



Planning & Development Services

Memorandum

To: Human Relations Commission

From: Erum Maqbool, CDBG Staff Specialist
Clare Campbell, Long Range Planning Manager

Date: March 11, 2021

Re: Recommendations for Fiscal Year 2021-22 Community Development Block Grant Funding Allocations and Review of the Draft Fiscal Year 2021-22 Annual Action Plan

Recommendation

Staff and Human Relations Commission (HRC) Selection Committee recommends that the Human Relations Commission (HRC) take the following actions:

1. Provide funding recommendations for the Fiscal Year 2021-22 Community Development Block Grant Entitlement Program; and
2. Review and recommend approval of the Draft Fiscal Year 2021-22 Annual Action Plan.

Executive Summary

The City received nine funding applications for consideration for the Fiscal Year (FY) 2021-22 CDBG funding cycle. These applications were reviewed for completeness by staff and forwarded to the HRC Selection Committee for consideration. On March 1, 2021, the Selection Committee reviewed the applications and recommended funding allocations for each project. Additionally, the Selection Committee recommended a contingency plan to adjust the project funding if the actual CDBG allocation amount for the City fell short or exceeded the staff projected amount.

On March 2, 2021, the City received formal notification from the U.S. Department of Housing and Urban Development (HUD) of the City's CDBG funding allocation. The allocation exceeds the staff projected amount, and based on direction from the Selection Committee, staff has adjusted the proposed project funding. The HRC is now being asked to recommend approval of the funding recommendations made by the HRC Selection Committee and forward that recommendation to the City Council.

Background

The CDBG program, administered by HUD, provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing, a suitable

living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The HUD regulations require all CDBG funded activities to meet one of the three national objectives:

1. Benefit low-and very-low-income persons;
2. Aid in the prevention or elimination of slums or blight; or
3. Meet other community development needs having a particular urgency or posing a serious and immediate threat to the health or welfare of the community.

Palo Alto's CDBG program has primarily been focused on meeting the first objective of benefiting low-and very-low-income persons. The applications being considered have been determined to also meet this objective. For general information on the CDBG program, please visit: <https://www.hudexchange.info/programs/cdbg-entitlement/>.

Consolidated Plan & Annual Action Plan

Projects that are funded through the City by the CDBG program must be consistent with the goals outlined in the 2020-2025 Consolidated Plan¹, a 5-year strategic plan of action that addresses priority housing and community development needs. HUD requires submittal of an Annual Action Plan (AAP) that identifies the specific program and projects to be funded to implement strategies identified in the Consolidated Plan. After Council's final approval of the project funding, the projects will be reported in the FY2021-22 AAP. The draft FY2021-22 AAP is included as Attachment F.

Application Review Process

Funding applications were made available on November 30, 2020. A notice of CDBG funding availability was published in the Palo Alto Weekly on November 30, 2020 with completed applications due January 15, 2021. A mandatory pre-proposal conference was conducted on December 14, 2020 to assist applicants with program regulations and project eligibility questions. A summary of the submitted applications (Attachment B) is provided with this report.

The initial step in the application review process is the determination that the applications are compliant with HUD's eligible activities² and National Objectives³. This process involves staff reviewing the application materials and communicating with the applicant as needed to clarify details in the application. The qualified applications are then reviewed by the HRC Selection Committee who makes the initial project funding recommendations based on funds available. The HRC Selection Committee recommendations are then forwarded to the HRC for review. The HRC reviews the proposed project funding and the draft AAP. Lastly, the HRC's recommendation

¹ 2020-2025 Consolidated Plan:

<https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=49340.42&BlobID=79655>

² CDBG Matrix Codes:

<https://files.hudexchange.info/resources/documents/Matrix-Code-Definitions.pdf>

³ CDBG National Objectives:

<https://www.hudexchange.info/sites/onecpd/assets/File/CDBG-National-Objectives-Eligible-Activities-Chapter-3.pdf>

on the project funding and the draft AAP is sent to City Council for final action. Once adopted, the AAP is submitted to HUD.

Annual Action Plan Citizen Participation

As per HUD's regulations and the City's adopted *Citizen Participation Plan*⁴, the City must ensure adequate citizen participation in the CDBG funding process. Prior to the submission of the AAP to HUD, the City must hold two public hearings; one hearing, followed by a 30-day circulation and public comment period, followed by one more public hearing.

The HRC meeting on March 11, 2021 serves as the first public hearing and the City Council meeting scheduled on May 3, 2021 will serve as the second public hearing. After the presentation of the draft FY2021-22 AAP (Attachment F) to the HRC, the required 30-day public review period will begin from March 15, 2021 through April 16, 2021.

HRC Selection Committee

On March 1, 2021, staff and the HRC Selection Committee (comprised of two HRC Commissioners) met to review the funding applications. The purpose of the meeting was to make FY2021-22 funding recommendations based on the following criteria:

- *Funds Available* (see Attachment A);
- *Consistency of Program/Project with 2020-25 Consolidated Plan Goals and Priorities* (see Attachment D); and
- *Criteria to Use for Funding Allocation* (see Attachment E).

In addition to the project funding recommendations, the Selection Committee prepared a funding contingency plan to account for any shortfall or excess in the actual funding (when compared to the staff projected funding). With receipt of the City's allocation on March 2, staff followed the contingency plan to allocate the approximate \$78k in funds that exceeded the staff projection. The Selection Committee's project funding recommendations are detailed in Attachment C.

Discussion

This section includes information on the CDBG funds available for allocation, funding categories, and applications received for FY2021-22 funding cycle.

Funds Available for Allocation in FY2021-22

On March 2, 2021, HUD notified the City of its Fiscal Year 2021-22 CDBG Entitlement amount of \$528,961. The total amount available for allocation in Fiscal Year 2021-2022 is \$738,920 which includes the entitlement grant, program income, and previous year's resources, as summarized below:

⁴ Adopted Citizen Participation Plan 2020:

<https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=51199.36&BlobID=79447>

FY2021-22 Entitlement Grant	\$528,961
Estimated Program Income in FY2021-22 from Palo Alto Housing Corporation generated from loan repayments and rental income in excess of expenses on specific properties acquired or rehabilitated with CDBG funds	\$136,049
Prior Year Resources (FY2019-20)	\$73,910
Total Available for Allocation	\$738,920

CDBG Funding Categories and Funding Applications

The CDBG program has five primary activity areas in which to allocate funds: Public Services, Planning and Administration, Economic Development, Housing Rehabilitation, and Public Improvement and Facilities. Federal regulations limit the amount that can be spent on two of the five categories (i.e. planning and administration & public services). No more than 20% of the City’s entitlement grant and estimated program income for the following year can be spent on planning and administration. Similarly, there is a maximum spending cap of 15% of the grant allocation and 15% of any program income received during the previous fiscal year on the public services category. The amount available to allocate in each of the activity area is summarized below.

Breakdown of Capped/Un-capped Funds	
Public Service Maximum (capped)	\$80,101
Planning and Administration Maximum (capped)	\$133,002
Economic Development, Housing Rehabilitation, and Public Improvements and Facilities (un-capped)	\$525,817
Total Available for Allocation	\$738,920

Staff received a total of nine applications. Of the nine applications received, five applications qualify under the public services category, one under the planning and administration category, one under the economic development category, one under the housing rehabilitation category and one under the public improvements and facilities category. The following provides a brief summary of the funding applications received.

Public Service (15% Cap)

1. Catholic Charities

Requested: \$10,000

Recommendation: \$10,000

The project activities include regular contact with Palo Alto Residential Care Facilities to observe and monitor conditions of care and handle and resolve issues regarding residents’ rights, unmet needs, allegations of abuse, and complaints effectively, thus promoting resident well-being.

2. **LifeMoves**

Requested \$65,850

Recommendation: \$31,545

The project activities include case management services to Opportunity Services Center and Hotel De Zink clients in locating housing and/or employment and be connected to benefits. Additionally, provision of services at the Opportunity Service Center such as showers, restrooms, laundry facilities, benefits enrollment assistance, transportation vouchers, and referrals for medical and dental care for residents of Palo Alto and surrounding areas who are homeless or at risk of homelessness.

3. **Downtown Streets Team: Food Closet/Food Delivery Program**

Requested \$60,000

Recommendation: \$0

The project activities include arrangement of pre-packed groceries by food closet volunteers and weekly delivery of groceries at doorsteps for Palo Alto households classified as vulnerable to meet the need and limit contact.

4. **Palo Alto Housing Corporation**

Requested \$52,249

Recommendation: \$24,535

The project activities include case management and counseling services to residents at Barker Hotel (25 units) and Alma Place (106 units).

5. **Silicon Valley Independent Living Center**

Requested \$28,826

Recommendation: \$14,021

The project activities include case management services to low-income individuals with disabilities to secure affordable and accessible housing.

Planning & Administration (20% Cap)

1. **Project Sentinel**

Requested \$33,698

Recommendation: \$33,698

The project activities include fair housing counseling and investigative services through casework, increase knowledge of fair housing laws and individual counseling on the fair housing laws to improve understanding of residents and housing providers rights or obligations.

