



City of Sunnyvale

Notice and Agenda Housing and Human Services Commission

Wednesday, April 19, 2017

7:00 PM

West Conference Room, City Hall, 456 W.
Olive Ave., Sunnyvale, CA 94086

Special Meeting

CALL TO ORDER

SALUTE TO THE FLAG

ROLL CALL

ORAL COMMUNICATIONS

This category provides an opportunity for members of the public to address the commission on items not listed on the agenda and is limited to 15 minutes (may be extended or continued after the public hearings/general business section of the agenda at the discretion of the Chair) with a maximum of up to three minutes per speaker. Please note the Brown Act (Open Meeting Law) does not allow commissioners to take action on an item not listed on the agenda. If you wish to address the commission, please complete a speaker card and give it to the Recording Secretary. Individuals are limited to one appearance during this section.

CONSENT CALENDAR

- 1.A [17-0417](#) Approve the Housing and Human Services Commission Meeting Minutes of March 22, 2017

Recommendation: Approve the Housing and Human Services Commission Minutes of March 22, 2017 as submitted.

PUBLIC HEARINGS/GENERAL BUSINESS

- 2 [17-0276](#) Consider Draft 2017 Housing and Urban Development (HUD)
Action Plan

Recommendation: Staff recommends that the Housing and Human Services Commission recommend to Council Alternative 1: Approve the 2017 Action Plan as shown in Attachment 2.

Approval of the Action Plan will allow the City to receive the 2017 CDBG and HOME grants and use them to address local needs for affordable housing and related programs, consistent with the 2015-2020 Consolidated Plan. Most of these projects leverage additional funding from other sources. The Commission made its recommendations on the General Fund grants at its March meeting, as shown in Attachments 3 and 4; no further action on those allocations is required.

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

NON-AGENDA ITEMS & COMMENTS

-Commissioner Comments

-Staff Comments

ADJOURNMENT

Notice to the Public:

Any agenda related writings or documents distributed to members of this meeting body regarding any item on this agenda will be made available for public inspection in the originating department or can be accessed through the Office of the City Clerk located at 603 All America Way, Sunnyvale, CA. during normal business hours and at the meeting location on the evening of the board or commission meeting, pursuant to Government Code §54957.5.

Agenda information is available by contacting Edith Alanis at (408) 730-7254. Agendas and associated reports are also available on the City's website at sunnyvale.ca.gov or at the Sunnyvale Public Library, 665 W. Olive Ave., Sunnyvale, 72 hours before the meeting.

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact Edith Alanis at (408) 730-7254. Notification of 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.160 (b) (1))



City of Sunnyvale

Agenda Item

17-0417

Agenda Date: 4/19/2017

SUBJECT

Approve the Housing and Human Services Commission Meeting Minutes of March 22, 2017

RECOMMENDATION

Approve the Housing and Human Services Commission Minutes of March 22, 2017 as submitted.



City of Sunnyvale

Meeting Minutes - Draft

Housing and Human Services Commission

Wednesday, March 22, 2017

7:00 PM

West Conference Room, City Hall, 456 W.
Olive Ave., Sunnyvale, CA 94086

CALL TO ORDER

Chair Evans called the meeting to order at 7:02 p.m.

SALUTE TO THE FLAG

Chair Evans led the salute to the flag.

ROLL CALL

Present: 7 - Chair Patti Evans
Vice Chair Minjung Kwok
Commissioner Diana Gilbert
Commissioner Joshua Grossman
Commissioner Ken Hiremath
Commissioner Avaninder Singh
Commissioner Elinor Stetson

Council Liaison Glenn Hendricks (absent)

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

Chair Evans asked if anyone wanted to discuss any of the items on the consent calendar. No one did.

1.A [17-0282](#) Approve the Housing and Human Services Commission Meeting Minutes of November 16, 2016

1.B [17-0284](#) Approve the Housing and Human Services Commission Meeting Minutes of February 22, 2017

Approve the Housing and Human Services Commission Minutes of February 22, 2017 as submitted.

1.C [17-0283](#) Approve 2017 Draft Master Work Plan

Chair Evans asked for a motion.

MOTION: Commissioner Gilbert moved and Commissioner Singh seconded the motion to approve the consent calendar as submitted.

The motion carried by the following vote:

Yes: 7 - Chair Evans
 Vice Chair Kwok
 Commissioner Gilbert
 Commissioner Grossman
 Commissioner Hiremath
 Commissioner Singh
 Commissioner Stetson

No: 0

PUBLIC HEARINGS/GENERAL BUSINESS

2 [17-0300](#) Evaluations and Funding Recommendations for FY 2017-18
 Human Services Grants and CDBG Capital Project Loans

Housing Officer Suzanne Isé gave a short presentation and an explanation about how the federal budget affected staff's approach to the recommendations due to the high level of uncertainty.

The commissioners asked some questions of staff about the process before Chair Evans opened the public hearing at 7:36 p.m.

The following representatives spoke on behalf of their programs and thanked staff and the commissioners for their funding recommendations and past support.

- Pilar Furlong, Bill Wilson Center: Counseling Services for At-Risk Youth.
- Teresa Johnson, the Health Trust: Meals on Wheels Program
- Marie Bernard, Sunnyvale Community Services: Food Assistance Program
- Greg Pensinger, Downtown Town Streets Team: WorkFirst Sunnyvale Program.
- Martin Chavez and Amanda Olsen, Downtown Streets Team: Community Outreach Program
- Wanda Hale, Catholic Charities of Santa Clara County: Long Term Care Ombudsman Program.

- Craig King, Greater Opportunities: Capital Project Proposal for Rehabilitation of Cortez Semi-Independent Living Program Facility
- Georgia Bacil, Senior Adults Legal Assistance Program: Legal Aid for Seniors
- Dan Schmid, Life Moves: Homeless Shelter Program

Chair Evans closed the public hearing at 8:07 p.m.

After discussion and questions of staff, the commissioners agreed to take two separate actions, one to address the CDBG funding recommendations, and second one to address the General Fund grants for human services.

Chair Evans asked for a motion.

MOTION: Commissioner Gilbert moved and Commissioner Stetson seconded the motion to to recommend to Council Alternative 1: Recommend funding the human services proposals in the amounts shown in Attachment 2 and the capital project proposals as shown in the report, noting that Sunnyvale Community Services should receive the maximum grant amount, which is limited to 25% of the total funding available for human services.

The motion carried by the following vote:

Yes: 7 - Chair Evans
Vice Chair Kwok
Commissioner Gilbert
Commissioner Grossman
Commissioner Hiremath
Commissioner Singh
Commissioner Stetson

No: 0

After a lengthy discussion, consideration of possible options and questions of staff regarding General Fund grant recommendations, Chair Evans asked for a motion.

MOTION: Commissioner Grossman moved and Commissioner Hiremath seconded to recommend to Council the following:

- Provide a total of \$150,000 in General Funds to be allocated as follows: \$15,000 grants to each of the following programs: Long Term Care Ombudsman, Meals on Wheels, Day Break Cares, Friends for Youth Mentoring Services, DST Homeless Outreach and Engagement and Sunnyvale Youth and Family Counseling Program, and \$10,000 each for all the other proposals received; or

- If Council does not appropriate \$150,000 for the human services grants, then recommends appropriating \$120,000 in order to fund all 12 proposals received each at the minimum grant amount of \$10,000, or
- If Council does not appropriate \$120,000, then the Commission recommends approval of the staff recommendation, as shown in Attachment 3 to the staff report, for distributing the planned \$100,000. The 10 highest ranked proposals would each receive \$10,000.

The motion carried by the following vote:

Yes: 7 - Chair Evans
Vice Chair Kwok
Commissioner Gilbert
Commissioner Grossman
Commissioner Hiremath
Commissioner Singh
Commissioner Stetson

No: 0

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

Commissioner Grossman recommended a study potentially around safe cities and how the City is going to work with respect to ICE enforcement with our own local police forces, vis-a-vis immigration raids and so forth.

Staff noted that proposed study issues need to be related to City policy and within the purview of the Commission. After additional clarification by Mr. Grossman, Director Ryan suggested that staff bring back a draft summary of the proposal for discussion at a future meeting.

NON-AGENDA ITEMS & COMMENTS

-Commissioner Comments

Commissioner Singh noted that he was glad to be part of the commission.

-Staff Comments

Staff welcomed the two newest members, Commissioner Hiremath and Commissioner Singh.

ADJOURNMENT

Chair Evans adjourned the meeting at 9:26 p.m.



City of Sunnyvale

Agenda Item

17-0276

Agenda Date: 4/19/2017

REPORT TO HOUSING AND HUMAN SERVICES COMMISSION

SUBJECT

Consider Draft 2017 Housing and Urban Development (HUD) Action Plan

REPORT IN BRIEF

The City must submit an Action Plan to HUD every year in order to receive federal entitlement grants from the Community Development Block Grant (CDBG) and the HOME Investment Partnerships (HOME) Programs. The draft 2017 HUD Action Plan ("Action Plan") provided in Attachment 2 has been prepared in accordance with federal requirements governing the use of these entitlement grants, including the citizen participation requirements. HUD is the federal agency that administers and regulates these grants. The Action Plan sets forth the proposed uses of the CDBG and HOME funds projected to be available in the coming fiscal year, as shown in Table 1 in the Discussion section of this report. These funds may be used for eligible community development activities to meet the priority and/or unmet needs, primarily of lower-income residents, described in the City's HUD Consolidated Plan.

The City Council is scheduled to hold a public hearing and consider this item on May 9, 2017.

Staff recommends that the Commission recommend to City Council Alternative 1: Approve 2017 Action Plan as shown in Attachment 2.

BACKGROUND

HUD requires entitlement grantees, which include larger cities, counties and states, to submit an application, referred to as a Consolidated Plan, every five years, to maintain eligibility for CDBG and HOME Program grants. Sunnyvale's last Consolidated Plan was approved in 2015 and covers fiscal years 2015-16 through 2019-20. In addition, every year, these grantees must submit an annual "Action Plan" to HUD for its approval in order to obtain the grant for the coming fiscal year. The Action Plans describe the grantees' local needs and the projects and programs to be funded with the grant funds in the coming fiscal year. Upon HUD approval, the annual Action Plans are appended to the five-year Consolidated Plan. The 2017 Action Plan will be the third Action Plan to be added to the City's 2015-2020 Consolidated Plan.

CDBG and HOME Programs

The CDBG program was established by the Housing and Community Development Act of 1974, Public Law 93-383. The program provides annual grants to counties and larger cities, including Sunnyvale, to enable them to "develop viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for low and moderate-income persons." CDBG regulations define "low and moderate" as households earning not more than 80% of area median household income, or what the City and the State of California refer to as "lower-income households". The CDBG and HOME lower-income limits are established annually by HUD for

each metropolitan area in the U.S. The lower-income limit (80% of median) for these federal programs in the Sunnyvale-San Jose metropolitan area is currently nearly \$80,000 for a household of four, with adjustments for larger or smaller households. That means that the gross, pre-tax income of all adults in the household, combined, cannot exceed that amount. This low-income limit is significantly higher than the national median household income of \$56,600, and also higher than the statewide median of \$63,600 in California, both according to Census estimates for 2015. HUD adjusts the area income limits based on local housing costs and local median income data, so the higher limits in Sunnyvale are due to both of those factors being quite high compared to national or state levels.

Eligible Activities

CDBG funds may be used for activities that “principally benefit” lower-income households, such as: housing rehabilitation, public facilities and infrastructure, public services, energy conservation, economic development and job creation/retention. Certain activities are prohibited by CDBG regulations, such as acquisition, construction or renovation of general government buildings (i.e., city halls, schools, etc.); political activities; subsistence (welfare) payments; and construction of new housing.

The HOME Program was established by the National Affordable Housing Act of 1990. It provides funding for lower-income housing efforts, including construction, rehabilitation, and acquisition of affordable housing, first-time home buyer assistance, and tenant-based rental assistance. HOME funds may be used to assist permanent rental housing for clients transitioning out of homelessness, but not for emergency shelters.

