



DRAFT ANNUAL ACTION PLAN

PROGRAM YEAR 2018-19

OF THE
COMMUNITY DEVELOPMENT BLOCK
GRANT (CDBG) PROGRAM

AND THE
HOME INVESTMENT PARTNERSHIP PROGRAM
(HOME)

Prepared by
Housing and Community Services Division,
Community Development Department
*1500 Warburton Ave,
Santa Clara, CA 95050
(408) 615-2490*

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AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Santa Clara (City) is a Lead Agency for the United States Department of Housing and Urban Development (HUD) entitlement programs. The City's Housing and Community Services Division is responsible for the administration of HUD Entitlements which includes the Community Development Block Grant Program (CDBG) and Home Investment Partnerships Program (HOME). By federal law, each Lead Agency is required to submit to HUD a Five-Year Consolidated Plan listing the Agency's priorities and strategies for the use of federal funds. The City anticipates receiving grants for approximately \$5,059,865 in CDBG funds and \$2,617,200 in HOME funds for the 2015-2020 Five Year Consolidated Plan period.

The Five Year Consolidated Plan acts as a guide to how the City will use its federal funds to meet the housing and community development needs of its population. In preparation of the 2015-2020 Consolidated Plan, the City worked collaboratively with the County of Santa Clara (County) and other entitlement jurisdictions in the County to identify and prioritize housing and housing-related needs across the region, and strategies to meet those needs. The City's Five Year Consolidated Plan includes an analysis of the jurisdiction's market, affordable housing and community development conditions.

In addition to the Five Year Consolidated Plan, the City is required to submit an Annual Action Plan that identifies how annual funding allocations will help meet the Five Year Consolidated Plan goals.

Finally, at the end of the program year, the City is required to submit to HUD its Consolidated Annual Performance Evaluation Report (CAPER). This report details to HUD the City's performance on its Annual Action Plan.

Needs Assessment Overview

The County lies within the Silicon Valley, an area known for its technological enterprise, wealth and proximity to the San Francisco Bay Area. It is a region of high socio-economic stratification, containing many of the wealthiest households in the nation and yet simultaneously one of the least affordable places to live, with 42 percent of residents experiencing housing cost burden.¹ The region boasts the highest national median household income at \$90,7372 and is the third-most expensive rental market in the U.S.³ It is also the seventh-least affordable for-sale market of any metropolitan area⁴ and is home to the fourth-largest population of homeless individuals⁵ with the highest percentage of unsheltered homeless of any major metropolitan area.⁶

¹ 2007-2011 CHAS

² The United States Conference of Mayors and The Council on Metro Economies and the New American City. "U.S. Metro Economies: Income and Wage Gaps Across the US." August 2014. <http://usmayors.org/metroeconomies/2014/08/report.pdf>

³ National Low Income Housing Coalition. "Out of Reach." 2014. <http://nlihc.org/sites/default/files/oor/2014OOR.pdf>

⁴ Trulia. "Where is Homeownership Within Reach of the Middle Class and Millennials." November 2014. <http://www.trulia.com/trends/2014/11/middle-class-millennials-report/>

⁵ The U.S. Department of Housing and Urban Development. "2014 Annual Homeless Assessment Report (AHAR) to Congress." October 2014. <https://www.hudexchange.info/resources/documents/AHAR-2014-Part1.pdf>

⁶ Ibid

These statistics highlight a widening gap between the highest earners and the middle and lower income population within the region. Over 45 percent of households earn \$100,000 or more yearly, but only 13 percent earn between \$50,000 and \$75,000 and 15 percent earn \$25,000 to \$49,999 – leading the region to be the second-least equitable metro in the nation.⁸ Many lower income residents struggle with severe housing costs driven by a tight and competitive housing market that caters to the demands of the highest earning households, driving up the cost of for-sale and rental housing units. In order to maintain housing affordability and meet the needs of a diverse and growing population, the jurisdictions within the County must work to preserve and expand the supply of housing for all income levels. This will be critical to maintaining the wellbeing and economic prosperity of the region.

The City of Santa Clara, situated in the northern area of the County, is home to approximately 116,000 residents.⁹ The City covers 18 square miles and is located in the center of Silicon Valley. The surge in high paying jobs within the area makes it critical to maintain affordable housing opportunities for residents who do not have the skills to qualify for these new jobs and ensure that they are not left behind – and placed at risk of homelessness -- in this period of growth. The City is tasked both with determining the areas of greatest need and those in which community investment can have the most impact given the limited resources available. To adequately address the City's community needs and support its thriving economy, the City has identified and assessed the areas that could benefit the most from federal investment through the U.S. Department of Housing and Urban Development (HUD).

2. Summary of the objectives and outcomes identified in the Plan

- **Affordable Housing Support.** Affordable housing for low income and special needs households. Includes funding affordable developments, rent subsidies, and rehabilitation of single and multi-family housing.
- **Public Services.** Support activities that provide basic needs to lower income households and special needs populations.
- **Homelessness.** Support activities to end homelessness including rental assistance, homeless prevention programs, case management, outreach activities and support of facilities.
- **Fair Housing.** Promote Fair Housing choice through funding informational and investigative services for tenants and landlords.
- **Economic Development.** Support economic development programs and activities that strengthen neighborhoods. Targeted to the residents and businesses in the low income Census Blocks of the El Camino Real Focus Area and to low income jobs.
- **Public Facilities.** Improve accessibility for persons with physical disabilities by identifying and repairing intersections for accessibility, mostly through curb cuts and through the retrofit of City Hall premises.

3. Evaluation of past performance

The City is on pace to meet or exceed eight of their ten goals stated in its Five-Year Consolidated Plan. According to the 2016 Consolidated Annual Performance Report (CAPER), the last full year in which data is available, the City met many of its annual goals such as:

⁷ The United States Conference of Mayors and The Council on Metro Economies and the New American City. "U.S. Metro Economies: Income and Wage Gaps Across the US." August 2014. <http://usmayors.org/metroeconomies/2014/08/report.pdf>

⁸ Ibid

⁹ 2008-2012 ACS

- 1) Addressing homelessness through Tenant Based Rental Assistance (TBRA);
- 2) Providing Fair Housing services to Santa Clara residents;
- 3) Delivering public services through its nonprofit partners; and
- 4) Improvement of public facilities through focused accessibility and public works projects.

Due to the cost of development in the City of Santa Clara, and the lack of non-profit developers developing within the City, Santa Clara has struggled to meet its Community Housing Development Organization (CHDO) commitment and expenditures. Further, HOME regulations enacted in 2013 regarding Grant-Based Accounting and the definition of “commitment” as it relates to when CHDO funds can be committed, have only increased the challenge of using CHDO set-aside funds expeditiously. As a result, \$42,516 in CHDO funds we de-obligated by HUD this past year.

Also, on November 20, 2017, HUD de-obligated \$266,803.79 to address a disbursement shortfall. However, on March 9, 2018, HUD realized an error in their computation of the disbursement shortfall had occurred. As a result, the City was returned the \$266,803.79 to be reprogrammed. These funds will have a commitment and a disbursement deadline of September 30, 2018. The City hopes to increase their Tenant Based Rental Assistance (TBRA) program to help meet this deadline.

4. Summary of citizen participation process and consultation process

During the development of the 2018-2019 Annual Action Plan, City Staff solicited public comment to help identify community needs, and non-profit agencies that could provide services to address those identified needs. Notices for public hearings were done via newspaper ads, website posting, emails to non-profits, and to members of the public which were identified during the 2015-2020 Annual Action Plan process. The noticing adhered to the City’s Citizen Participation Plan requirements. The public hearings took place at two City Council meetings, and at a Citizen Advisory Committee (CAC) meeting.

5. Summary of public comments

During public meetings for the 2018-2019 Annual Action Plan, City staff reviewed the 2015-2020 Consolidated Action Plan process, and how the Annual Action Plans tie into the Consolidated Action Plan. Staff reviewed the Consolidated Action Plan’s needs and goals, and explained how the 2018-2019 Annual Action Plan’s programs would support the Consolidated Action Plan.