2. City of Palo Alto for CDBG Administration
Requested \$90,000
Recommendation: \$99,304

The project activities include administration of the CDBG program. Per HUD's regulations, up to 20% of the total CDBG funding may be used for the related project and/or program administration. Through these funds, the City will provide overall management, coordination, and evaluation to the CDBG program, and the project delivery costs associated with bringing projects to completion.

Economic Development (No Cap)

1. Downtown Streets Team: Workforce Development Program
Requested \$336,000
Recommendation: \$160,477

The project activities include to secure paid employment opportunities for unemployed and homeless individuals and build extensive network of local employers willing to hire Downtown Streets Team workforce development program participants.

Housing Rehabilitation (No Cap)

1. Rebuilding Together Peninsula
Requested \$65,340
Recommendation: \$65,340

The project activities include provision of critical health and safety related home repair needs for low-income Palo Alto homeowners.

Public Facilities and Improvements (No Cap)

1. Ravenswood Family Health Network/ADA Accessible Ramp at Palo Alto Clinic
Requested \$425,000
Recommendation: \$300,000

The project activities include construction of an accessible ADA ramp and a stair option at the MayView Palo Alto clinic to allow adequate social distancing and prevent the spread of COVID-19 and to improve patients' access to the clinic.

Next Steps/Timeline

Any changes directed by the HRC will be incorporated in the FY2021-22 draft AAP. Staff will circulate the draft AAP for public review and comment for 30 days after the HRC meeting, from March 15, 2021 through April 16, 2021. Upon conclusion of the public review period, staff will present the HRC's funding recommendations and FY2021-22 draft AAP to the City Council on May

3, 2021 for adoption. Subsequently, the adopted FY2021-22 AAP will be submitted to HUD by the May 15, 2021 deadline.

Attachments

Attachment A: CDBG Funds Available

Attachment B: Summary of Funding Applications

Attachment C: Selection Committee Allocation Recommendation

Attachment D: 2020-2025 Consolidated Plan Goals

Attachment E: Criteria for Funding Consideration & FY2020-21 Semiannual Performance

Attachment F: Draft Fiscal Year 2021-22 Annual Action Plan

**CDBG FUNDS AVAILABLE
FY2021-22**

Funds Available	
FY2021-22 Entitlement Grant	\$528,961.00
Estimated Program Income FY2021-22	\$136,049.00
Prior Year Resources (FY2019-20)	\$73,910.00
Total Available to Allocate	\$738,920.00
Maximum for Public Services	
FY2021-22 Entitlement Grant	\$528,961.00
FY2020-21 – Actual Program Income	\$5,044.00
<i>Total</i>	<i>\$534,005.00</i>
Public Service Cap (15% of \$534,005)	\$80,101.00
Maximum for Planning/Admin	
FY2021-22 Entitlement Grant	\$528,961.00
FY2021-22 Estimated Program Income	\$136,049.00
<i>Total</i>	<i>\$665,010.00</i>
Planning/Admin Cap (20% of \$665,010)	\$133,002.00
Breakdown of Capped/Un-capped Funds	
Public Service Maximum	\$80,101.00
Planning and Administration Maximum	\$133,002.00
Un-capped Funds	\$525,817.00
Total	\$738,920.00

SUMMARY OF FUNDING APPLICATIONS

AGENCY / PROJECT NAME	PROJECT DESCRIPTION	NOTES
<p>1. Catholic Charities of Santa Clara County/Long Term Care Ombudsman</p> <p>Funding Request: \$10,000 for FY2021-22</p>	<p>Funds are requested for salaries, benefits of program manager, field ombudsman and program financial analyst. Other associated costs include, audit, communication, awards, program supplies and indirect costs.</p> <p>Project activities include:</p> <ul style="list-style-type: none"> • Regular contact with Palo Alto Residential Care Facilities to observe and monitor conditions of care. • Handle and resolve issues regarding residents’ rights, unmet needs, allegations of abuse, and complaints effectively, promoting resident well-being. 	<p><u>CDBG Eligible Activity:</u> Senior Services (HUD Matrix Code 05A)</p> <p>The Project meets the following Consolidated Plan Goal(s) (<i>italics added for emphasis</i>):</p> <ul style="list-style-type: none"> • <i>#3: Support provision of essential human services, particularly for special needs populations, and maintain/expand community facilities and infrastructure.</i> <p>The project is authorized by the Federal Older Americans Act (OAA).</p> <p>The City of Palo Alto’s consultant conducted an audit in 2019 and reviewed the organization’s quarterly reimbursement requests, performance reports, program files, and financial records. In general, the consultant found that the Long Term Care Ombudsmen Program complied with federal CDBG regulations and that reimbursed costs were eligible and appropriate.</p>

AGENCY / PROJECT NAME	PROJECT DESCRIPTION	NOTES
<p>2. Downtown Streets/Workforce Development Program</p> <p>Funding Request: \$336,000 for FY2021-22</p>	<p>Funds are requested for personnel costs (Case Manager, Employment Development Specialist, Project Manager, Project Director of Santa Clara County, COO, CPO and Data Impact Manager) Other associated costs include, supplies, printing, transportation, rent/utilities, insurance, communications, audit and team incentives.</p> <p>Project activities include:</p> <ul style="list-style-type: none"> • Attain paid employment opportunities for unemployed and homeless individuals. • Build extensive network of local employers willing to hire program participants 	<p>CDBG Eligible Activity: Employment Training (HUD Matrix Code 05H)</p> <p>The Project meets the following Consolidated Plan Goal(s) (<i>italics added for emphasis</i>):</p> <ul style="list-style-type: none"> • <i>#5: Support economic development activities that promote employment growth and help lower income people secure and maintain jobs.</i> <p>The City of Palo Alto’s professional consultant conducted an audit in 2021 and recommended that staff continue to increase documentation to further support the annual goals and accomplishments of the program. In a sample of the client files reviewed for FY 2019/20, a few forms were missing signatures and/or dates. The Consultant recommended that the DTST staff review the client files on an annual basis to ensure all required forms are signed and dated and that the documentation collected (homeless verification, employment information, resume, etc.) is consistent across the Program’s clients. The agency should develop a client file</p>

AGENCY / PROJECT NAME	PROJECT DESCRIPTION	NOTES
		<p>checklist to ensure all documentation is collected and completed.</p> <p>It was also recommended that the agency reach out to City staff for possible partnership and collaboration opportunities. The City may be able to provide suggestions or marketing opportunities for the agency to increase business outreach.</p>
<p>3. Downtown Streets/Food Closet – Food Delivery Program</p> <p>Funding Request: \$60,000 for FY2021-22</p>	<p>Funds associated with operations of food closet such as supplies, audit, printing, transportation, rent, food items, insurance, team incentives and training, communications and indirect costs are requested.</p> <p>Project activities include:</p> <ul style="list-style-type: none"> • Arrange Pre-packed groceries by Food Closet Volunteers and deliver to doorsteps to meet the need and limit contact. • Most needed food items will be readily available to clients 	<p><u>CDBG Eligible Activity:</u> Food Banks (HUD Matrix Code 05W)</p> <p>The Project meets the following Consolidated Plan Goal(s) (<i>italics added for emphasis</i>):</p> <ul style="list-style-type: none"> • <i>#3: Support provision of essential human services, particularly for special needs populations, and maintain/expand community facilities and infrastructure.</i> <p>The Food Closet program was funded under the CDBG program in FY2020-21 for the first time. At this time, the staff has not conducted an audit. The semiannual performance of this program is provided in Attachment E.</p>

AGENCY / PROJECT NAME	PROJECT DESCRIPTION	NOTES
<p>4. LifeMoves/Opportunity Services Center (OSC) and Hotel De Zink (HDZ): Case Management</p> <p>Funding Request: \$65,850 for FY2021-22</p>	<p>Funds are requested for salaries and benefits of case managers and administrative overhead costs.</p> <p>Project activities include:</p> <ul style="list-style-type: none"> • Provide comprehensive, one-stop, multi-service day drop-in center for critical homeless services • Provide case management services to OSC and HDZ clients in locating housing and/or employment and be connected to benefits. 	<p><u>CDBG Eligible Activity:</u> Operating Costs Homeless (HUD Matrix Code 03T)</p> <p>The Project meets the following Consolidated Plan Goal(s) (<i>italics added for emphasis</i>):</p> <ul style="list-style-type: none"> • <i>#2: Support activities to prevent and end homelessness.</i> <p>In January 2021, the City’s consultant reviewed the organization’s quarterly reimbursement requests, performance reports, and financial records. Additionally, the consultant met with staff to review four client files via Zoom. In general, the consultant found that the Program complied with the City’s contract and federal regulations and that reimbursed costs were eligible and appropriate. The consultant recommended that LifeMoves collaborate with City staff to identify strategies to ensure that vulnerable Palo Alto residents are aware of the services offered at the Opportunity Services Center (OSC). The consultant also recommended in instances where the client is unable to provide their zip code, LifeMoves staff should utilize the County’s Homeless Verification forms to document the individual’s current living situation. These forms are utilized across</p>

