

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or earmarked for particular functions or activities of government. In many cases, a Special Revenue Fund has been set up in response to legal requirements established by a granting agency or another level of government.

Housing Fund

The Housing Fund is comprised primarily of Housing Mitigation Fees and Below-Market-Rate Housing (“BMR”) fees. Expenditures are for operations related to developing affordable housing, managing the City’s below-market-rate housing program, and for capital and special projects that produce new affordable housing.

Housing Mitigation

Housing Mitigation Fees are development impact fees paid by developers of large new employment-generating developments, pursuant to S.M.C. 19.22.035, in order to maintain or improve the City’s jobs/housing balance. These fees are used to provide additional affordable housing in the City. Housing Mitigation Fees and accrued interest are maintained in this sub-fund of the Housing Fund.

Revenue projections are based on a number of factors, including: projects currently underway or in the development process, historical collections, total development square footage eligible to pay this fee, and the current and projected per square foot Housing Mitigation Fee. Due to the recent surge of development activity in the City, revenue of \$21.5 million in FY 2017/18, \$18.3 million in FY 2018/19, and \$4.9 million in FY 2019/20 is projected based on twenty large, commercial development projects and one mixed-use project. Beginning in FY 2020/21 the revenue projection uses an inflation rate with the baseline year of FY 2019/20. The baseline used is lower than the historical average, to reflect expected slowdown in property development, which will be reviewed and adjusted each year. Over the twenty-year plan, total revenue from Housing Mitigation Fees is estimated to be up by \$16.6 million over the prior year’s plan.

Assistance to affordable housing developments is provided in the form of a loan, with payments amortized, deferred, or based on residual receipts of the project’s anticipated operating cash flow. Interest rates vary and are set forth in each loan agreement. Payments received on these loans are consistent with City policy for the use of Housing Mitigation funds, and are deposited into this fund and re-used for additional housing activities.

The Housing Mitigation Program loan repayment revenue projection for FY 2017/18 is based on staff’s assessment of outstanding loans, while future year projections are based on the historical average, which is reviewed and adjusted each year. During the first ten years of the planning period, staff projects the program will receive \$4.6 million in loan repayments.

Interest income on the reserve balances in this sub-fund continues to accrue and is available for future housing projects.

Project expenditures for FY 2016/17 consist primarily of the Persian Drive Affordable Apartments project, the Morse Court Rental Rehabilitation project, and the Orchard Gardens Apartments Redevelopment project. In FY 2017/18, there is \$10 million budgeted for the Block 15 Affordable Housing Site project that will consist of approximately 75-100 new affordable rental units for lower-income households in Downtown Sunnyvale.

By the end of FY 2017/18 the Housing Mitigation Reserve is expected to have balance of approximately \$27.3 million. These funds are available for future affordable housing projects in the City when they are identified. A placeholder entitled Future Housing Projects is included in the long-term financial plan for such projects.

Below Market Rate (BMR) Housing

The BMR Program, as set forth in SMC Chapter 19.67, is primarily intended to generate affordable housing directly, through mandatory development requirements applied to most new housing developments. This is a land use/zoning tool used nationally to guarantee a minimum level of affordable housing even in higher cost areas, known as “inclusionary zoning.”

The Municipal Code requires that developers sell 12.5% of all new homes in subdivision and condominium developments to lower and moderate income households at affordable prices established by the BMR program guidelines and SMC Chapter 19.67. The BMR Program has specific eligibility requirements and income limits for prospective buyers of BMR homes.

Revenues in the BMR Program include BMR In-Lieu fees, BMR application fees, revenues from BMR compliance and enforcement actions, payments on home buyer loans funded from the BMR program, and interest earnings. Expenditures include operating costs for administering and monitoring the BMR program, and a special project for BMR compliance enforcement.

The BMR Housing Program has a BMR Reserve for the deposit of BMR In-Lieu Fees which are paid by developers in accordance with project-specific developer agreements, in lieu of providing actual BMR homes for sale, and/or to fulfill fractional BMR unit requirements. The fee revenues are intended to be used by the City to provide a comparable or greater number of affordable housing units elsewhere in the City. The Municipal Code was amended in 2012 to allow greater application of the in-lieu fee option, and FY 2013/14 was the first year in which the City began collecting substantial revenue from developers for fractional in-lieu fees for BMR obligations.

Once a substantial amount of funds have accumulated in the BMR reserve, staff will issue an RFP to solicit affordable housing proposals to utilize these funds for developing additional affordable units, based on the priorities established by the City in the Housing Element, Consolidated Plan, and/or various adopted land use plans such as station area plans and/or specific plans.

HOME Grant Fund

HOME Investment Partnership Program grants from the federal government may be used to provide affordable housing to lower-income households. Eligible uses of HOME grant funds include acquisition, new construction, rehabilitation, tenant-based rental assistance, and down payment assistance. The activities must benefit low-income households with incomes at or below 80% of area median income. According to federal statutes, HOME grants must be committed to a specific project within two years and fully expended within five years of the grant award.

The recommended long-term financial plan for the HOME Grant Fund includes an estimated grant allocation for FY 2017/18 of \$300,000, and shows ongoing estimated HOME grant revenues of the same amount as a placeholder for future allocations. This is relatively flat from the FY 2016/17 allocation.

The City also receives loan repayments on loans that had been made with HOME grant funds for affordable housing. Approximately \$6.3 million in loan payments are expected throughout the twenty-year plan. These repayments will be utilized for future HOME projects, to be identified and approved by Council.

The Benner Plaza project for new affordable apartments will begin construction in May 2017, with completion expected in 2019. No new projects are committed for FY 2017/18. Also included in the long-term financial plan is a line item for Future HOME/ Housing Projects beginning in FY 2018/19. As specific projects are identified, they will be brought to Council for approval.

Redevelopment Housing Fund

The Redevelopment Housing Fund is a new fund started in FY 2016/17, established to account for funds received from the former Redevelopment Agency / Housing Successor Agencies which are based on a percentage of the property tax increment from the former redevelopment project area. These funds can be used on Low-Moderate Income Housing programs. Future year revenue forecasts are sporadic due to the varied timing of the enforceable obligation payments, however, staff expects to collect \$14 million in the first 10 years.

A limited percentage of these funds can be applied to operating activities, including the work hours required to administer the revenue source. This fund also has one special project for Homeless Prevention and Rapid Re-Housing in FY 2017/18 and throughout the twenty-year plan. The Future Projects line sets funding aside for low-moderate income housing projects in future years as the fund accumulates sufficient reserves to fund a capital project.

Community Development Block Grant (CDBG) Fund

The Community Development Block Grant (CDBG) program is a federal program that allocates annual grants to larger cities and urban counties for community development and housing programs that primarily benefit lower-income households. The City receives an annual CDBG grant from the U.S. Department of Housing and Urban Development (HUD) based on a formula using factors such as population, poverty rate, and certain economic indicators. Major CDBG expenditure categories include housing rehabilitation, accessibility improvements and retrofits, workforce development programs, human services, public infrastructure improvements in lower-income neighborhoods, and program administration.

Revenues for the Community Development Block Grant Fund include the annual grants from HUD and CDBG program income from prior loans made with CDBG funds for various capital projects. The CDBG Fund (110) includes two sub-funds: sub-fund 100, the CDBG entitlement grant fund, holds the direct CDBG grant proceeds, while sub-fund 200 is the Revolving Loan Fund, described below.

Community Development Block Grant (CDBG)

This year Congress has been late in adopting a federal budget for the 2017 federal fiscal year, so HUD has not yet been able to determine the amount of each locality's entitlement grant. For FY 2016/17, the City received a grant of \$1,037,051. Congress is expected to adopt a budget for the remainder of FY 2017 by the end of May. Based on that appropriation, staff can estimate how much the FY 2017/18 grant may be. HUD has informed staff that it will not be able to publish the local grant amounts until late June this year due to the delay in federal appropriations. The CDBG and HOME grants must be spent in accordance with a five-year "Consolidated Plan," a strategic plan and budget for use of these grants, submitted to HUD for approval every five years. HUD requires the City to submit annual updates, called Action Plans, in May of each year. Projects funded with CDBG must implement the goals of the 2015-2020 Consolidated Plan. The City submits a performance report (the "CAPER") to HUD annually to report on its uses of the CDBG and HOME funds, and how these activities contribute toward

achieving the goals of the Consolidated Plan.

HUD regulations limit the amount of CDBG funds that can be spent on public (human) services to no more than 15% of the annual CDBG grant plus prior year program income. The FY 2017/18 Recommended Budget includes an estimated \$175,500 in CDBG funds for human services grants (Outside Group Funding – CDBG), contingent on the final CDBG grant amount. The City awards these grants to human services providers every other year on a competitive basis for a two-year grant term. FY 2017/18 is the first year of the current funding cycle.

CDBG funds may also be used for projects that benefit groups with special needs, such as senior or handicapped citizens, or for targeted geographical areas that meet certain income requirements. Projects budgeted for the FY 2017/18 CDBG grant include \$40,000 for the Home Improvement Program (HIP), which provides small grants for accessibility improvements, exterior paint, and other minor home improvements, \$404,000 for the Sunnyvale Workforce Development Program, \$448,500 for the Persian Drive Sidewalk Extension and \$175,500 for human services grants. The project budgets are contingent on the City's FY 2017 CDBG grant amount and available CDBG program income. If insufficient funds are received, some projects may be delayed or canceled, consistent with the contingency provisions in the FY 2017 Action Plan.

CDBG Revolving Loan Fund (RLF)

The RLF, sub-fund 200 of the CDBG Fund, is the repository for CDBG program income, which is payments received on prior housing loans made with CDBG funds. Once funds have been deposited into the RLF, they can only be reused for other housing rehabilitation loans and rehabilitation program operations, pursuant to City policy and HUD regulations. Staff projects \$200,000 in CDBG loan repayment revenue for FY 2017/18. Expenditures for FY 2017/18 include one project in the amount of \$230,000 to fund the Housing Rehabilitation loan program. These loans may be made for rehabilitation of housing owned and/or occupied by lower-income households, which may include owner-occupied single-family homes, or small affordable rental housing projects, such as group homes or other small non-profit rental properties.

**CITY OF SUNNYVALE
070. COMBINED HOUSING FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2016 TO JUNE 30, 2027**

[illegible]

**CITY OF SUNNYVALE
070. COMBINED HOUSING FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2027 TO JUNE 30, 2037**

	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034	PLAN 2034/2035	PLAN 2035/2036	PLAN 2036/2037	FY 2027/2028 TO FY 2036/2037 TOTAL	FY 2016/2017 TO FY 2036/2037 TOTAL
RESERVE/FUND BALANCE, JULY 1	8,025,478	10,499,483	13,229,668	16,007,557	19,312,289	22,948,098	26,906,266	31,233,797	35,933,614	41,057,311	8,025,478	24,031,157
CURRENT RESOURCES:												
Housing Mitigation Fees	5,717,487	5,889,012	6,065,682	6,247,652	6,435,082	6,628,134	6,826,978	7,031,788	7,242,741	7,242,741	65,327,297	149,512,163
Housing Loan Repayments	567,296	580,143	593,375	607,004	621,042	635,501	650,394	665,733	681,533	697,807	6,299,829	12,423,131
Miscellaneous Reimbursement	0	0	0	0	0	0	0	0	0	0	0	0
BMR In-Lieu Fees	479,336	493,716	508,528	523,784	539,497	555,682	572,353	589,523	607,209	625,425	5,495,053	10,349,029
BMR Processing Fees	44,229	45,555	46,922	48,330	49,780	51,273	52,811	54,395	56,027	57,708	507,030	935,685
Transfers In	0	0	0	0	0	0	0	0	0	0	0	3,730,000
Interest Income	403,826	508,833	615,676	742,780	882,619	1,034,856	1,201,300	1,382,062	1,579,127	1,783,527	10,134,606	15,428,681
TOTAL CURRENT RESOURCES	7,212,174	7,517,260	7,830,183	8,169,549	8,528,020	8,905,446	9,303,836	9,723,502	10,166,637	10,407,208	87,763,816	192,378,690
TOTAL AVAILABLE RESOURCES	15,237,652	18,016,743	21,059,851	24,177,106	27,840,309	31,853,544	36,210,102	40,957,299	46,100,251	51,464,519	95,789,294	216,409,847
CURRENT REQUIREMENTS:												
Operations	1,131,844	1,165,692	1,200,538	1,236,493	1,273,465	1,311,587	1,350,777	1,380,181	1,410,218	1,441,000	12,901,795	23,650,809
Special Projects	10,000	22,088	10,000	22,824	10,000	23,605	10,000	24,433	10,000	25,312	168,262	23,784,711
Future Housing Projects	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	35,000,000	120,000,000
Transfer To General Fund	0	0	239,404	0	0	0	0	0	0	0	239,404	318,235
Transfer To Redevelopment Housing Fund	0	0	0	0	0	0	0	0	0	0	0	244,503
General Fund In-Lieu	96,325	99,294	102,351	105,501	108,745	112,086	115,527	119,072	122,723	126,483	1,108,105	2,039,862
TOTAL CURRENT REQUIREMENTS	4,738,169	4,787,074	5,052,293	4,864,817	4,892,210	4,947,277	4,976,304	5,023,686	5,042,941	5,092,795	49,417,567	170,038,121
RESERVES:												
Housing Mitigation Reserve	9,406,045	12,047,135	14,735,051	17,949,054	21,493,386	25,359,424	29,594,155	34,194,332	39,211,044	44,410,689	44,410,690	44,410,691
BMR Reserve	1,093,438	1,182,533	1,272,506	1,363,235	1,454,712	1,546,842	1,639,642	1,739,282	1,846,267	1,961,034	1,961,034	1,961,034
Redevelopment Housing Subfund Reserve	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RESERVES	10,499,483	13,229,668	16,007,557	19,312,289	22,948,098	26,906,266	31,233,797	35,933,614	41,057,311	46,371,723	46,371,724	46,371,725
FUND BALANCE, JUNE 30	0	0	0	0	0	0	0	0	0	0	0	0

