program	\$ 50,000	\$ 50,000	20	CAHF
<b>Total</b>	<b>\$ 585,085</b>	<b>\$ 565,156</b>	<b>980</b>	

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## HUD Funding for Capital Improvements & Other

	Funding Requested	Proposed Funding	# served	Funding Source
Rebuilding Together Silicon Valley - (RTSV) Minor Home Repair Program	\$ 09,000	\$ 200,000	15	CDBG
Neighborhood Conservation & Improvement Program (NCIP)	N/A	\$ 400,000*	10*	CDBG*
Project Sentinel - Fair Housing Services	\$ 35,000	\$ 22,197	15	HOME
ABODE - Tenant Based Rental Assistance HOME	\$ 400,000	\$ 571,250	15	HOME
<b>Total</b>	<b>\$ 644,000</b>	<b>\$ 1,193,447</b>	<b>55</b>	

\*In FY 25/26, the NCIP program will utilize a total of \$560,000 (prior year + FY 25/26) to rehabilitate 6 homes.

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## Neighborhood Conservation & Improvement Program (NCIP)

Minor Repair Grant	Major Repair Loan
<ul style="list-style-type: none"> <li>Administered by Rebuilding Together</li> <li>Grants up to \$25,000</li> <li>Ramps, grab bars, accessibility, and repairs</li> </ul>	<ul style="list-style-type: none"> <li>Administered by City Staff</li> <li>Low interest deferred maintenance loans (\$100,000 average)</li> <li>Re-roofing, plumbing, heating/cooling, electrical, termite damage, weatherization, foundation, accessibility, energy/water efficiency, lead and mold remediation, etc.</li> </ul>
\$200,000 (FY 25/26 Entitlement)	\$400,000 (FY 25/26 Entitlement) <u>\$160,000 (Prior Year Funds)</u> \$560,000
<b>11 HOMES</b>	<b>6 HOMES</b>

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## Council Action

**Recommendation**

1. Note and File Public Comment on the 2025-2030 Final Consolidated Plan and FY 25/26 Annual Action Plan for U.S. Department of Housing and Urban Development Funds.
2. Approve the 2025-2030 Final Consolidated Plan and FY 25-26 Annual Action Plan, in the forms presented, and direct staff to summarize and include all public comments to be submitted to HUD within sixty (60) days after receiving allocation notice.
3. 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 FY 25/26 Annual Action Plan in final forms approved by the City Attorney.


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**City Council Meeting**

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**Annual Action Plan Contingency Language for CDBG**

<b><u>Higher than expected</u></b>	<b><u>Lower than expected</u></b>
<p>If the City receives <u>more</u> Entitlement funding than expected, funds will be used for the City Homeowner Rehabilitation Program (i.e. NCIP) and/or the Minor Repair Program. The City reserves the option to provide more funding for public services if the Public Service Cap allows for another agency to be funded to at least \$30,000.</p>	<p>If the City receives <u>less</u> Entitlement funding than expected, the Public Service and Admin Caps will be recalculated and amounts adjusted. If the recalculation results in a Public Service Cap of less than \$180,000, the City will need to reduce its number of Public Service Agencies accordingly to come under the Public Service Cap. The agency(ies) that scored lowest during the NOFA process will be cut first. Further, the amount allocated to the Minor Repair Program may need to be reduced. All Program Income is placed in the Revolving Loan Fund for use in the NCIP program.</p>

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### Annual Action Plan Contingency Language for HOME

<p><b><u>Higher than expected</u></b></p> <p>If the City receives <u>more</u> Entitlement funding than expected, the Administration amounts will be recalculated. All remaining funds will be used for the TBRA program.</p>	<p><b><u>Lower than expected</u></b></p> <p>If the City receives <u>less</u> Entitlement funding than expected, the Administration amounts will be recalculated. The TBRA program will then be reduced in funding.</p>
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## **Overview**

### **SUMMARY OF COMMUNITY ENGAGEMENT**

- Website for the Consolidated Plan
- A community survey open from October-December 2024
- Two virtual regional workshops (interpretation available in Spanish, Vietnamese, Mandarin)
- Three focus groups with stakeholders in housing, supportive services, and community development
- One-on-one interviews with the Continuum of Care
- Art and Wine Festival Pop-Up engagement
- Public hearings on April 8 and May 13, 2025


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## NOFA for Public Service Agencies