City staff met with the Citizen Advisory Committee (CAC) to solicit input on what activities and agencies could best support the City’s community needs and goals. Several public service agencies presented their grant proposals, and summarized their programs and deliverables. Grant proposals exceeded the funding available. The CAC advised staff to find other matching funds as all programs presented were worthy of their requested funding. Staff took this information into consideration when developing their recommendations to City Council. Further details can be found in section “AP-12 Participation”.

City staff presented its funding recommendations to City Council. Many of the public service agencies that presented at the CAC meeting also attended the City Council meeting. They presented brief summaries of their programs and voiced their supported to staff’s recommendations. City Council supported funding addressing the funding gap with general funds.

The Draft Annual Plan will be available for public comment beginning April 5, 2018 through May 8, 2018. Notice of the Draft Annual Action Plan’s availability will be published in the local

newspaper, emailed to interest groups, and posted in the City Manager’s weekly blog. A draft will be available on the City’s website, and at City Hall, and City libraries.

6. Summary of comments or views not accepted and the reasons for not accepting them

None.

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

Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Table 1 – Responsible Agencies

Agency Role	Name	Department/Agency
CDBG Administrator	SANTA CLARA	Community Development
HOME Administrator	SANTA CLARA	Community Development

Consolidated Plan Public Contact Information

Andrew Crabtree, Director of Community Development,
ACrabtree@santaclaraca.gov
408-615-2451

AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

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(I))

The following occurred during the development of the Consolidated Plan for 2015-2020.

A Regional Needs Survey was conducted to solicit input from residents and workers in the region. Respondents were informed that participating jurisdictions were updating their respective Consolidated Plans for federal funds that primarily serve low- and moderate-income (LMI) residents and areas. The Regional Needs Survey polled respondents about the level of need in their respective neighborhoods for various types of improvements that could be addressed by entitlement funds.

A total of 1,472 survey responses were obtained from September 19, 2014 to November 15, 2014, including 1,078 surveys collected electronically and 394 collected via print surveys.

The Entitlement Jurisdictions held three regional public forums to identify housing and community development needs and priorities for the next five years. The public forums were conducted as part of a collaborative regional approach to help the participating jurisdictions make data-driven, place-based investment decisions for federal funds. Seventy-six (76) people attended the regional forums, including community members, service providers, nonprofit representatives, and interested stakeholders.

Approximately 4,847 entities, organizations, agencies, and persons were directly engaged via outreach efforts and asked to share materials with their beneficiaries, partners, and contacts. These stakeholders were also encouraged to promote attendance at the public forums and to solicit responses to the Regional Needs Survey. Stakeholder engagement included phone calls, targeted emails, newsletter announcements, social media posts, and personalized requests from staff of the Entitlement Jurisdictions. Each participating jurisdiction also promoted the regional forums and regional survey links on their respective websites and announced the Consolidated Plan process through electronic mailing lists. Outreach materials and the survey links (including materials in Spanish) were emailed to over 4,000 entities, organizations, and persons. Approximately 1,225 printed flyers providing public notice about the regional forums were distributed throughout the County at libraries, recreation centers, community meeting locations, and organizations benefiting LMI residents and areas. These flyers were available in English and Spanish. Print newspaper display ads also were posted in the Gilroy Dispatch (English), Mountain View Voice (English), El Observador (Spanish), La Oferta (Spanish), Thoi Bao (Vietnamese), Philippine News (Tagalog), World Journal (Chinese) and San Jose Mercury News (English). In addition, an online display ad was placed in the San Jose Mercury News to reach readers electronically.

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 Continuum of Care (CoC) is a multi-sector group of stakeholders dedicated to ending and preventing homelessness in the County of Santa Clara (County). The

CoC's primary responsibilities are to coordinate large-scale implementation of efforts to prevent and end homelessness in the County. The CoC is governed by the Santa Clara CoC Board (CoC Board), which stands as the driving force committed to supporting and promoting a systems change approach to preventing and ending homelessness in the County.

The CoC Board is comprised of the same individuals who serve on the Destination: Home Leadership Board. Destination: Home, a program of the Health Trust, is a public-private partnership implementing collective impact strategies to end homelessness in Santa Clara County. Its mission is to drive and align resources to create permanent housing and sustainable support systems built for the long term. The organization is improving how systems work together to end homelessness, as well as protect individuals and families at risk of becoming homeless.

The County's Office of Supportive Housing serves as the Collaborative Applicant for the CoC, and is responsible for implementing by-laws and protocols that govern the operations of the CoC. The Office of Supportive Housing is also responsible for ensuring that the CoC meets the requirements outlined under the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH).¹⁰¹¹

In the winter of 2015, Destination: Home and the CoC released a Community Plan to End Homelessness in Santa Clara County (the Plan), which outlines a roadmap for community-wide efforts to end homelessness in the County by 2020. The strategies and action steps included in the Plan were informed by members who participated in a series of community summits designed to address the needs of homeless populations from April to August 2014. The Plan identifies strategies to address the needs of homeless persons in the County, including chronically homeless individuals and families, families with children, veterans, and unaccompanied youth. Additionally, it also intended to address the needs of persons at risk of homelessness. To address the needs of homeless individuals and individuals at risk of homelessness, the Plan aims to implement the following strategies:¹²

- Disrupt systems: Develop disruptive strategies and innovative prototypes that transform the systems related to housing homeless people.
- Build the solution: Secure the right amount of funding needed to provide housing and services to those who are homeless and those at risk of homelessness.
- Serve the person: Adopt an approach that recognizes the need for client-centered strategies with different responses for different levels of need and different groups, targeting resources to the specific individual or household.

Over the next five years, the Plan seeks to identify approximately 6,000 new housing opportunities for the homeless, intending to house 2,518 homeless individuals, 718 homeless veterans, and more than 2,333 children, unaccompanied youth, and homeless individuals living with families.

On February 23, 2016, the Santa Clara City Council, in response to a request from the Cities Association of Santa Clara County for support in regional coordination towards addressing

¹⁰ County of Santa Clara. "Housing Element 2015-2022." 2014.

http://www.sccgov.org/sites/planning/PlansPrograms/GeneralPlan/Housing/Documents/HE_2015_Adopted_Final.pdf

¹¹ Santa Clara County. "Continuum of Care Governance Charter." 2013.

¹² Santa Clara County CoC. "Community Plan to End Homelessness in Santa Clara County 2015-2020." 2014.

homelessness and the housing needs of our communities, adopted a resolution to endorse the Community Plan to End Homelessness in Santa Clara County. In August 2016, the CoC Board submitted a request to HUD of \$20.5 million to fund various non-profit agencies within Santa Clara County.

Much of the effort described in the Community Plan relates to the work of various county agencies that provide health care, housing, social services, corrections, and related services. Participating cities will most likely be involved with Build the Solution strategy, which relates to development of affordable housing units through various methods. Such methods include development of new permanent supportive housing (PSH) units, rehabilitation or retrofitting of existing housing or other structures (e.g., motels) into new affordable units, and use of long-term subsidies such as rental vouchers to make existing market-rate or affordable housing more affordable for homeless or at-risk households.

The City has already funded and implemented efforts related to "Building the Solution" for a number of years, including the City's HOME-funded Tenant Based Rental Assistance (TBRA) program for homeless and at-risk households and supportive housing projects such as Homesafe Santa Clara, Sobrato Family Living Center, Bill Wilson Center and Silicon Valley Independent Living Center. In addition, the City has provided assistance to a number of local agencies that operate programs serving the homeless that are consistent with the, "Serve the Person" strategy, such as Next Door Solutions to Domestic Violence, Support Network for Battered Women, HomeFirst (formerly Emergency Housing Consortium), LifeMoves (formerly Innvision) and Project Sentinel. The City has also provided the County of Santa Clara with \$200,000 in funding in Fiscal Years 2018 and 2019 to address homelessness prevention.

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 is not an ESG entitlement jurisdiction.

