

**City Council Meeting**

**Item # 7 – RTC# 26-135**  
**Public Hearing #1: FY26/27**  
**DRAFT Annual Action Plan**  
**for the Use of Federal**  
**Housing and Urban**  
**Development Grant Funds**

**March 24, 2026**

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**Background**

- The City receives approximately \$1.3M in federal “entitlement funds”
  - Community Development Block Grant Program (CDBG)
  - HOME Program
- The purpose of these funds is to assist lower income residents
- Every five years the City must create a five year “Consolidated Plan” to identify overall needs and goals
- We are currently planning year 2 of the 2025-2030 funding cycle
- In 2025, the City conducted a grant application process covering the first 3 years of the funding cycle

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## Background

- The 2026/2027 HUD Annual Action Plan allocates funds for projects and programs serving lower income residents:
  - **Capital improvements** support public facilities, accessibility, housing renovation and more.
  - **Public services** support low or no cost counseling, legal assistance, senior services, domestic violence support, rental assistance and more.



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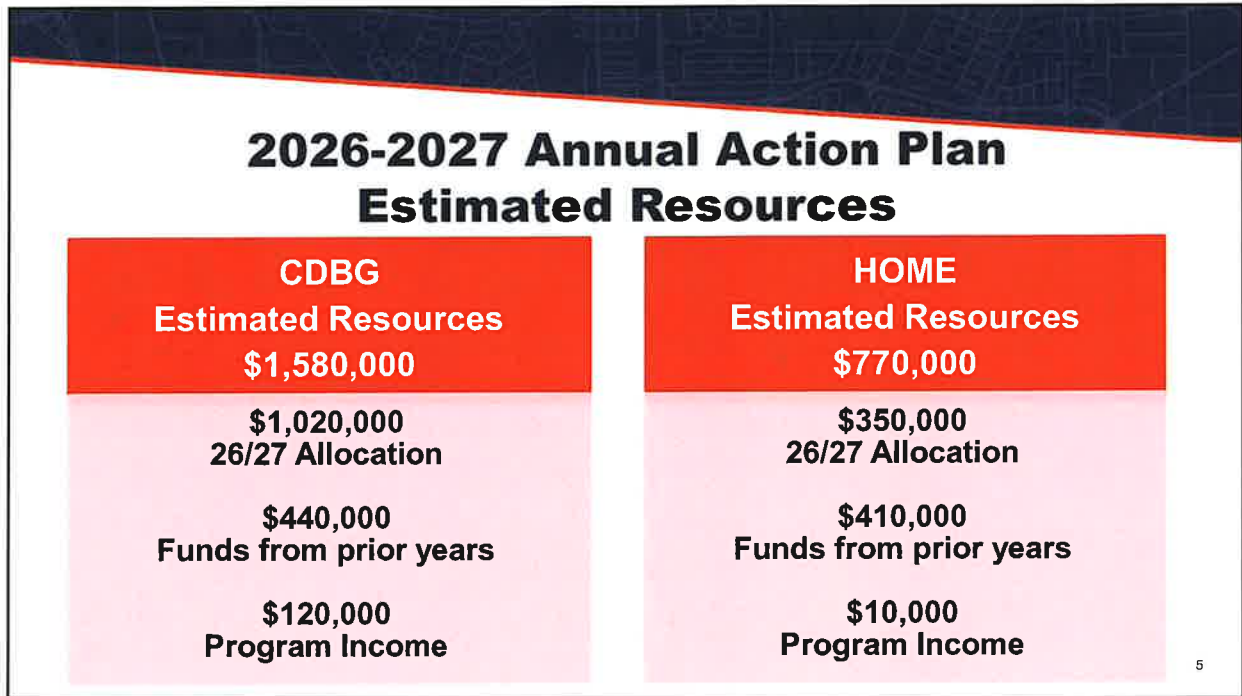
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## Background