AGENCY / PROJECT NAME	PROJECT DESCRIPTION	NOTES
		<p>the County by similar agencies and completion of the form will further support the programmatic outcomes and provide documentation verifying an individual’s homeless status. Before implementation of this approach, the consultant has recommended that City staff contact the HUD representative to determine if this approach will satisfy HUD’s requirements.</p>
<p>5. Palo Alto Housing Corporation/Single Room Occupancy (SRO) Support Services</p> <p>Funding Request: \$52,249 for FY2021-22</p>	<p>Funds are requested for salaries and benefits of SRO Service Coordinator.</p> <p>Project activities include:</p> <ul style="list-style-type: none"> • Provide case management and support counseling services to residents at Barker Hotel (25 units) and Alma Place (106 units) • Prevent and mitigate risk factors for housing loss • Provide access to nutritious food on a weekly basis to 40 individuals. 	<p><u>CDBG Eligible Activity:</u> (HUD Matrix Code 050)</p> <p>The Project meets the following Consolidated Plan Goal(s) (italics added for emphasis):</p> <ul style="list-style-type: none"> • <i>#2: Support activities to prevent and end homelessness.</i> <p>The City of Palo Alto’s professional consultant conducted an audit in 2019 & reviewed the organization’s quarterly reimbursement requests, performance reports, program files, & financial records. In general, the consultant found that the SRO Support Services Program complied with federal CDBG regulations & that reimbursed costs were eligible and appropriate. However, there were a few recommendations made by the Consultant related to maintaining and tracking backup</p>

AGENCY / PROJECT NAME	PROJECT DESCRIPTION	NOTES
		documentation and reimbursement requests.
<p>6. Project Sentinel/Fair Housing Funding Request: \$33,698 for FY2021-22</p>	<p>Funds are requested for salaries and benefits, supplies, postage, maintenance/repair, printing, rent, telephone, testers, and indirect costs.</p> <p>Project activities include:</p> <ul style="list-style-type: none"> • Fair housing counseling and investigative services through casework and increase knowledge of fair housing laws. • Community outreach and education through presentations to Palo Alto residents, or social service agencies and housing providers who serve the City of Palo Alto. • Individual counseling on the fair housing laws to improve understanding of residents and housing providers rights or obligations. 	<p><u>CDBG Eligible Activity:</u> Fair Housing Activity (subject to Admin. cap) (HUD Matrix Code 21D)</p> <p>The Project meets the following Consolidated Plan Goal(s) (<i>italics added for emphasis</i>):</p> <ul style="list-style-type: none"> • #4: <i>Promote fair housing choice.</i> <p>The City of Palo Alto’s professional consultant conducted an audit in 2019 and reviewed the organization’s quarterly reimbursement requests, performance reports, program files, and financial records. In general, the consultant found that the Fair Housing Services Program complied with federal CDBG regulations and that reimbursed costs were eligible and appropriate. However, it was recommended that Project Sentinel increase its efforts to collect documentation verifying income of the clients and to request assistance from City Staff when required.</p>

AGENCY / PROJECT NAME	PROJECT DESCRIPTION	NOTES
<p>7. Silicon Valley Independent Living Center/Housing and Emergency Services for Persons with Disabilities</p> <p>Funding Request: \$28,826 for FY2021-22</p>	<p>Funds are requested for salaries and benefits, supplies, rent, and indirect costs.</p> <p>Project activities include:</p> <ul style="list-style-type: none"> • Assist low-income individuals and families in search for affordable, accessible housing • Provide education/ training on all aspects of how to conduct a housing search to transition from homelessness, health care facilities, or unstable temporary housing • Conduct group workshops, one-on-one service provision, and access to Independent Living services 	<p><u>CDBG Eligible Activity:</u> Handicapped Services (HUD Matrix Code 05B)</p> <p>The Project meets the following Consolidated Plan Goal(s) (<i>italics added for emphasis</i>):</p> <ul style="list-style-type: none"> • <i>#3: Support provision of essential human services, particularly for special needs populations, and maintain/expand community facilities and infrastructure.</i> <p>The City of Palo Alto’s professional consultant conducted an audit in January 2021 and found that the Program complied with the City’s contract and federal regulations and that reimbursed costs were eligible and appropriate. The consultant recommended that the agency work with City staff to ensure that the program and services are advertised throughout the City through local partnerships with community- based organizations and other outreach strategies.</p>

AGENCY / PROJECT NAME	PROJECT DESCRIPTION	NOTES
<p>8. Rebuilding Together Peninsula/ Safe at Home Minor Home Repair Program</p> <p>Funding Request: \$65,340 for FY2021-22</p>	<p>Funds are requested for salaries and benefits of the staff, mileage, indirect costs and for construction materials and supplies.</p> <p>Project activities include:</p> <ul style="list-style-type: none"> • Providing critical health and safety related home repair needs for low-income Palo Alto homeowners. 	<p><u>CDBG Eligible Activity:</u> Rehabilitation: Single-Unit Residential (HUD Matrix Code 14A)</p> <p>The Project meets the following Consolidated Plan Goal(s) (italics added for emphasis):</p> <ul style="list-style-type: none"> • <i>#1: Assist in the creation and preservation of affordable housing for low income and special needs households.</i>
<p>9. Ravenswood Family Health Network/ADA Accessible Clinic Entrance and Exit at the MayView Palo Alto Clinic.</p> <p>Funding Request: \$425,000 for FY2021-22</p>	<p>Funds are requested to construct a safe and accessible ADA entrance and exit to the MayView Palo Alto clinic to allow for adequate social distancing to prevent the spread of COVID-19 and to improve patients' access to the clinic.</p> <p>Project activities include:</p> <ul style="list-style-type: none"> • Remove existing ramp and replace with an ADA accessible ramp and a stair option. • Install a motion sensor door to allow safe and easy access to the clinic. 	<p><u>CDBG Eligible Activity:</u> Public Facilities and Improvements: Health Facilities (HUD Matrix Code 03P)</p> <p>The Project meets the following Consolidated Plan Goal(s) (italics added for emphasis):</p> <ul style="list-style-type: none"> • <i>#3: Support provision of essential human services, particularly for special needs populations, and maintain/expand community facilities and infrastructure.</i>

SOURCES:

FY2021-22 Entitlement Grant	\$528,961
Estimated Program Income FY2021-22	\$136,049
Prior Year Resources (FY2019-20)	\$73,910
TOTAL	\$738,920

USES:

AGENCY	PROGRAM NAME	FY 2020 ALLOCATIONS	FY 2021 REQUEST	SELECTION COMMITTEE RECOMMENDATION
Public Services (15% Cap = \$80,101)				
Palo Alto Housing Corp.	SRO Resident Support	\$29,931	\$52,249	\$24,535
Catholic Charities	Ombudsman	\$9,345	\$10,000	\$10,000
LifeMoves (formerly Inn Vision)	Opportunity Services Center	\$29,932	\$65,850	\$31,545
Downtown Streets Team	Food Closet/Delivery	\$100,000*	\$60,000	\$0
Silicon Valley Independent Living Center	Housing and Emergency Services	\$11,232	\$28,826	\$14,021
Public Service Total		\$180,440*	\$ 216,925	\$80,101
Planning & Administration (20% Cap = \$ 133,002)				
Project Sentinel	Fair Housing Services	\$37,480	\$33,698	\$33,698
City of Palo Alto	CDBG Administration	\$90,000	\$90,000	\$99,304
Planning & Administration Total		\$127,480	\$ 123,689	\$133,002
Economic Development (No Cap)				
Downtown Streets Team	Workforce Development Program	\$236,000	\$336,000	\$160,477
Economic Development Total		\$236,000	\$336,000	\$160,477
Housing/Public Facilities Rehabilitation (No Cap)				
Rebuilding Together Peninsula	Safe at Home Program	N/A	\$65,340	\$65,340
Ravenswood Family Health Network	Construction of ADA ramp	N/A	\$425,000	\$300,000
Rehabilitation Total			\$490,340	\$365,340
GRAND TOTAL			\$1,166,954	\$738,920

* In FY2020-21, HUD uncapped the Public Service Category

2020-2025 CONSOLIDATED PLAN GOALS SUMMARY

Goal No. 1: Affordable Housing

- Assist in the creation and preservation of affordable housing for low income and special needs households.

Goal No. 2: Homelessness

- Support activities to prevent and end homelessness.

Goal No. 3: Community Services and Public Improvements

- Support provision of essential human services, particularly for special needs populations, and maintain/expand community facilities and infrastructure.

Goal No. 4: Fair Housing

- Promote fair housing choice.

Goal No. 5: Economic Development

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

CRITERIA FOR FUNDING CONSIDERATION & FY2020-21 SEMIANNUAL PERFORMANCE

- Is the program/ project a HUD eligible activity?
- Does it meet CDBG regulatory requirements?
- Does it serve low-income or presumed benefit population (seniors, homeless, disabled, abused, etc.)?
- Does it demonstrate project or program readiness?
- Does the agency have the administrative capacity to carry out the proposal?
- Is it consistent with the funding priorities, goals and strategies of the 2015-2020 Consolidated Plan?
- How many Palo Alto residents will be served?
- Does the proposal increase the services provided or the number of clients served?
- Are the services duplicated by other agencies?
- What is the agency's previous performance experience and what is the anticipated performance?
- Are other funding sources available? Could the program/ project be achieved with less funding?
- Is there collaboration with other local agencies?