EXISTING POLICY

2015-2020 HUD Consolidated Plan:

- Goal A Assist in the creation, improvement, and preservation of affordable housing for lower-income and special needs households.
- Goal B Alleviation of Homelessness
- Goal C Support provision of essential human services, particularly for special needs populations.
- Goal D Expanding Economic Opportunities

Human Services Policy 5.1.3

The City shall make its best efforts to provide supplemental human services, which include but are not limited to emergency services, senior services, disabled services, family services, and youth services.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” with the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378 (b) (4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

Although site-specific projects may be identified in the Action Plan, approval of the Plan does not constitute a formal commitment for those projects. Before formally committing or releasing funds for a specific project, staff will complete applicable federal and state environmental reviews for those projects.

DISCUSSION**Funding Availability**

This year, there is increased uncertainty regarding the amount of CDBG and HOME funds localities might receive. This uncertainty is because Congress has not yet appropriated funding for the entire federal fiscal year (FFY) 2017 (October 1, 2016 through September 30, 2017), which would provide the funding for the City's FY 2017-18 CDBG and HOME grants. Congress passed a continuing resolution in December for the first part of FFY 2017, and needs to pass another continuing resolution by late April in order to provide funding for the rest of the FFY. This funding is needed for HUD to award the City's 2017 CDBG and HOME grants. HUD staff has informed staff that the delay in federal appropriations may require adjustment to the usual schedule for Action Plan submittal, and grantees should adopt plans with contingency provisions to allow for adjustments in case appropriations are not consistent with the prior year. Staff anticipates a Continuing Resolution (CR) to be passed in Congress by April 28 or shortly thereafter to provide the remaining funding for FFY 2017.

Consistent with HUD guidance, staff has developed the draft funding allocations based on an assumption that CDBG and HOME funding will remain approximately the same as last year, but is aware that this may prove to be incorrect and adjustments may be required later in the process (e.g., prior to the final budget adoption by City Council). Due to the amount of uncertainty, staff has attempted to keep the recommended allocations as simple as possible to allow for relatively straightforward adjustments later, if needed.

In addition to the FY 2017 grants, staff estimates approximately \$170,000 in CDBG program income will be received by the end of the current fiscal year. Program income consists of loan payments on prior CDBG loans, as well as interest accrued in the fund. So far this fiscal year, the City has received \$150,000 in program income, and the remaining \$20,000 is what staff expects to receive by June 30, 2017. Staff also projects that \$150,000 in CDBG program income will be received during FY 2017-18. The program income received so far in FY 2016/17 (which was also \$150,000), was already allocated for use in FY 2016/17 through the 2016 Action Plan. Therefore, only the additional \$20,000, is the amount in excess of the projected FY 2016/17 program income, is available to allocate for next fiscal year.

As shown in Table 1 below, staff estimates that nearly \$1.3 million in CDBG funds and slightly over \$521,000 in HOME funds may be available for new allocation for next fiscal year. This funding includes the FY 2017 entitlement grants (pending federal budget appropriations), program income, disencumbered funds, and balances from prior years' grants. The total may increase slightly if additional program income is received in either fund by the end of June, or could decrease if the entitlement grants are not received in the estimated amounts. Because of the increased uncertainty noted above, staff has developed contingency allocations based on two alternative scenarios in case the estimates shown in Table 1 are overly optimistic: one if the FY 17 entitlement grants are approximately half of what they were the prior year, and another if HUD does not award any entitlement grants this year. Staff thinks the second alternative scenario is less likely, because HUD funding was appropriated for the first half of FFY 2017 through the continuing resolution passed in December 2016. These contingency allocations are provided in the Action Plan (Attachment 2).

Table 1: Funds Available

| ESTIMATED FY 17 FUNDS | CDBG | HOME |
|---------------------------------------------|---------------------|-------------------|
| FY17 Entitlement Grants (ESTIMATE) | \$ 1,000,000 | \$ 300,000 |
| Current FY Remaining Program Income | \$ 20,000 | \$ 50,000 |
| Projected FY 2017/18 Program Income | \$ 150,000 | \$ - |
| Disencumbered/Fund Balance | \$ 128,000 | \$ 171,221 |
| TOTAL | \$ 1,298,000 | \$ 521,221 |
| <i>Maximum Available for Human Services</i> | <i>\$ 175,500</i> | <i>\$ -</i> |
| <i>Maximum Available for Administration</i> | <i>\$ 230,000</i> | <i>\$ 80,000</i> |

Activities funded from the CDBG Revolving Loan Fund are not required to be included in the Action Plan tables, but are included in the Projects Budget. These include an allocation for housing rehabilitation loans, which are available for lower-income mobile home and single family home owners, and rehabilitation program operations.

Action Plan Development

When developing the draft Action Plan, staff analyzes the City's ongoing programs eligible for CDBG and/or HOME funds, such as the Home Improvement Program and Tenant Based Rental Assistance (TBRA), and also seeks proposals from the community for programs and projects to be funded with available CDBG and HOME funds in the coming fiscal year. Funding requests for human services are considered on a competitive basis every second year, and conditional funding awards are made for a two-year term.

RFP Process

The City released two RFPs in January 2017 to solicit proposals for human services and affordable housing/capital projects from eligible agencies. In response, the City received 18 human services proposals and two capital project proposals, as listed in the commission's March meeting materials. The proposals are available online at *HUDPrograms.inSunnyvale.com*. The staff scoring committee evaluated the proposals based on the priority needs described in the City's 2015-2020 Consolidated Plan and related City plans and policy documents, and scored the proposals based on the point system provided in the RFP. The CDBG funding awards recommended by the Commission at its March meeting are included in the draft Action Plan (Attachment 2). The March meeting minutes are provided in Attachment 4.

HUD Spending Limits for Public Services and Administration

HUD regulations limit how much entitlement grantees can allocate for program administration and public (human) services activities. CDBG administration is limited to 20% and public services are limited to 15% of CDBG grant and program income funds (no administrative funding is available from disencumbered funds or fund balance). There are nuances and slight differences in the way these limits are calculated, as set forth in the CDBG regulations. As shown in Table 1, staff estimates that no more than \$230,000 in CDBG funds can be allocated for administrative and planning (including fair housing), and no more than \$175,500 can be provided for public services, next fiscal year. HOME regulations limit funding for administration to no more than 10% of the entitlement grant and 10% of program income received in prior years, which may be carried over from year to year if not used in full (the "HOME PI Admin Reserve"). The amount recommended to be allocated for HOME administration complies with this requirement.

Proposed CDBG and HOME Activities

The projects and programs proposed to be funded in 2017 are shown in Table 2 below and in **Attachment 2**. All of these activities are eligible for the indicated funding type and amount recommended, based on federal regulations associated with these grants, and all of them meet one or more priority needs as identified in the City's 2015-2020 Consolidated Plan. The amounts shown will be adjusted as needed once the continuing resolution has been published, which staff expects to occur before the Council hearing on May 9.

Affordable Rental Housing:

This category includes the Tenant-Based Rental Assistance (TBRA) program which provides a portable rental assistance voucher, similar to a Section 8 voucher, to clients who are homeless or at imminent risk of homelessness. The program is administered by Abode Services on the City's behalf, and takes referrals from several local partner agencies, some of which are also human services grantees. The TBRA program is funded with HOME funds and provides transitional assistance for clients who can be reasonably expected to pay their full rent and/or transition to other affordable housing options after the two-year assistance term.

Administration and Planning:

Administration includes the City's expenses for staffing and implementing the CDBG and HOME programs, including public outreach, holding hearings, publishing notices, developing the RFPs, evaluating proposals, grant contract management, tracking of grant funds and program income, sub-grantee monitoring, reporting, and compliance with federal requirements such as environmental, labor, anti-discrimination, and fair housing regulations. Indirect costs (overhead for expenses incurred by internal service departments) and fair housing services are also included in program administration.

Housing Rehabilitation (Owner-Occupied)

The Home Improvement Program provides grants and in-kind assistance to lower-income home owners, including mobile home owners, for minor home improvements (energy efficiency upgrades, exterior painting, emergency repairs and disabled access improvements). The Home Access Grant is also available to lower-income renters, with the landlord's consent. The revolving loan fund (RLF) provides funding for larger loans to lower-income home owners and/or non-profit housing developers for major housing rehabilitation projects. Expenditures from the RLF are not required to be included in the Action Plan, which focuses on new CDBG revenues. The recommended allocation for home improvement grants for next year is \$40,000, based on the level of demand for this program in recent years.

Table 2: Recommended Allocations in 2017 Action Plan

| Planned Allocations | | CDBG | HOME |
|------------------------|-------------------------------------|---------------------|-------------------|
| Administration | Planning and Administration | \$ 215,000 | \$ 80,000 |
| | Fair Housing* | \$ 15,000 | N/A |
| Housing Rehabilitation | Home Improvement Program | \$ 40,000 | N/A |
| Rental Assistance | Tenant-Based Rental Assistance | N/A | \$ 441,221 |
| Infrastructure | Persian Drive Sidewalk Extension** | \$ 448,500 | N/A |
| Economic Development | WorkFirst Sunnyvale (CDBO Activity) | \$ 404,000 | N/A |
| Public Services | Human Services Grants | \$ 175,500 | N/A |
| TOTAL | | \$ 1,298,000 | \$ 521,221 |

Public Services (Human Services):

CDBG funds may be used for various public services, as long as a majority of the clients are lower-income persons, and the services address the priority needs identified in the Consolidated Plan. The City has established a Human Services policy and competitive RFP process for awarding human services grants on a two-year cycle, using CDBG and any supplemental General Funds. FY 2017-18 is the first year of the two-year funding cycle. Human services provide assistance to seniors, disabled adults, homeless people, lower-income households, and at-risk youth. The agencies that applied for CDBG funds are listed in the Action Plan (Attachment 2). The agencies that applied for General Funds are listed in Attachment 3 reflecting HHSC's previous motion. The final General Fund human services grants to be approved by City Council will be included in the recommended City budget, but are not included in the Action Plan.

Public Infrastructure:

Public infrastructure projects may be funded by CDBG if they are located in census tracts with a minimum percentage of lower-income households, according to HUD. One infrastructure project, the Persian Drive Sidewalk Extension, was provided an allocation of \$200,000 in last year's Action Plan, with hopes that additional funding would come from a State grant opportunity. The project was not awarded the State grant, so additional CDBG funds are recommended this year, if available. The project consists of a new sidewalk along the south side of Persian Drive between Morse and Borregas Avenues, where there is currently no sidewalk. The sidewalk would provide adjacent neighborhoods with safe pedestrian/bike access into Moffett Park via the bike/ pedestrian bridge over Highway 237. The project would also include storm water filtration improvements funded from a portion of a budgeted project in the Wastewater Treatment Fund (Project 831510: Green Streets for Stormwater).

Economic Development:

The "Work First Sunnyvale" Program, described in Attachment 2, has been implemented for five years by Sunnyvale Community Services, in partnership with Downtown Streets Team and Our Daily Bread. The program provides homeless and at-risk clients with job readiness training, job placement services, career counseling and supportive services. It helps clients obtain long-term employment and/or increase their earnings in order to obtain housing, stability, and increased self-sufficiency. The program has helped clients graduate and maintain employment and housing, while exceeding

national benchmarks for employment programs for homeless people. The program qualifies for CDBG funding as a Community-based Development Organization (CBDO) economic development activity.

FISCAL IMPACT

Approval of the Action Plan is necessary for the City to receive two federal grants (CDBG and HOME) next fiscal year. The recommended funding allocations in the Action Plan make use of these grant funds and related program income for various purposes consistent with the grant program regulations.

PUBLIC CONTACT

Public contact was made by posting the Housing and Human Services Commission's agenda on the City's official notice bulletin board and on the City's website. Notice of public hearings, including the 30-day public comment and review period, was posted at City Hall and published in the Sunnyvale *Sun* newspaper on March 31, 2017. A draft of the 2017 Action Plan was made available for public review at the One Stop Counter at City Hall, at the Sunnyvale Library, and on the City's website for the required minimum 30-day review period prior to City Council action.