2. Describe agencies, groups, organizations and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities.

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Bill Wilson Center
	Agency/Group/Organization Type	Housing Services Children Services-homeless
	What section of the Plan was addressed by Consultation?	Homelessness Needs – Unaccompanied youth Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended the February 26, 2018 CAC meeting to present their proposals for the PY 2018-2019. Attended the March 20, 2018 City Council meeting to present their proposals, and support the staff’s recommendations.
2	Agency/Group/Organization	SANTA CLARA UNIFIED SCHOOL DISTRICT
	Agency/Group/Organization Type	Services-Education
	What section of the Plan was addressed by Consultation?	Homeless Needs – Families with children Homelessness Needs – Unaccompanied youth
	How was the Agency/ Group/ Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended the February 26, 2018 CAC meeting to support one of Bill Wilsons’ proposed programs for the PY 2018-2019. Attended the March 20, 2018 City Council meeting to present their proposals, and support the staff’s recommendations.
3	Agency/Group/Organization	YWCA of Silicon Valley
	Agency/Group/Organization Type	Services-Victims of Domestic Violence
	What section of the Plan was addressed by Consultation?	Housing Need Assessment, Homeless Needs – Families with children Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended the February 26, 2018 CAC meeting to present their proposals for the PY 2018-2019. Attended the March 20, 2018 City Council meeting to present their proposals, and support the staff’s recommendations.

4	Agency/Group/Organization	Catholic Charities SCC, Long Term Care Ombudsman
	Agency/Group/Organization Type	Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended the February 26, 2018 CAC meeting to present their proposals for the PY 2018-2019. Attended the March 20, 2018 City Council meeting to present their proposals, and support the staff's recommendations.
5	Agency/Group/Organization	Next Door Solutions to Domestic Violence
	Agency/Group/Organization Type	Housing Services – Victims of Domestic Violence
	What section of the Plan was addressed by Consultation?	Homeless Needs – Families with children, Non-Homeless Special Needs
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended the February 26, 2018 CAC meeting to present their proposals for the PY 2018-2019. Attended the March 20, 2018 City Council meeting to present their proposals, and support the staff's recommendations.
6	Agency/Group/Organization	Santa Clara Senior Center – Nutrition Program
	Agency/Group/Organization Type	Services – Seniors
	What section of the Plan was addressed by Consultation?	Public Service activities other than LMI Housing
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended the March 20, 2018 City Council meeting to present their proposals, and support the staff's recommendations.
7	Agency/Group/Organization	Heart of the Valley
	Agency/Group/Organization Type	Services – Seniors
	What section of the Plan was addressed by Consultation?	Public Service activities other than LMI Housing
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended the February 26, 2018 CAC meeting to present their proposals for the PY 2018-2019. Attended the March 20, 2018 City Council meeting to present their proposals, and support the staff's recommendations.

8	Agency/Group/Organization	Abode Services
	Agency/Group/Organization Type	Homeless Needs – Housing
	What section of the Plan was addressed by Consultation?	Homeless Needs – Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Staff met with Abode Services (TBRA administrator) to discuss 2018-2019 improvements to the TBRA program; specifically focusing on families with children.
9	Agency/Group/Organization	County of Santa Clara Office of Supportive Housing
	Agency/Group/Organization Type	Homeless Needs – Housing
	What section of the Plan was addressed by Consultation?	Homeless Needs – Families with children
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Staff met with the County's COC to discuss 2018-2019 improvements to the TBRA program; specifically focusing on families with children.

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

Not applicable

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

Table 3 – 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	Continuum of Care Council	The Continuum of Care works to alleviate the impact of homelessness in the community through the cooperation and collaboration of social service providers. This effort aligns with the Strategic Plan's goal to end homelessness including rental assistance, homeless prevention programs, case management, outreach activities and support of facilities.
Housing Element	City of Santa Clara	The actions in the Housing Element are consistent with the Strategic Plan, most notably in the provision of adequate sites appropriate for a range of housing types and in promoting preservation and development of affordable housing including supportive housing for persons with disabilities.
2015-2017 Council Goals and Strategic Objectives	City of Santa Clara City Council	The Council's goal to develop a plan to support minimum quality of life standards for residents and the development of an affordable housing plan with focus on the homeless and housing vulnerable is consistent with the Strategic Plan in the actions that describe development of affordable housing and revitalization of low income areas of the City.
2012-2014 Comprehensive HIV Prevention & Care Plan	Santa Clara County HIV Planning Council for Prevention and Care	This plan provides a roadmap for the Santa Clara County HIV Planning Council for Prevention and Care to provide a comprehensive and compassionate system of HIV prevention and care services for Santa Clara County. This effort aligns with the Strategic Plan's goal to provide basic needs to lower income households and special needs populations.
Community Plan to End Homelessness in Santa Clara	Destination Home	The Community Plan to End Homelessness in the County is a five-year plan to guide governmental, nonprofits, and other community members as they make decisions about funding, programs, priorities and needs. This effort aligns with the Strategic Plan's goal to support activities to end homelessness: rental assistance, homeless prevention programs, case management, outreach activities & support of facilities.

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation

Table 4 – Citizen Participation Outreach

CDBG/ HOME Funding Cycle Activity	Mode of Outreach	Target of Outreach	Summary of Response/ Attendance	Summary of Comments Received	Summary of comment not accepted and reason	URL (If applicable)
Notice of Funding Availability for Public Services and Capital Projects	Newspaper ad, Website posting, Emails to nonprofits	Broad community outreach to all members of the public and targeted outreach to service providers and grant recipients	Twelve Public Services applications No Capital Projects applications	N/A	N/A	http://www.santacruzclaraca.gov/government/departments/community-development/housing-community-services-division/application-for-public-services-funding
Public Hearings: December 19, 2017 March 20, 2018 May 8, 2018	Newspaper ad, Website posting, Emails to nonprofits and members of the public interest list created during ConPlan development	Broad community outreach to all members of the public and targeted outreach to service providers and grant recipients	12/19/2017: One member of the public spoke at the hearing 3/20/2018: Nine members of the public spoke. 5/08/2018: <i>To be updated after the meeting.</i>	12/19/2017 Mayor advised Staff to include CAC in public review process 3/20/2018: One council member was concerned about funding activities through the general fund. Members of the public were in support of augmenting CDBG funds with general funds. 5/08/2018: <i>To be updated after the meeting.</i>	None	http://www.santacruzclaraca.gov/government/council-meetings/view-online-meetings

Draft Annual Plan Circulation	Newspaper ad, Website posting, Emails to nonprofits and members of the public interest list created during ConPlan development	Broad community outreach to all members of the public and targeted outreach to service providers and grant recipients	N/A	N/A	N/A	http://santaclaraca.gov/government/departments/city-manager/housing-community-services-division
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The following public hearings were scheduled for the 2018-2019 Annual Action Plan:

December 19, 2017: Santa Clara City Council meeting. Public Hearing on the Amendment to the Citizen Participation Plan (CPP). Staff presented on how the CPP Amendment would meet HUD requirements to develop an Assessment of Fair Housing and to formalize the outreach schedule.

Council Comment. In response to questions from City Council regarding the concern of the potential loss of Low Income Tax Credits, the Housing and Community Services Division Manager explained that the Federal funding situation is 'fluid' but that the current tax bill would not eliminate Low Income Tax Credits, and that staff would continue to monitor HUD grants of which HOME seemed more likely to be at risk than CDBG. It was also stated that the loss of both HOME and CDBG is an ongoing concern.

Citizen Comment. A member of the public requested verification that the CDBG public service grants would be referred to the CAC (Citizens Advisory Committee) for review. Members expressed a variety of concerns with the program, advocating for the CAC to be given a lead role in determining the use of HUD funds and raising questions as to whether the current programs were providing benefit to people that are Santa Clara citizens.

Result. Council approved the Amendment to the Citizen Participation Plan for Federal Entitlement Programs to Reflect Fair Housing Requirements, and referred to the City Manager to include the Citizens Advisory Committee in the review process in a manner consistent with past practices.

February 26, 2018. Citizen Advisory Committee (CAC) meeting. Public meeting to give agencies applying for funding the opportunity to present their programs and activities to the public for funding consideration for the coming 2018-2019 Annual Action Plan. Applications for funding were made available from November 15, 2017 through January 8, 2018 on the City website and at City offices, with notices published in the local newspaper, emailed to interest groups and posted at library and in City Manager's weekly blog.