SUMMARY OF FISCAL YEAR 2020-21 SEMIANNUAL PERFORMANCE

Agency	Annual Goal	June-Dec 2020	Percentage of Goal Achieved
LifeMoves	36	49	136%
Palo Alto Housing Corp.	131	146	111%
Project Sentinel	15	8	53%
Ravenswood Family Health Network – COVID 19 Testing and PPE	351	102	29%
Downtown Streets – Workforce Development Program	21	5	24%
Silicon Valley Independent Living Center	22	3	14%
Downtown Streets – Food Closet	180	26	14%
Catholic Charities	243	17	7%



**FISCAL YEAR 2021-22
ANNUAL ACTION PLAN**

DRAFT

**PUBLIC COMMENT PERIOD
March 15, 2021 – April 16, 2021**

ADMINISTERED BY: PLANNING AND DEVELOPMENT SERVICES



Table of Contents

Executive Summary	2
AP-05 Executive Summary - 91.200(c), 91.220(b)	2
The Process	5
PR-05 Lead and Responsible Agencies - 91.200(b)	5
AP-10 Consultation - 91.100, 91.110, 91.200(b), 91.300(b), 91.215(l) and 91.315(l)	7
AP-12 Citizen Participation - 91.105, 91.115, 91.200(c) and 91.300(c)	17
Expected Resources	20
AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)	20
Annual Goals and Objectives	23
AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)and(e).....	23
AP-35 Projects - 91.420, 91.220(d)	25
AP-38 Project Summary	26
AP-50 Geographic Distribution - 91.420, 91.220(f)	33
P-75 Barriers to affordable housing -91.420, 91.220(j)	34
AP-85 Other Actions - 91.420, 91.220(k)	36
Program Specific Requirements.....	39
AP-90 Program Specific Requirements - 91.420, 91.220(l)(1,2,4)	39

Executive Summary

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

Introduction

The City of Palo Alto (City) Fiscal Year (FY) 2021-22 One Year Action Plan contains the City's one-year plan to carry out housing and community development activities funded by Federal formula grant funds received from the U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) program. This Action Plan covers the second of five program years covered by the City's 2020-2025 Consolidated Plan which was adopted by the Palo Alto City Council on June 15, 2020.

The Department of Planning and Development Services is the lead agency for the Consolidated Plan and submits the Annual Action Plan for the City's CDBG program.

HUD requires entitlement jurisdictions to submit an annual Action Plan to report the distribution of federal entitlement grant funds over the Consolidated Plan's five-year period identifying how funding allocations help meet the goals covered in the Consolidated Plan.

A total of \$738,920 is available for funding projects and programs during the 2021 Program Year. The City received \$528,961 from the federal CDBG program, approximately \$136,049 in program income and \$73,910 in reallocated funds from previous years.

The City's Action Plan covers the time period from July 1, 2021 to June 30, 2022, (HUD Program Year 2021). The City's FY 2021-22 Action Plan reports on the status of needs and outcomes the City expects to achieve in the coming year. All of the activities mentioned in this Action Plan are based on current priorities. By addressing these priorities, the City hopes to meet those objectives stated in the 2020-2025 Consolidated Plan. All the proposed projects and activities are intended to principally benefit residents of the City who have extremely low-, low- and moderate-income, and populations that have special needs, such as the elderly, disabled, and homeless.

Summary of the objectives and outcomes identified in the Plan

The City is part of the San Francisco Metropolitan Bay Area, located 35 miles south of San Francisco and 14 miles north of San José. The City is located within the County of Santa Clara, borders San Mateo County, and encompasses an area of approximately 26 square miles, one-third of which consists of open space. According to Quick facts data provided by the U.S. Census Bureau¹

¹ U.S. Census Bureau:
<https://www.census.gov/quickfacts/fact/table/paloaltocitycalifornia,US/PST045219>.

The City's total resident population is 65,364. The City has the most educated residents in the country and is one of the most expensive cities to live in. In Silicon Valley, the City is considered a central economic focal point and is home to over 9,483 businesses.

The Action Plan provides a summary of how the City will utilize its CDBG allocation to meet the needs of the City's lower income population. According to the U.S. census data², 6.1% of all residents within the City had incomes below the federal poverty level.

Additionally, according to the 2019 Point in Time Homeless Census.³ There are 299 unsheltered homeless individuals living within the City of Palo Alto. This number represents an increase of 17% from the 256 individuals that were counted in 2017.

As mentioned previously, a total of \$738,920 is available for funding projects and programs during FY2021-22. The City received \$528,961 from the federal CDBG program, approximately \$136,049 in program income and \$73,910 in reallocated funds from previous years. Table 1, "Fiscal Year 2021 CDBG Budget" below summarizes the uses of the funds proposed during FY 2021-22.

Table 1: Fiscal Year 2021 CDBG Budget

Applicant Agency	Allocation
Public Services	
Palo Alto Housing Corporation - SRO Resident Supportive Services	\$24,535
Catholic Charities of Santa Clara County – Long Term Care Ombudsman	\$10,000
LifeMoves – Case Management at Opportunity Center	\$31,545
Silicon Valley Independent Living Center – Case Management Services	\$14,021
<i>Sub-total</i>	<i>\$80,101</i>
Planning and Administration	
Project Sentinel – Fair Housing Services	\$33,698
City of Palo Alto Administration	\$99,304
<i>Sub-total</i>	<i>\$133,002</i>
Economic Development	
Downtown Streets – Workforce Development Program	\$160,477
<i>Sub-total</i>	<i>\$160,477</i>
Public Facilities and Improvement	
Ravenswood Family Health Network - Construction of ADA ramp	\$300,000
<i>Sub-total</i>	<i>\$300,000</i>
Housing Rehabilitation	

² U.S. Census Bureau: <https://www.census.gov/quickfacts/fact/table/paloaltocitycalifornia,US/PST045219>.

³ South County Homeless Census and Survey Comprehensive Report:

<https://www.sccgov.org/sites/osh/ContinuumofCare/ReportsandPublications/Documents/2015%20Santa%20Clara%20County%20Homeless%20Census%20and%20Survey/2019%20SCC%20Homeless%20Census%20and%20Survey%20Report.pdf>

Rebuilding Together Peninsula – Safe at Home	\$65,340
<i>Sub-total</i>	\$65,340
Grand Total	\$738,920

Evaluation of past performance

The City is responsible for ensuring compliance with all rules and regulations associated with the CDBG entitlement grant program. The City’s Annual Action Plans and Consolidated Annual Performance and Evaluation Reports (CAPER) have provided many details about the goals, projects and programs completed by the City. A review of past CAPERs reveals a strong record of performance in the use of CDBG funds. For example, during the 2015-2020 Consolidated Plan period, 244 affordable rental units were rehabilitated, 130 jobs were created or retained, and nearly 2,600 households were assisted through public service activities for low- and moderate-income housing

The City evaluates the performance of subrecipients on a semiannual basis. Subrecipients are required to submit semiannual progress reports, which include client data, performance objectives, as well as data on outcome measures. Prior to the start of the program year, program objectives are developed collaboratively by the subrecipient and the City, ensuring that they are aligned with the City's overall goals and strategies. The City utilizes the semiannual reports to review progress towards annual goals.

Summary of citizen participation process and consultation process

The City solicited input throughout the development of the FY 2021-22 Annual Action Plan. As required by HUD, the City provides multiple opportunities for public review and comment on the Action Plan and on any substantial amendments to it. Per the City’s adopted Citizen Participation Plan, the City held a 30-day public review comment period for the Action Plan. The City published notifications of upcoming public hearings and the 30-day public review comment period in a local newspaper of general circulation, on the City’s CDBG webpage and via email blasts to stake holders. The City held two advertised public hearings on March 11, 2021 and May 3, 2021. The Action Plan 30-day public review period occurred from March 15, 2021 through April 16, 2021.

Summary of public comments *[To be updated after close of comment period]*

There were no public comments received during the public review period.

Summary of comments or views not accepted and the reasons for not accepting them *[To be updated after close of comment period]*

The City accepts and responds to all comments that are submitted. As mentioned above, no public comments were received regarding the FY 2021-22 Action Plan.

Summary

Please see above.

The Process

PR-05 Lead and Responsible Agencies - 91.200(b)

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

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Table 2: Responsible Agencies

Agency Role	Name	Department/Agency
CDBG Administrator	Palo Alto	City of Palo Alto: Department of Planning and Development Services

Narrative

The City is the Lead and Responsible Agency for the United States Department of Housing and Urban Development’s (HUD) entitlement programs in Palo Alto. The Department of Planning and Development Services is responsible for administering the City’s CDBG program. The City joined the HOME Consortium in 2015 and receives federal HOME Investment Partnership (HOME) funds through the County.

Entitlement jurisdictions receive entitlement funding (i.e., non-competitive, formula funds) from HUD. HUD requires the City to submit a five-year Consolidate Plan and Annual Action Plan to HUD listing priorities and strategies for the use of its federal funds.

The Consolidate Plan helps local jurisdictions to assess their affordable housing and community development needs and market conditions to meet the housing and community development needs of its populations. As a part of the Consolidate Plan process for 2020-2025, the City collaborated with the County of Santa Clara(County) as the Urban County representing the Cities of Campbell, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, and Saratoga; the Cities of Cupertino, Gilroy, Mountain View, Sunnyvale, San José, and Santa Clara; and the Santa Clara County Housing Authority (SCCHA) to identify and prioritize housing and community development needs across the region, and to develop strategies to meet those needs. The FY 2021-22 Annual Action Plan represents the second year of CDBG funding of the 2020-2025 Consolidated Plan.