ALTERNATIVES

1. Approve the 2017 Action Plan as shown in Attachment 2.
2. Approve the 2017 Action Plan with modifications.

RECOMMENDATION

Staff recommends that the Housing and Human Services Commission recommend to Council Alternative 1: Approve the 2017 Action Plan as shown in Attachment 2.

Approval of the Action Plan will allow the City to receive the 2017 CDBG and HOME grants and use them to address local needs for affordable housing and related programs, consistent with the 2015-2020 Consolidated Plan. Most of these projects leverage additional funding from other sources. The Commission made its recommendations on the General Fund grants at its March meeting, as shown in Attachments 3 and 4; no further action on those allocations is required.

Prepared by: Katrina L. Ardina, Housing Programs Analyst
Reviewed by: Suzanne Isé, Housing Officer
Reviewed by: Trudi Ryan, Director, Community Development
Reviewed by: Walter C. Rossmann, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Reserved for Report to Council
2. Draft 2017 Action Plan
3. Human Services: General Fund Grant Recommendations
4. Draft Minutes of Housing and Human Services Commission meeting of March 22, 2017
5. Comments Received

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Reserved for Report to Council



CITY OF SUNNYVALE, CA

FY 2017-18

ACTION PLAN



Parkside Studios adjacent to Onizuka Crossing



Onizuka Crossing

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CITY OF SUNNYVALE

THIRD YEAR ACTION PLAN (FY 2017)

Executive Summary

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

Introduction

This FY2017-18 Action Plan serves as an application for funds under two formula grant programs administered by the U.S. Department of Housing and Urban Development (HUD) which historically have provided the City of Sunnyvale (City) with approximately \$1.3 million annually: a Community Development Block Grant (CDBG) of approximately \$1,000,000, and a HOME Investment Partnerships (HOME) Program grant of approximately \$300,000. The Action Plan covers the fiscal year beginning July 1, 2017 and ending June 30, 2018, the third year of the City's 2015-2020 Consolidated Plan (Plan) period. The Action Plan describes the eligible activities that the City intends to undertake in FY2017-18 to address the priority needs and implement the strategies identified in the Plan, using the City's CDBG and HOME grants. The activities described in this Action Plan are intended to primarily benefit the lower-income residents of Sunnyvale, affirmatively further fair housing choice, and meet priority needs.

In addition to these grants, the City has a local Housing Mitigation Fund (HMF), which is used to support local affordable housing programs, including some that are not eligible for HUD funding. This fund is derived from fees received occasionally in varying amounts, and there is no guaranteed annual funding amount, therefore less emphasis is placed on these funds as a regular funding source in this Action Plan.

Funding Availability

The amount of the CDBG and HOME entitlement grants the City will receive for FY 2017 is still uncertain, due to the delay in federal appropriations for the remainder of federal fiscal year 2017. HUD staff has informed the City that this delay may require adjustment to the usual schedule for Action Plan submittal, and grantees should adopt plans with contingency provisions to allow staff to make adjustments to the proposed allocations after approval of the Plan, in case the entitlement grants are not consistent with the estimates in this Plan. The City has developed this draft Action Plan based on an assumption that CDBG and HOME funding will remain approximately the same as last year. However, if the 2017 grants are much lower than estimated, the City has prepared contingency provisions for adjusting the proposed expenditures, as shown in Exhibit A (Page 40) of this Plan.

Summary of Plan Objectives

The City has organized its priority needs according to the structure presented in HUD regulations (24 CFR 91.215): affordable housing, alleviation of homelessness, economic

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development, and non-housing community development. Priority is assigned based on the level of need that is demonstrated by the data that has been collected during the preparation of the Plan, specifically in the Needs Assessment and Market Analysis; the information gathered during the consultation and citizen participation process; current City policy, federal laws and regulations related to the HUD grants, and the availability of resources to address these needs.

Based on all of these components, housing needs are considered a high priority, as well as alleviation of homelessness, economic development, and non-housing community development needs.

The City's goals and objectives are organized into four categories:

- A. Affordable Housing (including housing for special needs households)
- B. Alleviation of Homelessness
- C. Other Community Development Efforts (Public Services, Community Facilities and Infrastructure)
- D. Expanding Economic Opportunities

Table 2 on page 15 summarizes the objectives and outcomes that will be addressed in this Action Plan.

Evaluation of Past Performance

The City is responsible for ensuring compliance with all rules and regulations associated with the CDBG and HOME entitlement grant programs. The City's Annual Action Plans and CAPERs have provided many details about the goals, projects and programs completed by the City.

The City recognizes that the evaluation of past performance is critical to ensure the City and its sub-recipients are implementing activities effectively and that those activities align with the City's overall strategies and goals. The City evaluates the performance of sub-recipients providing public services on a quarterly basis. Sub-recipients are required to submit quarterly progress reports, which include client data, performance objectives, as well as data on outcome measures. Prior to the start of the program year, program objectives are developed collaboratively by the sub-recipient and the City, ensuring that they are aligned with the City's overall goals and strategies. The City utilizes the quarterly reports to review progress towards annual goals.

Summary of Citizen Participation Process and Consultation Process

The City, in collaboration with other local jurisdictions and the consultant team, launched a comprehensive outreach strategy to enhance and broaden citizen participation in the preparation of the Consolidated Plan. The team informed the public that it was in the process of creating the 2015-2020 Consolidated Plan, and encouraged public participation in the process by conducting a Regional Needs Survey and hosting regional forums in collaboration with other jurisdictions in the County, and conducting local hearings.

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In addition to the extensive consultation conducted for the Consolidated Plan, as noted above, the City of Sunnyvale solicited additional input for the FY2017-18 Annual Action Plan. As required by HUD, the City provides multiple opportunities for public review and comment on the Action Plan and on any substantial amendments to it. Community members had opportunities to attend public hearings on March 22, 2017, April 19, 2017, and May 9, 2017. A notice of public hearings and an announcement of the 30-day public comment period was published in the Sunnyvale *Sun* on March 31, 2017. An initial draft of the Action Plan was released on April 7, 2017, and comments were accepted through May 9, 2017.

It is the policy of the City of Sunnyvale to encourage and engage residents to participate in planning, implementation, and evaluation of its housing and community development programs.

Summary of Public Comments

[To be inserted upon completion of the public comment period].

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PR-05 Lead & Responsible Agencies – 91.200(b)**Agency/entity responsible for preparing/administering the Consolidated Plan***Lead and Responsible Agency*

The City of Sunnyvale (City) is the Lead and Responsible Agency for the United States Department of Housing and Urban Development's (HUD) entitlement programs in Sunnyvale. The Housing Division (HD), a division of the City's Community Development Department, is responsible for administering the City's HUD entitlement grants, including the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Program grant. By federal law, the City is required to submit to HUD a five-year Consolidated Plan and Annual Action Plans listing priorities and strategies for the use of federal funds.

The Consolidated Plan shows how the City plans to use its CDBG and HOME funds to meet the housing and community development needs of its residents. To update its 2015-2020 Consolidated Plan, the City collaborated with the County of Santa Clara (County) and other entitlement jurisdictions in the County to identify and prioritize housing and community development needs across the region, and to develop strategies to meet those needs. The FY 2017/18 Annual Action Plan represents the third year of CDBG and HOME funding of the 2015-2020 Consolidated Plan.

Consolidated Plan Public Contact Information:

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DRAFT**AP-10 Consultation – 91.100, 91.200(b), 91.215(l)****Introduction***Consolidated Plan Development*

The City has a long history of coordination and partnership with the local public housing provider, which is the Housing Authority of the County of Santa Clara (HACSC), and a number of assisted housing providers, such as Charities Housing, MidPen Housing Corp., First Community Housing, and various others. The City also has a long history of coordinating with and/or providing funding to various local private and public health, mental health, and human services agencies, such as the County Mental Health Department, the local Valley Medical Center, and a variety of service providers that serve seniors, disabled clients, homeless clients, and other lower-income and at-risk clients.

In addition, in preparing the ConPlan, the City collaborated with seven other entitlement grantee jurisdictions (Entitlement Jurisdictions), including the cities of Cupertino, Gilroy, Mountain View, Palo Alto, San José, Santa Clara, and the County of Santa Clara (Urban County).

Public participation played a central role in the development of the Consolidated Plan. The Entitlement Jurisdictions launched an in-depth, collaborative regional effort to consult with community stakeholders, many of whom represented public or assisted housing providers, health and service agencies, as well as elected officials, City and County staff, and beneficiaries of entitlement programs, to inform and develop the priorities and strategies contained within the ConPlan. The City, in partnership with LeSar Development Consultants (LDC) and MIG, Inc. (MIG) and the other Entitlement Jurisdictions, facilitated a comprehensive outreach process to enhance coordination with these stakeholders and discuss new approaches to using the HUD entitlement grant funds for eligible activities, projects, and programs throughout the county and/or in specific cities.

LDC and MIG, with direction from the Entitlement Jurisdictions, conducted a Regional Needs Survey to solicit input from residents, workers, and stakeholders in the region, which consisted of all of Santa Clara County. Survey respondents were informed that the purpose of this survey was to help the Entitlement Jurisdictions determine local priorities for use of their HUD entitlement funds, and that these funds must be used to fund projects or programs that primarily serve lower-income residents or neighborhoods with a higher percentage of lower-income residents. The Survey polled respondents about the level of need in their respective neighborhoods for various types of improvements, projects or programs that could possibly be funded by the HUD entitlement funds.

Action Plan Development

In addition to the extensive consultation conducted for the Consolidated Plan, as noted above, the City of Sunnyvale solicited additional input for the FY2017-18 Annual Action Plan from community members at four public hearings held on October 19, 2016, November 15, 2016, March 22, 2017, and April 19, 2017. The City and other community development organizations in the County coordinate frequently on a variety of initiatives.

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The City Housing Division staff participates in a collaborative of HUD entitlement grantees within the County. Quarterly meetings are held to discuss activities, technical assistance issues, and identify future opportunities for coordination and cooperation. The City also coordinates with other regional agencies, such as the Housing Trust of Silicon Valley, Joint Venture Silicon Valley, NOVA, the County-wide Fair Housing Task Force, and the Valley Transportation Authority, among others, to achieve the goals described within this Action Plan.

Coordination with the Continuum of Care and Efforts to Address Homelessness

The City has coordinated with the Santa Clara County Continuum of Care (CoC) for many years on its efforts to end and prevent homelessness in the County. The CoC, a group of stakeholders from throughout the County, plans and implements many of these efforts. The CoC is governed by the CoC Board, which takes a systems-change approach to preventing and ending homelessness. Last year, the CoC invited the City's Housing Officer to participate on the CoC's Review and Rank Panel. This panel spends about a week reviewing and ranking local proposals for HUD funding through the federal CoC program. The committee's funding recommendations were approved by HUD, resulting in nearly \$20 million in HUD funding being awarded to support transitional and permanent housing programs, and some supportive services, in the County in FY 2016-17.

Members of the CoC meet monthly to plan CoC programs, identify gaps in homeless services, establish funding priorities, and pursue a systematic approach to addressing homelessness. City staff, including the Housing Officer and Housing Analyst, as well as staff of other cities, meet and consult with the County's CoC staff during the quarterly county-wide "CDBG Coordinators Group" meetings, and communicate more frequently via email and/or phone on joint efforts. Destination:Home (D:H), a public-private partnership committed to ending chronic homelessness, is the governing organization for the CoC and implements by-laws and operational protocols for the CoC. D:H is also responsible for ensuring that the CoC complies with the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (HEARTH).¹

In 2014, D:H released a draft "Community Plan to End Homelessness in Santa Clara County" (Community Plan), which outlines strategies for ending homelessness in the County by 2020. These strategies were informed by those who participated in a series of community summits conducted between April and August 2014, including Sunnyvale HD staff and local stakeholders, among others. The Community Plan addresses the needs of homeless people in the County, including chronically homeless people, families with children, veterans, and youth, as well as those at risk of homelessness.