<ul style="list-style-type: none"> <li>• Public Service Agency (PSA) submissions were ranked based on:               <ul style="list-style-type: none"> <li>➢ Proposed activity being a HIGH priority;</li> <li>➢ Agency's years of service;</li> <li>➢ Amount of funds leveraged;</li> <li>➢ The majority of beneficiaries served being either extremely low or very low income; and</li> <li>➢ The agency's history of drawing funds down.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• January 31, 2025 NOFA for Public Service Agency proposals released</li> <li>• March 4, 2025 Applications Due</li> <li>• April 8, 2025 Recommendations to Council</li> </ul>
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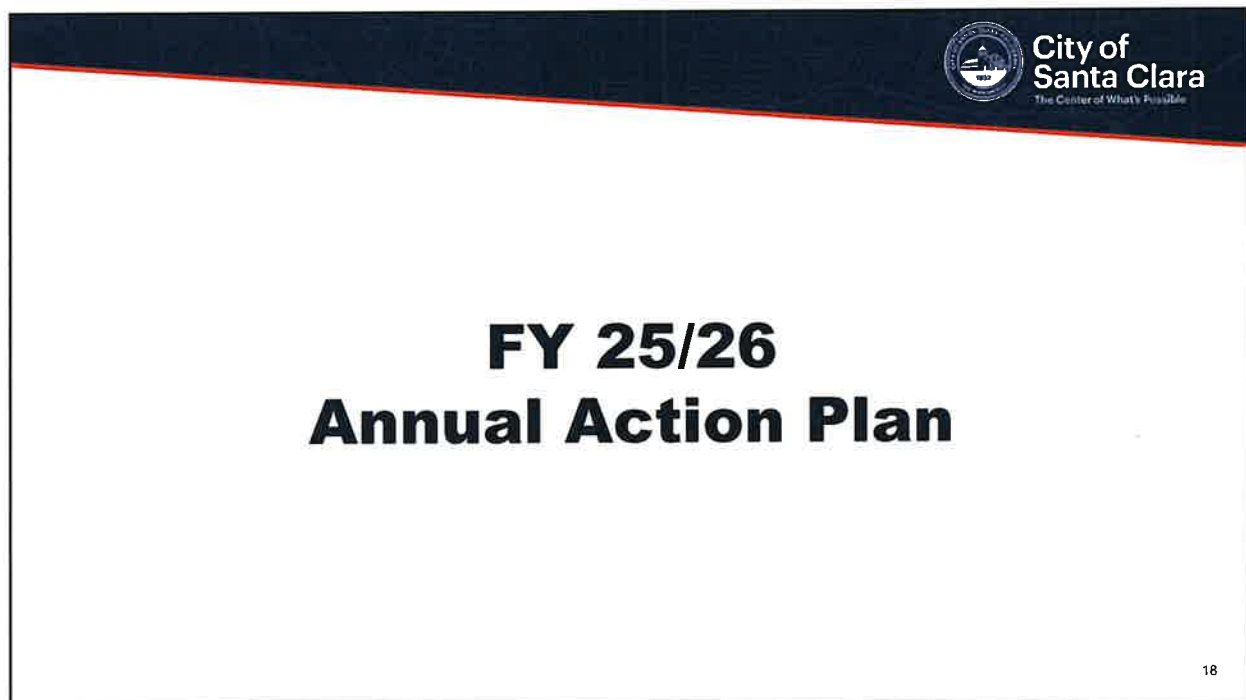
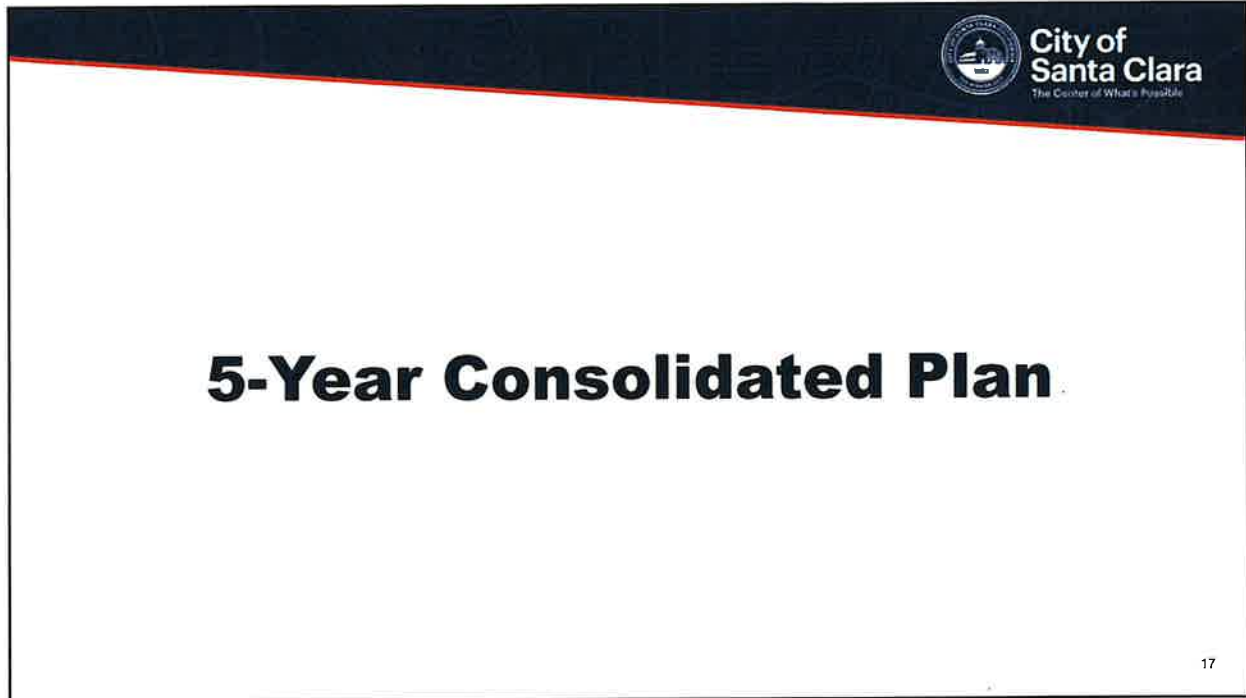

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## Federal Funding Programs

- 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)

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## 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.

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## 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

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