Consolidated Plan Public Contact Information

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AP-10 Consultation - 91.100, 91.110, 91.200(b), 91.300(b), 91.215(l) and 91.315(l)

Introduction

The Action Plan is a one-year plan which describes the eligible programs, projects and activities to be undertaken with funds expected during FY 2021-22 and their relationship to the priority housing, homeless and community development needs outlined in the 2020-25 Consolidated Plan.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

During Fiscal Year 2021-22, the City will continue to work with non-profit organizations to provide programs and services for low-income households; private industry, including financial and housing development groups, to encourage the development of affordable housing opportunities regionally and within the City; and other local jurisdictions, including the County of Santa Clara, in carrying out and monitoring regional projects in a coordinated and cost-effective manner. The City will provide technical assistance to the public service agencies it funds with CDBG dollars and will continue to attend the biweekly Regional CDBG/Housing Coordinators meetings.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The Santa Clara County Office of Supportive Housing is the administrator of the regional Continuum of Care (CoC). The City continuously coordinates with the Santa Clara County CoC to end and prevent homelessness in the County. City staff attends monthly meetings. The Santa Clara County CoC is a group comprising stakeholders throughout the County, including governmental agencies, homeless service and shelter providers, homeless population, housing advocates, affordable housing developers, and various private parties, including businesses and foundations.

The City's representation on the CoC Board is its Human Services Manager. Members of the CoC meet monthly to plan CoC programs, identify gaps in homeless services, establish funding priorities, and pursue a systematic approach to addressing homelessness. City staff, as well as staff of other cities, meet and consult with the County's CoC staff during the bi-weekly countywide CDBG Coordinators Group meetings, and communicate more frequently via email and/or phone on joint efforts.

The CoC is governed by the CoC Board, which takes a systems-change approach to preventing and ending homelessness. This same CoC Board is comprised of the same individuals who serve on the Destination: Home (Destination Home) Leadership Board. Destination Home is a public-private partnership that is committed to collective impact strategies to end chronic

homelessness. Destination Home is the governing body for the CoC and is responsible for implementing by-laws and operational protocols of the CoC.

Regional efforts of the CoC include the development of The Community Plan to End Homelessness, which identifies strategies to address the needs of people experiencing homelessness in the County, including chronically homeless individuals and families, families with children, veterans, and unaccompanied youth. The plan also addresses the needs of persons at risk of homelessness. The CoC is now in the process of updating a new plan for the next five years and the City plans to participate in these efforts.

Also, during the development of the 2020-25 ConPlan, the City consulted both the CoC and County Office of Supportive Housing for their expertise and experience for identifying community needs.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

The City is not an ESG entitlement jurisdiction and therefore does not receive ESG funds. However, the City does administer federal grant programs that help homeless and low-income families in Santa Clara County. The City also helps fund and conduct the Point in Time (PIT) count, the biennial regional collaborative effort to count and survey people experiencing homelessness. The latest count and survey were conducted in January 2019. The data from the 2019 County of Santa Clara PIT count is used to plan, fund, and implement actions for reducing chronic homelessness and circumstances that bring about homelessness.

The Santa Clara County Office of Supportive Services takes the role of Homeless Management Information System (HMIS) administration. The County, and its consultant Bitfocus, work jointly to operate and oversee HMIS. Both software and HMIS system administration are now provided by Bitfocus. Funding for HMIS in Santa Clara County comes from HUD, the County of Santa Clara, and the City of San Jose. The County's HMIS is used by many City service providers across the region to record information and report outcomes.

Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

Table 3: Agencies, Groups, Organizations Who Participated

1	Agency/Group/Organization	Boys and Girls Clubs of Silicon Valley
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Santa Clara focus group meeting on 11/7/19 as part of the 2020-25 Consolidated Plan process.
2	Agency/Group/Organization	Healthier Kids Foundation Santa Clara County
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Santa Clara focus group meeting on 11/7/19 as part of the 2020-25 Consolidated Plan process.
3	Agency/Group/Organization	Community Services Agency
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation conference call on 11/15/19 as part of the 2020-25 Consolidated Plan process.
4	Agency/Group/Organization	San Jose Conservation Corps Charter
	Agency/Group/Organization Type	Services-Education
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Gilroy focus group meeting on 11/18/19 as part of the 2020-25 Consolidated Plan process.

5	Agency/Group/Organization	CommUniverCity San Jose
	Agency/Group/Organization Type	Services-Education
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation conference call on 11/25/19 and regional forum meeting in San Jose on 11/20/19 as part of the 2020-25 Consolidated Plan process.
6	Agency/Group/Organization	The Health Trust
	Agency/Group/Organization Type	Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Health
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation on 11/21/19 as part of the 2020-25 Consolidated Plan process.
7	Agency/Group/Organization	Rebuilding Together, Silicon Valley
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Strategic plan and needs assessment
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation conference call on 11/21/19 and San Jose regional forum on 11/20/19 as part of the 2020-25 Consolidated Plan process.
8	Agency/Group/Organization	City of Cupertino
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Needs assessment and strategic plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted for consultation as a partner in addressing the needs of the County as part of the 2020-25 Consolidated Plan process.

9	Agency/Group/Organization	City of Gilroy
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Needs assessment and strategic plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was consulted and provided emailed feedback as part of the 2020-25 Consolidated Plan process.
10	Agency/Group/Organization	City of Mountain View
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Needs assessment and strategic plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended regional forum meeting at Palo Alto on 11/7/19 as part of the 2020-25 Consolidated Plan process.
11	Agency/Group/Organization	Bill Wilson Center
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Santa Clara focus group meeting on 11/7/19, community meetings on 11/4/19 at Morgan Hill and 11/20/19 at Roosevelt as part of the 2020-25 Consolidated Plan process.
12	Agency/Group/Organization	Heart of the Valley
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was consulted through interview questions. Agency provided emailed feedback as part of the 2020-25 Consolidated Plan process.

13	Agency/Group/Organization	City of San Jose
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Needs assessment and strategic plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency was contacted for consultation as a partner in addressing the needs of the County as part of the 2020-25 Consolidated Plan process.
14	Agency/Group/Organization	City of Morgan Hill
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Needs assessment and strategic plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended regional forum meeting at Morgan Hill on 11/4/19 as part of the 2020-25 Consolidated Plan process.
15	Agency/Group/Organization	City of Sunnyvale
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Needs assessment and strategic plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended regional forum meeting at Palo Alto on 11/7/19 and provided emailed feedback as part of the 2020-25 Consolidated Plan process.
16	Agency/Group/Organization	Servant Partners
	Agency/Group/Organization Type	Neighborhood Organization Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Needs Assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Attended community meeting on 11/13/19 at Hillview library as part of the 2020-25 Consolidated Plan process.

17	Agency/Group/Organization	Senior Adults Legal Assistance (SALA)
	Agency/Group/Organization Type	Service-Fair Housing Legal
	What section of the Plan was addressed by Consultation?	Needs assessment and strategic plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Palo Alto and San Jose public engagement meeting on 11/17/19 and 11/19/19, regional forum meeting on 11/4/19 at Morgan Hill and 11/7/19 at Palo Alto as part of the 2020-25 Consolidated Plan process.
18	Agency/Group/Organization	HomeFirst
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended regional forum meeting at Morgan Hill on 11/4/19 as part of the 2020-25 Consolidated Plan process.
19	Agency/Group/Organization	Santa Clara County Office of Supportive Housing
	Agency/Group/Organization Type	Other government - County Continuum of Care
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended regional forum meeting at Morgan Hill on 11/4/19 and at Palo Alto on 11/7/19 as part of the 2020-25 Consolidated Plan process.
20	Agency/Group/Organization	City of Santa Clara
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended regional forum meeting at Morgan Hill on 11/4/19 and provided emailed feedback as part of the 2020-25 Consolidated Plan process.
21	Agency/Group/Organization	Vista Center for the Blind and Visually Impaired
	Agency/Group/Organization Type	Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation on 12/9/19 as part of the 2020-25 Consolidated Plan process.
22	Agency/Group/Organization	Destination: Home
	Agency/Group/Organization Type	Services-homeless
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended stakeholder consultation on 11/11/19 as part of the 2020-25 Consolidated Plan process.
23	Agency/Group/Organization	Community Solutions
	Agency/Group/Organization Type	Services-Victims of Domestic Violence
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the AFH and ConPlan joint meeting on 12/11/19 at the Gilroy Council Chambers as part of the 2020-25 Consolidated Plan process.
24	Agency/Group/Organization	St Mary Parish
	Agency/Group/Organization Type	Neighborhood Organization Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan

	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended the AFH and ConPlan joint meeting on 12/11/19 at the Gilroy Council Chambers as part of the 2020-25 Consolidated Plan process.
25	Agency/Group/Organization	Community and Neighborhood Revitalization Committee - Gilroy
	Agency/Group/Organization Type	Community Organization
	What section of the Plan was addressed by Consultation?	Needs assessment and Strategic Plan
	How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency co-hosted the AFH and ConPlan joint meeting on 12/11/18 at the Gilroy Council Chambers as part of the 2020-25 Consolidated Plan process.