Comment. The general consensus of the CAC was that all agencies and programs were worthy of funding

Citizen Comment. None.

Result. Staff took the CAC recommendations, considered available funding, and drafted their funding recommendations on public services for the 2018-2019 Annual Action Plan to be heard on March 20, 2018 before council.

March 20, 2018. Santa Clara City Council meeting. Public Hearing to solicit testimony from the public, applicants, and City Council regarding staff's recommendations for CDBG-funded public services and agencies for the 2018-2019 Draft Annual Action Plan for Fiscal Year 2018-2019.

Comment. Council Member O'Neill had a concern regarding fully funding agencies with general funds. The issue of concern was the possibility of an agency being defunded next year if general funds are unavailable or re-prioritized. The City Manager suggested that Council members could use discretionary funds if they choose. Council Member Davis suggested referring the matter of funding with general funds to the budget study session.

Citizen Comment. Members of the public representing Bill Wilson Center, Catholic Charities, Santa Clara Senior Center, YWCA, Heart of The Valley, Next Door Solutions, SALA, Live Oak Adult Day Services, and Silicon Valley Independent Care gave testimony. SALA, Next Door Solutions, Bill Wilson, and Live Oak Adult Day Services were in support of using general funds to fund the gap.

A member of the public stated that she was in support of the use of general funds, and liked the meeting with the agencies during the February 26, 2018 Citizen Advisory Committee (CAC) meeting.

Result. The City Council voted in favor of referring the discussion of funding Live Oak Adult Day Services, Senior Adults Legal Assistance, and Silicon Valley Independent Living Center with general funds to the FY 2018-2019 Proposed Budget Study Session for one-time appropriation of General funds in the amount of \$45,000 to fund additional public services.

May 8, 2018. *To be updated after the meeting.*

Comment. *To be updated after the meeting.*

Citizen Comment. *To be updated after the meeting.*

Result. *To be updated after the meeting.*

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

Introduction

City staff estimates the City's PY 2018 CDBG and HOME entitlement grant amounts at ~~*\$903,714~~ **\$968,933** and ~~*\$299,478~~ **\$444,587** respectively. Allocation amounts were announced on May 1, 2018. The following language details what would occur if HUD makes any minor/last minute adjustments to its announced grant allocation amounts; an unlikely possibility. The purpose of the following Contingency Language is so that the AAP would not need to go back before council to approve minor adjustments. ~~Because Congress has yet to approve the Federal budget, the actual CDBG and HOME entitlement grant amounts are not known at the time of the March 20, 2018 public hearing. HUD issued Notice CPD-18-01 on January 24, 2018 instructing jurisdictions to delay submitting Annual Plans for approval until after Congress has completed the appropriations process for fiscal HUD funding and HUD has announced the actual allocations to jurisdictions (grantees). It further advised that a grantee may conduct citizen participation on its draft plan (with estimated funding amounts) according to its normal timetable and citizen participation procedures. The grantee should include "contingency provision" language in its Annual Plan to explain how it will adjust its proposed plan to match its actual allocation amounts, once actual amounts become known.~~

*~~*Estimates. Numbers will change once HUD releases its final allocation amounts.~~*

Contingency Provision for CDBG:

1. ~~If HUD's final grant allocation is more than the announced amount (due to minor, last minute calculations), the difference shall go to fund the Neighborhood Conservative & Improvement Program (NCIP). Should HUD's allocation be less than what has been estimated, the public service and administration caps will be recalculated. The amount allocated to Program Administration will be Allocation + Previous Year's Program Income X 20%. The amount allocated to Public Services will be Allocation + Estimated Program Income X 15%. The amount of reduction to the Public Service Agencies will be proportionally based upon the percentage of CDBG funding allocated. For example, if funding for Agency ABC currently makes up 20% of the funds for Public Services, their amended funding would be 20% of the amended amount of funds allocated to Public Services.~~
2. ~~If HUD's final grant allocation is less than the announced amount (due to minor, last minute calculations), funding for the NCIP program would be reduced. If the decrease results in being over the Public Service Cap, negotiations would occur with the public service agencies to determine which agency(ies) would have their funding reduced. Should HUD's allocation be more than what has been estimated, the administration cap will be recalculated as stated above. The funding for the Public Service agencies will remain the same. Excess funds will be committed to the Neighborhood Conservative & Improvement Program (NCIP).~~
3. ~~Two~~ **Three** public service agencies are proposed to be funded with City general funds **in the amount of \$30,000**. If general funds are not approved for these agencies in the City's budget process, funding for all **programs and** agencies will be reassessed and funded in

accordance to the Public Service Cap. If this Action Plan is approved by HUD prior to the approval of general funds, an amendment to the Annual Action Plan will be completed.

Contingency Provision for HOME:

1. If HUD's final grant allocation is more than the announced amount (due to minor, last minute calculations), the difference – after the CHDO set-aside and Program Administration are recalculated – will go to fund Affordable Housing Multi-Family Acquisition/Rehabilitation/New Construction. ~~Should HUD's allocation be less than what has been estimated, the administration cap and Community Housing Development Organizations (CHDO) set-aside will be recalculated. The amount allocated to Program Administration will remain at 10% of Allocation + Program Income during the program year. The amount allocated to (CHDO) projects will remain 15% of HUD's allocation.~~
2. If HUD's final grant allocation is less than the announced amount (due to minor, last minute calculations), the difference – after the CHDO set-aside and Program Administration are recalculated – will reduce funding for Affordable Housing Multi-Family Acquisition/Rehabilitation/New Construction. ~~Should HUD's allocation be more than what has been estimated, the administration cap and CHDO set-aside will be recalculated as stated above. Excess funds will be committed to the Tenant-Based Rental Assistance Program (TBRA).~~

CDBG Program Income. \$300,000 of CDBG Program Income is estimated to be received during the PY 2018-2019; almost all of which will come from the City's homeowner rehabilitation program: Neighborhood Conservation and Improvement Program (NCIP).

CDBG Prior Years' Resources. ~~\$58,091~~ ~~*\$126,000~~ is from prior year program income, from activities that did not fully disperse their committed funds, and projects that were cancelled requiring funds to be reprogrammed.

~~Re-programming of CDBG Resources.~~ Approximately \$222,000 previously programmed for the Public Facilities Improvement project "City Hall ADA Improvements" in prior Annual Action Plans (2017, 2016, 2014) will be re-programmed for Public Facilities Improvement project "ADA Curb Ramps". This is a project that was funded in the 2017 Annual Action Plan. The reprogramming of funds will allow for approximately 50 more ADA curb ramps to be installed.

HOME Program Income. ~~\$198,072~~ ~~*\$100,000~~ of HOME Program Income is estimated to be received in PY 2017-2018 that will be programmed in PY 2018-2019. Approximately 75% of which will come from the NCIP Program and the rest from loan payments of HOME rental projects developed in prior years.

HOME Prior Years' Resources. ~~\$286,763~~ ~~\$289,626~~ of Prior Years' Resources is expected to be programmed. These prior year resources are a result of ~~\$19,959~~ ~~\$22,822~~ of previous years un-programmed funds; PLUS, \$266,803.79 of previously programmed funds that were de-obligated by HUD and subsequently returned to the City.

Due to the de-obligation event, the following changes occurred to past annual action plans:

2015 Annual Action Plan (NCIP Project): \$255,096 was originally programmed. An amendment to the 2016 Annual Action Plan re-programmed \$80,470 for the Multi-Family Rental Rehabilitation/**Acquisition/New Construction** project. This resulted in \$174,626 remaining programmed for the NCIP program.

In December of 2017, HUD erroneously de-obligated \$266,803.79. This essentially resulted in un-programming the remaining \$174,626 that was programmed in 2015; and the de-obligation of \$92,177.79 from the 2016 Multi-Family Rental Rehabilitation/**Acquisition/New Construction** project.

For PY 2018, the City anticipates that it will leverage approximately \$522,000 in new local match.