**CITY OF SUNNYVALE
070/100. HOUSING MITIGATION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2016 TO JUNE 30, 2027**

[illegible]

**CITY OF SUNNYVALE
070/100. HOUSING MITIGATION FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2027 TO JUNE 30, 2037**

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JULY 1, 2016 TO JUNE 30, 2027FUND BALANCE, JUNE 30

JULY 1, 2027 TO JUNE 30, 2037

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JULY 1, 2016 TO JUNE 30, 2027

**CITY OF SUNNYVALE
071. HOME GRANT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2016 TO JUNE 30, 2027**

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**CITY OF SUNNYVALE
071. HOME GRANT FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2027 TO JUNE 30, 2037**

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**CITY OF SUNNYVALE
072. REDEVELOPMENT HOUSING FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2016 TO JUNE 30, 2027**

[illegible]

CITY OF SUNNYVALE
072. REDEVELOPMENT HOUSING FUND
LONG TERM FINANCIAL PLAN
JULY 1, 2027 TO JUNE 30, 2037

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Planning Program

The Planning Program encompasses all policy planning and zoning approvals for the conservation and physical development of the City. The goal of the Program is to improve the quality of life and physical appearance of the City, and to foster orderly development through comprehensive and effective policy planning. Program activities include preparing and administering the City's General Plan, as well as preparing and overseeing specific plans and other land use policy documents. Additionally, lead responsibility for researching and reporting on many of the City Council adopted study issues rests with this Program. Most studies and planning efforts include significant time on outreach to the community and finding new ways to make information available. Planning staff collects and monitors community condition indicators to measure the City's progress in achieving its goals and policies.

Major functions of the Program are coordinating and processing development applications for planning permits, administering and enforcing the City's Zoning Code including reviewing building permit applications for zoning and planning permit compliance. The addition of 1.0 Associate Planner term-limited is recommended in this budget to provide Planning Program development services support for the increased workload and to cover during staff leaves.

Housing/CDBG Program

The primary objectives of the Housing/CDBG (Community Development Block Grant) Program are to: 1) increase the development of new and renovated affordable housing; 2) preserve and improve housing conditions for lower income residents; and 3) provide support to human service organizations that serve low income and special needs populations in the community.

The Housing Division administers various housing programs, including the Home Improvement, Below Market Rate Housing, First-time Home Buyer, and Tenant-Based Rental Assistance programs. The Division also manages three special revenue funds and their associated loan portfolios: the Housing Mitigation Fund, the CDBG Fund (which includes the CDBG Housing Rehabilitation Revolving Loan Fund), and the Home Investment Partnerships HOME Program Fund. Two of these funds, CDBG and HOME, were established to receive the City's federal entitlement grants, which have provided an average of nearly \$2 million annually for the past decade. These grants fund affordable housing projects and community development programs for the City's lower-income residents and neighborhoods.

The Division ensures that the grants are used in a timely manner in accordance with their terms. The long-term availability of CDBG and HOME funding is uncertain; City staff will be monitoring and advocating, where appropriate, federal, state and regional efforts related to funding.

In addition to operating housing programs, the Division manages a number of large capital projects funded by the three special revenue funds. These projects primarily consist of multi-family housing development, acquisition, or rehabilitation. The Division also manages smaller public infrastructure and public facility projects, and annual grants for human services and other miscellaneous community development activities. The Housing Division provides staff support to the Housing and Human Services Commission, and coordinates with other divisions on housing policy development and on long-range planning to meet regional housing needs.

Department Management

Department Management provides overall leadership and management of the Community Development Department. Activities include budgeting, work programming, personnel administration, and general support to the City Manager's Office, City Clerk, and the City Executive Leadership Team.

Department Budget Summary

Community Development					
Fund/Program	Actual 2014/15	Budget 2015/16	Actual 2015/16	Budget 2016/17	Budget 2017/18
General Fund					
Department Management	403,254	434,379	439,316	526,103	544,238
Planning	596,803	594,896	577,698	628,439	671,644
Housing Fund					
Housing and CDBG	711,651	842,025	794,913	838,974	877,933
HOME Grant Fund					
Housing and CDBG	90,694	85,487	86,226	100,115	103,988
Community Development Block Grant					
Housing and CDBG	379,350	411,539	365,700	381,571	402,762
Development Enterprise Fund					
Building Safety	3,189,121	3,344,479	3,288,959	3,832,882	4,082,326
Planning	1,835,431	1,884,170	2,083,944	2,244,812	2,563,075
Redevelopment Housing					
Housing and CDBG	0	0	0	40,093	41,040
General Services					
Planning	0	0	0	89,232	95,862
TOTAL EXPENDITURES	7,206,304	7,596,975	7,636,757	8,682,219	9,382,868

Budget Overview and Significant Changes

FY 2017/2018 is the second year of a two-year operating cycle. As such, only modest changes are recommended to the Department's operating budget for FY 2017/2018.

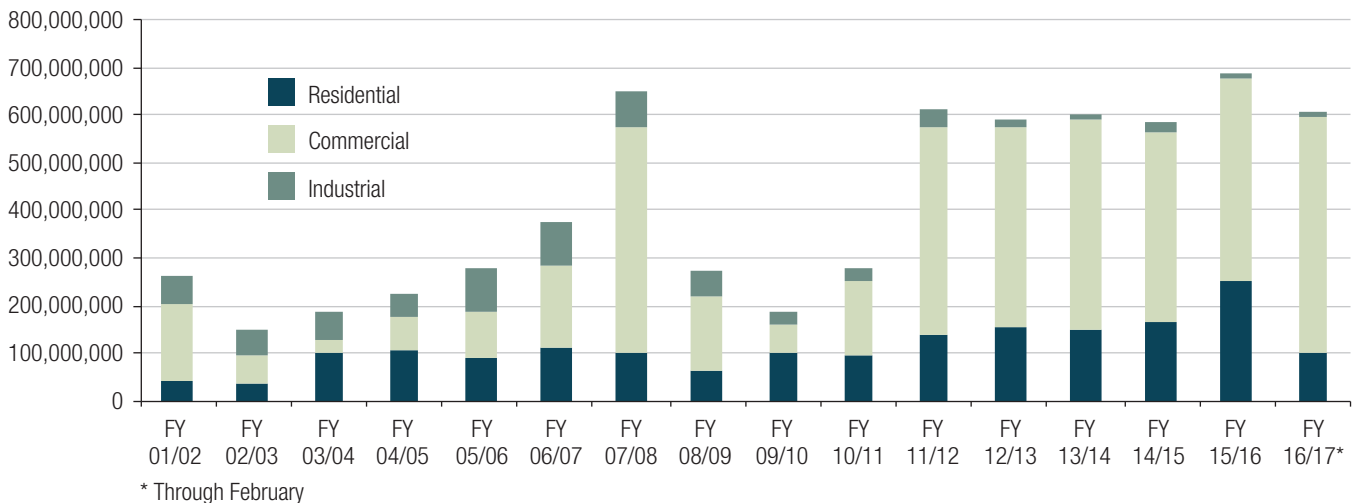
FY 2016/17 was the first year of a two-year operating budget cycle. Toward the end of FY 2015/16 two positions were added to the Building Division. The addition of 1.0 Associate Planner term-limited is proposed to provide supplemental staffing for Planning Program development services support. The operating budget for the Community Development Department primarily funds personnel costs, which account for approximately 86% of its total budget. Revenue from planning and building fees support a large portion of the Department's operations. Additionally, operational costs for the Housing/CDBG Program are funded with special purpose federal and City funds.

Development activity in FY 2017/18 is projected to continue at a high level, similar to the past several years as commercial and residential development continues at a robust pace. Despite predictions of modest easing of economic pace, there is sufficient evidence that development activity will continue in our region. This continuing activity reflects the strength of the Silicon Valley economy and the desirability of Sunnyvale as a place for business and residential growth and reinvestment. Based on historical records, it is rare to see this level of development activity sustained for multiple years; development activity is expected to continue at this pace based on the projects that are currently undergoing Planning and Building Division review.

Building Safety Program

The Building Program continues to be fully funded (100% cost recovery) by plan check and construction inspection fees collected from building permit activity. The Building Division will operate at a base level of staffing of 19 full-time employees, supplemented with part-time and contract hours to respond to the sustained level of construction activity as reflected in the table below.

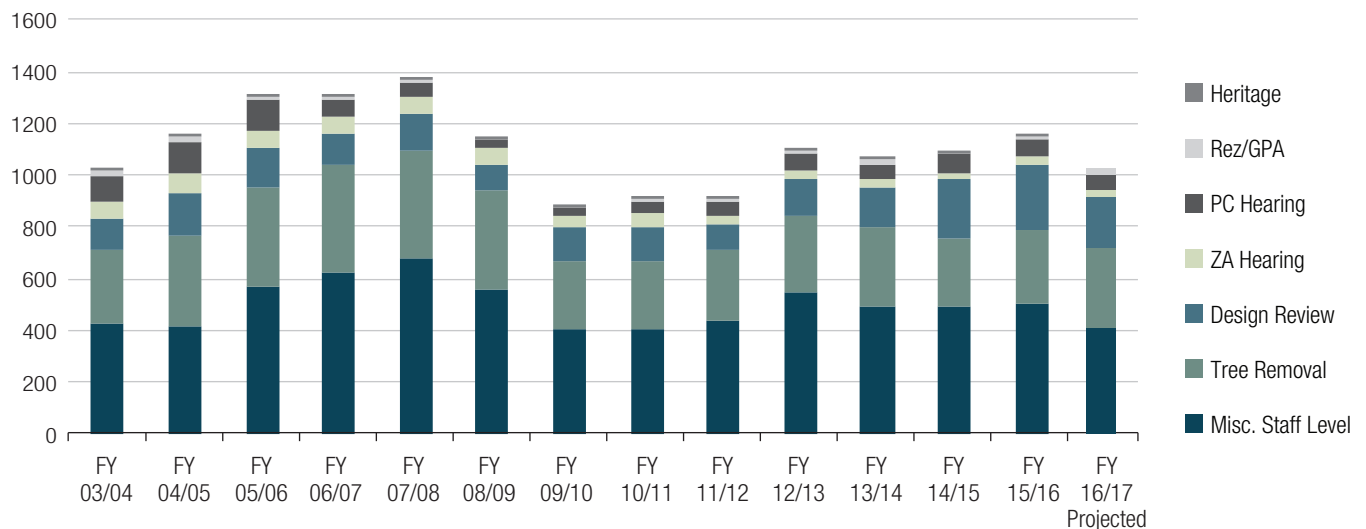
Building Construction Valuation



Planning Program

Over time the annual number of planning permits has increased slightly. This increase has continued even though some regulations have changed to reduce the number of land uses that require permits (e.g. certain front yard fences). At the same time, new procedures and regulations have been adopted making planning reviews more complex (e.g. stormwater, land use near streams, larger noticing areas, more detailed environmental reviews, parking management plans, etc.). The following chart shows planning permit activity since FY 2003/04.

Planning Permits



For the past several years planning has experienced increases workload, and supplemental staffing has been recommended for the FY 2017/18 budget to address the number and complexity of projects. Development reviews include checking for compliance with the City's zoning code and various design guidelines; environmental review; sensitivity to adjacent uses; and, compliance with federal, state, and regional standards.

Policy planning activities for the budget cycle include: completing the update to the Precise Plan for El Camino Real, follow up studies to consider additional housing in the Lawrence Station Area Plan and the Peery Park Specific Plan areas; updates to the noise and air quality elements of the general plan; completion of the comprehensive re-organization and revision of the Zoning Code; support for VTA's Peery Park Rides project; and, coordinating with state and regional agencies and neighboring cities on new legislation, programs, and development activities that affect Sunnyvale residents and businesses. Hours/expenses budgeted to address City and intergovernmental policies are essentially unchanged.

The Planning Division will also continue to provide staff support to the Planning Commission and Heritage Preservation Commission both of which recommend on policy and make decisions on planning permits. The Planning Division budget is for 16 full-time and up to three casual staff members. Staff is exploring other staffing configurations within the confines of the budget (such as converting casual hours to limited term staffing). Staff levels were augmented in FY 2017/18 to include a Senior Planner-CEQA. Recruitment efforts for this specialty have not been successful and budget has been used for on-call environmental services while the division continues to search for qualified staff.