In the next 5 years, the D:H Plan aims to house 2,518 homeless individuals, 718 homeless veterans, and more than 2,333 children, unaccompanied youth, and homeless individuals living in families. The City's current ConPlan and 2015 Housing Element incorporate many policies and programs that are consistent with the Community Plan and "Housing First" policies in general.

¹ County of Santa Clara Housing Element 2015-2022, published in 2014.

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

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Allocating Funds, Setting Performance Standards and Evaluating Outcomes

Not Applicable. The City does not receive ESG funds.

Operating and Administering Homeless Management Information System (HMIS)

The CoC's HMIS is administered by the County Office of Supportive Services, using Clarity Human Services software. The project meets and exceeds HUD's requirements for HMIS and complies with HUD HMIS Standards. The County's HMIS is used by many service providers to record information and report outcomes.

Stakeholder Participation and Consultations with Agencies

The City consulted with various groups and organizations as part of the 2015-2020 Consolidated Plan process. Those stakeholders are listed in the Appendices of the ConPlan. A number of the same stakeholders participated in one or more hearings or funding workshops related to the development of the 2017 Action Plan.

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

Please see Table 3 provided in the Appendix of the ConPlan. The City ensures that all of its Action Plan projects and programs are consistent with the City's General Plan and the ConPlan. Regional planning efforts include Plan Bay Area and related statewide planning efforts.

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AP-12 Participation – 91.105, 91.200(c)**Citizen participation process; Efforts made to broaden citizen participation**

It is the policy of the City of Sunnyvale to encourage and engage residents to participate in planning, implementation, and evaluation of its housing and community development programs. The City encourages low- and moderate-income residents, minorities, those with disabilities, and non-English-speaking residents to attend community meetings and/or provide written comments on its plans. The City provides a statement in the languages identified in its Language Access Plan on all public notices regarding HUD-funded activities, and sends public notices to organizations representing the groups listed above. In accordance with the Citizen Participation Plan, the City will provide translation services to any resident who requests such services in advance at such hearings and meetings. The City has translated its primary Housing Program brochures into Spanish, in accordance with the Language Access Plan.

Sunnyvale Request for Proposals Process

The City has a long-standing practice of issuing a request for proposals (RFP), annually for capital/housing projects and every second year for human services grants, to solicit applications for CDBG and HOME funds available to the City. This process aids in gathering community input on local needs and helps the City identify projects and programs that are eligible for and interested in HUD funding, and have demonstrated capacity for successful implementation and compliance with HUD requirements. Staff issues the RFP, evaluates proposals for eligibility, scores the proposals according to criteria approved by the Housing and Human Services Commission, and provides its scores and funding recommendations to the Commission and Council for review. The Commission holds a public hearing before making its own recommendations on the proposed funding allocations, which are advisory to the Council, which approves the final funding awards as part of the annual Action Plan hearing. These programs and projects are also addressed in the ConPlan, as it is assumed that similar types of projects are likely to be implemented in additional years, depending on funding availability.

Public Notice and Availability of the Action Plan

As required by HUD, the City provides multiple opportunities for public review and comment on the Action Plan and on any substantial amendments to it. Community members had opportunities to attend public hearings on October 19, 2016, November 15, 2016, March 22, 2017, April 19, 2017 and May 9, 2017. A notice of public hearings and an announcement of the 30-day public comment period was published in the Sunnyvale *Sun* on March 31, 2017. An initial draft of the Action Plan was released on April 7, 2017, and comments were accepted through May 9, 2017. The proposed Plan was available for review at the library, City Hall, and on the City's website.

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

Introduction

The City of Sunnyvale's (City) Fiscal Year (FY) 2017-18 Action Plan covers the time period from July 1, 2017 to June 30 2018 (HUD Program Year 2017). The Action Plan sets forth the proposed uses of the CDBG and HOME funds projected to be available in the coming fiscal year, as shown in Table A below. These funds may be used for eligible community development activities to meet the priority and/or unmet needs, primarily of lower-income residents, described in the City's Consolidated Plan.

The City's 2017 HUD entitlement grants will consist of \$1,00,000 in CDBG funds and \$300,000 in HOME funds. In addition, the City estimates that it will also receive approximately \$150,000 in CDBG program income (loan payments) in the coming fiscal year, and has \$148,000 in disencumbered funds and excess program income from the prior program year, bringing the total estimated CDBG funding for FY 2017-18 to \$1,298,000. The estimated HOME funding for FY 2017-18 is \$521,221, which includes the new grant, plus program income and unencumbered funds from the prior program year, including CHDO set-asides that the City is requesting to waive.

The City pursues and encourages its partner agencies to pursue all available public and private funding sources in order to achieve the goals of the Consolidated Plan. Most projects and activities secure funding from a variety of sources, including public and private sector donations, grants, loans, and in-kind materials and services.

Table A: Estimated Funds Available and Activities Proposed for Funding, FY 2017-18

| AVAILABLE FUNDS | CDBG | HOME |
|-------------------------------------|---------------------|-------------------|
| FY 2017-18 Entitlement Grants | \$ 1,000,000 | \$ 300,000 |
| Current FY Remaining Program Income | \$ 20,000 | \$ 50,000 |
| Projected FY 2017-18 Program Income | \$ 150,000 | \$ - |
| Disencumbered/Fund Balance | \$ 128,888 | \$ 171,221 |
| TOTAL | \$ 1,298,888 | \$ 521,221 |

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| PLANNED ALLOCATIONS | | CDBG | HOME |
|------------------------|-------------------------------------|---------------------|-------------------|
| Administration | Planning and Administration | \$ 215,000 | \$ 80,000 |
| | Fair Housing* | \$ 15,000 | N/A |
| Housing Rehabilitation | Home Improvement Program | \$ 40,000 | N/A |
| Rental Assistance | Tenant-Based Rental Assistance | N/A | \$ 441,221 |
| Infrastructure | Persian Drive Sidewalk Extension** | \$ 448,500 | N/A |
| Economic Development | WorkFirst Sunnyvale (CBDO Activity) | \$ 404,000 | N/A |
| Public Services | Human Services Grants | \$ 175,500 | N/A |
| TOTAL | | \$ 1,298,000 | \$ 521,221 |

* An additional \$5,000 for Fair Housing will be provided from Human Services Grant funds

** New allocation is in addition to \$200,000 allocated in FY 2016, for a total of \$648,000 in CDBG funds for the project.

Local (City) Resources

The City has a local Housing Mitigation Fund (HMF) for the development, rehabilitation and/or acquisition of affordable housing. In 2014, \$8.1 million in HMF was provided for the development of two new affordable rental projects, Parkside Studios and Onizuka Crossing, with a total of 117 units. In 2015, \$5 million in HMF was committed to the Benner Plaza project which will include 66 new affordable units, and an additional \$2,430,000 was provided in 2017. In 2016, \$6 million in HMF was committed to the redevelopment of Orchard Gardens, an existing 62-unit affordable rental project. The redevelopment will add a net 25 new units to Orchard Gardens. In addition, the City has funds available in its Below Market Rate Housing In-Lieu Fund and Housing Successor Agency Low-Mod Housing Fund, and projects receiving a significant amount of new revenues into its Housing Mitigation Fund from two new development impact fees enacted in 2015. These funds are allocated outside of the Action Plan process, but with a similar goal of expanding and preserving the City's affordable housing stock.

Other Public Resources

The following is a list of potential financial resources that may be available to the City and/or housing providers in the area to address priority needs and specific objectives identified in the five-year plan. The amount and availability of funding from these funding programs varies.

Low-Income Housing Tax Credit Program (LIHTC)

The LIHTC program provides federal and state tax credits for developers and investors who agree to set aside all or a percentage of their rental units for low-income households for no less than 30 years. Tax credits may also be used on rehabilitation or preservation

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projects. Developers and investors apply for an allocation of federal and State tax credits from the California Tax Credit Allocation Committee (CTCAC). The award of tax credits in California is usually extremely competitive. To be successful, applicants often have to provide 100% affordable projects serving mostly extremely low- to very low-income households.

MidPen Housing applied for and received an award of federal low-income housing tax credits in 2016 for its Benner Plaza project, a new 66-unit affordable rental housing development for lower-income households. In 2014, MidPen Housing applied for and received an award of tax credits for its Onizuka Crossing project, which provides 57 affordable family apartments was completed in April 2016.

Homeless Emergency and Rapid Transition to Housing (HEARTH) and Emergency Shelter Grants (ESG)

Santa Clara County serves as lead agency for the County's Continuum of Care (CoC), which receives Hearth Act, ESG, and similar federal grants to provide shelter, housing, and supportive services to homeless people residing anywhere in the County. The City has contributed some of its local funds to various county-wide projects and programs that often receive CoC support as well, such as shelter facilities, transitional and permanent supportive housing, tenant-based rental assistance, and supportive services.

Private Resources

Most of the City's housing and human services programs leverage various sources of private financing. The City encourages the participation of local lenders in its housing and/or community development projects as needed. Tax credit projects such as the Benner Plaza and Onizuka Crossing projects required millions of dollars in private equity and financing for construction and related costs. The City is a founding member of the Housing Trust of Santa Clara County, which raises voluntary contributions from the public and private sectors for affordable housing projects within the County. The City has contributed some of its local (non-federal) housing funds to the Trust, which then uses those seed funds to seek matching contributions from corporations and various other sources.

Leverage and Matching Requirements

Most of the City's housing and human services programs leverage various sources of private financing. The City encourages the participation of local lenders in its housing and/or community development projects as needed. Tax credit projects such as Benner Plaza and Onizuka Crossing, required millions of dollars in private equity and financing for construction and related costs. The City requires all applicants for CDBG and HOME funds for capital projects to provide a match of at least 25% to receive funding. For CDBG public services proposals, this match may consist of in-kind materials and services. Most applicants provide a match of more than 25%.

Matching funds may include other available financing sources, such as tax credits, other public sector loans or grants, private capital or donations, rent proceeds, and/or the value of in-kind services (i.e., volunteer and staff services or pro-bono professional services

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used to implement the capital project). The City often provides more local funds than CDBG or HOME funds to assist major affordable housing projects, since those local funds are often available in larger amounts than federal funds. The City has exceeded its HOME match requirement for many years and projects that this trend will continue.

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Anticipated Resources

Table 1 - 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 Resources | Total | | |
| CDBG | Federal | Public Services; Housing Rehabilitation; Public Infrastructure and Facilities; Economic Development; Alleviation of Homelessness; Program Administration | \$1,000,000 | \$170,000 | \$128,000 | \$1,298,000 | TBD * | Housing Rehabilitation; Public Infrastructure and Facilities; Public Services; Economic Development; Alleviation of Homelessness; Administration |
| HOME | Federal | Affordable Rental Housing Construction; Program Administration | \$300,000 | \$0 | \$171,221 | \$521,221 | TBD | TBRA; Administration |

* Funding levels for the next two years of the ConPlan period are highly uncertain at this time.