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

Not applicable.

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

Table 4: Other Local / Regional / Federal Planning Efforts

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Regional Continuum of Care Council	Identifies housing inventory count to facilitate the provision of housing services to those experiencing homelessness.
City of Palo Alto Housing Element (2015-2023)	City of Palo Alto	Identifies barriers to affordable housing, such as land-use controls, inefficiencies of the development review process, and strategies to alleviate such barriers
2012-2014 Comprehensive HIV Prevention and Care Plan	Santa Clara County HIV Planning Council for Prevention and Care	This plan provides a roadmap for the Santa Clara County HIV Planning Council for Prevention and Care to provide a comprehensive and compassionate system of HIV prevention and care services for the County. This effort aligns with the Strategic Plan's goal to support activities that strengthen neighborhoods through the provision of community services and public improvements.
SCCHA Moving to Work Annual Plan	Santa Clara County Housing Authority	Addresses housing authority updates and strategies pertaining to public housing and vouchers.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Regional Housing Need Plan for San Francisco Bay Area	Association of Bay Area Governments	This plan analyzes the total regional housing need for the County and all of the Bay Area. This effort aligns with the Strategic Plan's goal to assist in the creation and preservation of affordable housing.
Community Plan to End Homelessness in Santa Clara	Destination: Home	The Community Plan to End Homelessness in the County is a five-year plan to guide governmental actors, nonprofits, and other community members as they make decisions about funding, programs, priorities and needs. This effort aligns with the Strategic Plan's goal to support activities to end homelessness.
Palo Alto's Infrastructure: Catching Up, Keeping Up, and Moving Ahead	City of Palo Alto Infrastructure Blue Ribbon Plan	This plan details recommendations for infrastructure maintenance and replace, as well as identifies potential sources of funding. This effort aligns with the Strategic Plan's goal to support activities that strengthen neighborhoods through the provision of community services and public improvements.
City of Palo Alto Comprehensive Plan (2030)	City of Palo Alto	This plan is the primary tool for guiding future development in Palo Alto. It provides a guide for long-term choices and goals for the City future. This effort aligns with the Strategic Plan's goal to support activities that strengthen neighborhoods through the provision of community services and public improvements.

Narrative

Please see above.

AP-12 Citizen Participation - 91.105, 91.115, 91.200(c) and 91.300(c)

Summary of citizen participation process/Efforts made to broaden citizen participation. Summarize citizen participation process and how it impacted goal-setting

The Planning and Development Services Department is the lead agency for overseeing the development of the Consolidated Plan and Action Plan. Per the City’s adopted Citizen Participation Plan, the City is to allow a 30-day public review and comment period for the Action Plan. The City has published notifications of upcoming public hearings and the 30-day public review comment period in the local newspaper of general circulation, on its CDBG webpage and via email blasts. The City held two advertised public hearings on March 11, 2021 and May 3, 2021. The Action Plan 30-day public review period occurred from March 15, 2021 through April 16, 2021. The City has not received any public comments to-date.

Citizen Participation Outreach

Table 5: Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted/reasons	URL (if applicable)
1.	Public Hearing	Nontargeted/ broad community	The Human Relations Commission met on March 11, 2021 to discuss the FY2021- 22 funding allocations and review the draft FY2021-22 Annual Action Plan	Five members of the public, each representing human services agencies, spoke; four agencies submitted written correspondence.	All comments were accepted.	
2.	Public Hearing	Nontargeted/ broad community	The City Council met on May 3, 2021 to discuss the FY2021- 22 funding allocations and adopt the draft FY2021-22 Annual Action Plan	Five members of the public, each representing human services agencies, spoke; four agencies	All comments were accepted.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted/reasons	URL (if applicable)
				submitted written correspondence.		
3.	Newspaper Ad	Nontargeted/ broad community	Notice of Public Hearing and Public Comment Period on the Draft AAP was published in the Daily Post on February 25, 2021.	Update If Comments Received	All comments were accepted.	
4.	Newspaper Ad	Nontargeted/ broad community	Notice of City Council Public Hearing was published in the Daily Post on April 19, 2021.	Update If Comments Received	All comments were accepted.	
5.	Website	Nontargeted/ broad community	Draft AAP FY2021-22 posted at:	Update If Comments Received	Update If Comments Received	
6.	Email Blast	Nontargeted/ broad community	Notice of Public Hearing and Public Comment Period on the Draft AAP was emailed to approximately 55 stakeholders.	Update If Comments Received	Update If Comments Received	
7.	Email Blast	Nontargeted/ broad community	Notice of City Council Public Hearing was	Update If Comments Received	Update If Comments Received	

			emailed to approximately 55 stakeholders.			
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Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

In FY 2021-22, the City will allocate \$738,920 to eligible activities that address the needs identified in the Consolidated Plan. It should be noted that while the HUD CDBG allocations are critical, the allocations are not sufficient to overcome barriers and address all needs that low-income individuals and families face in attaining self-sufficiency. The City will continue to leverage additional resources as described below to provide support and services to the populations in need within the community. The following section discusses the anticipated resources available during the next five years for community development activities.

Anticipated Resources

Table 6: Expected Resources – Priority Table

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public - Federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	528,961	136,049	73,910	738,920	CDBG funds will be used for the creation and preservation of affordable rental units, improvements in lower income neighborhoods, and public services that benefit low income and special needs households.	

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Entitlement Funds

Leverage, in the context of the CDBG and HOME Investment Partnerships Program (HOME), means bringing other local, state, and federal financial resources to maximize the reach and impact of the City's HUD Programs. HUD, like many other federal agencies, encourages the recipients of federal monies to demonstrate that efforts are being made to strategically leverage additional funds in order to achieve greater results.

The City joined the Santa Clara County's HOME Consortium in 2015 and does not receive federal HOME funds on an entitlement basis from HUD. The HOME Consortia consists of the cities of Cupertino, Gilroy, Palo Alto, and the Urban County. HOME funds can be used to fund eligible affordable housing projects for acquisition, construction and rehabilitation. Starting in FY 2015-16 developers of affordable housing projects were eligible to competitively apply through an annual RFP process directly to the County for HOME funds to help subsidize affordable housing projects in Palo Alto. Applications will be directly submitted through the County's request for proposal process for available HOME funds. Certain nonprofit organizations known as Community Housing Development Organizations (CHDOs) may also apply for funding from State HCD for housing projects located within Palo Alto. The City received one HOME grant from 1992 HOME funding for the Barker Hotel project. Proceeds from HOME loan repayments must be deposited into a HOME Program Income Fund and used in accordance with the HOME program regulations.

In addition, the County will only fund a project that has the local support of the City. If the City receives HOME dollars from its participation in the HOME consortium, the required 25 percent matching funds will be provided from the City's Affordable Housing Fund, which is comprised of two sub-funds: The Commercial Housing Fund and the Residential Housing Fund. To date, no projects within the City have been funded through the HOME Consortium. Moving forward, the City plans to increase outreach to developers in the City to provide additional information on the HOME Consortium and available funding.

Other State and Federal Grant Programs

In addition to the CDBG entitlement dollars, the federal government has several other funding programs for community development and affordable housing activities. These include: Section 8 Housing Choice Voucher Program, Section 202, Section 811, the Federal Home Loan Bank Affordable Housing Program (AHP), and others. It should be noted that in most cases the City would not be the applicant for these funding sources as many of these programs offer assistance to affordable housing developers rather than local jurisdictions.

The State of California has recently passed approximately 20 bills with the intent of increasing or preserving affordable housing with the State. According to the Governor's State of the State address, bills that help increase housing production, both market-rate and affordable, will be a priority in 2020. The City will continue to track and look for opportunities to leverage State resources for the City.

Local Housing and Community Development Sources

Other local resources that support housing and community development programs include:

- Palo Alto Commercial Housing Fund, which is for the development of workforce units and paid by mitigation fees on commercial and industrial projects; and
- Palo Alto Residential Housing Fund, which is for the development of below market rate (BMR) housing units and paid by miscellaneous funding sources.

The City will continue to seek opportunities for projects that meet local bond requirements in order to bring additional resources to help the City's affordable housing shortage.

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

The City has no surplus public land. However, in 2019, the Governor Newsome signed Executive Order N-06-19 that ordered the California Department of General Services (DGS) and the California Department of Housing and Community Development (HCD) to identify and prioritize excess state-owned property and aggressively pursue sustainable, innovative, cost-effective housing projects. There is no excess state property in the City of Palo Alto.

Discussion

Please see information provided in previous sections.