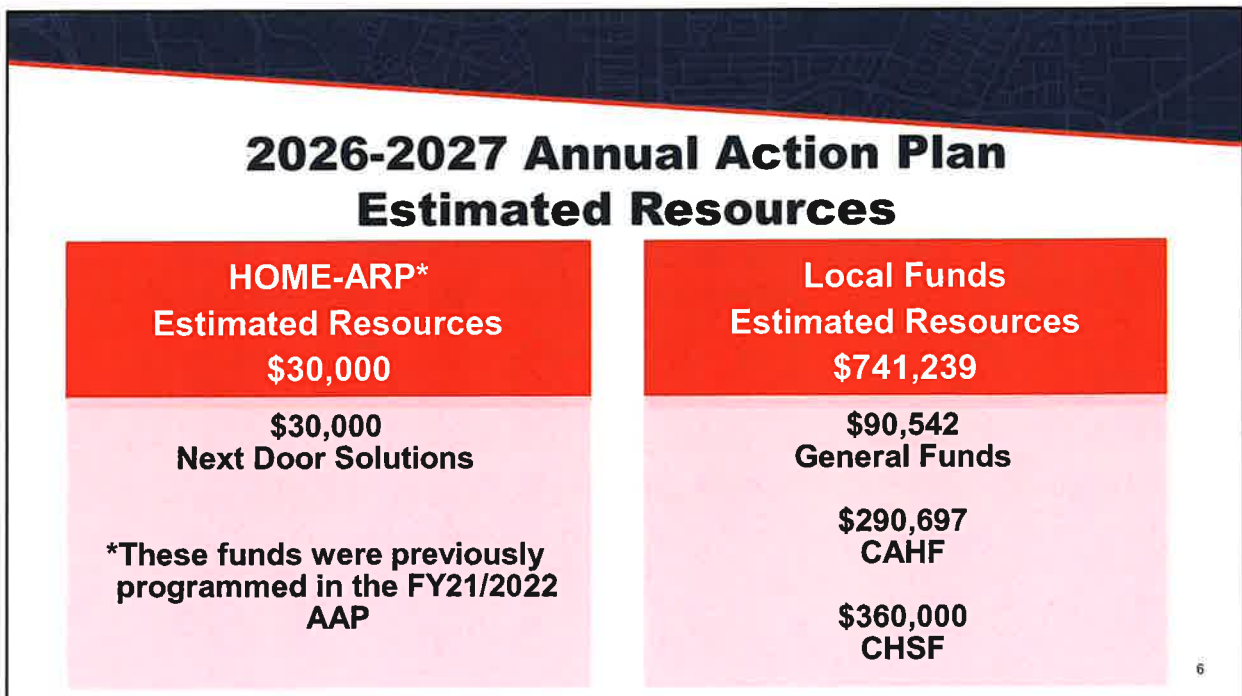
- HUD requires two public hearings; this is hearing 1 of 2
- A 30-day public comment period on the FINAL version of the Annual Action Plan will begin on April 2<sup>nd</sup> and end on May 5<sup>th</sup> (final hearing)
- The Annual Action Plan allocates funding from several sources:
  - HUD Community Development Block Grants
  - HUD HOME
  - HUD HOME ARP
  - Local funds

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### CDBG Funding for Public Service Activities

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

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### Local Funding for Public Service Activities

	Proposed Funding	# Served	Funding Source
Project Sentinel - Landlord/Tenant Mediation Services	\$ 70,542	100	GF
Catholic Charities Long -Term Care Ombudsman	\$ 15,000	380	GF
United Way 211 Services	\$ 5,000	500	GF
ABODE - Case Management Services for TBRA participants	\$160,697 \$140,000	20	CAHF CHSF
County Intensive Case Management	\$220,000*	20	CHSF
County Intensive Case Management	\$ 30,000*	20	CAHF
County Homeless Prevention Program	\$100,000*	175	CAHF
<b>Total</b>	<b>\$ 741,239</b>	<b>1,215</b>	

\* Year one of a two-year agreement

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### HUD Funding for Capital Improvements & Other

	Proposed Funding	# served	Funding Source
Rebuilding Together Silicon Valley - (RTSV) Minor Home Repair Program	\$200,000	15	CDBG
Neighborhood Conservation & Improvement Program (NCIP)	\$698,000	5	CDBG
NCIP Project Delivery Costs	\$122,000	N/A	CDBG
CDBG Administration	\$228,000	N/A	CDBG
Silicon Valley Independent Living Center Rehab Phase #2	\$152,000	4	CDBG
HOME Administration	\$ 22,803	N/A	HOME
Project Sentinel - Fair Housing Services	\$ 22,197	50	HOME
ABODE - Tenant Based Rental Assistance HOME	\$672,500	19	HOME
Community Housing Development Organization (CHDO) Set-aside	\$ 52,500	1	HOME
<b>Total</b>	<b>\$2,170,000</b>	<b>94</b>	

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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, weatherization, termite damage, accessibility, and other minor repairs</li> </ul>	<ul style="list-style-type: none"> <li>Administered by City Staff</li> <li>Low interest deferred payment loans</li> <li>Re-roofing, plumbing, heating/cooling, electrical, full kitchen/bath rehab, foundation, accessibility, energy/water efficiency, lead and mold remediation, etc.</li> </ul>
\$200,000 (FY 26/27 Entitlement)	\$698,000 (FY 26/27 Entitlement)
<b>10-20 HOMES</b>	<b>5-7 HOMES</b>

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**Annual Action Plan Contingency Language for CDBG**

<p style="text-align: center;"><b><u>Higher than expected</u></b></p> <p>Additional funds will be programmed for the Homeowner Rehab Program (i.e. NCIP) and/or the Minor Repair Program. The City may also allocate more funds for public services if permitted under the Public Service Cap.</p>	<p style="text-align: center;"><b><u>Lower than expected</u></b></p> <p>The Public Service and Administration cap limits will be recalculated and adjusted. If the re-calculation results in a Public Service Cap of less than \$180,000, the City will need to reduce its number of Public Service Agencies funded. Further, the amount allocated to the Minor Repair Program may need to be reduced.</p>
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**Annual Action Plan Contingency Language for HOME**

<p style="text-align: center;"><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 style="text-align: center;"><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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## **Council Action**

**Recommendation**

- Approve the 2026-2027 DRAFT AAP and direct staff to include public comments in the final version to be presented to the City Council on May 5, 2026.