Housing Program

The Housing/CDBG Program is funded entirely with special purpose funds: CDBG and HOME federal grant funds, Below Market Rate Program In-Lieu Fees, and Housing Mitigation Fees, which are development impact fees paid for by developers of large, new employment-generating developments, and occasionally Housing Successor Agency Low-Moderate Income Housing (LMH) deposits related to the former redevelopment agency. Use of each fund is regulated by federal and/or state laws and regulations and/or by adopted City policies. The future of federal and state funding is uncertain. The largest expenditures in the Housing/ CDBG Program are usually within the City's capital projects budget rather than its operating budget. The primary operating costs of the Housing/CDBG Program are personnel-related, for administration and program delivery. The Program is supported by seven staff.

Major tasks in FY 2017/18 include: project management and oversight of various capital projects from the predevelopment stage to construction completion and lease-up including new construction and rehabilitation projects. Other routine major tasks include: working with rental developers on publicity and tenant selection procedures for new affordable rental units in density bonus projects; participating in the development review process for proposed residential or mixed-use projects that involve Below Market Rate (BMR) or other types of affordable housing units; reviewing a mobile home park conversion impact report and, if approved, monitoring the applicant's compliance with its requirements; issuing requests for proposals and responding to requests for funding from affordable housing developers and services providers; collaborating with the county-wide Continuum of Care to address homelessness within the region; and completing housing policy projects included in the 2015-2023 Housing Element, such as development of an anti-displacement ordinance, further updates to the accessory dwelling unit zoning regulations and similar policy items. This fiscal year also includes a major study issue (2017 Housing Strategy), contingent on supplemental project budget, which will be managed by Housing Program staff and supported by consultants and Planning Program policy planning staff.

Other ongoing work items include: administering the BMR Housing Programs; implementing fair housing, language access, outreach, and compliance monitoring activities; working with Public Works staff on surplus property matters involving housing or affordable housing interests; issuing and administering various grant agreements and service contracts; preparing loan agreements and loan documents for new capital projects; administering the Tenant-Based Rental Assistance and Homelessness Prevention and Rapid Re-housing Programs; preparing required annual reports to state and federal housing agencies; and managing the Division's Housing loan portfolio.

	General Plan Goal	FY 2013/14 Results	FY 2014/15 Results	FY 2015/16 Results
Number of public hearing zoning permit reviews (including Zoning Administrator, Planning Commission, Heritage Preservation Commission and City Council hearing applications). [New in FY 2012/13, Deleted in FY 2014/15]	LT-1, LT-2, LT-3, LT-4, LT-6, LT-7, CC-1, CC-3, CC-5, HE-1, HE-4, HE-6, CV-1	114	N/A	N/A
Number of public hearing zoning permit applicant survey respondents and percent rating the services provided by Planning as good or better. [New in FY 2012/13, Deleted in FY 2014/15]	LT-1, LT-2, LT-3, LT-4, LT-6, LT-7, CC-1, CC-3, CC-5, HE-1, HE-4, HE-6, CV-1	10 100%	N/A	N/A
HOUSING & CDBG				
WORKLOAD INDICATORS				
Number of inquiries for housing and human services information.	HE-1, CV-1	2,853	3,088	2,650
Number of CDBG, HOME and HMF activities implemented (including capital projects, sub-recipient agreements, and housing program activities).	HE-1, HE-2, HE-5, HE-6	46	50	49
Number of first-time homebuyer loans and rehabilitation grants/loans closed.	HE-1, HE-2, HE-5	17	12	21
Number of BMR/HOME/CDBG rental and owner-occupied units audited annually.	HE-1, HE-2, HE-5	732	719	716
Number of staff reports to Housing and Human Services Commission, other city advisory bodies and City Council.	HE-1, HE-2, HE-5, HE-6, CV-1	13	16	22
Number of annual HUD reports (CAPER, Action Plan, Consolidated Plan) completed.	HE-1, HE-2, HE-3, HE-5	4	6	5
PERFORMANCE INDICATORS				
Number of housing program applications (including BMR, first-time homebuyer and rehabilitation) and percent processed within 21 days.	LT-3, HE-1, HE-2, HE-4, HE-5	67 100%	46 100%	98 100%
Number of developer agreements and percent reviewed within 21 days.	LT-3, HE-1, HE-2, HE-4	8 100%	7 100%	5 100%
CDBG credit line does not exceed 1.5 times the City's annual CDBG grant amount on April 30 (HUD requirement).	HE-1, HE-2, HE-5	0.62	0.99	1.19
Amount of CDBG funds expended and percent benefiting lower income households (HUD requirement >70%).	HE-1, HE-2, HE-5, HE-6	\$1,388,531 100%	\$1,180,157 100%	\$1,217,348 100%
Number of HOME assisted units, and	LT-3, HE-1, HE-2, HE-4, HE-5	34*	39	38
a. Percent of assisted units restricted to households earning at or below 60% of area median income (HUD requirement >90%); and		100%*	100%	100%

	General Plan Goal	FY 2013/14 Results	FY 2014/15 Results	FY 2015/16 Results
b. For projects with five or more units, percent of assisted units restricted to households earning less than 50% of area median income (HUD requirement >20%).		100%*	100%	51%
Number of customer survey respondents (including program beneficiaries, non-profit grantees and development partners) and percent rating the services provided by Housing as good or better.	HE-1, HE-2, HE-4, HE-5	57 100%	124 100%	167 100%
DEPARTMENT MANAGEMENT				
PERFORMANCE INDICATORS				
Percent of total Department operating budget expended.		99.8%	99.0%	100.5%

*These are revised numbers.

City of Sunnyvale
Program Performance Budget

Program 235 - Housing and CDBG Program

Service Delivery Plan 23501 - Community Development Block Grant (CDBG)

	<u>2014/2015</u> <u>Actual</u>	<u>2015/2016</u> <u>Budget</u>	<u>2015/2016</u> <u>Actual</u>	<u>2016/2017</u> <u>Current</u>	<u>2017/2018</u> <u>Plan</u>
Activity 235110 - CDBG Planning and Administration (20% Cap)					
Costs:	239,998.84	226,173.13	222,705.58	229,419.95	238,739.38
Products:	0.00	0.00	0.00	0.00	0.00
Hours:	2,102.50	1,984.00	1,964.30	1,931.00	1,931.00
Activity 235120 - Housing Improvement Program Operations (CDBG-RLF)					
Product: Housing Unit Improved					
Costs:	139,350.99	185,365.75	142,994.78	152,151.21	164,022.62
Products:	8.00	42.00	19.00	61.00	61.00
Hours:	1,544.50	2,020.00	1,561.00	1,640.00	1,640.00
Totals for Service Delivery Plan 23501 - Community Development Block Grant (CDBG)					
Costs:	379,349.83	411,538.88	365,700.36	381,571.16	402,762.00
Hours:	3,647.00	4,004.00	3,525.30	3,571.00	3,571.00

City of Sunnyvale
Program Performance Budget

Program 235 - Housing and CDBG Program

Service Delivery Plan 23502 - Lower Income Housing (HOME)

	2014/2015	2015/2016	2015/2016	2016/2017	2017/2018
	Actual	Budget	Actual	Current	Plan
Activity 235210 - HOME Administration and Monitoring (10%)					
Product: Assisted Unit Monitored					
Costs:	76,848.45	71,982.04	73,714.13	74,409.69	77,585.71
Products:	154.00	69.00	129.00	69.00	69.00
Hours:	803.00	721.00	768.00	680.00	680.00
Activity 235230 - Rental Housing Assistance: Project Management					
Product: Affordable Rental Unit Built or Rehabilitated					
Costs:	13,845.27	13,504.78	12,511.57	25,704.96	26,402.24
Products:	10.00	10.00	10.00	18.00	18.00
Hours:	122.00	125.00	134.00	215.00	215.00
Totals for Service Delivery Plan 23502 - Lower Income Housing (HOME)					
Costs:	90,693.72	85,486.82	86,225.70	100,114.65	103,987.95
Hours:	925.00	846.00	902.00	895.00	895.00

City of Sunnyvale
Program Performance Budget

Program 235 - Housing and CDBG Program

Service Delivery Plan 23503 - Local Housing Activities (up to moderate-income: Housing Mitigation Fund)

	2014/2015	2015/2016	2015/2016	2016/2017	2017/2018
	Actual	Budget	Actual	Current	Plan
Activity 235310 - Administer Below Market Rate Housing Program					
Product: BMR Unit					
Costs:	433,517.29	470,701.71	460,930.54	409,379.50	429,603.21
Products:	533.00	543.00	539.00	548.00	584.00
Hours:	4,273.40	4,808.00	4,309.60	3,871.00	3,871.00
Activity 235320 - Homebuyer Assistance Program Delivery					
Product: Assistance Loan Processed					
Costs:	23,271.51	19,820.39	18,056.04	20,028.81	21,173.83
Products:	4.00	4.00	2.00	3.00	3.00
Hours:	229.00	200.00	179.50	200.00	200.00
Activity 235330 - Affordable Housing Capital Project Management					
Product: Housing Unit Created or Preserved					
Costs:	104,935.01	117,053.41	115,952.16	237,152.82	247,021.69
Products:	129.00	98.00	57.00	153.00	153.00
Hours:	784.50	747.00	734.00	1,763.00	1,763.00
Activity 235340, 235341, 235342 - Management, Supervision, and Administration					
Costs:	149,927.38	211,772.51	191,222.13	172,412.87	180,134.17
Products:	0.00	0.00	0.00	0.00	0.00
Hours:	1,462.30	1,731.00	1,791.00	1,551.00	1,551.00
Totals for Service Delivery Plan 23503 - Local Housing Activities (up to moderate-income: Housing Mitigation Fund)					
Costs:	711,651.19	819,348.02	786,160.87	838,974.00	877,932.90
Hours:	6,749.20	7,486.00	7,014.10	7,385.00	7,385.00

City of Sunnyvale
Program Performance Budget

Program 235 - Housing and CDBG Program

Service Delivery Plan 23504 - Housing Successor Agency Low-Mod Fund

	<u>2014/2015</u> <u>Actual</u>	<u>2015/2016</u> <u>Budget</u>	<u>2015/2016</u> <u>Actual</u>	<u>2016/2017</u> <u>Current</u>	<u>2017/2018</u> <u>Plan</u>
Activity 235410 - Housing Successor Agency Administration					
Costs:	0.00	22,677.01	8,752.09	0.00	0.00
Products:	0.00	0.00	0.00	0.00	0.00
Hours:	0.00	239.00	87.50	0.00	0.00
Activity 235420 - Housing Successor Agency Administration					
Costs:	0.00	0.00	0.00	40,092.66	41,039.68
Products:	0.00	0.00	0.00	24.00	24.00
Hours:	0.00	0.00	0.00	214.00	214.00
Totals for Service Delivery Plan 23504 - Housing Successor Agency Low-Mod Fund					
Costs:	0.00	22,677.01	8,752.09	40,092.66	41,039.68
Hours:	0.00	239.00	87.50	214.00	214.00
Totals for Program 235					
Costs:	1,181,694.74	1,339,050.73	1,246,839.02	1,360,752.47	1,425,722.53
Hours:	11,321.20	12,575.00	11,528.90	12,065.00	12,065.00

FY 2017/18 Budget Supplements				
No.	Title	Cost	Fund	Recommendation
1	Evaluation of New Revenue Strategies to Fund New and Increasing Service Demands and/or Unfunded Capital Investments Needs	\$20,000 one-time	General Fund	Recommended for Funding
2	2017 Housing Strategy	\$200,000 one-time	General Fund	Recommended for Funding
3	Downtown Development Policies for Parking	\$60,000 one-time	General Fund	Recommended for Funding
4	Funding for Consultant and/or Legal Services to Develop a Program for Implementation of a Wage Theft Ordinance	\$20,000 one-time	General Fund	Recommended for Funding
5	Public Access Programming for KSUN2	\$15,000 each, for 2.5 years	General Fund	Recommended for Funding
6	Accelerating Climate Action	\$250,000 one-time	General Fund	Recommended for Funding
7	Increased Supplemental Human Services Funding in FY 2017/18	\$50,000 one-time	General Fund	Not Recommended
8	Feasibility Study for Development of a Class 1 Cycle and Pedestrian Trail Along Evelyn Avenue	\$100,000 one-time	Traffic Impact Fees Fund	Not Recommended
9	Parkland/Open Space Policy/Initiative	\$250,000 one-time	General Fund	Recommended for Funding
10	Lawrence Station Area Plan - Increased Housing Study and Sense of Place Plan	\$200,000 one-time	General Fund	Recommended for Funding
20 Year Total		\$1,037,500		



City of Sunnyvale

Agenda Item

17-0434

Agenda Date: 5/4/2017

BUDGET SUPPLEMENT NO. 2

SUBJECT

Supplemental Budget Request for 2017 Housing Strategy

BUDGET SUPPLEMENT REQUEST SUMMARY

This budget supplement provides funding for the 2017 Housing Strategy (Study Issue CDD 17-09). Approve Budget Supplement No. 2 for \$200,000.

BACKGROUND

CDD 17-09, 2017 Housing Strategy, was the top-ranked CDD Study Issue for 2017. On March 28, Council referred Budget Supplement No. 2 for consideration as part of the budget. This budget supplement would fund the estimated \$200,000 project cost for expenses such as: consultant studies of housing market dynamics, possible mobile home park rent stabilization programs, pros and cons of various affordable housing policies, and other issues addressed by the study issue paper, as well as limited term/contract staff and/or staff overtime to manage the project, including leading the public engagement process, and related administrative and noticing costs. See Study Issue Paper CDD 17-09 for further information on the Housing Strategy.

