

## RESPONSE TO COUNCIL QUESTIONS RE: 11/11/14 AGENDA

### PUBLIC HEARING/GENERAL BUSINESS:

#### Item #3

From the report to Council I am still somewhat confused about how the CDBG grants are put in jeopardy by not raising the grant limits. Can you please enhance your explanation?

**Staff Response:** In the recent HUD audit letter, setting a higher minimum was recommended to reduce the administrative burden and improve efficiency in the use of the funds. While maintaining a low limit does not necessarily jeopardize the grant funds, HUD auditing standards have become much stricter and more onerous in recent years. With multiple agencies to monitor, especially where the grant amount is small, there is a greater risk that HUD will find auditing issues which could lead to the funds ultimately being disallowed by HUD. This risk and the administrative burden would be reduced if fewer agencies were allotted the CDBG funds. Raising the limit would only apply to agencies receiving CDBG funds; smaller General Fund grants that are not combined with CDBG funds could still be awarded to other agencies.

Did the H&HS Commission give a reason why they proposed an additional \$15k in general funds?

**Staff Response:** The basic rationale of the HHSC is that the \$100,000 General Fund limit was set about six years ago and has not been regularly adjusted for inflation. While the \$15,000 increase is not directly correlated with the cumulative CPI increase in the past years, it was an attempt to acknowledge this increase retroactively. They were also concerned that CDBG and other funds for human services have been declining in recent years. More generally, the commission felt that there was a compelling need for human service funds to address the increasing needs of seniors, households with special needs, and the homeless-at-risk population.

I am trying to understand better how raising the minimum grant for CDBG funds might affect the range of services we fund. Why might an agency apply for one type of funds versus the other, CDBG vs General funds? For example, are there different ways the funds can be used?

**Staff Response:** Staff would apply essentially the same criteria for use of both CDBG funds and General Funds. The main difference is the reporting requirements, which for CDBG funds have become more onerous and detailed regardless of the amount of the grant. For certain human services, it can be particularly challenging and difficult to meet HUD reporting guidelines. General Fund reporting would be simpler and more streamlined and would improve administrative efficiency for both agency and City staff, especially for smaller grants.

What were the individual grant amounts for the previous biennial cycle? Some entire subcategories listed in the slides for the previous RTC (12-259) were less than \$25,000, suggesting that there were many smaller grants.

**Staff Response:** The attached table lists the individual grant recipients for the prior cycle, which include a number of grants with less than \$25,000. Grants of less than the proposed minimum would still be available with the General Fund allocation. Overall, fewer agencies would be funded if the minimum CDBG grant amount were raised to \$25,000 (staff estimates a reduction of three or four agencies based on

past funding).

Are agencies allowed to submit joint applications, to meet the minimum grant requirement?

**Staff Response:** While this would not be precluded, it could add to the complexity of meeting HUD reporting and monitoring requirements. It depends on how the services are shared or divided and the relationship between the two service providers. Staff would need to evaluate the specific proposals to determine the feasibility.

#### **Item #4**

What would happen to the project if we did not allow for the deviation in set backs? By reducing the number of units would this not also allow for larger units to be built?

**Staff Response:** Reducing the number of units is an option to strictly comply with all zoning standards. However, the City has typically allowed a planned development approach for small infill lots where flexibility to zoning standards could achieve a better designed project or meet other desired City policies or objectives. If the Council feels the deviations to the front yard setback on Noriega and the side yard setback is not acceptable, it could require a loss of two units or a redesign to smaller/narrower units. As noted, reducing the number of units could also allow for some larger units. In evaluating the overall project, staff believes that these two setback deviations are supportable and will be compatible with the surrounding area. The units are also decent in size, consisting of three bedrooms ranging from about 1,500 to 1,900 square feet.

The deviation to the distance between the two duet buildings is a common one that has been approved by the City where it involves the sides of two adjacent buildings. Building separation is more critical for the longer building elevations with multiple windows and entries. Additionally, for townhouse projects, the City has considered the private front patios that encroach into the front yard setback as usable open space even though it cannot be included in the overall open space calculation. As noted in the staff report, providing partial credit for these patios would result in the project meeting the usable open space standard.