Annual Goals and Objectives

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

Goals Summary Information

Table 7: Goals Summary

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Affordable Housing	2020	2025	Affordable Housing	Citywide	Affordable Housing	CDBG: \$65,340	Homeowner Housing Rehabilitated: 5 Household Housing Units.
2	Homelessness	2020	2025	Homeless	Citywide	Homelessness	CDBG: \$56,080	Public service activities other than Low/Moderate Income Housing Benefit: 161 Persons Assisted.
3	Strengthen Neighborhoods	2020	2025	Non-Homeless Special Needs Non-Housing Community Development	Citywide	Community Services and Public Improvements	CDBG: \$324,021	Public service activities other than Low/Moderate Income Housing Benefit: 2077 Persons Assisted
4	Fair Housing	2020	2025	Non-Housing Community Development	Citywide	Fair Housing	CDBG: \$33,698	Public service activities other than Low/Moderate Income Housing Benefit: 15 Persons Assisted
5	Economic Development	2020	2025	Non-Housing Community Development	Citywide	Economic Development	CDBG: \$160,477	Jobs created/retained: 14 Jobs

Goal Descriptions

1	Goal Name	Affordable Housing
	Goal Description	Assist in the creation and preservation of affordable housing for low income and special needs households.
2	Goal Name	Homelessness
	Goal Description	Support activities to prevent and end homelessness, such as funding affordable housing opportunities, resource centers for homeless individuals, and support for tenants of single-room occupancy units.
3	Goal Name	Strengthen Neighborhoods
	Goal Description	Provide community services and public improvements to benefit low-income and special needs households. This includes assisting those with disabilities to transition from unstable housing to permanent housing, supporting residents of long-term care facilities, and supporting individuals experiencing domestic violence.
4	Goal Name	Fair Housing
	Goal Description	Promote fair housing choice by funding fair housing organizations to provide fair housing services, such as education, tenant-landlord mediation, and testing.
5	Goal Name	Economic Development
	Goal Description	Support economic development activities that promote employment growth and help lower-income people secure and maintain jobs. This includes funding nonprofits working toward developing the skills of low-income and homeless individuals.

AP-35 Projects - 91.420, 91.220(d)

Introduction

The Consolidated Plan goals below represent high priority needs for the City of Palo Alto (City) and serve as the basis for the strategic actions the City will use to meet these needs. The goals, listed in no particular order, are:

1. Assist in the creation and preservation of affordable housing for low income and special needs households.
2. Support activities to end homelessness.
3. Support activities that strengthen neighborhoods through the provision of community services and public improvements to benefit low income and special needs households.
4. Promote fair housing choice.
5. Expand economic opportunities for low income households.

No.	Project Name
1.	Ravenswood Family Health Network - ADA Accessible Clinic Entrance and Exit at the MayView Palo Alto Clinic
2.	Catholic Charities of Santa Clara County - Long Term Care Ombudsman
3.	LifeMoves - Opportunity Services Center and Hotel De Zink (HDZ): Case Management
4.	Palo Alto Housing Corporation - Single Room Occupancy (SRO) Support Services
5.	Silicon Valley Independent Living Center- Housing and Emergency Services for Persons with Disabilities
6.	Project Sentinel - Fair Housing Services
7.	City of Palo Alto - Planning and Administration
8.	Downtown Streets Inc. - Workforce Development Program.
9.	Rebuilding Together Peninsula – Safe at Home

Table 8: Project Information

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

The City awards CDBG funding to projects and programs that will primarily benefit low-income, homeless and special needs households. The City operates on a two-year grant funding cycle for CDBG public service grants and a one-year cycle for CDBG capital housing rehabilitation and public facilities and improvement projects. Projects are only considered for funding within the Consolidated Plan period if they address the goals discussed above.

AP-38 Project Summary

Project Summary Information

1	Project Name	Ravenswood Family Health Network: ADA Accessible Clinic Entrance and Exit at the Palo Alto Clinic
	Target Area	Citywide
	Goals Supported	Strengthen Neighborhoods
	Needs Addressed	Community Services and Public Improvements
	Funding	CDBG: \$300,000
	Description	This project will help in the creating a safe and accessible ADA entrance and exit to the Palo Alto Clinic at 270 Grant Ave, Palo Alto to allow for adequate social distancing to prevent the spread of COVID-19 as well as improve patients' access to the clinic.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Approximately 2,000 Palo Alto residents will benefit from the proposed activity
	Location Description	Citywide.
	Planned Activities	Project activities include removal of the existing ramp and replacement with an ADA accessible ramp and a stair option. Additionally, a motion sensor door will be installed to allow safe and easy access to the clinic.
2	Project Name	Catholic Charities of Santa Clara County: Long Term Care Ombudsman
	Target Area	Citywide
	Goals Supported	Strengthen Neighborhoods

	Needs Addressed	Community Services and Public Improvements
	Funding	CDBG: \$10,000
	Description	Long-Term Care Ombudsman Program. Eligible Activity (Matrix Code):05A. CDBG National Objective: 570.208(a)(2). CDBG Citation:570.201(e). Recipient Type: LMC
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	The program will provide advocacy and complaint investigation for 50 elderly residents of long-term care facilities in Palo Alto.
	Location Description	Long-term care and skilled nursing facilities throughout the City.
	Planned Activities	Regular contact with Palo Alto Residential Care Facilities to observe and monitor conditions of care.
3	Project Name	LifeMoves - Opportunity Services Center and Hotel De Zink (HDZ): Case Management
	Target Area	Citywide
	Goals Supported	Homelessness
	Needs Addressed	Homelessness
	Funding	CDBG: \$31,545
	Description	Opportunity Services Center Eligible Activity (Matrix Code):03TCDBG National Objective: 570.208(a)(2). CDBG Citation:570.201(e). Recipient Type: LMC
	Target Date	6/30/2021
	Estimate the number and type of families that will benefit from the proposed activities	30 unduplicated individuals (homeless and/or very low income individuals per year) will receive case management services including assistance with housing/job searches, referrals and mentoring at the Opportunity Services Center and Hotel De Zink.

	Location Description	33 Encina Way, Palo Alto, CA 94301
	Planned Activities	Case management services will be provided to Opportunity Services Center and Hotel De Zink clients in locating housing and/or employment and be connected to benefits.
4	Project Name	PAHC Management and Services Corporation
	Target Area	Residents of Barker Hotel (25 units) and Alma Place (106 units)
	Goals Supported	Homelessness
	Needs Addressed	Homelessness
	Funding	CDBG: \$24,535
	Description	SRO Resident Support Program. Eligible Activity (Matrix Code):05OCDBG National Objective:570.208(a)(2). CDBG Citation:570.201(e). Recipient Type: LMC
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	Case management and support counseling services will be provided to residents of Barker Hotel and Alma Place
	Location Description	439 Emerson Street, Palo Alto, CA 94301 735 Alma Street Palo Alto, CA 94301
	Planned Activities	Palo Alto Housing Corporation engages a service coordinator to provide 40 hours weekly services to provide case management and support counseling services to residents at Alma Place and Barker Hotel to help them maintain housing stability. Activities include financial counseling, health maintenance, information and referral, problem solving, employment assistance, crisis intervention and case management. Both Alma Place and Barker Hotel are single-room occupancy facilities.
	Project Name	Silicon Valley Independent Living Center: Housing and Emergency Housing Services.

5	Target Area	Citywide
	Goals Supported	Strengthen Neighborhoods
	Needs Addressed	Community Services and Public Improvements
	Funding	CDBG: \$14,021
	Description	Housing and Emergency Housing Services. Eligible Activity (Matrix Code):05B. CDBG National Objective:570.208(a)(2). CDBG Citation:570.201(e).Recipient Type: LMC
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	27 unduplicated Palo Alto residents will benefit from one on one housing assistance.
	Location Description	Citywide.
	Planned Activities	Silicon Valley Independent Living Center provides assistance for individuals with disabilities and their families to transition from homelessness, health care facilities, unstable or temporary housing to permanent affordable, accessible, integrated housing with emergency assistance, security deposits, rent, information, and referral, and other basic essentials.
6	Project Name	Project Sentinel - Fair Housing Services
	Target Area	Citywide
	Goals Supported	Fair Housing
	Needs Addressed	Fair Housing
	Funding	CDBG: \$33,698
	Description	Fair Housing Services. Eligible Activity (Matrix Code):21D. CDBG National Objective:570.208(a)(2). CDBG Citation: 570.206(c). Recipient Type: LMC

	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	15 unduplicated individuals will be provided with fair housing services of complaint counseling, investigation and where appropriate enforcement referral.
	Location Description	Citywide.
	Planned Activities	Project Sentinel will provide community education and outreach regarding fair housing law and practices, investigation, counseling and legal referral for victims of housing discrimination, and analyses for City staff and officials regarding fair housing practices. California and federal fair housing laws assure specific protected classes the right to be treated in terms of their individual merits and qualifications in seeking housing. Unfortunately, some people are not aware of the law or their rights.
7	Project Name	City of Palo Alto - Planning and Administration
	Target Area	Citywide
	Goals Supported	Affordable Housing Homelessness Strengthen Neighborhoods Fair Housing Economic Development
	Needs Addressed	Affordable Housing Homelessness Community Services and Public Improvements Fair Housing Economic Development
	Funding	CDBG: \$99,304
	Description	Planning and Administration: CDBG Citation: 570.206(a)

	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	The City will provide general administrative support to the CDBG program.
	Location Description	Citywide.
	Planned Activities	Administer the Administrative costs for the overall management, coordination, and evaluation of the CDBG program, and the project delivery costs associated with bringing projects to completion.
8	Project Name	Downtown Streets Inc. - Workforce Development Program.
	Target Area	Citywide
	Goals Supported	Economic Development
	Needs Addressed	Economic Development
	Funding	CDBG: \$160,477
	Description	Workforce Development Program. Eligible Activity (Matrix Code): 05H.CDBG National Objective: 570.208(a)(2)(A). CDBG Citation: 570.204(a)(2). Recipient Type: LMC
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	14 unduplicated homeless and unemployed persons will be placed in jobs through job training/employment readiness classes and outreach to local employers.
	Location Description	Citywide.