EXISTING POLICY

General Plan, Housing Element

Goal A: Assist in the provision of adequate housing to meet the diverse needs of Sunnyvale's households of all income levels.

Goal B: Maintain and enhance the condition and affordability of existing housing in Sunnyvale.

DISCUSSION

On February 17, 2017, Council ranked CDD 17-09 to provide a comprehensive review of options for improving the production and availability of affordable housing and addressing other areas of public concern related to housing. This Study Issue would complement several other planned policy studies for the Housing Division in 2017, such as study of accessory dwelling unit policies.

The intended outcome of this study issue would be a comprehensive strategy that would offer the City guidance in using its limited funding and staffing resources in the most effective way to positively impact current local housing conditions for residents and workers, focusing on issues such as affordability, accessibility, quality, and sustainability. If this budget supplement is approved, staff will return to Council shortly after the adoption of the Budget with a scope of work for the study.

SERVICE LEVEL IMPACT

This budget supplement will not have a significant impact on ongoing service levels, as it will only fund a one-time policy study to be completed within approximately one year; it is not intended to provide service level enhancements.

FISCAL IMPACT

The short-term fiscal impact would consist of a General Fund expenditure of \$200,000 in FY 2017/18. Any costs to implement Housing Strategy options are unknown at this time. The study would include assessment of potential implementation costs and existing revenue sources for housing programs and projects, and whether changes in how the various housing activities are administered and/or current City codes or policies could be modified to reduce implementation costs.

<u>Subject/Title</u>	<u>Funding</u>	<u>FY 2017/18</u>	<u>20-year Total</u>
Supplemental Budget Request for 2017 Housing Strategy	General Fund	\$200,000	\$200,000

ALTERNATIVES

1. Approve the supplement as proposed.
2. Approve the supplement for a different dollar amount or timing.
3. Do not approve the supplement.
4. Other directions provided by Council.

STAFF RECOMMENDATION

Alternative 1: Approve Budget Supplement No. 2 in the amount of \$200,000 as proposed.

This study issue was ranked #1 in this year's study issues workshop among all CDD study issues. It was recommended as an alternative to the other housing-related study issues proposed for 2017 to provide a more comprehensive review of options for improving the production and availability of affordable housing and addressing other areas of public concern related to housing. Council referred this supplement for consideration on March 28.

Prepared by: Shila Behzadiaria, Assistant Planner

Reviewed by: Suzanne Isé, Housing Officer

Reviewed by: Trudi Ryan, Director, Community Development Department

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager



City of Sunnyvale

Agenda Item

17-0452

Agenda Date: 5/4/2017

BUDGET SUPPLEMENT NO. 7

SUBJECT

Budget Supplement for Increased Supplemental Human Services Funding in Fiscal Year 2017/18

BUDGET SUPPLEMENT REQUEST SUMMARY

Increase Supplemental Human Services Funding and Approve Budget Supplement No. 7 for funding of up to \$50,000

BACKGROUND

For many years, the City has provided “supplemental human services funding” pursuant to Council Policy on human services. These services were funded by the General Fund, rather than Community Development Block Grant (CDBG) funds, the original source of funding for the human services grant program. In 2008, Council directed staff to include an annual planned expenditure of \$100,000 in General Funds in the City’s 20-year financial plan. The City allocates these funds every two years for a term of up to two years for each grantee. In the past two grant cycles, the Housing and Human Services Commission (HHSC) has recommended and Council has approved funding in excess of \$100,000 for this program. For the past two-year cycle funding totaled \$135,000 per year. In the prior cycle, this funding totaled \$115,000 per year. In March 2017, the HHSC recommended \$150,000 for this program for each year in the next two-year cycle (2017/18 and 2018/19).

EXISTING POLICY

Council Policy 5.1.3 Human Services, Policy Statement II

The City seeks to meet as many Human Service needs as possible using its limited available resources. The primary resource utilized for funding human services is the Federal Community Development Block Grant (CDBG) which permits up to 15% of the annual grant entitlement to be utilized for such purposes. The City Council may choose to supplement CDBG funding of human services through the annual Operating Budget process.

DISCUSSION

The FY 2016/17 Adopted Budget included a project (819720 Outside Group Funding Support [GF]) with a planned expenditure of \$100,000 starting in FY 2017/18 and through the twenty years of the financial plan. As part of the biennial funding cycle for human services Housing and Human Services Commission (HHSC) considers and makes recommendations for allocation of 2017 CDBG funds and supplemental funding in the General Fund. On March 22, 2017, staff provided an evaluation of human services proposals and a recommendation to the HHSC regarding allocation of the planned supplemental funding for the next two fiscal years (\$100,000, consistent with the financial plan). Staff recommended that ten human services proposals be funded at the minimum grant amount of \$10,000 each. This recommendation does not require a budget supplement, as it does not exceed the planned funding amount of \$100,000; it is contingent on Council approval of the FY 2017/18 Recommended Budget, which includes General Fund funding for this project in FY 2017/18.

At its March 2017 meeting (minutes attached in Attachment 1), the HHSC recommended three alternatives regarding the supplemental human services funding: its preferred scenario was to recommend that Council provide an additional \$50,000 in supplemental funding, which would fund two additional proposals at \$10,000 each (Mayview Health Clinic and Vision First screening program), and would also increase six of the grants from \$10,000 to \$15,000 (as shown on Attachment 2). If Council did not wish to increase the funding by \$50,000, the HHSC recommended an increase of \$20,000, which would be used to provide two additional grants of \$10,000 each (Mayview and Vision First), as well as the ten original grants recommended by staff. The third scenario was to recommend the staff recommendation, which does not require a budget supplement.

Based on the HHSC recommendation, there are two options for this budget supplement, one for \$20,000 and one for \$50,000, at Council's discretion.

Arguments against the Supplement

The two agencies that were not recommended for any FY 2017/18 funding by staff (Mayview Clinic and Healthier Kids Foundation), nor any of their clients or other supporters, attended the March HHSC meeting or submitted any comment letter, although staff sent reminders of the meeting and links to the agenda packet to all applicants. Mayview submitted a comment letter following the meeting, for consideration at the Council hearing on this matter. In addition, none of the applicants who attended and spoke at the hearing that had been recommended for funding asked for additional funding, although one (Downtown Streets Team) noted that they could provide a higher service level with more funding. The speakers thanked the City for its past support and were thankful for the staff-recommended funding amounts.

Many of the applicant agencies have total annual budgets of several million dollars or more. Only four of the applicants (SALA, Vision Literacy, Friends for Youth, and Sunnyvale Senior Nutrition Program) have annual budgets of less than one million dollars, while one has a budget of nearly \$40 million (Catholic Charities). However, many of these agencies serve a large region, and would not commit to providing a certain increment of services in Sunnyvale if not for the City grants. Nonetheless, many of the applicants have stated on multiple occasions that the main importance of the City grants to their agencies is how it helps them raise additional funding, due to the perception of the city funding as a "seal of approval", rather than the actual monetary value of the grant itself. This applies primarily to the General Fund grantees, not the CDBG applicants, where significantly larger grant amounts are involved.

Another issue related to this matter is the uncertainty regarding HUD funding in future years. The White House has proposed to eliminate the CDBG program entirely in FY 2018, apparently permanently. This may not happen given bipartisan support of the program in Congress, but it is highly possible that federal funding may be reduced significantly from prior years. If this occurs, the amount of annual CDBG funding that the City receives for administration and CDBG human services grants would be reduced. This funding subsidizes the City's cost to administer all of the human services grants, as a small part of the larger annual Action Plan process and CDBG program administration. If the CDBG funding is significantly reduced, staff does not recommend increasing the number of General Fund grantees when funding in future years for the administration of this program is uncertain, unless General Funds are allocated for human services grant administration, which has not previously been part of the Housing Division's budget.

Arguments for the Supplement

The HHSC has for several cycles requested that the supplemental funding amount be indexed to inflation (CPI) so that the City can maintain a consistent level of human services provision year to year. Costs to provide services increase, so if the funding is not increased, the amount of service delivered will decrease over time.

Regarding Mayview Clinic, which provides health services at the Columbia Neighborhood Center, potential reforms in federal health care could affect Mayview's fiscal situation.

SERVICE LEVEL IMPACT

The supplement could potentially provide grants to two additional agencies, and at the higher level, increase funding amounts to several of the recommended agencies. These grants would require additional staff time to administer and monitor. As explained above, this administrative expense can be absorbed with CDBG administrative funds, if levels are similar to prior years. If CDBG funding is reduced, monitoring of all the human services grants could be affected. Service levels of programs provided directly by city staff would not be impacted by this supplement, however human services provided by the grantee agencies to Sunnyvale clients could be augmented by the additional funds.

FISCAL IMPACT

These grants are awarded on a two-year basis, with automatic renewal-provided the grantee meets performance objectives and complies with all grant terms. If the same supplement was not approved the following year, staff would not be able to provide the second year's grant to several agencies due to a lack of funds and because there is a minimum grant amount of \$10,000. Grants of less than that are not worth it to the agency or the City due to the administrative burden each entails. In the fiscal impact table below, the 20-year total cost includes just two years of this supplement because if the supplement is approved, it is reasonable to assume it will be requested for the second funding year as well, as occurred in the last two-year cycle. However, once the additional or increased grants become established, it is likely the grantees will continue to request grants in subsequent years as well.

<u>Subject/Title</u>	<u>Funding</u>	<u>FY 2017/18</u>	<u>20-year Total</u>
Budget Supplement for Increased Supplemental Human Services Funding in FY 2017/18	General Funds	\$20,000 or \$50,000	\$40,000 or \$100,000*

**the supplement would only apply to FY 2017/18 and FY 2018/19*

ALTERNATIVES

1. Approve Budget Supplement No. 7 in the amount of \$50,000.
2. Approve Budget Supplement No. 7 for a different dollar amount or timing.
3. Do not approve Budget Supplement No. 7.
4. Other directions provided by Council.

STAFF RECOMMENDATION

Staff recommends Alternative 3: Do not approve Budget Supplement No. 7.

Staff recommends Alternative 3. Requests for human services funding will always exceed the amount of funding available. If the funding amount is continually increased to meet all requests, the number

of proposals and/or requested funding amounts will continue to increase each cycle. In addition, the uncertainty regarding the future of the federal CDBG Program is reason for caution in expanding this program at this time. Other sources of funding, including philanthropic foundations, charitable donations, and so on, may be available to these agencies to allow them to meet local needs for human services.

Prepared by: Suzanne Isé, Housing Officer

Reviewed by: Trudi Ryan, Director, Community Development Department

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Meeting Minutes of March 22, 2017 Housing and Human Services Commission
2. Human Services Grant Recommendations



City of Sunnyvale

Agenda Item

17-0498

Agenda Date: 5/4/2017

BUDGET SUPPLEMENT NO. 10

SUBJECT

Lawrence Station Area Plan - Increased Housing Study and Sense of Place Plan

BUDGET SUPPLEMENT REQUEST SUMMARY

This Budget Supplement requests \$200,000 to hire an outside firm to prepare amendments to the Lawrence Station Area Plan (LSAP) and complete the appropriate environmental review. A separate consultant may be required to prepare the Sense of Place Plan, although every effort will be made to find a single consultant to coordinate the work. Existing staff will oversee the work done by the consultant(s).

BACKGROUND

The Lawrence Station Area Plan (LSAP) was approved by the City Council on December 6, 2016. During the hearing, the Council discussed allowing more housing units within the study area beyond the 2,323 units included in the LSAP. The Council approved the LSAP and directed staff to return with a study of potential additional housing in the LSAP area. Adoption of the LSAP also included an implementation action to prepare a Sense of Place Plan to address design criteria for streetscape elements (sidewalks, lighting, tree grates, benches, etc.) and to prepare implementation requirements for the plan elements.

EXISTING POLICY

Land Use and Transportation Element

General - Action 6 of Policy 89: Develop special area plans and neighborhood preservation programs to guide change in business areas and districts that need special attention.

Regional Infrastructure - Policy 6: Integrate land use planning in Sunnyvale and the regional transportation system.

Housing Element

Goal HE-1 - Adequate Housing - Assist in the provision of adequate housing to meet the diverse needs of Sunnyvale's households of all income levels.

Goal HE-4 - Adequate Housing Sites - Provide adequate sites for the development of new housing through appropriate land use and zoning to address the diverse needs of Sunnyvale's residents and workforce.

Policy HE-4.2 - Continue to direct new residential development into Specific Plan areas, near transit and close to employment and activity centers.

DISCUSSION

SCOPE OF THE STUDY

This study would consider options available to increase housing opportunities and create the sense of place plan within the LSAP area.

The LSAP **Housing Study** may include options, such as:

- Raising the cap on allowable dwelling units in the plan area (without any other changes to the development standards);
- Increase of the maximum dwelling units per acre allowance for properties where residential development is already allowed;
- Allow residential development in plan areas that were not originally zoned for residential units;
- Studying the conversion of existing industrial condominium units to allow for live/work situations; and,
- Additional environmental review for the increased number of housing units being considered in the LSAP.

The LSAP **Sense of Place Plan** will:

- Identify desirable unifying streetscape elements;
- Determine which elements are developer requirements and which may require a fee for coordinated off-site improvement; and
- Determine the Sense of Place fee amount for new development and changes of use.