~~*Estimates. Numbers will change once HUD releases its final allocation amounts.~~

Table 5 - Expected Resources – Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation	Program Income	Prior Year Resource	Total:		
			\$	\$	\$	\$		
CDBG	Public-Federal	Acquisition, Admin and Planning, Economic Development, Housing, Public Improvements, Public Services	968,933 *903,714	300,000	58,091 *126,000	1,327,024 *1,263,714	926,823	Administration and Planning for CDBG funded programs and activities.
HOME	Public-Federal	Acquisition, Homebuyer assistance, Homeowner rehab, Multifamily rental-new construction, Multifamily rental-rehab, New construction for ownership, TBRA	444,587 *299,356	10,000 *100,000	474,835 *289,626	929,422 *688,982	355,949	Administration and Planning for HOME funded programs and activities. It is estimated that \$10,000 from program income in PY18/19 will be used <u>in</u> PY18/19 for administration. Of the \$474,835 of prior year' s resources, \$188,072 is program income from 17/18, and \$286,763 is from prior years that had not been programmed.
General Fund	Public-Local	Public Services	30,000 45,000 22,197 72,803	0	0	125,000 140,000	125,000 140,000	SALA , Live Oak Adult Care Service, and Silicon Independent Living Center Fair Housing Services (Project Sentinel) Tenant-landlord dispute resolution services and United Way of Bay Area 211 info and referral services

City Affordable Housing Fund (CAHF)	Public-Local	Acquisition, Admin and Planning, Homebuyer assistance, Homeowner rehab, Multifamily rental-new construction, Multifamily rental-rehab, New construction for ownership, TBRA	1,209,118	0	0	1,209,118	1,209,118	<p>\$172,000 for the operation of the Below Market Purchase Program (BMP) which targets moderate income homebuyers.</p> <p>\$750,000 for Multi-family Energy Rehabilitation.</p> <p>\$160,697 will supplement services in the City's expanded TBRA program.</p> <p>\$11,421 for the continuation of Housing Trust of Silicon Valley TBRA security deposit program (Finally HOME).</p> <p>\$115,000 will fund case management services for chronically chronically homeless individuals and families, leveraging housing subsidies from the County's Office of Supportive Housing.</p> <p>During the ConPlan period \$5.5 Million is expected as an in lieu fee from the Gallery at Central Park Project. According to the developer, the City will use the funds "in a manner of its own choosing for the production, acquisition, financing rehabilitation or administration of affordable housing."</p>
Successor Housing Agency Program Income	Public-Local	Acquisition Admin and Planning Housing Multifamily rental new construction Multifamily rental rehab Public Services TBRA	1,300,000	0	0	1,300,000	1,300,000	<p>\$110,000 will fund case management services for chronically chronically homeless individuals and families, leveraging housing subsidies from the County's Office of Supportive Housing.</p> <p>\$140,000 will provide services to leverage the TBRA rental subsidy program for homeless individuals and families carried out by Abode Services per contract with the City.</p> <p>\$50,000 will be used for administration of the City's affordable housing programs.</p> <p>\$1,000,000 is projected to be made available as part of a multi-funding source NOFA for projects creating or preserving rental properties in which at least 70% of the units are affordable to low or moderate income households.</p>

Land Held for Development	Public-Local	Admin and Planning, Homebuyer assistance, Housing Multifamily rental and homeownership new construction.	17,057,866	0	0	17,057,866	1,703,500	Commitment of \$5.4 million from the City's Land Held for Development
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Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Federal funds such as Section 8 housing choice vouchers, Veterans Administration Supportive Housing (VASH) housing subsidies for veterans, McKinney Act competitive funding for homeless services and housing, Emergency Solutions Grant (ESG) administered by San Jose, Housing Opportunities for Persons with AID (HOWPA) program administered by the Health Trust for all the jurisdictions in the county, and the Affordable Housing Program (AHP) from the Federal Home Loan Bank will augment local funds used to benefit homeless and other low-income residents. In most cases, the City would not be the applicant for such funding sources as many of these programs offer assistance to affordable housing developers or nonprofit service providers rather than to local jurisdictions.

The local match requirement for HOME funds (i.e., 25% of all disbursements in the program year) will come in the form of waived property taxes previously HOME-funded affordable housing developments, and City Affordable Housing Funds.

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

The City owns three properties that have potential for development of low income and special needs housing: 1) Bay Area Research and Extension Center (BAREC) senior housing site at 90 North Winchester Boulevard; 2) Fire Station #6 at 3575 De La Cruz Boulevard, and 3) Vacant land at 2330 Monroe Street.

The City entered into an Exclusive Negotiation Rights Agreement (ENA) with Core Affordable Housing, LLC on April 21, 2016 for the BAREC site. The City will conduct outreach to potential affordable housing developers for the other properties in the upcoming program year. The types of affordable units are yet to be determined with the exception of 165 senior affordable units at the BAREC site.

On December 7, 2017, the Housing and Community Services Division held a Community Engagement Meeting at City Hall to discuss plans for the future development of the City-owned site at 2330 Monroe Street. The RFP will be issued in April 2018 with a development award expected in July 2018.

On January 29, 2018, the Housing and Community Services Division held a Community Engagement Meeting at the Northside Library to discuss plans for the future development of the City-owned site at 3575 De La Cruz Boulevard. The RFP will be issued in April 2018 with a development award expected in July 2018.

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

Table 6 – Goals Summary

**Estimates. Numbers will change once HUD releases its final allocation amounts.*

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2018	2019	Affordable Housing	Citywide	Affordable Housing	CDBG: \$786,164 \$881,738 NCIP (includes \$299,692 of Program Income)	Homeowner Housing Rehabilitated: 50 Household Housing Units 101 Rental Rehabilitation Units
							HOME: \$66,688 *\$44,903 CHDO \$275,276 Multi-Family Rental (Acquisition, New Development, and/or Rehabilitation)	14 CHDO-developed rental units as part of NOFA project. A NOFA to commit approximately \$800,000 is planned in PY 18/19, which includes approximately \$500,000 in previously programmed funds-
2	Public Services	2018	2019	Non-Homeless Special Needs	Citywide	Public Services	CDBG: \$191,500 *\$176,500 General Funds: \$30,000 \$45,000 (pending council approval)	Public service activities other than Low/Moderate Income Housing Benefit: 10,803 Persons Assisted
3	Homelessness	2018	2019	Homeless	Citywide	Homelessness	HOME: \$533,000 *\$314,609 from PY 2018. Successor Housing Agency Program Income: \$140,000 City Affordable Housing Fund (CAHF): \$160,697	TBRA/Rapid Rehousing: 40 Households Assisted TBRA staffing, Case management services TBRA Staffing and administration
4	Fair Housing	2018	2019	Affordable Housing Non-Homeless Special Needs	Citywide	Fair Housing	HOME: \$0 CDBG: \$0 General Funds: \$22,197	Public service activities other than Low/Moderate Income Housing Benefit: 44 Persons Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Economic Development	2018	2019	Non-Housing Community Development	El Camino Real Focus Area	Economic Development	CDBG: \$0	Support economic development programs and activities that strengthen neighborhoods.
6	Public Facilities	2018	2019	Non-Housing Community Development	Citywide	Public Facilities	CDBG: \$0	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 0 Persons Assisted
7	Administration	2018	2019	Administration of CDBG and HOME programs	Citywide	n/a	CDBG: \$240,742 \$253,786 HOME: \$39,947 \$54,458	

Table 7 – Goal Descriptions

1	Goal Name	Affordable Housing
	Goal Description	Support affordable housing for low income and special needs households. Includes funding affordable housing developments, rent subsidies, rehabilitation of single and multi-family housing.
2	Goal Name	Public Services
	Goal Description	Support activities that provide basic needs to lower income households and special needs populations.
3	Goal Name	Homelessness
	Goal Description	Support activities to end homelessness including rental assistance, homeless prevention programs, case management, outreach activities and support of facilities.
4	Goal Name	Fair Housing
	Goal Description	Promote Fair Housing choice through funding informational and investigative services for tenants and landlords.
5	Goal Name	Economic Development
	Goal Description	Support economic development programs and activities that strengthen neighborhoods.
6	Goal Name	Public Facilities
	Goal Description	Improve accessibility for persons with physical disabilities by identifying and repairing intersections for accessibility, identifying and modifying accessibility barriers in public buildings.
7	Goal Name	Administration
	Goal Description	Provide management, planning and implementation of the City's CDBG and HOME programs, as well as monitoring of public services and housing projects.