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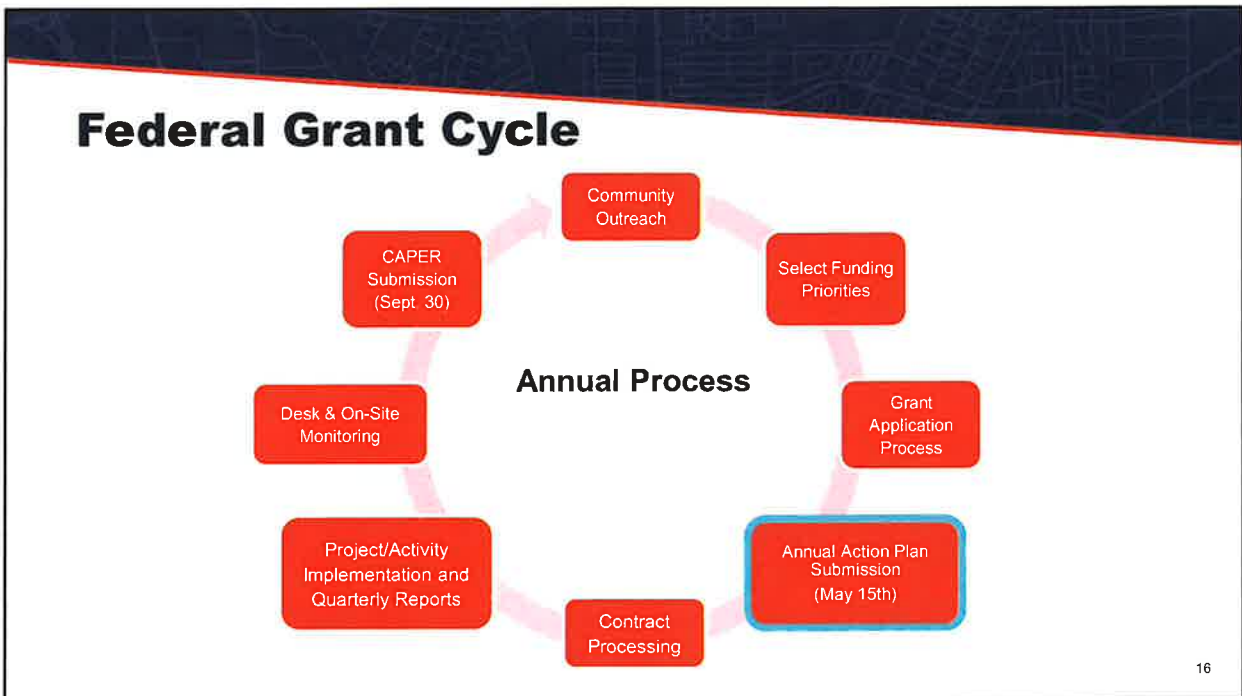
## Funding Breakdown

	#	Agencies Funded	562 CDBG Funds	562 HOME Funds
Public Service Activities	1	<u>Public Services</u> - Nonprofit agencies that provide services to low-income households. Up to six nonprofit agencies may be funded under the CDBG Public Service Cap.	\$ 180,000	
	2	NCIP Activity Delivery Costs	\$ 122,000	
Capital Improv. Proj.	3	NCIP Loans and Grants	\$ 698,000	
	4	Minor Repair Program	\$ 200,000	
	5	Silicon Valley Independent Living Center Rehab Phase 2	\$ 152,000	
Aff. Hous. Act.	6	TBRA Administration		\$ 672,500.00
	7	Community Housing Development Org. (CHDO) Set-aside		\$ 52,500.00
ADMIN.	8	CDBG Administration	\$ 228,000	
	9	HOME Administration - Fair Housing Services		\$ 22,197.00
	10	HOME Administration - City Administration		\$ 22,803.00

#	Budget Summary	TOTAL FUNDING	CDBG funds	HOME funds
A	Public Service Activities	\$180,000	\$ 180,000	\$ -
B	Capital Improvement Projects	\$1,172,000	\$ 1,172,000	\$ -
C	Affordable Housing Activities	\$725,000	\$ -	\$ 725,000.00
D	Program Administration	\$273,000	\$ 228,000	\$ 45,000.00
<b>FY 26-27 TOTAL ALLOCATION</b>		<b>\$2,350,000</b>	<b>\$ 1,580,000</b>	<b>\$ 770,000.00</b>

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## Consolidated Plan

### SUMMARY OF CONSOLIDATED ACTION PLAN GOALS

- **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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