Both the housing study and sense of place plan will include community outreach as well as study sessions and public hearings with the Planning Commission and City Council.

SERVICE LEVEL IMPACT

There would be no impact to service levels with this budget supplement because the money would be used to hire an outside consultant(s) with specialized knowledge on area plans, sense of place plans and environmental review. The City collects General Plan Maintenance fees that can be used to fund this study.

FISCAL IMPACT

<u>Subject/Title</u>	<u>Funding</u>	<u>FY 2017/18</u>	<u>20-year Total</u>
Lawrence Station Area Plan - Housing Study and Sense of Place Plan	General Fund	\$200,000	\$200,000

ALTERNATIVES

1. Approve Budget Supplement No. 10 in the amount of \$200,000 as proposed.
2. Approve Budget Supplement No. 10 for a different dollar amount or timing.
3. Do not approve Budget Supplement No. 10.
4. Other directions provided by Council.

STAFF RECOMMENDATION

Alternative 1: Approve Budget Supplement No. 10 in the amount of \$200,000 to conduct the LSAP Housing Study and create the LSAP Sense of Place Plan.

Creating housing near transit is in keeping with the goals of the General Plan and responds to the high housing demand in the Bay Area. Additional housing units could be provided with a higher cap on total residential units, on portions of the plan that currently do not contemplate housing, or at higher densities within the LSAP to increase the housing options in the City of Sunnyvale. Additional environmental review would be necessary to study increased housing in the LSAP and would enable the City to make informed decisions on where housing is best suited.

The Sense of Place Plan will ensure public improvements are coordinated and completed throughout the LSAP area in a distinctive and well-designed manner.

Prepared by: Amber Blizinski, Principal Planner

Reviewed by: Andrew Miner, Planning Officer

Reviewed by: Trudi Ryan, Director, Community Development

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

Successor Agency of the Redevelopment Agency Obligations

Fiscal Year 2017/18

The Redevelopment Agency of the City of Sunnyvale (Agency) was established by Resolution No. 2600 in 1957. The Agency existed separate and distinct from the City exercising the powers granted pursuant to the California Community Redevelopment Law. The City Council served as the Agency Board and the City Manager served as Executive Director.

Sunnyvale had one redevelopment project area, the Sunnyvale Central Core Redevelopment Project to remove or correct the conditions of blight which depress the project area. The Central Core project area covers the original business district of the City and surrounding housing, together with the expanded commercial area which has become the City's Town Center.

Effective February 1, 2012, all California redevelopment agencies, including the Redevelopment Agency of the City of Sunnyvale, were dissolved by the State of California's Dissolution Act. The City elected to serve as the Successor Agency to the former Redevelopment Agency, to facilitate the wind down process (i.e., manage redevelopment projects currently underway, make payments on enforceable obligations, and dispose of redevelopment assets and properties), subject to the oversight of a newly established Sunnyvale Oversight Board, which is required to approve certain actions of the Successor Agency and to direct the Successor Agency to take other actions as set forth in Health and Safety Code Sections 34180 and 34181, respectively. The Oversight Board consists of seven representatives made up of members from the City of Sunnyvale, the County of Santa Clara and local education and special districts that serve the Redevelopment Project Area. The actions of the Oversight Board are overseen by the California Department of Finance, which can approve an action or return it to the Oversight Board for reconsideration.

A critical piece of the wind down process is the determination of enforceable obligations for payment from the Redevelopment Property Tax Trust Fund (RPTTF) allocation. The Recommended Budget presents the FY 2017/18 Recognized Obligation Payment Schedule (ROPS) for the Redevelopment Successor Agency's approved enforceable obligations. The ROPS include debt service payments for the Tax Allocation Bonds, amounts owing to the Low and Moderate Income Housing Fund, funding for the Town Center project management and environmental remediation payments. The ROPS appropriation for fiscal year 2017/18 totals \$3,094,391 million.

The ROPS also includes administrative expenses. The Dissolution Law allows for reimbursement of administrative expenses, up to a cap.

Fiscal Year 2017/18 Recognized Obligation Payment Schedule*

	ROPS 17-18A Total (July – December)	ROPS 17-18B Total (January – June)	ROPS 17-18 Total
Funding for Approved Enforceable Obligations:			
Redevelopment Property Tax Trust Fund	\$2,801,267	\$293,124	\$3,094,391
Total Funding for Approved Enforceable Obligations	\$2,801,267	\$293,124	\$3,094,391
Approved Enforceable Obligations:			
2003 Tax Allocation Refunding Bonds	\$543,921	\$59,124	\$603,045
2003 Tax Allocation Refunding Bonds Trustee Fees	2,500	0	2,500
Repayment to Low and Moderate Income Housing Asset Fund	1,941,611	0	1,941,611
Reimbursement – FY 2015/16 Chief Downtown Project Manager	79,235	0	79,235
Town Center Hazardous Material Remediation	69,000	69,000	138,000
Town Center Disposition and Development and Owner Participation Agreement Management	40,000	40,000	80,000
Administration and Operation of Successor Agency	125,000	125,000	250,000
Total Approved Enforceable Obligations	\$2,801,267	\$293,124	\$3,094,391

*Spending plan as approved by The State Department of Finance on April 5, 2017.

Downtown

The revitalization of Downtown Sunnyvale is continuing with progress in a number of areas. The renewal of the area's vitality is a result of concentrated efforts and a commitment to making Downtown a strong, viable city center.

Funding for the Downtown projects come from several sources. These include the General Fund, a portion of the proceeds from the sale of City land to the developer of the Town and Country site, parking district assessments, Traffic Impact Fees, and the Redevelopment Property Tax Trust Fund.

Major Downtown Projects

Downtown Parking District Major Maintenance. Approximately \$1.3 million has been budgeted over the twenty-year plan to provide for major maintenance of the Downtown Parking District. Specifically, funds will be used to install gutters and rehabilitate existing pavement in the downtown lots, as well as for various maintenance activities, including periodic asphalt patching, slurry seals, curb painting, sign replacement, and re-striping as necessary. This project will coordinate with the completion of major improvements in the downtown area, including private development.

Sunnyvale Avenue Median from Iowa to Washington. The Downtown Specific Plan calls for the construction of a landscaped median on Sunnyvale Avenue, and this project provides for the City's share of construction costs from Iowa Avenue to Washington Avenue. The City's contribution is half the actual construction cost, not-to-exceed \$750,000, and is funded from the proceeds of the Town and Country land sale. The developer of the Town Center Mall will construct the improvement, as well as fund the remainder of the project. Timing of this project is dependent upon the Town Center redevelopment project.

Block 15 – Affordable Housing Site. This project is currently in the predevelopment phase. It is funded with Housing Mitigation and Low-Moderate Income Housing Funds. The City approved an exclusive negotiating agreement (ENA) with an affordable housing developer in early 2017. The project consists of the construction of approximately 75-100 new affordable rental units for lower-income households on several city-owned parcels located at 403 S. Mathilda Avenue. The precise City loan amount for this project will be determined once the ENA period has concluded. The current timeline calls for the project to be completed in 2020.

PROJECT NO.	PROJECT NAME	PRIOR ACTUAL	CURRENT 2016-17	PLAN 2017-18	PLAN 2018-19	PLAN 2019-20	PLAN 2020-21	PLAN 2021-22	PLAN 2022-23	PLAN 2023-24	PLAN 2024-25	PLAN 2025-26	PLAN 2026-27	Y11-Y20 TOTAL	PROJECT LIFE TOTAL
DOWNTOWN FUNDED PROJECTS															
826620	Town Center Construction - Public Works Services	448,775	190,926	0	0	0	0	0	0	0	0	0	0	0	639,701
826790	Sunnyvale Avenue Median from Iowa to Washington	0	750,000	250,000	0	0	0	0	0	0	0	0	0	0	1,000,000
826800	Downtown Wayfinding and Gateways	11,830	0	0	0	0	907,262	0	0	0	0	0	0	0	919,092
826820	Town Center Traffic Signal Modifications	601	744,396	0	0	0	0	0	0	0	0	0	0	0	744,997
826900	Washington Avenue/Mathilda Avenue Intersection Widening	12	336,814	0	0	0	0	0	0	0	0	0	0	0	336,826
827570	Downtown Parking District Major Maintenance	171,021	313,410	102,000	0	0	97,419	0	0	103,382	0	0	110,785	378,465	1,276,482
832350	Murphy Avenue Design Guidelines Comprehensive Update	0	25,000	0	0	0	0	0	0	0	0	0	0	0	25,000
901224	Downtown Pedestrian Traffic Signal Systems	0	0	250,000	0	0	0	0	0	0	0	0	0	0	250,000
901289	Block 15 - Affordable Housing Site	0	0	10,000,000	0	0	0	0	0	0	0	0	0	0	10,000,000
DOWNTOWN FUNDED PROJECTS															
		632,239	2,360,546	10,602,000	0	0	1,004,681	0	0	103,382	0	0	110,785	378,465	15,192,098

Project Information Sheet

Project: 901289 Block 15 - Affordable Housing Site

Origination Year:	2017-18	Type:	Downtown	Fund:	70 Housing
Planned Completion Year:	2019-20	Category:	Special	Sub-Fund:	100 Housing Mitigation
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project provides funding up to \$10.0 million from both the Housing and Redevelopment Housing Funds to redevelop City owned property for an affordable housing project located at 403 S. Mathilda Avenue, commonly referred to as the Block 15 Affordable Housing site of the Downtown Specific Plan. Last fall, staff selected The Related Companies of California, LLC as the top choice to recommend to Council for negotiation of an Exclusive Negotiating Agreement (ENA) (RTC 17-0082) for the opportunity to obtain an exclusive right to negotiate the long-term lease of the property from the City for the development of the project. The ENA, which includes a project feasibility study, has a one-year term with the possibility of an additional six-month extension at the discretion of the City Manager. The proposed project will have a mixed-use component, which will include a range of 75-100 housing units affordable to lower-income households. Details such as project cost, size, unit mix, targeting, and tenant selection will be finalized if the ENA successfully concludes with a recommended ground lease and/or city financing commitment to the project.

Project Evaluation and Analysis

This project addresses the General Plan, Housing Element: Goal A-Assist in the provision of adequate housing to meet the diverse needs of Sunnyvale's households of all income levels. Goal E-Promote equal housing opportunities for all residents, including Sunnyvale's special needs populations, so that residents can reside in the housing of their choice.

This project also addresses the Downtown Specific Plan Goals and Policies:

B. Establish the Downtown as the cultural, retail, financial and entertainment center of the community, complemented by employment, housing and transit opportunities.

B.2 Encourage below-market-rate housing in all residential neighborhoods.

D. Protect and enhance existing neighborhoods.

D.3. Encourage intensification of specified high-density residential and commercial districts while maintaining the character and density of single-family neighborhoods surrounding the downtown.

Fiscal Impact

If the ENA successfully concludes with a recommended ground lease and/or city financing commitment to the project, this will create expenditure(s) of approximately \$9.0 million in HMF funds (Fund 70-100), and \$1.0 million out of the Redevelopment Housing fund (Fund 72). Funding details will be further refined once the feasibility study is completed at the end of the ENA period, when the terms of any lease and/or loan agreements have been negotiated.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	0	0	10,000,000	0	0	0	0	0	0	0	0	0	0	10,000,000
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Redev Fund - Low/Moderate Income Housing			1,000,000	0	0	0	0	0	0	0	0	0	0	
Total	0	0	1,000,000	0	0	0	0	0	0	0	0	0	0	1,000,000
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Housing

The City's housing projects are designed to address the affordable housing goals of the adopted 2015-2023 Housing Element of the City's General Plan, and other City plans and policy documents related to affordable housing. Housing projects in this section are funded by the Combined Housing Fund, the HOME Fund, the repository for the City's federal HOME Investment Partnership Program grants and HOME program income (loan payment) revenues, and the Housing Successor Agency Low-Moderate Income Housing (LMH) Fund.

The Combined Housing Fund includes several types of special housing revenues, each deposited into a separate sub-fund: the Housing Mitigation sub-fund, consisting of Housing impact fees on non-residential and rental housing projects, as well as prior loan payment revenues; and the Below Market Rate (BMR) Housing sub-fund, consisting of BMR in-lieu and administrative fees. The LMH Fund also includes special revenues available only for affordable housing projects. State statutes govern the use of the LMH, so all LMH expenditures and projects are designed to comply with those State laws.

Major Housing Projects

New Construction of Affordable Rental Housing. Several projects are included in this category. One, Edwina Benner Plaza, is funded from the Combined Housing Fund and HOME Fund. The project consists of development of a new 66-unit affordable rental housing project for low-income households located at 460 Persian Drive. Construction of the project will begin in May 2017, with completion expected in 2019 .

The redevelopment of Orchard Gardens, located at 245 W. Weddell Drive, includes demolition of 32 units, rehabilitation of 30 existing units,

and construction of 57 new units, resulting in a total of 87 units on the site. The project will provide housing for extremely low income and special needs households, improve the existing housing stock, and address sustainability concerns. A two-year conditional commitment of Housing Mitigation Funds was awarded in March 2016 for FY 2016/17. This project is currently in the pre-development phase and staff expects to apply for planning permits and a formal loan commitment in FY 2017/18.