AP-35 Projects – 91.220(d)

Introduction

Table 8 – Project Information

#	Project Name
1	Bill Wilson Center – Family Therapy/School Outreach/Grief Counseling
2	Catholic Charities – Long-Term Care Ombudsman Program
3	Santa Clara Senior Center – Senior Nutrition Program
4	YWCA - Services for Domestic Violence Survivors
5	Heart of The Valley
6	St. Justin Community Ministry – Food Assistance for Needy
7	Next Door Solutions – HomeSafe Santa Clara
8	Bill Wilson Center – Family Advocacy Services
9	Senior Adults Legal Assistance – Elders Legal Assistance
109	Neighborhood Conservation and Improvement Program
1140	Tenant Based Rental Assistance
1244	Community Housing Development Organization (CHDO) Project
1342	CDBG Administration
1443	HOME Administration

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

The allocation of funds is based on the needs and priorities identified in the 2015-2020 Consolidated Plan. The City prioritizes allocations of its CDBG and HOME funds to projects that serve the lowest income households, from 0-50% of Area Median Income (AMI). In addition, public services are an identified funding priority in the Consolidated Plan, and funding is recommended to 7 organizations that provide needed services in the community.

AP-38 Projects Summary
Project Summary Information

Table 9 – Project Summary

**Estimates. Numbers will change once HUD releases its final allocation amounts.*

1	Project Name	Bill Wilson Center - Family Therapy/School Outreach/Grief Counseling
	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$50,000
	Description	Bill Wilson Center will provide services through 3 counseling programs: Family Therapy, School Outreach and Grief Counseling. The purpose of the three counseling programs is a reduction in high-risk behavior choices, a reduction in family conflict; and an increase in coping skills.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	Bill Wilson Center is proposing to serve 200 individuals through their three counseling programs and will provide approximately 950 counseling sessions.
	Location Description	Citywide
2	Project Name	Catholic Charities – Long-Term Care Ombudsman Program
	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$10,000
	Description	Catholic Charities provides advocacy, complaint investigation, including violations of personal rights and elder abuse, and problem resolution for primarily elderly residents in the City's two nursing facilities and 15 assisted living/residential care facilities for the elderly.
	Target Date	6/30/2019
Estimate the number and type of families that will benefit from the proposed activities	Catholic Charities is proposing to serve 756 individuals and provide 149 site visits.	
Location Description	Citywide	

3	Project Name	Santa Clara Senior Center - Senior Nutrition Program
	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$24,000
	Description	The senior nutrition program provides daily, balanced meals to persons 60 years and older, targeting frail, isolated senior citizens.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	The senior nutrition program will serve an estimated 382 clients and will serve approximately 18,278 meals.
	Location Description	Senior Center, 1303 Fremont St., Santa Clara
4	Project Name	YWCA - Services for Domestic Violence Survivors
	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$15,000
	Description	YWCA provides an array of services to women and children who are victims of domestic violence.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	YWCA is proposing to serve 40 clients and providing 90 counseling sessions.
	Location Description	Citywide
5	Project Name	Heart of the Valley – Senior Transportation
	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$10,000
	Description	Heart of the Valley provides numerous services to seniors living independently in their home, including transportation services.
	Target Date	6/30/2018

	Estimate the number and type of families that will benefit from the proposed activities	Heart of the Valley will assist approximately 73 seniors and provide 165 roundtrip rides.
	Location Description	Citywide
6	Project Name	St. Justin Community Ministry - Food Assistance for Needy
	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$17,500
	Description	The program focuses on food services currently being provided by St. Justin, such as grocery items and lunches.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	St. Justin expects to assist approximately 9,131 individuals with bags of food and lunches.
	Location Description	2655 Homestead Rd., Santa Clara
7	Project Name	Next Door Solutions – HomeSafe Santa Clara
	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$20,000
	Description	This program provides case management support services and shelter for residents of the HomeSafe Santa Clara, an affordable transitional housing program for survivors of domestic violence located in the City of Santa Clara or at Next Door Solutions' emergency shelter in San Jose.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	Next Door estimates that they will serve 74 women and children who reside in Santa Clara and are victims of domestic violence.
	Location Description	Confidential
8	Project Name	Bill Wilson Center – Family Advocacy Services (FAS)

	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$30,000
	Description	FAS is a school-based, family and youth homeless prevention and intervention service at Santa Clara high schools. FAS was developed to address the needs of extremely low-income families who are homeless or on the verge of becoming homeless so the children can remain in school; giving them the best chance of academic success. FAS services include short-term, intensive case management, educational resources, budgeting and financial management assistance, legal needs assistance, parent education workshops, and linkage to emergency financial resources (e.g., rental assistance).
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	140 individuals/families served.
	Location Description	Citywide
9	Project Name	Senior Adult Legal Assistance (SALA) – Elders Legal Services
	Target Area	Citywide
	Goals Supported	Public Services
	Needs Addressed	Public Services
	Funding	CDBG: \$15,000
	Description	Provide free, civil, legal services to seniors (age 60 and older).
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	SALA will serve approximately 100 clients and provide 36 intake days.
10 9	Project Name	Neighborhood Conservation and Improvement Program
	Target Area	Citywide
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable Housing

	Funding	CDBG: \$881,738 *\$786,164 HOME: \$0
	Description	The NCIP provides rehabilitation to owner-occupied single family homes whose incomes are at or below 80% of the County's AMI. The City recommends the funding levels to City Council without including program income in the budget. This is with the historical understanding that program income received during the program year will be applied to the NCIP.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	The NCIP will assist approximately 50 households with housing rehabilitation.
	Location Description	Citywide
11 40	Project Name	Tenant Based Rental Assistance
	Target Area	Citywide
	Goals Supported	Homelessness
	Needs Addressed	Homelessness
	Funding	HOME: \$533,000 *\$314,609
	Description	The Tenant-Based Rental Assistance (TBRA) program will provide rental assistance for approximately 40 homeless households or those at risk of homelessness. The activity will also continue drawing down funds programmed in previous years.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that approximately 40 50 households will be served in this fiscal year.
	Location Description	Countywide
12 44	Project Name	Community Housing Development Organization Project
	Target Area	Citywide and contiguous jurisdictions
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	HOME: \$66,688 *\$44,903
	Description	Commitment of funding expected to be made in PY 2018-19 along with

		prior years' HOME funds and leveraged funding from local sources in a the NOFA for affordable housing projects to be circulated in PY 2018-19.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	1-4 Households
	Location Description	Citywide
13 12	Goals Supported	Administration
	Needs Addressed	
	Funding	CDBG: \$253,786 *\$240,742
	Description	Program administration for CDBG program activities.
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
14 13	Project Name	HOME Administration
	Target Area	Citywide
	Goals Supported	Administration
	Needs Addressed	
	Funding	HOME: \$54,458 *\$39,947
	Description	Administration expenses to carry out HOME activities
	Target Date	6/30/2019
	Estimate the number and type of families that will benefit from the proposed activities	
Location Description		

Note: ~~Senior Adults Legal Assistance~~, Live Oak Adult Day Services, and Silicon Valley Independent Living Center are proposed to be funded with general fund dollars if approved through the City's budget.

AP-50 Geographic Distribution – 91.220(f)

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

Investments will be allocated citywide for affordable housing services and related capital projects, homeless services and related capital projects, fair housing services and public services for special needs populations.

Geographic Distribution

Table 10 - Geographic Distribution

Target Area	Percentage of Funds New in 2018-19	Including Carryovers
El Camino Real Focus Area	0%	0%
Citywide	100%	100%

Rationale for the priorities for allocating investments geographically

Due to difficulty in finding CDBG-eligible projects, the El Camino Real Focus Area will not be addressed in Program Year 2018-19; however, other activities will be available Citywide.

HOME funds may be spent in a contiguous jurisdiction. A HOME CHDO project has yet to be identified.