#### **Item #5**

The emphasis behind this report was to find a way to direct developers on projects in the City of Sunnyvale to hire local workers. The problem was with companies like BRE who hire low wage workers from the Central Valley to come to Sunnyvale and build projects, thus eliminating from the work force qualified and skilled labor from this area from the jobs. It seems as though it would be simple enough to have a condition of development that requires an employer to hire a percentage of skilled local workers for a development from our local area. Simply directing employers to NOVA does not meet the intent of the study issue!

**Staff Response:** Few policy issues are as simple as they first appear. A condition of development requiring an employer to hire a percentage of skilled local workers for a development from our local area sounds easy enough, but it raises numerous questions and legal issues that would need to be clarified for any condition to be effective: What is a reasonable percentage to require? Does that percentage apply to the entire workforce, or just to laborers? How do you define "skilled"? How do you define "local area"? How would the City monitor and track compliance? What staff resources are needed to monitor? What enforcement measures would be exercised for non-compliance? Would the condition apply to all development, or just developments of a certain size or developments seeking special privileges

through a development agreement? Would the condition apply to City projects too? Staff also notes that a thorough study of these questions and issues would necessitate a comprehensive stakeholder engagement process, including reaching out to parties representing both labor and the development community. Staff's position at the inception of this study issue (as captured by the staff recommendation on the study issue paper) was that a wide spectrum of study options exist, and that staff was resourced this calendar year to only address the option of encouraging local developers to hire local workers. The attachment to the Report to Council provides a spectrum of policy options for Council to deliberate on to achieve additional goals in this area and, likewise, we can return with the needed resources and schedule.

**Attachment**

### HUMAN SERVICES GRANTS

Agency Name and Program	FY 2013-14	FY 2014-15
<b>CDBG Funds</b>	<b>\$ 204,500</b>	<b>\$ 198,933</b>
<b>General Funds</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>
<b>Sunnyvale Community Services:</b> Emergency Food/Financial Assistance	\$ 76,000	\$ 74,611
<b>Outreach &amp; Escort:</b> Senior Transportation and Resources	\$ 26,500	\$ 26,016
<b>Family &amp; Children Services:</b> Youth Counseling for At-Risk Youth	\$ 18,000	\$ 17,671
<b>Bill Wilson Center:</b> Family & Individual Counseling	\$ 17,500	\$ 17,180
<b>EHC LifeBuilders:</b> Winter Shelter at Sunnyvale Armory	\$ 15,500	\$ 15,217
<b>YWCA Silicon Valley:</b> Domestic Violence Support Network	\$ 15,500	\$ 15,217
<b>MayView Community Health Center:</b> Primary Health Care & Disease Prevention	\$ 15,500	\$ 15,217
<b>First United Methodist Church:</b> Sunnyvale Senior Nutrition Program	\$ 14,000	\$ 13,744
<b>The Health Trust:</b> Meals On Wheels	\$ 10,500	\$ 10,307
<b>Santa Clara Family Health Foundation:</b> Healthy Kids Program	\$ 14,000	\$ 13,744
<b>Catholic Charities:</b> Long-Term Care Ombudsman	\$ 10,500	\$ 10,308
<b>Catholic Charities:</b> Day Break III Adult Day Care	\$ 10,500	\$ 10,308
<b>Abilities United:</b> Aquatic & Occupational Therapy, early intervention & services for disabled people of all	\$ 10,500	\$ 10,308
<b>Live Oak Adult Day Services:</b> Senior Lunches	\$ 10,000	\$ 9,817
<b>Friends of Vision Literacy:</b> English Language Development Class	\$ 10,000	\$ 9,817
<b>West Valley Community Services:</b> Haven to Home Case Management	\$ 10,000	\$ 9,817
<b>Senior Adults Legal Assistance:</b> Legal Assistance to Sunnyvale Elders	\$ 10,000	\$ 9,817
<b>Silicon Valley Independent Living Center:</b> Housing/Emergency Services for Persons with Disabilities	\$ 10,000	\$ 9,817
<b>TOTAL</b>	<b>\$ 304,500</b>	<b>\$ 298,933</b>

\*\* The Health Trust grant is split between CDBG and General funds: \$4,060 in CDBG and \$6,247 in General Funds