



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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### **SUBJECT**

Funding Recommendation for FY 2019/20 Supplemental Community Development Block Grant (CDBG) Funding for Capital and Affordable Housing Projects.

### **BACKGROUND**

The City of Sunnyvale receives annual entitlement grants of CDBG and HOME funds from the U.S. Department of Housing and Urban Development (HUD), as well as “program income” from loan repayments. Each year the City solicits proposals from local organizations to use a portion of these funds to provide eligible housing and community development services or projects to the Sunnyvale community. The Requests for Proposals (RFP) set forth the types of public services (human services) programs, capital and housing projects that are eligible for CDBG or HOME funding.

The City is expected to receive approximately \$930,000 in CDBG program income during FY 2019/20. Once the City collects program income, it must be spent during the program year in which it is received. Due to the influx of unanticipated program income, the City released a supplemental CDBG RFP for \$900,000 on September 27, 2019, specifically requesting proposals focused on capital and affordable housing projects due to the sort timeframe to spend the funding.

CDBG capital project proposals may include housing rehabilitation, economic development activities, public facilities and infrastructure improvements, site acquisition, commercial building rehabilitation, and several other types of projects listed in the CDBG statutes. Any of the project types must show clear evidence that they will “primarily benefit” low income residents. This means at least 51% of the clients utilizing a public facility to be improved or acquired must be lower-income.

### **DISCUSSION**

The City received one proposal from Sunnyvale Community Services requesting \$900,000 for acquisition of a public facility, more information on the proposal is provided in Attachment 3. The staff evaluation committee, consisting of several Community Development Department staff members, evaluated the proposal based on the requirements cited in the RFP. Despite receiving only one proposal - the evaluation committee still must verify the proposal is complete, and meets CDBG program requirements.

### **Staff Scoring Committee**

The staff scoring committee met to discuss the viability of the one proposal the City received. Each member of the committee independently scored the proposal, and their scores for the proposal was averaged, as shown in Attachment 2.

### **Funding Recommendation**

With \$930,000 of CDBG program income scheduled to be received from the sale of a building with a previous CDBG loan, there are sufficient funds available to fund the Proposal received in full. Any remaining funds will be used to fund the consultant hired by the County of Santa Clara to complete

the upcoming 2020-2025 Consolidated Plan; work is currently underway on the plan and the Program Income can help offset CDBG administration costs being used to fund that consultant. The funding recommendations are summarized in the table below.

Agency Name	Program	Funding Requested	Staff Recommendation
Sunnyvale Community Services	Acquisition of Public Facility	\$900,000	\$900,000
Total Funding Recommendation			\$900,000
Total Funds Available			Approx. \$930,000
Remaining Funds*			Approx. \$30,000

*\*Remaining funds will be allocated toward Consolidated Plan preparation.*

### **NEXT STEPS**

The Housing and Human Services Commission's funding recommendation will be incorporated into the Amended Action Plan, which will be reviewed by the Commission on November 20, 2019 and then considered by the Council on December 10, 2019.

### **ALTERNATIVES**

1. Recommend that the City Council fund the CDBG capital project proposal in the amount shown in Attachment 2 to this report.
2. Recommend that the City Council fund the proposal with a different amount than recommended by staff under Alternative 1, not to exceed the total amount of funding estimated to be available.

### **RECOMMENDATION**

Alternative 1: Recommend that the City Council fund the CDBG capital project proposal in the amount shown in Attachment 2 to the report.

Prepared by: Leif Christiansen, Housing Programs Analyst

Reviewed by: Jenny Carloni, Housing Officer

### **ATTACHMENTS**

1. FY 2019/20 CDBG Supplemental Funding List of Grant Proposals Received
2. FY 2019/20 CDBG Supplemental Funding Draft Recommendation
3. FY 2019/20 Capital Project Proposal