AP-55 Affordable Housing – 91.220(g)

Introduction

The City of Santa Clara has identified the production and maintenance of affordable housing as the primary objective for the expenditure of federal funds in the Consolidated Plan. While CDBG and HOME funds are limited, the City will continue to allocate funding to affordable housing projects, including owner-occupied rehabilitation. The City has non-federal funding sources that it will use toward the development of affordable housing during Program Year 2018-19.

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households to be Supported	
Homeless	40
Non-Homeless	54
Special-Needs	0
Total	94

Table 12 - One Year Goals for Affordable Housing by Support Type

One Year Goals for the Number of Households Supported Through	
Rental Assistance	40
The Production of New Units	4
Rehab of Existing Units	50
Acquisition of Existing Units	0
Total	94

AP-60 Public Housing – 91.220(h)

Introduction

The Santa Clara County Housing Authority (SCCHA) is a participating member of the CDBG Coordinators Committee. The City has a successful working relationship with the SCCHA. The City's Housing Authority, using funds from the now-defunct Redevelopment Agency (RDA), has developed seven housing projects in the City with 340 affordable housing units over the last decade.

Actions planned during the next year to address the needs to public housing

The SCCHA has converted three of their original public housing projects to affordable housing stock. The City will continue to work closely with the SCCHA to address any needs identified during the program year.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

SCCHA is proactive in incorporating resident input into the agency's policy-making process. The SCCHA board includes two tenant commissioners that provide input from the tenant's perspective.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The City of Santa Clara region is home to the fourth-largest population of homeless individuals and the highest percentage of unsheltered homeless of any major city. As of the 2017 Point in Time Homeless Census, the City had 272 homeless residents, and over 73 percent of were unsheltered; living in a place not fit for human habitation. Santa Clara clients (those who report that their last permanent zip code was in the City of Santa Clara) represent approximately 4 percent of the homeless persons identified in the County's Point In Time count. The homeless assistance program planning network is operated countywide and governed by the Santa Clara Continuum of Care (CoC) board, which is made up of the same individuals who sit on the Destination: Home Leadership board. The membership of the CoC is a collaboration of representatives from local jurisdictions comprised of community-based organizations, the Santa Clara County Housing Authority, governmental departments, health service agencies, homeless advocates, consumers, the faith community, and research, policy and planning groups. The management information system utilized by the CoC is referred to as the Homeless Management Information System (HMIS). The HMIS monitors outcomes and performance measures for all the homeless services agencies funded by the County.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The City renewed its agreement with the County of Santa Clara in PY 2017-18 for two years to provide intensive case management to approximately 20 chronically homeless individuals identified by the City's police department. This includes 20 individuals receiving assistance in PY 2017-18. The County provides housing subsidies for the participants in this program while the City uses its Successor Housing Agency funds to provide the case management and services for the program. In PY 2018, the City will continue to collaborate with the County in their new county wide homelessness prevention program, which will assist approximately 20 households over the next two years.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City will fund a number of agencies that serve homeless persons accessing emergency and transitional shelters. Much of the funding will come from CDBG funds for agencies like public service agencies with CDBG funding, such as NextDoor Solutions for their program at HomeSafe Santa Clara program, and Silicon Valley Independent Living Center for its Housing Program for the Disabled.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

Particularly for chronically homeless, it is preferable for individuals to receive intensive case management rather than simple information and referral services. Case managers work to assist homeless individuals find housing, connect with resources, and receive services to maintain housing. The provision of case management is person-based rather than shelter-based with the goal of rapid re-housing. The five-year goals of the Community Plan to End Homelessness establish a target of creating 6,000 housing opportunities for persons who are homeless. An additional goal is for each of the 6,000 new tenants to have access to the services that will allow them to maintain that housing.

The City will continue using prior years' HOME funds in its agreement with the Housing Trust of Silicon Valley to provide TBRA security deposits to the homeless or those at risk of homelessness with an expected 40 32 households to benefit.

Countywide, there were 294 homeless families with children counted. Homeless families are typically underrepresented in Santa Clara's Homeless Survey. Oftentimes, homeless families are using shelters or transitional housing facilities, vehicles, and/or splitting up and couch surfing. This results in an under represented count of homeless families during the census.

Along with the point-in-time count, 587 surveys were given to homeless households/individuals. The surveys were given primarily in unsheltered locales. The results showed "257 chronically homeless individuals, 49 homeless veterans, 19 individuals in homeless families, 42 unaccompanied children and transition-age youth."¹³

The TBRA program is a short-term solution to homelessness (unlike permanent supported housing for the chronically homeless). The Homeless Survey has shown that families with children are not only a special needs population, but tend to be underrepresented in Homeless Surveys. The City's TBRA program will continue to focus on assisting the City's homeless and at-risk of homelessness population; however, preferences towards ~~working-class~~ families with children, and individuals and/or families exiting housing exclusively designated for domestic violence survivors will be given.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The City provides CDBG funding to the Bill Wilson Center for youth services, St. Justin for their food assistance program, and the YWCA for services to survivors of domestic violence.

HOPWA Funds

The City does not receive HOPWA funds.

¹³ 2017 Santa Clara County Homeless Census and Survey Report (page 33)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	
Tenant-based rental assistance	
Units provided in housing facilities (transitional or permanent) that are being developed, leased, or operated	
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	
Total: N/A	

AP-75 Barriers to affordable housing – 91.220(j)

Introduction

The jurisdictions within the County face barriers to affordable housing that are common throughout the Bay Area. High on the list is the lack of developable land, which increases the cost of available lands and increases housing development costs. Local opposition is another common obstacle as many neighbors have strong reactions to infill and affordable housing developments. Opposition is often based on misconceptions, such as an anticipated increase in crime; erosion of property values; increase in parking and traffic congestion; and overwhelmed schools. However, in order to ensure a healthy economy, the region must focus on strategies and investment that provide housing for much of the region's workforce – sales clerks and secretaries, firefighters and police, teachers and health service workers – whose incomes significantly limit their housing choices.

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 multiple barriers to affordable housing, including income and wages that are not consistent with the rising cost of housing, a competitive rental and home market, and diminishing public funds.

The Housing Element includes the following actions to remove or ameliorate barriers: Work with nonprofits to acquire and rehabilitate distressed multi-family housing and convert it to low income housing, update the City's zoning ordinance to comply with state laws on reasonable accommodations, emergency shelters, transitional and supportive housing and density bonuses, accommodation of the Regional Housing Needs Assessment for the 2015 Housing Element to maintain an inventory of housing sites appropriate for a range of income levels and for supportive housing for persons with physical and developmental disabilities, analysis of impact fees, promote construction of accessory units and low income housing types such as Single Room Occupancy units, continue to require developers of 10 or more homeowner units to provide Below Market Rate units, consider establishing an affordable housing mitigation fee for large office and industrial developments, consider a local source of affordable housing funds.

AP-85 Other Actions – 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

One of the major obstacles to meeting the needs of the underserved is the limited amount of funding available to fund public services. The City contributes general funds to fund the tenant/landlord mediation program and the United Way's 211 information line.

Actions planned to foster and maintain affordable housing

The Neighborhood Conservation & Improvement Program (NCIP) is administered by the Housing & Community Services Division of the Community Development Department. The program addresses building/housing code deficiencies, abatement of hazardous conditions, repair/rehabilitation of deteriorated conditions, and accessibility for persons with disabilities, all to improve the habitability, use and occupancy of owner-occupied housing. Financial assistance is provided in the form of a loan. Terms are flexible and below market, depending on the homeowner's household income.

City staff conducts a housing inspection to determine repair needs, prepares work specifications, solicits construction contractors to perform the work, and conducts progress inspections. Since 1976, the NCIP Program has assisted more than 1,750 homeowners. For PY 2018, the City has budgeted *\$786,164 in CDBG funds for NCIP (this includes *\$299,692 of estimated program income).

A Memorandum of Understanding, approved by the City Council and RDA Board on November 14, 2006, directed that all RDA funds appropriated for the NCIP Program "will be committed permanently" to the City's NCIP Affordable Housing Rehabilitation Fund (AHRF). Any program income accruing from the expenditure of Successor Housing Agency (SHA) funds for NCIP activities would also be deposited in the AHRF. That program income will not be subject to federal restrictions or requirements. It will primarily be used for the NCIP Program, but may be used for other activities that benefit low and moderate income persons as long as those activities address one or more of the housing and community goals set forth in the City's Consolidated Plan for Program Years 2015-16 through 2019-2020.