DRAFT**Public Property within the City Available for Addressing Needs**

In recent years, the City has made several publicly owned properties available for affordable housing development, which is one of the needs identified in this plan. These projects included the Fair Oaks Plaza, Onizuka Crossing, Habitat Homes, and Parkside Studios projects. Another City-owned site known as Block 15 of the Downtown Specific Plan is currently the subject of an Exclusive Negotiating Agreement with an affordable housing developer. The City's Public Works Department handles all City property management and surplus property matters.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives Goals Summary Information

Table 2: Goals Summary

| Goal | Start Year | End Year | Category | Area | Needs Addressed | Annual Funding | Outcome Indicators |
|----------------------------------------------------------------------------------|-------------|-------------|--------------------------------------------------------------------------------------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A. Affordable Housing | 2017 | 2018 | Decent Housing | City-wide | Housing needs of lower-income, homeless and/or and special needs households | HOME: \$200,000 CDBG: \$55,000 | Affordable rental housing for lower-income households: 1. HOME: TBRA: 13 Households 2. CDBG: <ul style="list-style-type: none"> Home Improvement Program: 10 Units Fair Housing Services: 20 Households |
| B. Alleviate Homelessness; D. Expand Economic Opportunities | 2017 | 2018 | Decent Housing; Suitable Living Environment; Expanded Economic Opportunities | City-wide | Needs of homeless and at-risk residents for housing, jobs or other sources of income, and supportive services Help lower-income people secure and maintain jobs. | HOME: \$241,221 CDBG: \$404,000 | Job training, rental assistance, shelter/housing and/or supportive services: 1. HOME: TBRA: 16 Households 2. CDBG: WorkFirst Sunnyvale: 47 Households assisted; 12 job placements; 25 job-seekers trained |

| Goal | Start Year | End Year | Category | Area | Needs Addressed | Annual Funding | Outcome Indicators |
|-----------------------------------------------|-------------|-------------|-----------------------------------------------------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| C. Other Community Development Efforts | 2017 | 2018 | Decent Housing; Suitable Living Environment; | City-wide | Basic needs of very low income and/or special needs households (seniors, disabled, homeless people, children, youth, victims of domestic violence, etc.) | CDBG: \$170,500 | Provide human services to approximately 400 households |
| | 2017 | 2018 | Suitable Living Environment | Morse Neighbor-hood | Need to improve public infrastructure and facilities in CDBG-eligible neighborhoods. | CDBG: \$448,500 | Construct approximately 1,800 ft of new sidewalk and associated infrastructure on south side of Persian Drive, between Morse and Borregas Avenues where no safe pedestrian access currently exists. (Area Benefit) |

DRAFT**Goal Descriptions****Goal A: Affordable Housing**

Assist in the creation, improvement, and preservation of affordable housing for lower-income and special needs households by supporting affordable rental housing, providing the Home Improvement Program, providing tenant-based rental assistance, and promoting fair housing choice.

Goal B: Alleviation of Homelessness

Help people who are currently homeless or at imminent risk of homelessness to obtain housing, employment or other sources of income, and adequate support services/networks to achieve stability.

Goal C: Other Community Development Efforts

Support provision of essential human services, particularly for special needs populations and very low income households.

Provide neighborhood improvements in income-eligible areas and accessibility improvements city-wide. Maintain or improve public facilities serving eligible clientele.

Goal D: Expanding Economic Opportunities for Lower-Income People

Support economic development activities that promote employment growth and help lower-income and/or homeless people secure and maintain jobs.

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Projects

AP-35 Projects – 91.220(d)

Introduction

The activities that the City will undertake in FY 2017-18 using CDBG and HOME funds include: human services grants; homeowner housing rehabilitation; a sidewalk extension, employment development services for homeless and at-risk clients; tenant-based rental assistance, fair housing services, and program administration, as shown below. All of these activities are eligible for the indicated funding type based on federal regulations associated with these grants, and all of them meet one or more priority needs as identified through the City's citizen participation process.

Projects

Table B - Project Information

| # | Project Name |
|---|-----------------------------------------|
| 1 | CDBG Administration and Monitoring |
| 2 | Fair Housing Services |
| 3 | Home Improvement Program |
| 4 | Tenant Based Rental Assistance |
| 5 | Persian Drive Sidewalk Extension |
| 6 | WorkFirst Sunnyvale (CBDO Activity) |
| 7 | Public Services - Human Services Grants |
| 8 | HOME Administration and Monitoring |

Funding Priorities

The projects listed above were selected based on the needs identified in the Consolidated Plan, and in response to the proposals for funding received, and evaluation of project feasibility.

Each year the City solicits proposals from local organizations for CDBG and HOME funding for eligible housing and community development programs or projects in Sunnyvale. The Request for Proposals sets forth the types of public services (human services) programs, capital and housing projects that are eligible for CDBG or HOME funding from the City, and explains the City's process for evaluating and scoring proposals, determining award amounts, and approving awards. The City provides human services grants for public services which address identified priority needs and principally benefit lower-income people in Sunnyvale.

Applications for the human services grants are solicited every other year, following hearings held by the Housing and Human Services Commission (HHSC) and Council to determine the City's current "priority human service needs." The "Priority Needs" for the City of Sunnyvale's Community Development Block Grant Program were determined

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through a series of community meetings held between September 2014 and April 2015, and were adopted as part of the 2015-2020 Consolidated Plan in accordance with regulations established by HUD.

FY 2017-18 is the first year of the two-year funding cycle for human services and the City confirmed in November 2016 that the list of Priority Needs in the 2015 Consolidated Plan continues to be valid.

Obstacles to Meeting Underserved Needs

At this time the primary obstacle to meeting underserved local needs in the near term is the delay in federal appropriations for the 2017 federal fiscal year and associated uncertainty regarding the City's entitlement grants for 2017. Longer term, the proposed elimination of the CDBG and HOME programs in the 2018 federal budget, if approved by Congress, would create further obstacles to meeting those needs.

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AP-38 Project Summary

| Project Name | 1. CDBG Administration and Monitoring |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Target Area | Not Applicable |
| Goals Supported | All |
| Needs Addressed | Planning and Administration |
| Funding | CDBG: \$215,000 |
| Description | Administration of CDBG Activities: Contracting, preparing loan documents, monitoring projects and loan portfolio, etc. |
| Target Date | FY 2017-18 |
| Goal Outcome | Complete all CDBG activities planned. |
| Location | Citywide |
| Planned Activities | Administration and planning for the CDBG program. This includes developing the RFPs, evaluating proposals, grant contract management, tracking of grant funds and program income, sub-grantee monitoring, reporting, and compliance with federal requirements such as environmental, labor, anti-discrimination, and fair housing regulations. Indirect costs (overhead) are also included in program administration. |
| Project Name | 2. Fair Housing Services |
| Target Area | Not Applicable |
| Goals Supported | Affordable Housing: Promote Fair Housing Choice |
| Needs Addressed | Affordable Housing and Fair Housing |
| Funding | CDBG: \$20,000 (\$15,000 from Administration and \$5,000 from Public Services funds) |
| Description | Fair Housing Services |
| Target Date | FY 2017-18 |
| Goal Outcome | Provide fair housing assistance to 20 or more households (as needed). |
| Location | Citywide |
| Planned Activities | Provide public outreach and education about fair housing laws and complaint procedures to local residents, landlords, and other housing industry professionals through local community outreach efforts, and through City agreements with fair housing agencies that provide free legal assistance to residents with fair housing complaints. Help clients file cases with HCD, HUD, or in court if needed. |

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|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Name | 3.Minor Improvement Grants/Loans (Home Improvement Program) |
| Target Area | Not Applicable |
| Goals Supported | Affordable Housing: Provide Home Improvement Program |
| Needs Addressed | Housing accessibility, quality, safety, lead-based paint hazard testing and risk reduction, energy efficiency improvements, and maintain affordability for lower-income home owners. |
| Funding | CDBG: \$40,000 |
| Description | Minor Improvement Grants/Loans |
| Target Date | FY 2017-18 |
| Goal Outcome | Assist at least 10 households with minor home improvement grants or loans. |
| Location | Citywide |
| Planned Activities | The Home Improvement Program provides small grants and loans for minor improvements, such as: energy efficiency upgrades, exterior painting, emergency repairs and accessibility improvements. Homes must be owned and occupied by a lower-income household to be eligible for this program. |
| Project Name | 4. Tenant-Based Rental Assistance |
| Target Area | Not Applicable |
| Goals Supported | Affordable Housing and Alleviation of Homelessness |
| Needs Addressed | Assist residents experiencing or at imminent risk of homelessness, and other very low-income households, to obtain and maintain rental housing. |
| Funding | HOME: \$441,221 |
| Description | Tenant-Based Rental Assistance (TBRA) Program for Homeless and At-Risk Households |
| Target Date | FY 2017-18 |
| Goal Outcome | Assist 20 - 25 households |
| Location | Citywide |
| Planned Activities | Provide security deposit and/or monthly rental subsidies (voucher) to help at-risk or currently homeless people to move into and maintain permanent housing. Assistance may be provided for up to a two-year term. |

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|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Name | 5. Persian Drive Sidewalk Extension |
| Target Area | Not Applicable |
| Goals Supported | Other Community Development Efforts |
| Needs Addressed | Improved Public Facilities and Infrastructure in CDBG-Eligible Neighborhoods (Area Benefit) |
| Funding | CDBG: \$448,500 |
| Description | Construct new sidewalk to provide safer pedestrian and bike access along Persian Drive and connection to Borregas Bike/Ped bridge into Moffett Park. |
| Target Date | FY 2017-18 |
| Goal Outcome | Provide safer pedestrian and bike access within Morse Park neighborhood and between residential area and Moffett Park employment center |
| Location | South side of Persian Dr. between Morse and Borregas Avenues. |
| Planned Activities | Construct a new sidewalk, drainage and related improvements along Persian Drive where no sidewalk currently exists to improve pedestrian linkages to and from new affordable housing development (Edwina Benner Plaza) and existing residential area. |
| Project Name | 6. WorkFirst Sunnyvale (CBDO Activity) |
| Target Area | Not Applicable |
| Goals Supported | Alleviation of Homelessness and Expanding Economic Opportunities for Lower-Income People |
| Needs Addressed | Help people who are currently homeless or at imminent risk of homelessness obtain employment or other sources of income, and adequate support services/networks to obtain housing and achieve stability. |
| Funding | CDBG: \$404,000 |
| Description | Economic Development/CBDO Activity |
| Target Date | FY 2017-18 |
| Goal Outcome | Assist approximately 50 homeless or very low income clients with job training and job placement services, to enable them to obtain or improve their employment and housing opportunities. |
| Location Description | Citywide |
| Planned Activities | This program provides work-readiness training, job placement assistance, and supportive services for homeless and at-risk clients. |

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|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Name | 7. Public Services |
| Target Area | Not Applicable |
| Goals Supported | Support provision of essential human services, particularly for special needs populations |
| Needs Addressed | These programs assist special needs populations such as seniors, disabled people, homeless people, children, youth, victims of domestic violence, and very low-income households. Programs address basic needs. |
| Funding | CDBG: \$175,500 (includes \$5,000 for fair housing services) |
| Description | Human Services Grants to non-profit agencies |
| Target Date | FY 2017-18 |
| Goal Outcome | Assist approximately 400 individuals and/or households with human services |
| Location Description | Citywide |
| Planned Activities | Assist clients with basic needs, such as food, shelter, transportation, health & mental health care, employment assistance/training, legal aid, etc. |
| Project Name | 8. HOME Administration and Monitoring |
| Target Area | Not Applicable |
| Goals Supported | Affordable Housing and Alleviation of Homelessness |
| Needs Addressed | Planning and Administration |
| Funding | HOME: \$80,000 (Includes authorized program income) |
| Description | Administration of HOME Activities: Planning and Monitoring |
| Target Date | FY 2017-18 |
| Goal Outcome | Complete all HOME activities planned. |
| Location Description | Citywide |
| Planned Activities | Funds are used for staffing and implementing the HOME program. This includes the costs of HOME capital project management, tracking of grant funds and program income, sub-recipient monitoring, reporting, and compliance with federal requirements such as environmental, labor, and anti-discrimination. Indirect costs (overhead) are also included in program administration. |

DRAFT

AP-50 Geographic Distribution – 91.220(f)**Geographic Distribution**

| Target Area | Percentage of Funds |
|--------------------|----------------------------|
| City of Sunnyvale | 100% |

Table 3 - Geographic Distribution**Discussion**

Most of the CDBG and/or HOME-funded programs and services are provided on a city-wide basis to income-eligible and/or special needs households. Certain capital projects are assisted at a specific site, based on the location of the project, but most projects may be proposed in any area of the City. Projects that qualify for CDBG funding based on the area benefit method are limited to areas with the required proportion of lower- and moderate income residents as determined by HUD.