Homeless Prevention and Rapid Re-Housing (HPRR). This project is funded with LMH in accordance with State law which allows housing successor agencies to allocate up to \$250,000 in LMH annually for HPRR programs to assist local residents at imminent risk of or currently experiencing homelessness. The HPRR program replicates a very successful federal program implemented as part of the recession-era Recovery Act (ARRA), which was also implemented in Sunnyvale. The program is designed to prevent households from becoming homeless, or if they do lose their housing, to assist them into new housing within two months or less through use of security deposit and shorter-term rental assistance. In addition, credit repair and legal services may be included in the program. The City will grant the funds to and/or contract with one or more qualified service providers through a competitive process to implement this program.

Tenant-Based Rental Assistance (TBRA). This project, funded by the HOME fund, provides funding for the City's TBRA program, which has been implemented for several years, and provides rental assistance similar to a portable Section 8 voucher for very low income people transitioning out of homelessness, or very low income households at imminent risk of homelessness. The assistance is provided for a term of up to two years, in conjunction with required participation in self-sufficiency programs aimed at increasing earned and/or benefits income, vocational education, and securing long-term affordable housing if needed.

PROJECT NO.	PROJECT NAME	PRIOR ACTUAL	CURRENT 2016-17	PLAN 2017-18	PLAN 2018-19	PLAN 2019-20	PLAN 2020-21	PLAN 2021-22	PLAN 2022-23	PLAN 2023-24	PLAN 2024-25	PLAN 2025-26	PLAN 2026-27	Y11-Y20 TOTAL	PROJECT LIFE TOTAL
HOUSING FUNDED PROJECTS															
823750	BMR Compliance Enforcement	320,091	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000	530,091
826520	Pre-Development Costs on Affordable Housing Sites	65,143	5,386	20,000	20,000	20,000	0	0	0	0	0	0	0	0	130,529
826530	County-Wide Homeless Count	38,852	9,441	0	9,630	0	10,019	0	10,424	0	10,845	0	11,394	68,262	168,867
828100	First-Time Homebuyer Loans	765,305	334,722	300,000	0	0	0	0	0	0	0	0	0	0	1,400,027
828750	Tenant Based Rental Assistance (HOME)	963,758	419,344	441,221	0	0	0	0	0	0	0	0	0	0	1,824,323
830920	Morse Court Rental Rehabilitation (HMF)	498,358	501,642	0	0	0	0	0	0	0	0	0	0	0	1,000,000
831740	Crescent Terrace Senior Housing Rehabilitation	0	1,150,000	0	0	0	0	0	0	0	0	0	0	0	1,150,000
831750	460 Persian Dr.: Loan for New Affordable Apts by MidPen	5,000,000	2,430,000	0	0	0	0	0	0	0	0	0	0	0	7,430,000
831761	Homeless Prevention and Rapid Re-Housing (HPRR)	0	309,869	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	1,250,000	2,809,869
832010	Benner Plaza: HOME Loan for New Affordable Apartments	0	600,000	0	0	0	0	0	0	0	0	0	0	0	600,000
832030	Orchard Gardens Apartments Redevelopment	0	6,000,000	0	0	0	0	0	0	0	0	0	0	0	6,000,000
832410	Stoney Pine Villa Apartments - Rehab	0	403,000	0	0	0	0	0	0	0	0	0	0	0	403,000
HOUSING FUNDED PROJECTS		7,651,507	12,173,404	1,021,221	39,630	280,000	20,019	260,000	20,424	260,000	20,845	260,000	21,394	1,418,262	23,446,706

Project Information Sheet

Project: 823750 BMR Compliance Enforcement

Origination Year:	2001-02	Type:	Housing	Fund:	70 Housing
Planned Completion Year:	Ongoing	Category:	Special	Sub-Fund:	200 Other Housing Related
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Ernest De Frenchi
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

The Below Market Rate (BMR) Compliance Enforcement project funds the services of an independent investigative firm, independent counsel on bankruptcy and foreclosure matters, and litigation to force the sale of a BMR property. It also provides funding for BMR education to existing homeowners and testers for BMR rental properties. These activities are required to enforce compliance of the BMR Purchase Program.

Project Evaluation and Analysis

This project ensures the primary program requirement of the BMR program, continued occupancy of a BMR unit as the principal residence of the owner, is met.

Fiscal Impact

This project is funded by BMR violation revenues.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	320,091	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000	530,091
Revenues														
BMR Revenues Code Violation			10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000	
Total	436,784	104,537	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000	741,321
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 826520 Pre-Development Costs on Affordable Housing Sites

Origination Year:	2006-07	Type:	Housing	Fund:	70 Housing
Planned Completion Year:	Ongoing	Category:	Special	Sub-Fund:	100 Housing Mitigation
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project will allow for professional services to be secured as needed to analyze feasibility of large-scale affordable housing projects proposed and associated programs.

Project Evaluation and Analysis

Project will provide funding for studies needed to determine if a housing project is feasible or requires alternatives or modifications.

Fiscal Impact

This project is funded by the Combined Housing Fund / Housing Mitigation Sub-Fund.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	65,143	5,386	20,000	20,000	20,000	0	0	0	0	0	0	0	0	130,529
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 826530 County-Wide Homeless Count

Origination Year:	2016-17	Type:	Housing	Fund:	70 Housing
Planned Completion Year:	Ongoing	Category:	Special	Sub-Fund:	100 Housing Mitigation
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project will fund the costs to pay for the City's share of conducting a biennial county-wide homeless count and survey. This homeless count and survey is a federally mandated initiative for Santa Clara County. As agreed, each jurisdiction within the County shall contribute a pro-rata share of the cost to conduct the survey based on population. The estimated cost share for each jurisdiction has been figured using the 2010 Census results. For the 2015 count, the City's pro-rata share was 16.76% of the countywide population.

Project Evaluation and Analysis

The support of the City's fair share of the cost of the homeless survey provides substantial benefit to the homeless residents in Sunnyvale and throughout the county. It provides a key tool that allows public service agencies access to federal grant dollars to support services to the homeless.

Fiscal Impact

The project is funded by the Combined Housing Fund / Housing Mitigation Sub-Fund. However, continuation of this project is contingent on annual HUD Grant Appropriations. In order for the County to continue to receive McKinney-Vento funds, the County is mandated to conduct a County-wide homeless count every two years.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	38,852	9,441	0	9,630	0	10,019	0	10,424	0	10,845	0	11,394	68,262	168,867
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 828100 First-Time Homebuyer Loans

Origination Year:	2016-17	Type:	Housing	Fund:	70 Housing
Planned Completion Year:	Ongoing	Category:	Special	Sub-Fund:	100 Housing Mitigation
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Ernest De Frenchi
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project allocates BMR In-Lieu funds from the Below Market Rate Housing Sub-Fund for the First Time Homebuyer Program, to be used for down-payment assistance loans to eligible households (at or below 120% Area Median Income) for purchase of eligible homes in Sunnyvale. For further details, please refer to the current First Time Homebuyer Program Guidelines.

Project Evaluation and Analysis

This project will be an ongoing program offered by the Housing Division to assist households in purchasing their first home. Last fiscal year (2015/16), two loans were funded. As of January 2017, three loans have been funded and two additional applicants have requested loans, subject to purchasing a BMR home. Staff anticipates an increased demand for these loans as more BMR units become available.

Fiscal Impact

This project will require an expenditure of up to \$300,000 from the BMR Housing Sub-Fund. The funds will be expended by making deferred loans that will be paid back to the Housing Mitigation fund upon the occurrence of certain events that trigger the maturity date, such as sale or transfer of the home securing the loan. It is anticipated that most of the loans will be paid back in full in lump sum payments approximately 5-12 years after the loan dates, although the loan term is 30 years. This use of BMR In-Lieu funds is consistent with City policy for use of Housing Funds.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	765,305	334,722	300,000	0	0	0	0	0	0	0	0	0	0	1,400,027
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Housing Fund - Other			300,000	0	0	0	0	0	0	0	0	0	0	
Total	0	0	300,000	0	0	0	0	0	0	0	0	0	0	300,000
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 828750 Tenant Based Rental Assistance (HOME)

Origination Year:	Grant	Type:	Housing	Fund:	71 HOME Grant
Planned Completion Year:	Grant	Category:	Special	Sub-Fund:	n.a.
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

The City has been operating a TBRA program, funded with federal HOME Investment Partnerships Program (HOME) grant funds, since FY 2010/11. TBRA programs are very similar to the federal “Section 8” housing voucher program, but are funded with HOME grant funds rather than with federal Section 8 housing funds, which are provided to housing authorities, not to cities.

This project allocates HOME funds to ABODE Services to administer a tenant-based rental assistance and security deposit assistance program for City residents experiencing or at imminent risk of homelessness. The City executed its initial agreement with ABODE Services in August 2015 (RTC 15-0661).

Project Evaluation and Analysis

This project addresses the priorities and goals described in the Consolidated Plan, specifically "Alleviation of Homelessness."

Fiscal Impact

This project is contingent on FY 2017/18 HUD Grant Appropriations. Should federal funding be substantially reduced, reserves from prior years shall be allocated to this project.

This project is funded by the HOME Fund and this use of HOME funds is consistent with federal regulations.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	963,758	419,344	441,221	0	0	0	0	0	0	0	0	0	0	1,824,323
Revenues														
HOME HUD Program Year 2011			0	0	0	0	0	0	0	0	0	0	0	
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 830920 Morse Court Rental Rehabilitation (HMF)

Origination Year:	2014-15	Type:	Housing	Fund:	70 Housing
Planned Completion Year:	2016-17	Category:	Special	Sub-Fund:	100 Housing Mitigation
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project allocates \$1,000,000 in Housing Mitigation Loan funds to MP Morse Court Associates, a California Limited Partnership, of which the General Partner is Mid-Peninsula Coalition Monte Vista Terrace Corporation, a wholly-controlled affiliate of MidPen Housing Corporation, a non-profit housing developer. Funds will support the rehabilitation of Morse Court, a 35-unit property in Sunnyvale, located at 825 Morse Avenue. Built in 1983, the property has immediate exterior and interior capital work to support the long-term maintenance, energy efficiency, and quality of life for extremely low-income families.

Project Evaluation and Analysis

This project addresses the priorities and goals described in the City's Housing and Community Revitalization Sub-element, specifically, "Housing Conservation and Maintenance" which provides assistance to non-profits to rehabilitate aging multi-family rental properties.

Fiscal Impact

This project required an expenditure of \$1.0 million from the Combined Housing Fund / Housing Mitigation Sub-Fund beginning in FY 2014/15. This use of Housing Mitigation resources is consistent with city policy for use of the Housing Mitigation Sub-Fund.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	498,358	501,642	0	0	0	0	0	0	0	0	0	0	0	1,000,000
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 831740 Crescent Terrace Senior Housing Rehabilitation

Origination Year:	2016-17	Type:	Housing	Fund:	71 HOME Grant
Planned Completion Year:	2018-19	Category:	Special	Sub-Fund:	n.a.
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project provides funding for the City to provide a rehabilitation loan of \$550,000 in HOME program income funds and \$600,000 in CDBG funds to borrower Crescent Terrace, Inc., an affiliate of MidPen Housing Corporation. The City loan will pay for most of the cost of rehabilitating 48 units of affordable senior housing known as Crescent Terrace, located at 130 Crescent Avenue and built in 1986. The property requires exterior and interior rehabilitation in order to preserve the useful life and increase the energy efficiency of the units. The energy and water savings generated by the project will improve the project's environmental and financial sustainability. The units are restricted to be affordable to lower-income households (27 units at 60% of AMI and 20 units at 50% AMI). Rental rehabilitation loans have a term of 30-40 years and are repayable on a deferred and/or residual receipts basis. Loan terms were negotiated with the borrower for Council approval prior to loan funding. The Loan Agreements were approved by Council on April 19, 2016 (16-0319).

Project Evaluation and Analysis

This project addresses the Affordable Housing goal of the City's HUD Consolidated Plan: "Support affordable rental housing for lower-income households" by providing financial assistance for rehabilitation and preservation of affordable rental housing. It also addresses Goal B of the Housing Element of the General Plan: "Maintain and enhance the condition and affordability of existing housing in Sunnyvale" including Policy B.3: Strengthen multi-family neighborhoods through partnerships with non-profit housing organizations in the acquisition and rehabilitation of older residential properties and maintenance as long term affordable housing.

Fiscal Impact

This project consists of an expenditure of \$550,000 in HOME program income and grant funds, and \$600,000 in CDBG program income and grant funds. In FY 2016/17, an additional \$100,000 was provided from the CDBG Revolving Loan Fund for a total of \$600,000 in CDBG funds towards project costs, to address additional landscaping costs. This funding will be provided as a repayable long-term loan to the project owner. The proposed project complies with federal regulations governing the use of CDBG and HOME funds.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	0	1,150,000	0	0	0	0	0	0	0	0	0	0	0	1,150,000
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
CDBG Fund			0	0	0	0	0	0	0	0	0	0	0	
CDBG - Revolving Loan Fund			0	0	0	0	0	0	0	0	0	0	0	
Total	0	500,000	0	0	0	0	0	0	0	0	0	0	0	500,000
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 831750 460 Persian Dr.: Loan for New Affordable Apts by MidPen

Origination Year:	2016-17	Type:	Housing	Fund:	70 Housing
Planned Completion Year:	2018-19	Category:	Special	Sub-Fund:	100 Housing Mitigation
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project provides funding for the City to provide a loan to a non-profit housing developer, MidPen Housing Corp., for the development of approximately sixty new affordable rental apartments that will be restricted as affordable housing for 55 years. The project site is an R-3 parcel of 1.35 acres located at 460 Persian Drive in north Sunnyvale, currently occupied with several small commercial uses. The units will be affordable to lower-income households earning up to sixty percent (60%) of area median, with the majority of the units further restricted to extremely low and very low income rent levels. The project will include a range of one- to three-bedroom units.

