

# City Council Meeting

Item #5 (20-431)

2020-2025 5-Year Consolidated Action Plan & 2020-2021 Annual Action Plan for the use of Federal Housing and Urban Development (HUD) Grant Funds

May 12, 2020

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## **Overview**

#### **BACKGROUND**

- The City of Santa Clara receives entitlement funding from the US Department of Housing and Urban Development (HUD) to benefit low income households by providing affordable housing and community development services
- HUD requires cities to develop a 5-Year Consolidated Plan (ConPlan) to determine the city's needs and goals for a five-year cycle to benefit low income households
- HUD requires cities to create an Annual Action Plan to detail how the city will use funds to benefit low income households in support of the Consolidated Plan's needs and goals

#### RECOMMENDATION

- Note and file public comment on both plans for the expenditure of HUD funds
- Approve the Final 2020-2025 Consolidated Plan and FY 2020-2021 Final Annual Action Plan, and direct staff to incorporate all public comments to be submitted to HUD by May 15, 2020



## **Key Dates**

• 10/29/19 - 12/20/19: Community Survey on needs & priorities

10/2019 – 12/2019: Numerous stakeholder and focus group meetings

• 11/14/2019: Community Outreach Meeting 1 (morning)

11/14/2019: Community Outreach Meeting 2 (night)

01/13 - 2/24/2020: NOFA for Public Service Agencies

• 03/31/2020: Public Hearing 1
- Presentation of the DRAFT ConPlan & Annual Action Plan to City Council.

• 04/1/20 - 05/05/20: **30-day Public Comment Period** 

• 05/12/2020: Public Hearing 2
- Presentation of the FINAL ConPlan & Annual Action Plan to City Council.

• 05/15/2020: ConPlan & Annual Action Plan Submissions to HUD

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## **Consolidated Plan**

#### BACKGROUND

The City was part of a collaborative effort with the County of Santa Clara and seven other cities to create a Regional Consolidated Plan. The County entered into a contract with Michael Baker International (MBI) to complete a Regional Plan.

#### SUMMARY OF CONSOLIDATED ACTION PLAN GOALS

#### 2015-2020 ConPlan Goals

- · Affordable Housing
- Public Services
- Homelessness
- Public Facilities
- Fair Housing

#### 2020-2025 ConPlan Goals

- Affordable Housing
- Public Services
- Homelessness
- Public Facilities
- Fair Housing

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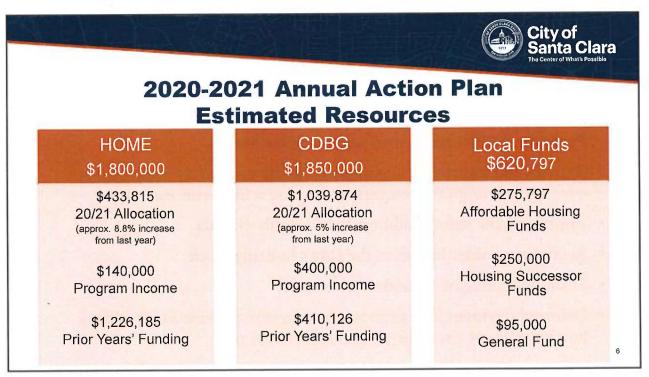


## **Consolidated Plan**

#### SUMMARY OF COMMUNITY ENGAGEMENT

- Regional Community Engagement Public Meetings held at three different locations across the County
- Two City-hosted Community Meetings
- Stakeholder Focus Group Meetings with 6-10 attendees from target populations including disabled persons, racial and ethnic minorities, seniors
- Pop-Up Events designed for short interactions (e.g., Art & Wine Festival)
- Online Survey (approximately 100 respondents)
- Two public hearings: March 31, 2020 and May 5, 2020

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## **Tenant Based Rental Assistance Overview**

- Assists homeless families, families at risk of becoming homeless, or households fleeing domestic violence.
- Provides deposits and rental subsidies for up to 12 months (with the possibility of an extension). Subsidies cover the difference between 30% of the participant's adjusted monthly income and monthly rent.
- Provides case management and housing search services to program participants through Abode Services.
- Receive referrals from County's Coordinated Assessment Queue and Santa Clara Unified School District.
- Assisted 51 households (76 adults and 106 children) in 2018-2019.