Human services are supported in a number of facilities and locations throughout the City, and in some cases just outside the City, as long as Sunnyvale residents are being served by the program. Affordable housing assistance is generally provided anywhere in the City, as opportunities arise, in order to avoid concentration of poverty, and to ensure fair access to affordable rental housing, rehabilitation assistance, and homeownership opportunities in all neighborhoods. The City does not have any blighted areas requiring major redevelopment, and private development is occurring throughout the City. Community resources such as parks, schools, and community/neighborhood centers are also disbursed throughout the City. Please see map at the end of this Plan.

DRAFT

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The City's housing programs are intended to prevent and/or end homelessness, improve the quality, affordability, and/or accessibility of housing, and preserve, maintain, and extend the useful life of existing affordable housing. The goals below include only the new CDBG and HOME activities to be funded in FY 2017-18. Other activities funded in prior years' Action Plans through non-HUD programs, will continue to be funded using carry-over funds, and will assist additional households.

| One Year Goals: Number of Households to be Assisted, by Type of Household | |
|--------------------------------------------------------------------------------------|-----------|
| Homeless | 25 |
| Non-Homeless | 5 |
| Special Needs | 5 |
| Total | 35 |

Table 4 - One Year Goals for Affordable Housing by Support Requirement

| One Year Goals: Number of Households to be Assisted, by Type of Program | |
|------------------------------------------------------------------------------------|-----------|
| Rental Assistance | 25 |
| Rehab of Existing Units | 10 |
| Total | 35 |

Table 5 - One Year Goals for Affordable Housing by Support Type

Discussion

Housing assistance is proposed to be prioritized for those who cannot currently afford market rate housing. An estimated ten lower-income homeowners will be assisted with the Home Improvement Program, and 25 households will be assisted through the TBRA Program using HOME funds.

Last year, HOME funds were allocated to the Edwina Benner Plaza project, a new 66-unit affordable rental housing development for lower-income households of which three units are HOME-assisted. The City also provides loans for major rehabilitation of single family and/or manufactured/mobile homes, and affordable rental housing developments using funds from its CDBG Revolving Loan Fund (RLF) for purposes of addressing priority housing needs, consistent with the City's goal to assist in the creation and preservation of affordable housing for lower-income households. However, these two activities are not included in the Action Plan tables, in accordance with HUD guidance, because they are not using funds generated in FY 2017-18.

DRAFT**AP-60 Public Housing – 91.220(h)****Public Housing**

This section is not applicable; there is no official public housing in Sunnyvale. The City collaborates with the Housing Authority of the County of Santa Clara (HACSC) on its efforts to provide Section 8 vouchers, mortgage credit certificates, supportive services and other assistance to Sunnyvale residents. The City also supports the HACSC in its efforts to increase federal appropriations for Section 8 and other affordable housing programs in Sunnyvale and in the County.

The City has partnered with the Housing Authority on several efforts in recent years, including a joint TBRA program for clients on the Section 8 waiting list, and several Sunnyvale housing projects which were awarded project-based vouchers, including the Fair Oaks Senior Housing project, two senior group homes, Parkside Studios, Onizuka Apartments, and Edwina Benner Plaza.

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

This Action Plan includes a planned allocation of \$404,000 for a program that helps homeless people obtain jobs (WorkFirst Sunnyvale), and additional HOME funding for the City's TBRA program that helps homeless people obtain housing, as well as funding for various public services, several of which address homelessness. The City continues to participate in the county-wide efforts to end homelessness throughout the County. Recently, the City provided over \$8 million in local and HOME funds to assist the development of the Edwina Benner Plaza project, which will include 13 homeless units, contingent on County services and voucher funding.

Homeless Outreach and Assessment

The WorkFirst Sunnyvale and LifeMoves programs include outreach to unsheltered homeless clients and assessment of their needs.

Emergency Shelter and Transitional Housing

Two of the public services sub-recipients, LifeMoves and YWCA, provide emergency shelter, transitional housing, and services to homeless clients and victims of domestic violence. In addition, the County operates a seasonal Winter Shelter Program facility in Sunnyvale with 125 beds that takes referrals and receives supportive services from a number of the City's CDBG sub-recipients.

Permanent Housing, Rapid Re-Housing, Affordable Housing, and Prevention

Several of the activities funded help homeless clients and families transition to permanent housing, including: WorkFirst Sunnyvale, TBRA, and the human services grants to LifeMoves and YWCA. The total CDBG funding planned for these activities is \$454,000 in 2017.

Preventing Homelessness for those Discharged from Public Institutions or Welfare

DRAFT*Programs and Other Low-Income Households*

Several of the Human Services grants will support the provision of services intended to prevent homelessness of Sunnyvale residents including the grants to Sunnyvale Community Services, LifeMoves, YWCA, and Bill Wilson Center. In addition, the fair housing services provided can also help tenants avoid eviction and/or homelessness by addressing discrimination practices. In addition to the activities funded with CDBG, the City also provides assistance to other programs that aim to prevent homelessness using local funds. These include grants to Senior Adults Legal Services, Downtown Streets Team, funding for tenant-landlord mediation programs, and the Homelessness Prevention and Rapid Re-Housing Program funded with \$250,000 in funds from the City's former Redevelopment Agency Housing Fund.

DRAFT

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

The City does not impose any public policies that unreasonably constrain housing development. There are no growth limitations or rent control policies, and property tax policies are largely set by the State. The City's land use designations and zoning are supportive of development of a wide variety of housing types, including single- and multi-family housing, ownership and rental, mobile homes, manufactured/modular housing, and so on. The City follows the State building code, and its fees and charges are reasonable and consistent with prevailing prices in the region. Between 2006 and 2015, a total of 4,933 new housing units were issued building permits. This equaled an average of 493 new units per year, slightly higher than the City's historic annual average which is closer to 300 annually. Fifty-five percent of the new units permitted during that ten-year period were in multi-family rental projects.

In 2014, the City updated the Constraints Analysis of its Housing Element, as required under California Housing Element law (Government Code 65580), to analyze city policies and land use regulations to determine if they had any negative effects on development. The State determined, with its certification in January 2015 of the City's 2015-2023 Housing Element, that the City does not currently implement policies that create barriers to affordable housing. Additional detail is available in the City's Housing Element, available on the City's website and in the Sunnyvale Library.

As noted above, thousands of new dwelling units of various types and price points have been developed and additional units renovated in recent years, in most cases without any direct assistance from the City. This demonstrates that the City's policies do not unduly constrain residential development. In addition, the City has successfully assisted a number of affordable housing developments in recent years, which demonstrates that City policies do not have negative effects on assisted housing production.

Non-governmental barriers, primarily market factors such as high land costs, construction costs, and high prevailing market prices for housing, have been the primary challenges facing jurisdictions in the region, including Sunnyvale, in recent years, not city land use policies. These barriers are addressed, within the City's limited ability to address them, through the housing activities listed above and through the goals and policies listed in the Housing Element.

DRAFT**AP-85 Other Actions – 91.220(k)**

This section describes 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.

Addressing Unmet Needs

The City has addressed obstacles to meeting underserved needs by adopting programs to generate local funds for affordable housing through impact fees or new development of affordable units (inclusionary zoning). The primary obstacle to meeting unmet needs is the continued decline in federal appropriations for affordable housing and community development programs. The City has established local policies to address needs to the extent possible with local resources.

Fostering and Maintaining Affordable Housing

Please see AP-35 on pages 21-22 of this plan (i.e., Tenant-Based Rental Assistance, Fair Housing Services, and Home Improvement Program).

Reducing Lead-based Paint Hazards

The City provides financial assistance to income-eligible homeowners to abate lead-based paint hazards through its Home Improvement Program. Paint grants and loans, as well as housing rehabilitation loans, are provided, as well as free lead-based paint testing and education services. Lead-based paint hazards in rental housing can also be addressed through housing rehabilitation loans.

Reducing the Number of Households in Poverty

In 2014 the City adopted a new minimum wage ordinance increasing the local minimum wage. It is currently \$13/hour and will increase to \$15/hour on January 1, 2018. It will be adjusted annually thereafter by the CPI. This action alone will help many local low-wage workers increase their household incomes to above the federal poverty levels.

The North Valley Workforce and Investment Board ("NOVA") helps prepare lower-income and unemployed residents of Sunnyvale for career growth and stable employment. NOVA provides employment and training services to low-income workers and dislocated professionals within Sunnyvale and the surrounding region under the federal Workforce Investment Act (WIA), with a goal of helping these clients obtain jobs and improve career prospects. In addition, many of the human services supported by the City help impoverished families meet their basic needs in the short term, or help them achieve living-wage employment. Although the economic situation has improved in the Silicon Valley since 2010, there is still an increased level of need and demand for assistance with employment services as well as basic needs. The City, which serves as the administrative agent for NOVA, will continue its ongoing efforts to improve economic opportunities for all of its residents through NOVA and the City's Economic Development Division.

DRAFT

The WorkFirst Sunnyvale Program is also a major anti-poverty program that helps Sunnyvale residents who are currently homeless or at imminent risk of homelessness increase their incomes through job training and placement, and other employment-supportive services.

Institutional structure

The institutional structure for carrying out the City's housing and community development activities consists of the City's cooperative relationships within its departments and other government agencies, local residents, non-profit organizations, and other institutions involved in the activities described herein.

Coordination between Public and Private Housing and Social Service Agencies

The City and other community development organizations in the County coordinate frequently on a variety of initiatives. The City Housing Division staff participates in a collaborative of HUD entitlement grantees within the County, which holds quarterly meetings to discuss activities, technical assistance issues, and identify future opportunities for coordination and cooperation between local governments, housing providers, social service agencies, and the Housing Authority.

The City also participates in the County's Continuum of Care (CoC), comprised of governmental agencies, homeless service and shelter providers, homeless persons, housing advocates, affordable housing developers, and various private parties, including businesses and foundations. The CoC prepares the Countywide Homelessness Continuum of Care Plan, which seeks to create a comprehensive and coordinated system of affordable housing and supportive services for the prevention, reduction, and eventual end of homelessness. The Plan provides a common guide for the County, cities, service providers, the faith community, the business sector, philanthropy, and the broader community to follow in addressing local housing and the goals and services needs for homeless people. The actions included in this Plan to address housing needs and homelessness are consistent with the CoC's plans and policies. The City's Housing Officer has served on the CoC's "Review and Rank" panel, evaluating and scoring applications for CoC funding, for the past three years.

The City also coordinates with other regional agencies, such as the Housing Trust of Silicon Valley, Joint Venture Silicon Valley, NOVA, the County-wide Fair Housing Task Force, and the Valley Transportation Authority, and a number of other non-profit or public agencies, to achieve the goals described within this Action Plan.

DRAFT

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

**Community Development Block Grant Program (CDBG)
Reference 24 CFR 91.220(l)(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 | \$20,000 |
| 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 | \$20,000 |

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 | 100% |
| 3. Overall Benefit – A consecutive period of one, two, or three years may be used to determine that a minimum overall benefit of 70 percent of CDBG funds is used to benefit persons of low and moderate income. Specify the years that include this Annual Action Plan | FY 2016 – 2018 |

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

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows: *Not Applicable*
2. 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: *Not Applicable*
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: *Not Applicable*
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: *Not Applicable*

Discussion:

The City does not use any of the methods addressed in Questions 1-4 above in its HOME programs.