Project Evaluation and Analysis

This project is consistent with the priorities and goals described in the Housing Element of the City's General Plan, and in applicable local and regional land use policies and plans.

Fiscal Impact

This project will require a one-time expenditure of \$5,000,000 from the Housing Fund which will be repayable to the HM fund over time (most likely 55 years) and \$2,430,000 in funding from the BMR In Lieu Fee. This funding is intended to fill the financing gap between the projected total development costs, the applicant's available resources, and other available funding sources for affordable housing.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	5,000,000	2,430,000	0	0	0	0	0	0	0	0	0	0	0	7,430,000
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 831761 Homeless Prevention and Rapid Re-Housing (HPRR)

Origination Year:	2016-17	Type:	Housing	Fund:	72 Redevelopment Housing
Planned Completion Year:	2016-17	Category:	Special	Sub-Fund:	n.a.
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project is funded by RDA Low-Moderate Income Housing (LMH) funds which had been deferred in prior years. Recently enacted state law allows post-RDA Housing Successor Agencies (HSA) to spend up to \$250,000 in LMH annually for Homelessness Prevention and Rapid Re-Housing (HPRR) programs. HPRR programs are based on a federal program launched as part of the 2009 Recovery Act (ARRA) that was also successfully implemented in Sunnyvale. HPRR programs assist homeless clients and those at imminent risk of losing their housing by providing direct financial assistance for costs to maintain or obtain housing, such as short-term rental assistance (3 -18 months), security and/or utility deposits, utility payments, last month's rent, or moving costs; as well as services such as housing search, mediation, credit repair, case management, and other appropriate services. In FY 2015/16, the HSA entered into a services contract and/or grant agreement (administered by the Housing Division) with Sunnyvale Community Services through a competitive RFP process to implement this program. Continuing this project beyond the terms in the proposed budget is contingent on future revenue in the Redevelopment Housing Fund.

Project Evaluation and Analysis

This project complies with current state law that regulates agencies' use of LMH funds. The project addresses the goals in the City's Housing Element and HUD Consolidated Plan to alleviate homelessness. Homelessness has become an increasing urgent concern in the City as the rental market has become extremely competitive and many residents have found themselves suddenly without housing due to steep rent increases, an inability to locate another affordable rental unit, or for various other reasons.

Fiscal Impact

This project is funded by the Redevelopment Housing Fund.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	0	309,869	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	1,250,000	2,809,869
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 832010 Benner Plaza: HOME Loan for New Affordable Apartments

Origination Year:	2016-17	Type:	Housing	Fund:	71 HOME Grant
Planned Completion Year:	2017-18	Category:	Special	Sub-Fund:	n.a.
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project consists of a 66-unit development of new affordable rental housing located at 460 Persian Drive in Sunnyvale. The project owner and developer is non-profit housing developer MidPen Housing Corp. The project funding consists of a loan of \$600,000 in HOME funds to MidPen. The property will be restricted as affordable housing for 55 years. The units will be affordable to lower-income households, and will include a range of one- to three-bedroom units. The total project cost is approximately \$44 million. Council committed \$5 million in HMF funds to this project (RTC 15-1009). On 2/28/17, Council approved the HOME Loan and Regulatory Agreements (RTC 16-0992).

Project Evaluation and Analysis

This project is consistent with the priorities and goals described in the City's 2015-2020 Consolidated Plan and the Housing Element of the City's General Plan.

Fiscal Impact

This project will create an expenditure of \$600,000 in HOME program income and grant funds (Fund 71). The HOME funds will be provided as a repayable long-term loan to MidPen Housing Corp. The proposed project complies with federal regulations governing the use of HOME funds.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	0	600,000	0	0	0	0	0	0	0	0	0	0	0	600,000
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 832030 Orchard Gardens Apartments Redevelopment

Origination Year:	2016-17	Type:	Housing	Fund:	70 Housing
Planned Completion Year:	2017-18	Category:	Special	Sub-Fund:	100 Housing Mitigation
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

First Community Housing (FCH), non-profit housing developer and owner of Orchard Gardens, located at 245 W. Weddell Drive, applied for a \$6 million loan from the HMF for redevelopment of Orchard Gardens, in response to a request for proposals issued by Housing Division in early 2015. The redevelopment project includes demolition of 32 units, rehabilitation of 30 existing units, and construction of 57 new units, resulting in a total of 87 units on the site. The total cost of the project is estimated at over \$34 million. The \$6 million in City funding will be provided as a 55-year loan. The completed project will be restricted by the City as affordable housing for a 55-year term. Council approved the \$6 million conditional commitment of HMF for this project on March 15, 2016 (RTC 16-0047).

Project Evaluation and Analysis

This project is consistent with the goals and objectives in the City's General Plan Housing Element. The requested funding commitment for the project was recommended by the HHSC and approved by Council in early 2016. FCH has experience developing housing for developmentally disabled tenants in partnership with several local service providers, including Housing Choices Coalition. Upon completion, 86 of the units will be restricted affordable to households with extremely low to low-incomes, with one manager's unit. The funding commitment will not be finalized until the project receives the required development permits (entitlements) from Planning and meets the other conditions listed in RTC 16-0047. This commitment is for a two-year term, ending in April 2018, with possible extension, if needed, at the City's discretion.

Fiscal Impact

The project is funded by the Combined Housing Fund / Housing Mitigation Sub-Fund, which exists for the purpose of funding affordable housing projects such as the redevelopment of Orchard Gardens. The final funding commitment is contingent upon completing the standard funding conditions as provided to the developer.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	0	6,000,000	0	0	0	0	0	0	0	0	0	0	0	6,000,000
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 832410 Stoney Pine Villa Apartments - Rehab

Origination Year:	2017-18	Type:	Housing	Fund:	70 Housing
Planned Completion Year:	2017-18	Category:	Special	Sub-Fund:	200 Other Housing Related
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

Owned by Charities Housing Development Corporation (Charities), Stoney Pine is a 23-unit affordable rental complex located at 267 W. California Avenue. Twenty-two of the units are occupied by developmentally disabled tenants and in some cases their family members, and there is one unrestricted manager's unit. The property includes 12 one-bedroom units, 8 two-bedroom units and 3 three-bedroom units. Charities recently completed a physical needs assessment of the property, which determined that the property was constructed within industry standards of the time, has been well maintained over the years, and is in good overall condition. However, as the property is now 15 years old, many exterior and interior finishes are in need of repair or replacement, including: exterior painting, dry rot repair, parking lot sealing and striping, dwelling unit entry doors, carpeting, flooring, kitchen and bathroom cabinetry, all of which show signs of wear and tear. The total cost of the project is estimated at approximately \$534,000. Charities has secured a matching funding commitment of \$55,000 from the Housing Trust Silicon Valley, and has committed a match of property reserves in the amount of \$79,180. The \$403,000 in City funding will be provided as a 30-year loan. Council approved the \$403,000 commitment and Budget Modification No. 9 from the Below Market Rate Housing Sub-fund of the Housing Fund for this project on September 13, 2016 (RTC 16-0442).

Project Evaluation and Analysis

The project is consistent with the City's Housing Element goals to maintain the quality of the City's existing affordable rental housing stock and assist special needs housing projects.

Fiscal Impact

The project will create a \$403,000 expense to the Housing Fund/Below Market Rate Housing Sub-Fund, which exists for the purpose of Housing Conservation and Maintenance and enhancing the condition and affordability of existing housing in Sunnyvale.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	0	403,000	0	0	0	0	0	0	0	0	0	0	0	403,000
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Community Development Block Grant (CDBG)

The Community Development Block Grant (CDBG) is one of two federal entitlement grants the City receives annually from the U.S. Department of Housing and Urban Development (HUD). The other is the HOME Investment Partnerships Program (HOME) grant, described in the Housing section. In order to remain eligible for these grants, the City must prepare an annual Action Plan describing the City's plans to spend the projected available CDBG funds in the coming fiscal year with a brief description of each planned project or program. CDBG funds may be used only for CDBG-eligible activities as listed in the CDBG statutes and regulations. Most of the funds must be used for "brick and mortar" projects such as housing rehabilitation, neighborhood improvements or public facilities, including disabled access improvements, as well as economic development projects and job training programs. Certain types of capital projects may only be funded in CDBG-eligible areas as determined by HUD, as shown in the map in the Action Plan.

No more than 15% of the annual CDBG revenues may be used for public services for lower-income households (i.e., human services programs such as food and shelter, health care, counseling, etc.). In addition, up to 20% may be used for CDBG program administration, which includes CDBG-related Housing Division operations such as planning, compliance, fiscal activities, reviewing requests for funding, preparing loan and grant documents, and loan servicing, as well as fair housing services, which may be provided through contract.

Major CDBG Projects

The Draft FY 2017/18 Action Plan includes the following major CDBG projects:

WorkFirst Sunnyvale Community Based Development Organization (CBDO) Program. This program provides job--readiness and job search skills training, job placement assistance, and related employment-supportive services, such as assistance in obtaining affordable housing, transportation to work, vocational education, required work gear, and career counseling. The program serves Sunnyvale clients who are currently homeless, transitioning out of

homelessness, or at imminent risk of homelessness. The funding is provided as a grant to Sunnyvale Community Services, a certified CBDO selected through a competitive process, and the program is implemented in cooperation with several local non-profit agencies and City departments.

Persian Drive Sidewalk Extension. This project provides CDBG funds for a new public sidewalk along a segment of Persian Drive between Morse and Borregas Avenues where there is currently no sidewalk, with green landscaping features for storm water filtration. The segment is approximately 1,800 feet long. The total project cost is approximately \$1 million. Staff is currently seeking matching funds from a State grant program. The new sidewalk will allow residents of the Morse Park area who work in Moffett Park to safely walk down Persian Drive to get to the bike/pedestrian bridge over Highway 237 so they can get to work without driving. It will also allow residents along Borregas to walk along Persian Drive to access shopping, transit and services at neighborhood centers such as the Tasman/Fair Oaks area.

Outside Group Funding Support (CDBG). This project provides public services grants to local non-profit agencies that provide human services for Sunnyvale clients. The grant amounts range from a minimum of \$25,000 to a maximum of approximately \$70,000, or 25% of the total human services funding available. The grantees are selected through a competitive process held every other year. Grants are awarded for a two-year period, with the second year's grant contingent on funding availability and the grantee's successful completion of the first year's grant requirements. Grant proposals are screened by staff, recommended for funding by the Housing and Human Services Commission, and approved by Council as part of the annual Action Plan approval and City Budget adoption. The amount allocated to this project is adjusted annually and is limited by CDBG regulations to no more than 15% of next fiscal year's CDBG grant (FY 2017/18) plus 15% of the CDBG program income received in the current fiscal year (FY 2016/17). This project is related to a similar project, Outside Group Funding (GF), which includes human services grants awarded through the same competitive process administered by the Housing Division, but funded with General Fund dollars rather than CDBG.

Housing Rehabilitation Revolving Loan Fund (RLF). This project includes funding for the Housing Rehabilitation Loan program, which provides low-interest loans for rehabilitation of housing owned or occupied by lower-income households. Owner-occupied housing rehabilitation loans are provided on a first-come, first-served basis for single-family and/or mobile home rehabilitation projects. Loans may also be provided for rehabilitation of rental housing occupied by and affordable to lower-income households. This project is funded by the CDBG Revolving Loan Fund (Fund 110, SubFund 200), where most of the CDBG program income (payments on prior CDBG loans, interest earned, and related revenues) received each year is deposited, to be re-used for new rehabilitation loans.

Home Access, Paint, Emergency Repair, and Energy Efficiency. This project funds the Home Improvement Program, which provides small grants for minor improvements to homes owned and occupied by lower-income households. Grants may fund disabled access retrofits and improvements, exterior painting, emergency repairs, and/or energy efficiency retrofits to income-eligible homeowners of mobile homes and/or single family homes. Disabled tenants may also apply for the Home Access grant, with landlord approval of the proposed improvements.