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## **NCIP** Overview

- Since 1976, the Neighborhood Conservation and Improvement Program (NCIP) has helped rehab 1,500+ homes
- Repairs and improvements address health and safety issues, meet current Building Code requirements, and address accessibility
- Improving the safety and beauty of neighborhoods
- Revitalizing older homes in the City's housing stock
- Stimulating neighborhood reinvestment
- Deferred payment loans (up to 20 years) are provided to qualified homeowners at a simple 3% annual interest rate

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## **COVID - 19 Stimulus Funds**

- Congressional leaders reached a bipartisan agreement on a \$2
   trillion direct spending bill to respond to coronavirus pandemic
- Estimated \$5 billion of CDBG funds directed to cities and states
- Santa Clara will receive approximately \$1.5 million additional CDBG funds (estimated) in 2020-2021
- The bill provides broad authority to the HUD Secretary to waive requirements in order to expedite the use of CDBG funds to allow jurisdictions to program funds for emergency rental assistance

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## 2020-2021 Annual Action Plan COVID-19 Estimated Resources

COVID CDBG#1 \$611,724

City will design an Emergency Rental Assistance Program (ERAP) to help low-income (<60% of Area Median Income) tenants pay their rental arrears due to the COVID-19 crisis.

COVID CDBG#2 \$888,276 (Estimated)

The City expects to receive a second tranche of CDBG-CV funds.

If the City receives more than \$1.5M in CDBG-CV funds, it will allocate the excess funds to ERAP to try to bring the total for ERAP to \$2M.



## **CDBG Rental Assistance Program**

- Staff is developing an Emergency Rental Assistance Program (ERAP) to assist low-income residents affected by COVID-19.
- The program is meant to provide one-time emergency rental assistance to low-income families and individuals who were financially impacted by COVID-19 and incurred rental arrears
- Staff is working with Bill Wilson Center as the proposed administrator of funds. The City anticipates assisting approximately 200-300 households with funds available starting July 1, 2020.

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## **HOME Program Changes**

- HUD has waived several HOME requirements to help grantees address the COVID-19 crisis including the ability to use Community Housing Development Organization (CHDO) set aside funds from 2017-2020 for Tenant Based Rental Assistance (TBRA) activities.
- This City will invest approximately \$220,000 of CHDO funds to expand the City's TBRA program, which assists families at risk of homelessness. These CHDO funds have been a challenge to spend over the past Con Plan cycle, and this waiver allows the City to use these funds and avoid the risk of funds being recaptured by HUD.

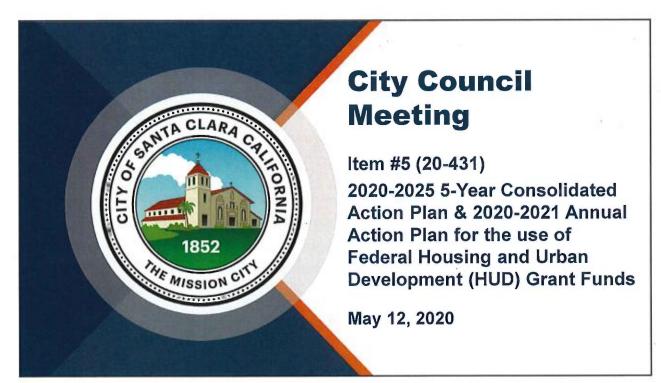


## **Council Action**

#### Recommendation

- 1. Note and File Public Comment on the 2020-2025 Final Consolidated Action Plan and FY2020-2021 Final Annual Action Plan for U.S. Department of Housing and Urban Development Funds (CDBG & HOME)
- 2. Approve the Final 2020-2025 Consolidated Plan and FY2020-2021 Final Annual Action Plan, and direct staff to incorporate all public comments to be submitted to HUD by May 15, 2020
- 3. Any other Council direction

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## Santa Clara-specific Survey Feedback

Feedback given by Santa Clara residents in the Regional Survey, Art & Wine Survey, and at other public meetings resulted in the following <u>High Priority</u> projects and activities to achieve the ConPlan Goals:

Homeless Prevention Programs	Rental Developments for Seniors
Permanent Supportive Housing	Rental Developments for Homeless Families
Homeowner Rehabilitation	Sidewalk & Traffic Calming Improvements
Emergency Housing Assistance	Homeless Services
Legal Services	Youth Services