DRAFT

Exhibit A

CONTINGENCY PLAN

This contingency plan is included to allow staff to adjust the funding allocations for the activities listed below after Council approval of the Action Plan, if needed to address lower than anticipated entitlement grants for FY 2017. The adjustments will be made based on the scenario which most closely matches the amount of funding that becomes available by the start of FY 2017-18. Further adjustments on a pro-rata basis may be made if needed to fully utilize available funds.

| Activity | Planned Allocation | Scenario A | Scenario B | Fund |
|-------------------------------------|---------------------------|-------------------|-------------------|-------------|
| HOME Administration | \$80,000 | 50,000 | 65,000 | HOME |
| Tenant-Based Rental Assistance | \$441,221 | 171,221 | 306,221 | HOME |
| Persian Drive Sidewalk Extension | \$448,500 | 0 | 200,000 | CDBG |
| WorkFirst Sunnyvale (CBDO Activity) | \$404,000 | 75,000 | 200,000 | CDBG |
| Human Services Grants | \$175,500 | 25,000 | 100,500 | CDBG |
| CDBG Planning & Admin | \$215,000 | 30,000 | 115,000 | CDBG |
| Fair Housing | \$15,000 | 0 | 15,000 | CDBG |
| Home Improvement Program | \$40,000 | 40,000 | 40,000 | CDBG |
| Total CDBG | \$1,298,000 | \$170,000 | \$670,500 | |
| Total HOME | \$521,221 | \$221,221 | \$371,221 | |

Scenario A:

No new entitlement grants are received for FY 17; funding is allocated using funds previously received plus projected program income

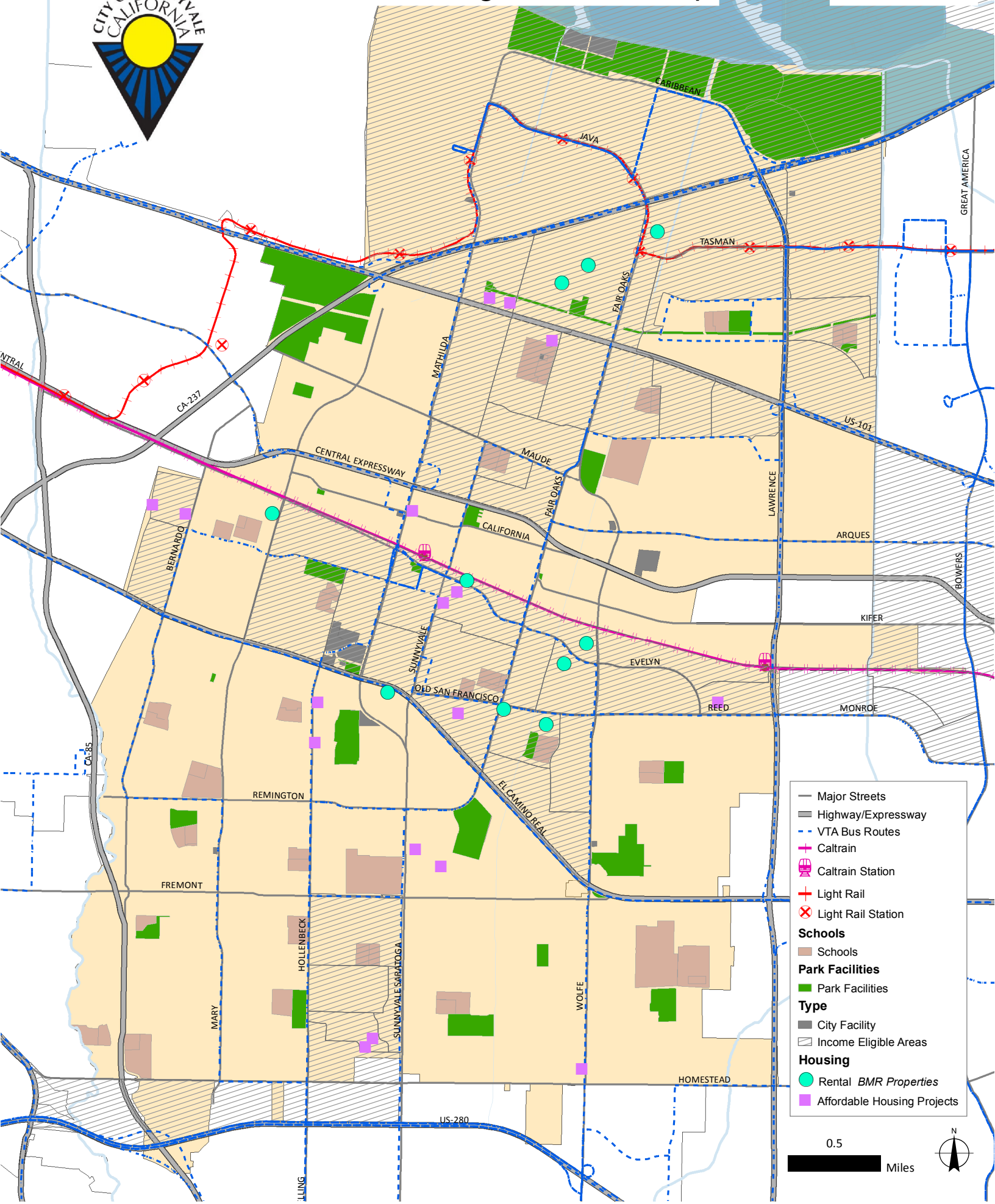
Scenario B:

New entitlement grants at 50% of prior year's grant amounts, plus funds previously received plus projected program income.

In all cases, 15% and 20% maximum funding limits are applied to Admin and public services allocations.

Above amounts do not include funds in the CDBG Revolving Loan Fund.

CDBG-Eligible Areas Map



- Major Streets
- Highway/Expressway
- VTA Bus Routes
- Caltrain
- Caltrain Station
- Light Rail
- Light Rail Station
- Schools**
- Schools
- Park Facilities**
- Park Facilities
- Type**
- City Facility
- Income Eligible Areas
- Housing**
- Rental BMR Properties
- Affordable Housing Projects

Human Services:
General Fund Grant Recommendations

Attachment 3

| GF Applicant | Program | 3/22 Staff Recommendation | Amount Requested | Difference | Average Score | FY16/17 Grant Contract | HHSC Alt A | HHSC Alt B |
|-------------------------------------------------|----------------------------------------------------------------|---------------------------|-------------------|---------------------|---------------|------------------------|--------------------|--------------------|
| Catholic Charities of Santa Clara County | Long-term Care Ombudsman | \$ 10,000 | \$ 20,000 | \$ (10,000) | 86 | \$ 10,000 | \$ 10,000 | \$ 15,000 |
| The Health Trust | Meals on Wheels | \$ 10,000 | \$ 24,000 | \$ (14,000) | 85 | \$ 16,000 | \$ 10,000 | \$ 15,000 |
| Abilities United | Adult Services | \$ 10,000 | \$ 12,073 | \$ (2,073) | 85 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Live Oak Adult Day Services | Adult Day Care, Cupertino Center | \$ 10,000 | \$ 10,000 | \$ - | 82 | \$ 5,000 | \$ 10,000 | \$ 10,000 |
| SALA | Legal Assistance for Sunnyvale Elders | \$ 10,000 | \$ 10,000 | \$ - | 81 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Catholic Charities of Santa Clara County | Day Break Cares: Adult Day Care Program | \$ 10,000 | \$ 15,000 | \$ (5,000) | 81 | \$ 10,000 | \$ 10,000 | \$ 15,000 |
| Friends for Youth | Mentoring Services: A Positive Alternative for Sunnyvale Youth | \$ 10,000 | \$ 24,650 | \$ (14,650) | 76 | \$ 15,000 | \$ 10,000 | \$ 15,000 |
| Friends of Vision Literacy | English Language Development Class | \$ 10,000 | \$ 10,500 | \$ (500) | 74 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Downtown Streets, Inc | Homeless Outreach & Community Engagement | \$ 10,000 | \$ 24,177 | \$ (14,177) | 72 | \$ - | \$ 10,000 | \$ 15,000 |
| Family & Children Services of Silicon Valley | Youth & Family Counseling Program | \$ 10,000 | \$ 24,480 | \$ (14,480) | 72 | \$ 14,000 | \$ 10,000 | \$ 15,000 |
| Healthier Kids Foundation of Santa Clara County | VisionFirst Screenings | \$ - | \$ 14,000 | \$ (14,000) | 68 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| MayView Community Health Center | Lab Services for Uninsured / Low-Income Residents | \$ - | \$ 24,999 | \$ (24,999) | 65 | \$ - | \$ 10,000 | \$ 10,000 |
| Total | | \$ 100,000 | \$ 213,879 | \$ (113,879) | | | \$ 120,000 | \$ 150,000 |
| Total Funds Available (Deficit) | | \$ 100,000 | | | | | \$ (20,000) | \$ (50,000) |

The Commission's full recommendation regarding supplemental funding (General Funds) for human services grants are provided in its March meeting minutes (Attachment 4). In brief, the Commission recommended a total of \$150,000 in General Funds allocated to the proposals as shown under Alternative B, above. If Council does not approve the budget at that level, the Commission's next preference was to allocate \$120,000, as shown in Alternative A. If Council does not approve the budget at that level, the Commission recommended approval of the 3/22 staff recommendation for distributing the planned \$100,000, as shown above. Please see the minutes for further detail.



City of Sunnyvale

Meeting Minutes - Draft

Housing and Human Services Commission

Wednesday, March 22, 2017

7:00 PM

West Conference Room, City Hall, 456 W.
Olive Ave., Sunnyvale, CA 94086

CALL TO ORDER

Chair Evans called the meeting to order at 7:02 p.m.

SALUTE TO THE FLAG

Chair Evans led the salute to the flag.

ROLL CALL

Present: 7 - Chair Patti Evans
Vice Chair Minjung Kwok
Commissioner Diana Gilbert
Commissioner Joshua Grossman
Commissioner Ken Hiremath
Commissioner Avaninder Singh
Commissioner Elinor Stetson

Council Liaison Glenn Hendricks (absent)

ORAL COMMUNICATIONS

None.

CONSENT CALENDAR

Chair Evans asked if anyone wanted to discuss any of the items on the consent calendar. No one did.

1.A [17-0282](#) Approve the Housing and Human Services Commission Meeting Minutes of November 16, 2016

1.B [17-0284](#) Approve the Housing and Human Services Commission Meeting Minutes of February 22, 2017

Approve the Housing and Human Services Commission Minutes of February 22, 2017 as submitted.

1.C [17-0283](#) Approve 2017 Draft Master Work Plan

Chair Evans asked for a motion.

MOTION: Commissioner Gilbert moved and Commissioner Singh seconded the motion to approve the consent calendar as submitted.

The motion carried by the following vote:

Yes: 7 - Chair Evans
 Vice Chair Kwok
 Commissioner Gilbert
 Commissioner Grossman
 Commissioner Hiremath
 Commissioner Singh
 Commissioner Stetson

No: 0

PUBLIC HEARINGS/GENERAL BUSINESS**2** [17-0300](#) Evaluations and Funding Recommendations for FY 2017-18
 Human Services Grants and CDBG Capital Project Loans

Housing Officer Suzanne Isé gave a short presentation and an explanation about how the federal budget affected staff's approach to the recommendations due to the high level of uncertainty.

The commissioners asked some questions of staff about the process before Chair Evans opened the public hearing at 7:36 p.m.

The following representatives spoke on behalf of their programs and thanked staff and the commissioners for their funding recommendations and past support.

- Pilar Furlong, Bill Wilson Center: Counseling Services for At-Risk Youth.
- Teresa Johnson, the Health Trust: Meals on Wheels Program
- Marie Bernard, Sunnyvale Community Services: Food Assistance Program
- Greg Pensinger, Downtown Town Streets Team: WorkFirst Sunnyvale Program.
- Martin Chavez and Amanda Olsen, Downtown Streets Team: Community Outreach Program
- Wanda Hale, Catholic Charities of Santa Clara County: Long Term Care Ombudsman Program.

- Craig King, Greater Opportunities: Capital Project Proposal for Rehabilitation of Cortez Semi-Independent Living Program Facility
- Georgia Bacil, Senior Adults Legal Assistance Program: Legal Aid for Seniors
- Dan Schmid, Life Moves: Homeless Shelter Program

Chair Evans closed the public hearing at 8:07 p.m.

After discussion and questions of staff, the commissioners agreed to take two separate actions, one to address the CDBG funding recommendations, and second one to address the General Fund grants for human services.

Chair Evans asked for a motion.

MOTION: Commissioner Gilbert moved and Commissioner Stetson seconded the motion to to recommend to Council Alternative 1: Recommend funding the human services proposals in the amounts shown in Attachment 2 and the capital project proposals as shown in the report, noting that Sunnyvale Community Services should receive the maximum grant amount, which is limited to 25% of the total funding available for human services.