The City has a Below Market Purchase Program (BMP) that is authorized by its Housing Element. This program requires developers to set aside ten percent of newly constructed units for housing affordable to moderate income homebuyers. The City's BMP Program is currently administered by Housing Trust Silicon Valley. The BMP Program created an additional source of revenue to augment future housing and community objectives – the City Affordable Housing Fund (CAHF). After five years, a BMP housing unit can convert from a restricted sales price to a market price. If a BMP unit is sold after the initial 5-year period, the City recaptures the value of the affordable purchase price discount. Proceeds from that recapture are deposited in the CAHF. Use of CAHF funds is not subject to federal or state restrictions or requirements. The CAHF funds will be used for activities that benefit low and moderate income persons and address one or more of the housing and community goals set forth in the City's Consolidated Plan and its Housing Element.

Actions planned to reduce lead-based paint hazards

The City undertakes HUD-funded projects in accordance with the Lead-Based Paint Regulations published in 2000. These regulations most commonly affect residential structures rehabilitated through NCIP. When identified, lead paint will be controlled or abated and disposed of properly to eliminate or reduce the hazard of environmental or human contamination. The City has adopted a written plan to implement the regulations in its NCIP Program and other housing rehabilitation activities.

Actions planned to reduce the number of poverty-level families

The City's Section 3 Affirmative Action Plan was last updated on July 1, 2011. The purpose of the plan is to assure that new jobs created by the use of federal entitlement funds provide opportunity for the recruitment, training and employment of low income persons residing in the City of Santa Clara. To this end, the stated purpose of the plan is to "provide lower income residents within the project area [City of Santa Clara] the opportunity for employment and training and for the awarding of contracts to businesses located or owned in substantial part by persons residing in the project area." This action plan is required of all contracts for non-exempt projects funded by HUD. Projects with less than \$200,000 in CDBG/HOME funds are exempt from Section 3 requirements.

On March 24, 2017 the Santa Clara City Council unanimously passed the first worker retention ordinance in Silicon Valley. This ordinance will provide much-needed job security to some of the most vulnerable workers. This law protects food and building service workers from mass layoffs when companies switch contractors. It requires that if a company with an office or venue in Santa Clara hires a new contractor or brings services in-house, the workers who currently work at that location must be kept on for a 90-day transition period.

The City of Santa Clara is a participating member of the North County Consortium of Neighborhood Self Sufficiency Centers whose mission is to support the long-term sustainability and self-sufficiency of CalWORKs families. The consortium is made up of over 30 businesses, agencies and schools that have a record of successful work with CalWORKs clients.

The Santa Clara Unified School District (SCUSD) Adult Education Center has a CalWORKs Site Representative who acts as a liaison for participating CalWORKs students and Santa Clara County Social Services Agency. Some of these responsibilities include ensuring that all participants on campus are remaining in compliance with federal regulations, developing a 'welfare to work' plan, reporting monthly attendance to the County for each participant, and reporting progress reports on a quarterly basis for each participant CalWORKs student to the County. In addition to the Site Representative, the Adult Education Center has a Career Advisor for CalWORKs students to help them in job placement, resume development, and interviewing skills.

Actions planned to develop institutional structure

The City will continue its participation in the CDBG Coordinators Committee, which increasingly has become a public forum for discussion and active planning of common strategies to address the housing and community needs in Santa Clara County.

Actions planned to enhance coordination between public and private housing and social service agencies

The City will continue its efforts to encourage consortium-building among housing developers, public service providers, and governmental and non-governmental entities. The City has achieved proven results in using federal funds to leverage private funds. The City participates in

the quarterly meetings of the Supportive Housing Roundtable, which includes government agencies, housing developers, service providers, legal services and private funders.

Discussion

In 1983, the City of Santa Clara joined with several other cities to create the North Valley Job Training Consortium (NOVA) in response to the federal Workforce Investment Act. The consortium is a private/public partnership made up of representatives of local government, business and industry, labor, education and training systems, employment services, and community support organizations. Currently, the cities of Santa Clara, Cupertino, Los Altos, Milpitas, Mountain View, Palo Alto, and Sunnyvale and San Mateo County are participating members. The NOVA Workforce Board was established to guide the agency in its mission to deliver employment and training services that enhance people's ability to live and work in Silicon Valley. Many of the services and programs provided by NOVA target disadvantaged youth and adult populations, who may have limited education and/or barriers to employment. NOVA is a partner in the CONNECT! Job Seeker Center, a comprehensive resource center open to all job seekers, which offers computer access, a resource library, resume assistance and job search workshops.

The Housing Authority was approved as a Moving to Work (MTW) Agency in January of 2008. That program allows the HACSC additional administrative flexibility between programs. The three major goals for the MTW program are to increase cost effectiveness, to promote self-sufficiency, and to expand housing options for program participants.

AP-90 Program Specific Requirements – 91.220(I) (1, 2, 4)

Introduction

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I) (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.

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	300,000
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	300,000

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.	100.00%

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(I) (2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The City does not use HOME funds beyond those identified in Section 92.205.

2. The City does not use HOME funds beyond those identified in Section 92.205. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Homeowner Equity – for purposes of this policy, it is defined as the sum of the down-payment, principal paid, and homeowner improvements.

HOME Equity – for purposes of this policy, it is defined as the amount of HOME investment, adjusted as follows: (1) The HOME investment amount would be reduced if, at the time of the homeowner's purchase, the market price is less than the cost of construction, by the amount of that difference; and (2) Beginning after six years of residency by the original buyer, the City would reduce its share of excess proceeds by a maximum of 10% for each additional full year the original buyer resides in the home. After the completion of 15 years of residency by the original buyer, the City would have no interest in recapturing any portion of its original HOME investment.

In the event of a sale of a HOME-assisted house during the 15 year HOME affordability period, sales proceeds would be distributed in the following order of priority:

- a. Closing costs.
- b. Primary mortgage loan (City or private lender).
- c. Other loans superior to the City's HOME investment lien (if any have been approved by the City).

The remaining funds are considered Shared Net Proceeds under the HOME regulations and would be distributed in the following order of priority:

- d. Homeowner Equity, or the amount of Shared Net Proceeds, whichever is less.
- e. Homeowner Shared Net Proceeds. This amount will be the greater of: (1) Homeowner Equity that was paid as described above; or (2) proportionately of the Shared Net Proceeds, according to the formula - Homeowner Equity, divided by the sum of Homeowner Equity plus HOME Equity.
- f. HOME investment. The remainder of the Shared Net Proceeds. If the remaining Shared Net Proceeds are insufficient to repay the full amount of the City's HOME investment, the City would forgive any of the HOME investment that could not be repaid from the remaining Shared Net Proceeds.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds. See 24 CFR 92.254(a)(4) are as follows:
The City secures its HOME funds by recording Deeds of Trust on the title of the property that received the funding. The period of affordability would be a minimum of 15 years.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

The City does not have any plans to use HOME funds to refinance existing debt on multi-family.

5. HOME funds may be allocated to affordable housing capital projects in contiguous jurisdictions.

Discussion

The following guidelines will apply to the TBRA program:

The program will serve homeless or at-risk of becoming homeless households, with preference given to families with children. The household income must be at, or below 60% AMI as published by HUD. Households ~~should~~ **must** reside in or have proof of a last permanent address in the City of Santa Clara, **or** who are currently working or have a bonafide job offer in the City of Santa Clara, **or be homeless in the City of Santa Clara**, or have children attending a school in the Santa Clara Unified School District.

Participants go through the County's Coordinated Assessment system and be placed in the Community Queue (a separate, confidential process is available within the system for domestic violence survivors). A Vulnerability Index-Service Prioritization Decision Assistance Tool 2.0 (VI-SPDAT) will assess the participant's vulnerability and placement in the Queue. Further, the City's program-specific filters (e.g., families with children) will result in referrals to the City's TBRA program from the Queue.

While it would be ideal for participants to locate housing within the City's limits, the program will allow participants to find housing located anywhere within the County of Santa Clara.