PROJECT NO.	PROJECT NAME	PRIOR ACTUAL	CURRENT 2016-17	PLAN 2017-18	PLAN 2018-19	PLAN 2019-20	PLAN 2020-21	PLAN 2021-22	PLAN 2022-23	PLAN 2023-24	PLAN 2024-25	PLAN 2025-26	PLAN 2026-27	Y11-Y20 TOTAL	PROJECT LIFE TOTAL
CDBG FUNDED PROJECTS															
803501	CDBG Housing Rehabilitation Revolving Loan Fund	3,391,237	268,683	230,000	0	0	0	0	0	0	0	0	0	0	3,889,920
812701	Home Access, Paint, Emergency Repair, and Energy-Efficiency	666,990	50,037	40,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000	1,707,027
827550	Outside Group Funding Support [CDBG]	535,938	203,058	175,500	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	1,810,000	4,353,496
829560	Sunnyvale Workforce Development Program-DST	1,219,599	404,225	404,000	0	0	0	0	0	0	0	0	0	0	2,027,824
832020	ADA Curb Retrofits (CDBG)	0	190,000	0	0	0	300,000	0	0	300,000	0	0	300,000	900,000	1,990,000
832040	Persian Drive Sidewalk Extension (CDBG)	0	200,000	448,500	0	0	0	0	0	0	0	0	0	0	648,500
CDBG FUNDED PROJECTS		5,813,764	1,316,003	1,298,000	231,000	231,000	531,000	231,000	231,000	531,000	231,000	231,000	531,000	3,210,000	14,616,767

Project Information Sheet

Project: 803501 CDBG Housing Rehabilitation Revolving Loan Fund

Origination Year:	2016-17	Type:	CDBG	Fund:	110 Community Development Block Grant
Planned Completion Year:	Ongoing	Category:	Special	Sub-Fund:	200 Housing Revolving Loan Fund
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

The Community Development Strategy directed the City to concentrate resources on stimulating substantial rehabilitation and modernization of multi-family units. This project provides rehabilitation loans to existing rental properties that serve households at 30% to 80% of Area Median Income, with rents limited to 30% of gross household income. Substantial rehabilitation of rental properties includes repairs to the exterior of the structure, the major component systems and the interior functional components. The CDBG Housing Rehabilitation Revolving Loan Fund (RLF) allows CDBG rehabilitation loans to "revolve". Program income earned from repayments of existing loans are disbursed as new loans.

Project Evaluation and Analysis

This project includes rehabilitation of single family homes owned by low income residents and multi-family properties occupied by low-income tenants.

Fiscal Impact

The US Department of Housing and Urban Development's lead based paint requirements may increase the cost of each rehabilitation project. This may result in fewer projects being completed, given the limited funding available. Project expenditures are funded by program income received during the program year and prior years.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	3,391,237	268,683	230,000	0	0	0	0	0	0	0	0	0	0	3,889,920
Revenues														
Housing Loan Repayments Other Fees			0	0	0	0	0	0	0	0	0	0	0	
Total	-716	0	0	0	0	0	0	0	0	0	0	0	0	-716
Transfers-In														
Total	209,451	0	0	0	0	0	0	0	0	0	0	0	0	209,451
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 812701 Home Access, Paint, Emergency Repair, and Energy-Efficiency

Origination Year:	2016-17	Type:	CDBG	Fund:	110 Community Development Block Grant
Planned Completion Year:	Ongoing	Category:	Special	Sub-Fund:	100 CDBG Fund
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project allocates \$40,000 in CDBG funds that will provide assistance to approximately 10 low-income households. Funds will be used for the following activities:

- 1) Home Access - provides grants of up to \$6,500 to retrofit and maintain units occupied by disabled persons;
- 2) Paint Program - provides assistance to homeowners to paint the exterior of their homes;
- 3) Emergency Repair - provides grants of up to \$2,500 for life-threatening building hazards, such as electrical system failures, unsound structures, plumbing system failures, and/or other conditions which could result in an explosion or unsafe situation in the immediate future; and
- 4) Energy Efficiency Program - provides dollar for dollar matching grants up to \$10,000 for energy efficiency retrofits.

Project Evaluation and Analysis

This project addresses the priorities and goals described in the Consolidated Plan, specifically, Affordable Housing: "Improve housing accessibility, housing conditions, lead-based paint hazard reduction, energy efficiency, and affordability for lower-income households."

Fiscal Impact

This project is contingent on FY 2017/18 HUD Grant Appropriations.

This use of CDBG funds is consistent with federal regulations governing use of that fund.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	666,990	50,037	40,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000	1,707,027
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 827550 Outside Group Funding Support [CDBG]

Origination Year:	2016-17	Type:	CDBG	Fund:	110 Community Development Block Grant
Planned Completion Year:	Ongoing	Category:	Outside Group Funding	Sub-Fund:	100 CDBG Fund
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project provides the Community Development Block Grant (CDBG) fund allocation to support outside agencies that provide community needs. The agencies and the annual funding amount awarded to each agency is allocated by Council each year.

Project Evaluation and Analysis

As a general policy, and based on CDBG funding availability, Council may allocate up to \$250,000 in grant funds to outside agencies, as well as up to \$100,000 in General Fund support. In FY 2017/18, CDBG funds will provide approximately \$175,500 in Outside Group Funding for human service organizations. This project addresses the priorities and goals described in the 2015-2020 Consolidated Plan.

Fiscal Impact

This project is contingent on FY 2017/18 HUD Grant Appropriations. If the CDBG grant appropriation is substantially reduced, there may be prior year funds available that could fund up to one human services agency.

The General Fund will provide up to \$100,000 in funding for outside groups as authorized by Council (RTC 12-259) and is consistent with the current 20-year Resource Allocation Plan. This project will require an expenditure of up to \$181,000 from the CDBG Fund (110/100). Use of these funds are consistent with federal regulations governing use of CDBG funds.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	535,938	203,058	175,500	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	181,000	1,810,000	4,353,496
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
General Fund - General			0	0	0	0	0	0	0	0	0	0	0	
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 829560 Sunnyvale Workforce Development Program-DST

Origination Year:	Grant	Type:	CDBG	Fund:	110 Community Development Block Grant
Planned Completion Year:	Ongoing	Category:	Special	Sub-Fund:	100 CDBG Fund
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project allocates \$404,000 in CDBG funds to Sunnyvale Community Services, a non-profit corporation. Funds will be used to implement a Sunnyvale Workforce Development Program in partnership with Downtown Streets Team, a non-profit based in Palo Alto. This program will provide job readiness training, job skills training, and job placement for at least fifty low-income individuals who are homeless, recently homeless, or at risk of homelessness in Sunnyvale.

Sunnyvale Community Services has been certified as a Community-Based Development Organization (CBDO) which allows it to apply for CDBG funds for programs that are not subject to the CDBG 15% public services cap. These activities include programs that are designed to increase economic opportunities through job training and placement and other employment support services, including, but not limited to, temporary housing assistance, child care, transportation, and supportive services. This Workforce Development Program qualifies for CDBG funding under this category of activities.

Project Evaluation and Analysis

This program addresses the Consolidated Plan objective to help people who are currently homeless or at imminent risk of homelessness to obtain employment or other sources of income and adequate support services/networks to obtain housing and achieve stability. Both agencies have a very strong track record and strong organizational capacity, and the program addresses a priority community need.

Fiscal Impact

This project is contingent on FY 2017/18 HUD Grant Appropriations.

This project will require an expenditure of up to \$404,000 from the CDBG Fund. Use of these funds are consistent with federal regulations governing use of CDBG funds.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	1,219,599	404,225	404,000	0	0	0	0	0	0	0	0	0	0	2,027,824
Revenues														
CDBG HUD Program Year 2007			0	0	0	0	0	0	0	0	0	0	0	
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 832020 ADA Curb Retrofits (CDBG)

Origination Year:	2016-17	Type:	CDBG	Fund:	110 Community Development Block Grant
Planned Completion Year:	2016-17	Category:	Capital	Sub-Fund:	100 CDBG Fund
Department:	Public Works	Project Manager:	Liliana Price	Project Coordinator:	Suzanne Ise
Service Delivery Cluster:	Transportation, Streets & Infrastructure				

Project Description / Scope / Purpose

This project provides Community Development Block Grant (CDBG) funds to accelerate sidewalk accessibility construction to meet ADA standards. Pedestrian access improvements are needed at many intersections within the City to comply with the Americans with Disabilities Act (ADA) standards for accessibility.

Project Evaluation and Analysis

This project provides funds to accelerate curb ramp construction to meet ADA standards. This project also addresses the priorities and goals described in the City's 2015-2020 Consolidated Plan, specifically "Maintain/Expand Community Facilities and Infrastructure". One of the main objectives is for the City to continue the curb retrofit program to improve accessibility of city sidewalks.

Fiscal Impact

This project will continue as long as CDBG revenues are available to the City. If this funding source is lost then the City will pursue other outside grant options or re-evaluate the level of service provided. However, should funding appropriation be reduced, the funding for this project may be proportionately reduced. This project will require an expenditure from the CDBG Fund of up to \$300,000 every three years, beginning in FY 2020/21, or earlier. Use of these funds are consistent with federal regulations governing use of CDBG funds.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	0	190,000	0	0	0	300,000	0	0	300,000	0	0	300,000	900,000	1,990,000
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Project Information Sheet

Project: 832040 Persian Drive Sidewalk Extension (CDBG)

Origination Year:	2016-17	Type:	CDBG	Fund:	110 Community Development Block Grant
Planned Completion Year:	2018-19	Category:	Infrastructure	Sub-Fund:	100 CDBG Fund
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project consists of construction of a new public sidewalk and related storm water drainage infrastructure and landscaping along Persian Drive between Morse and Borregas Avenues where no sidewalk currently exists. Preliminary design was prepared by ESD and DPW staff. The project concept was originally developed in order to facilitate a joint application for Affordable Housing Sustainable Communities (AHSC) grant funds by the City and MidPen Housing, which was not awarded in September 2016. The City funding for this project consists of \$648,500 in CDBG funds, which will be provided to the City's joint applicant, MidPen Housing Corp., who will complete the work in the public ROW through an agreement with the City.

Project Evaluation and Analysis

This project is consistent with the priorities and goals of the City's Consolidated Plan, General Plan, and Climate Action Plan. It will provide a critical pedestrian/bike linkage between the Morse Park neighborhood and Moffett Park, via the Borregas Ave. bike/ped bridge. The total project cost has been estimated by DPW at approximately \$1 million, of which \$648,500 would come from the CDBG fund and \$80,000 from the Wastewater Management Fund. The proposed project complies with federal regulations governing the use of CDBG funds and will be subject to all CDBG requirements for capital projects (Section 3, Davis Bacon, etc.).

Fiscal Impact

This project is contingent on FY 2017/18 HUD Grant Appropriations. If the CDBG appropriation is received, the project would create an expenditure of \$648,500 to the CDBG Fund 110 (program income and grant funds). For FY 2017/18, ESD has earmarked \$80,000 out of Project 831510, Green Streets for Stormwater, to fund green stormwater components of the Persian Drive sidewalk extension.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	0	200,000	448,500	0	0	0	0	0	0	0	0	0	0	648,500
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Outside Group Funding

The City of Sunnyvale has, for decades, provided supplemental support to its economically disadvantaged residents through funding of local human services agencies. The principal source of funding is the Community Development Block Grant (CDBG). Over the years, the City has supplemented federal funding with General Fund support at varying levels.

For outside groups not eligible for CDBG funds, groups must make funding requests directly to the City department in which their services would reside. Staff considers these requests in context of their operating budgets and currently funded service levels. Staff then makes one of three recommendations to Council: 1) fund the request within the existing budget by reducing or eliminating another service; 2) fund the request using General Fund monies; or 3) do not recommend funding the request.

For human services agencies, their requests are processed together with their requests for CDBG funds. In December 2008, Council approved a maximum General Fund support level of \$100,000 annually. A combined maximum of \$350,000 in CDBG and General Funds was set for CDBG-eligible human services agencies. Therefore, General Fund support could go up and down annually depending on the CDBG allocation, but will be no more than \$100,000. During November 2014, Council increased this maximum support from the General Fund to \$135,000 for FY 2016/17.

Outside Group Funding Projects

The CDBG allocation is expected to be \$181,000 in FY 2017/18. This allocation is supplemented by \$100,000 of General Fund support in FY 2017/18, with \$100,000 set aside annually for the remaining 19 plan years.

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Project Information Sheet

Project: 830630 Dispute Resolution Services

Origination Year:	2013-14	Type:	Outside Group Funding	Fund:	35 City General Fund
Planned Completion Year:	2016-17	Category:	Outside Group Funding	Sub-Fund:	100 General
Department:	Community Development	Project Manager:	Suzanne Ise	Project Coordinator:	Katrina Ardina
Service Delivery Cluster:	Community, Economic and Workforce Development				

Project Description / Scope / Purpose

This project provides one-time funding for dispute resolution and mediation services by an entity qualified to provide such services. The focus of this service is on tenant/landlord disputes, but other types of community disputes would also be accommodated to the extent possible. Sunnyvale has a long tradition of supporting tenant/landlord mediation and dispute resolution services to help local renters and landlords, as well as other community members, resolve disputes in an amicable manner.

Project Evaluation and Analysis

This project provides an increased level of service to the community by providing dispute resolution services that are frequently requested by residents, property owners and other related agencies. For many years, the City funded dispute resolution services provided by an outside agency; however, the General Fund allocation for these services was discontinued in 2010. Since that time, staff has received increasing number of requests for assistance with community disputes. Although the County of Santa Clara offers a community mediation program, they have reported that they do not have the capacity to handle the volume of calls they have been receiving over the past few years. For FY 2016/17, the City approved \$45,000 to restore this service as part of Budget Supplement #3.

Fiscal Impact

As part of the budget adoption on June 21, 2016, Council approved \$45,000 in one-time funding for FY 2016/17 from the General Fund to continue professional dispute resolution services (Budget Supplement #3). The service provider has submitted a written request for continued funding for FY 2017/18.

Project Financial Summary

Financial Data	Prior Actual	Current 2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Y11-Y20 Total	Project Life Total
Project Costs	88,993	50,926	45,000	0	0	0	0	0	0	0	0	0	0	184,919
Revenues														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers-In														
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0