The motion carried by the following vote:

Yes: 7 - Chair Evans
Vice Chair Kwok
Commissioner Gilbert
Commissioner Grossman
Commissioner Hiremath
Commissioner Singh
Commissioner Stetson

No: 0

After a lengthy discussion, consideration of possible options and questions of staff regarding General Fund grant recommendations, Chair Evans asked for a motion.

MOTION: Commissioner Grossman moved and Commissioner Hiremath seconded to recommend to Council the following:

- Provide a total of \$150,000 in General Funds to be allocated as follows: \$15,000 grants to each of the following programs: Long Term Care Ombudsman, Meals on Wheels, Day Break Cares, Friends for Youth Mentoring Services, DST Homeless Outreach and Engagement and Sunnyvale Youth and Family Counseling Program, and \$10,000 each for all the other proposals received; or

- If Council does not appropriate \$150,000 for the human services grants, then recommends appropriating \$120,000 in order to fund all 12 proposals received each at the minimum grant amount of \$10,000, or
- If Council does not appropriate \$120,000, then the Commission recommends approval of the staff recommendation, as shown in Attachment 3 to the staff report, for distributing the planned \$100,000. The 10 highest ranked proposals would each receive \$10,000.

The motion carried by the following vote:

Yes: 7 - Chair Evans
Vice Chair Kwok
Commissioner Gilbert
Commissioner Grossman
Commissioner Hiremath
Commissioner Singh
Commissioner Stetson

No: 0

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

Commissioner Grossman recommended a study potentially around safe cities and how the City is going to work with respect to ICE enforcement with our own local police forces, vis-a-vis immigration raids and so forth.

Staff noted that proposed study issues need to be related to City policy and within the purview of the Commission. After additional clarification by Mr. Grossman, Director Ryan said that staff can bring back a draft summary of the proposal for discussion at a future meeting.

NON-AGENDA ITEMS & COMMENTS

-Commissioner Comments

Commissioner Singh noted that he was glad to be part of the commission.

-Staff Comments

Staff welcomed the two newest members, Commissioner Hiremath and Commissioner Singh.

ADJOURNMENT

Chair Evans adjourned the meeting at 9:26 p.m.

For: City Council agenda item #2 :

17-0300: Evaluations and Funding Recommendations for FY 2017-18 Human Services Grants and CDBG Capital Project Loans.

Dear Council Members of the City of Sunnyvale,

My name is Milton Cadena and as the Program Director of Adult Day Care Services of Catholic Charities in the City of Sunnyvale. I would like to thank you on behalf of my program and the over two dozen families that benefit from our services in this City; and at the same time I request once more for your support.

The grant provided by the City of Sunnyvale helps to subsidize for some Adult Day Care hours for families who cannot cover for services, allowing them to access a minimum of respite care and/or extend the number of days they can use such services. However, this is not enough in comparison with the demand on this community group.

The main goal of our service is to improve the quality of life of senior residents in the City of Sunnyvale, by helping seniors to age in place and keep them socially active during their later years, and also enabling families to keep their love ones at home for as long it is possible, delaying premature institutionalization, depression and death; and also to alleviate the high cost of senior care for these families.

We think that adult care, home care and family caregiver services are to increasing needs that are not being met, especially for the medium low-income families in Sunnyvale. We invite you to explore the option to assist this segment of the population in your community.

We look forward to keep serving this wonderful City and its strong sense of community support for the elderly.

As always, thank you for your support and for believing in us Based Organizations!

Respectfully,

Milton Cadena

Milton R. Cadena, MPA
Program Director, Day Break Cares
Older Adult Services- Catholic Charities of Santa Clara County
535 Old San Francisco Road,
Sunnyvale, CA 94086
(408) 831-0440 Ext. 422



March 22, 2017

Dear Housing and Human Service Commissioners,

My name is Maritza Henry. I am the Director of School Based Services at Family & Children Services of Silicon Valley (FCS). Founded in 1948, we are a private, non-profit health and human services agency offering a range of quality mental health and prevention services.

First and foremost, I would like to thank you and the City of Sunnyvale for prioritizing the mental health needs of local residents. With funding from the City, we have been offering individual and family counseling services at Columbia Neighborhood Center since 2004. These services are offered at **no cost to at risk and extremely low, very low, or low income Sunnyvale youths and families.**

I am writing to request that the Housing and Human Service Commission consider funding FCS's Bilingual Youth Counseling Program at Columbia Neighborhood Center for the next two-year cycle.

Our program operates in close collaboration with the CNC, Columbia Middle School, and the other providers delivering on-site services at the CNC in order to advance city and school efforts to

- reduce truancy and suspension rates,
- stabilize families,
- promote positive youth outcomes, and
- alleviate or prevent the development of more severe conditions.

FCS's Youth Counseling Program proposes to provide youth and their family members with mental health needs with culturally and linguistically appropriate counseling, crisis intervention, and case management services, in both English and Spanish.

Our Program

FCS provides individual and family counseling, crisis intervention, and case management, including linkages to additional community resources, for at risk, very low income and underserved youth and families. By providing appropriate levels of intervention and support, our therapist works to **prevent the development of more severe mental health conditions** and related negative outcomes, such as school dropout, gang involvement, substance abuse, and child neglect.

The Need

The types of issues we address include (but are not limited to) depression, anxiety, self-esteem, self-harm (e.g., cutting, suicidal feelings), acculturation challenges, family functioning, school-based concerns (e.g., behavior, ability to get along with other students, communication skills, attendance), school failure, teen pregnancy scares, domestic violence, child abuse or neglect, adult or child substance abuse, gangs, divorce, separation, remarriage, and grief and loss. In addition, our therapist provides crisis intervention support and assists clients and their families in accessing available resources, such as food, clothing, legal services, parenting classes, and conflict resolution. **In most cases, youth and families are coping with multiple challenges.**

In order to address the severity and complexity of many of the issues, we partner and collaborate with City staff and nonprofit colleagues at the CNC to help parents and families access health coverage, a monthly food program, free immunization services, parent education, parks and recreation activities, support groups for Spanish-speaking women involved in domestic violence, childcare resources, faith communities, and mentoring programs. In addition, we collaborate with school faculty and staff, the Sunnyvale Police Department and Neighborhood Resource Officers, and county departments.

The extensive **Adverse Child Experiences Study (ACES)** conducted by the Centers for Disease Control and Prevention (CDC) and Kaiser Permanente, found that stressful or traumatic events, such as abuse, neglect, incarceration of a household member, or violence in the home, are linked to risky health behaviors, chronic health conditions (such as obesity and diabetes), low life potential, and early death. The number of Adverse Child Experiences that a child experiences increases the risk for these outcomes.

For youth and families we have been serving at the CNC, health coverage, transportation, language, culture, and cost all pose **barriers to the child and family accessing needed mental health care**. By having free, bilingual services available on-site at the CNC, a trusted community venue, these barriers are reduced.

Benefits for the City

What are some overall costs savings to the City of Sunnyvale to which our Youth Counseling Program contributes?

- The program supports city and school efforts to **reduce truancy and suspension rates, stabilize families, and promote positive youth outcomes**. Middle school attendance is an indicator of high school graduation; youth who do not graduate from high school tend to cost the government more. Improving student attendance directly benefits the District budget by increasing the Average Daily Attendance (ADA) rate. School enrollment is increasing during this time of tight funding.
- **Increasing student engagement and attendance**, thereby reducing the caseload of the Neighborhood Resource Officers.

- **Improving family functioning and stability**, thereby reducing their reliance on emergency and crisis services and involvement of the Sunnyvale Police Department.
- **Engaging at-risk youth in school and in positive out-of-school time community activities**, such as recreational programs and mentoring, thereby reducing the risk that young people will become involved in gangs, substance use, or crime.
- **Increasing neighborhood safety** by developing youth assets, building stronger families, teaching conflict resolution skills, and teaching stress management techniques.
- **Setting youth on a positive course for the short- and long-term.** As noted in PromotePrevent's "National Center Brief: Truancy Prevention Efforts in School-Community Partnerships" (2012):

"Adults who were chronically truant from school when young are at elevated risk for a host of problems, including poor physical and mental health, poverty and welfare, incarceration, and raising children who themselves exhibit problem behaviors (Baker, Sigmon, and Nugent, 2001)."

"And given that truancy is a risk factor for dropping out of school, it has a long-term effect on public finance. One study estimated that each individual who does not complete high school costs a lifetime average of \$200,000 in public monies over and above similar costs for high school graduates."

http://www.promoteprevent.org/sites/www.promoteprevent.org/files/resources/Truancy%20Prevention%20Efforts%20in%20School_0.pdf

Our Track Record

As shown in the table below, FCS has consistently **met or exceeded** our units of service and performance measures based upon the contract scope of services and quarterly reports.

| Year | Goal: Unduplicated Youth Served | Actual: Unduplicated youth served | Status | Goal: No. of counseling sessions | Actual: No. of counseling sessions provided | Status |
|-----------|---------------------------------------|-----------------------------------------|----------|-------------------------------------------|---------------------------------------------------------|----------|
| 2009-2010 | 27 | 27 | Met | 189 | 191 | Exceeded |
| 2010-2011 | 27 | 33 | Exceeded | 189 | 211 | Exceeded |
| 2011-2012 | 26 | 26 | Met | 211 | 224 | Exceeded |
| 2012-2013 | 27 | 27 | Met | 220 | 227 | Exceeded |
| 2013-2014 | 19 | 19 | Met | 190 | 261 | Exceeded |
| 2014-2015 | 19 | 19 | Met | 187 | 290 | Exceeded |
| 2015-2016 | 19 | 19 | Met | 206 | 206 | Met |

Thank you for your consideration of our request to continue to offer youth and family counseling services to the residents of Sunnyvale at Colombia Neighborhood Center. Please contact me if I may answer any questions or provide further information.

Sincerely,

Maritza Henry

Maritza Henry, Licensed Marriage and Family Therapist
Director of School Based Services
Family & Children Services of Silicon Valley
mhenry@fcservices.org
950 W. Julian Street
San Jose, CA 95126



A culture of health, the language of caring

Kelvin Quan, JD EdD MPH
Chief Executive Officer
Kelvin@MayView.org
270 Grant Avenue
Palo Alto, CA 94306

March 31, 2017

Suzanne Ise, Housing Officer
City of Sunnyvale CDD, Housing Division
P.O. Box 3707
Sunnyvale, CA 94088

Dear Suzanne,

Thank you for our conversation on March 22, 2017 to discuss the FY17-18 proposal MayView Community Health Center submitted. Per your suggestion, I am writing you to further explain and to impress upon the City of Sunnyvale the need for its support of MayView's providing on-site lab services for uninsured residents of Sunnyvale. While our original request amount for the General Funds grant was \$25,000 (which would still be fully utilized), based on our conversation, I am revising the request to \$10,000 for fiscal year 2017-2018.

The lack of requested funding coupled with the lost funding from preciously approved - but not paid - CDBG grants for the last two years contributed to the financial deficits in both years. Although MayView's mission is to accept all uninsured and low-income patients, not receiving funding would harm our ability to staff these positions adequately and provide timely services. Our staffing levels may decrease and force longer wait times to have lab tests performed. The number of lab tests may also be reduced. Patients may not be able to have lab tests done at the time of their appointments and would have to return another time.

The anticipated result would be that working patients would have to take time off of work to return for their lab tests and lose wages for that time away from work. Or they may choose not to lose wages and forego the needed lab tests to the detriment of their care. Many of our patients are also young parents who bring their children with them on medical appointments (for lack of money to pay for child care). Similarly, they may choose not to disrupt their children's schedule and forego their needed lab tests. These unfortunate outcomes would affect both our uninsured and low-income (Medi-Cal) patients.

Please contact me if you have any questions. We look forward to a positive outcome to our request for funding and our continued working relationship with the City of Sunnyvale.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kelvin Quan".

Kelvin Quan, CEO
650-475-1500 | kelvin@mayview.org

Copy to: Katrina L. Ardina, Housing Programs Analyst
City of Sunnyvale, Community Development Department, Housing Division