	Planned Activities	The Workforce Development Program will provide a transition from unemployment and homelessness to regular employment and housing through case management, job training, mentoring, housing, and transportation assistance. Downtown Streets Team will screen and prepare applicants and will use their community connections to provide training and job opportunities.
9	Project Name	Rebuilding Together Peninsula – Safe at Home
	Target Area	Citywide
	Goals Supported	Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$65,340
	Description	Preserves affordable housing by transforming homes through critical repairs and accessibility modifications, at no cost to the service recipient. The majority of the low-income homeowners served will be elderly seniors and/or people with disabilities, who are physically and financially unable to maintain safe living conditions for themselves and their families
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	5 households
	Location Description	Citywide
	Planned Activities	Provide home safety repairs, mobility and accessibility improvements for low- income households in Palo Alto with the primary consideration being the correction of safety hazards.

AP-50 Geographic Distribution - 91.420, 91.220(f)

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

The City allocates CDBG funds to benefit low-moderate income (LMI) households and does not have target areas. Instead, the City focuses its services and capital improvements across the City as a whole.

Geographic Distribution

Table 9: Geographic Distribution

Target Area	Percentage of Funds
Citywide	100%

Rationale for the priorities for allocating investments geographically

Not applicable.

Discussion

Please see discussion above.

P-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

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

It should be noted that in a constrained housing supply market, when housing developments produce housing that is relatively affordable, higher income buyers and renters generally outbid lower income households. A home's final sale or rental price will typically exceed the projected sales or rental costs. Public subsidies are often needed to guarantee affordable homes for low and moderate income households.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

Palo Alto is addressing the barriers to affordable housing through:

- **Context-Based Design Codes:** The City adopted form-based codes in 2006 to ensure and encourage residential development by following context-based design guidelines to incentivize increased density needs.
- **Density Bonus Ordinance:** The City adopted a Density Bonus Ordinance in January 2014 to allow for bonuses of 20 to 35 percent, depending on the amount and type of affordable housing provided, the regulations also allow for exceptions to applicable zoning and other development standards, to further encourage development of affordable housing.
- **Below Market Rate (BMR) Housing Program:** Established in 1974, the City's BMR requires developers to provide a certain percentage of units as BMR in every approved project of three units or more. The program originally required that for

developments on sites of less than five acres, the developer must provide 15 percent of the total housing units as BMR housing units. If the site was larger than five acres, the developer was required to provide 20 percent of the units as BMR housing. The City of Palo Alto have historically used in-lieu fees and the use of development impact fees charged on new, market-rate housing and/or commercial development. The City updated its Commercial and Residential Impact Fee Nexus Studies and adopted two ordinances to make changes to its BMR program and adopted a new fee structure. The ordinances became effective on June 19, 2017.

- **Fair Housing:** The City provides funding to Project Sentinel. Project Sentinel provides expertise in fair housing law and tenant-landlord disputes. Services include information, referrals, community outreach and education. In addition, Project Sentinel resolve fair housing complaints via investigation, mediation, education and outreach to both property owners and tenants about fair housing policies.
- **Housing Implementation Ordinance (HIP):** Effective May 2, 2019, this Ordinance adopted changes to the following zoning districts: Citywide – where multifamily uses are permitted, Multifamily Residential Districts (RM), Downtown (CD-C), California Avenue (CC ((2))), and El Camino Real (CS and CN).
- **Affordable Housing (AH) Combining District:** In 2018, The City Council adopted the Affordable Housing Combining District to provide flexible development standards beyond the State Density Bonus Law to allow 100% affordable housing projects located in a commercial zoned area.
- **Workforce Housing (WH) Combining District:** The City Council also adopted in 2018 the Workforce Housing Combining District to encourage the development of housing within half-mile of major fixed rail transit by modifying flexible development standards for the public facilities (PF) zoning district.

Discussion

Please see above.

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

This section discusses the City's efforts in addressing the underserved needs, expanding and preserving affordable housing, reducing lead-based paint hazards, and developing institutional structure for delivering housing and community development activities.

Actions planned to address obstacles to meeting underserved needs

The diminishing amount of funds continues to be the most significant obstacle to addressing the needs of underserved populations. To address this, the City supplements its CDBG funding with other resources and funds, such as:

- In FY2020-21, The City's Human Service Resource Allocation Process (HSRAP) provided \$549,306 from the General Fund in support of human services. The HSRAP funds, in conjunction with the CDBG public service funds, are distributed to local non-profit agencies. Additionally, approximately \$78,000 was provided to nonprofit organizations serving Palo Alto residents with short-term and/or urgent funding to address emergency, critical or emerging human services needs through the Emerging Needs Fund.
- The Palo Alto Commercial Housing Fund is used primarily to increase the number of new affordable housing units for Palo Alto's work force. It is funded with mitigation fees required from developers of commercial and industrial projects.
- The Palo Alto Residential Housing Fund is funded with mitigation fees provided under Palo Alto's BMR housing program from residential developers and money from other miscellaneous sources, such as proceeds from the sale or lease of City property. The Residential Housing Fund is used to assist new housing development or the acquisition, rehabilitation or the preservation of existing housing for affordable housing.
- The City's Below Market Rate Emergency Fund was authorized in 2002 to provide funding on an ongoing basis for loans to BMR owners for special assessment loans and for rehabilitation and preservation of the City's stock of BMR ownership units.
- HOME Program funds are available on an annual competitive basis through the State of California HOME program, and the County's HOME Consortium.
- The Housing Authority of the County of Santa Clara (HACSC) administers the federal Section 8 program countywide. The program provides rental subsidies and develops affordable housing for low income households, seniors and persons with disabilities living within the County.

Actions planned to foster and maintain affordable housing

The City will foster and maintain affordable housing by continuing the following programs and ordinances:

- The Below Market Rate Emergency Fund which provides funding on an ongoing basis for loans to BMR owners for special assessment loans and for rehabilitation and preservation of the City’s stock of BMR ownership units.
- The Commercial Housing Fund is used primarily to increase the number of new affordable housing units for Palo Alto’s work force.
- The Residential Housing Fund is used to assist new housing development or the acquisition, rehabilitation or the preservation of existing housing for affordable housing.
- The Density Bonus Ordinance adopted by the City Council in January 2014. The density bonus regulations allow for bonuses of 20 to 35 percent, depending on the amount and type of affordable housing provided.
- The City’s participation in the County’s HOME Consortium will allow developers of affordable housing projects to be eligible to competitively apply through an annual RFP process directly to the County for HOME funds to help subsidize affordable housing projects in Palo Alto, including acquisition, construction and rehabilitation.

Actions planned to reduce lead-based paint hazards

The City’s housing and CDBG staff provides information and referral to property owners, developers, and non-profit organizations rehabilitating older housing about lead-based paint (LBP) hazards. Any house to be rehabilitated with City financial assistance is required to be inspected for the existence of LBP and LBP hazards. The City will provide financial assistance for the abatement of LBP hazards in units rehabilitated with City funding. The City also requires that contractors are trained and certified in an effort to decrease the risk of potential use of LBP in new units. All development and rehabilitation projects must be evaluated according to HUD’s Lead Safe Housing Rule 24 CFR Part 35.

Actions planned to reduce the number of poverty-level families

The City, in its continuing effort to reduce poverty, will prioritize funding agencies that provide direct assistance to the homeless and those in danger of becoming homeless. In FY 2021-2022, these programs will include the following:

- LifeMoves provides basic necessities for persons who are homeless or at risk of becoming homeless. The Opportunity Services Center is a comprehensive, one-stop, multi-service, day drop-in center that provides critical services for homeless Palo Alto residents. Specifically, the facility provides showers, laundry, clothing, snacks, case management, and shelter/housing referral services.
- Palo Alto Housing Corporation will provide counseling and supportive case management services for low-income residents of single-room occupancy facilities to help them maintain housing stability. Activities include financial counseling, health maintenance, information and referral, problem solving, employment assistance, crisis intervention, and case management.

- Downtown Streets Team works to reduce homelessness through a “work first” model. Downtown Streets Team uses its community connections to provide training and job opportunities to homeless people, specifically in the downtown area.

Actions planned to develop institutional structure

The City is striving to improve intergovernmental and private sector cooperation to synergize efforts and resources and develop new revenues for community service needs and the production of affordable housing. Collaborative efforts include:

- Regular bi-weekly meetings between entitlement jurisdictions at the CDBG Coordinators Meeting and Regional Housing Working Group.
- Joint jurisdiction Request for Proposals and project review committees.
- Coordination on project management for projects funded by multiple jurisdictions.
- HOME Consortium meetings between member jurisdictions for affordable housing projects.

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

The City benefits from a strong jurisdiction and region-wide network of housing and community development partners, such as the County and the Continuum of Care. To improve intergovernmental and private sector cooperation, the City will continue to participate with other local jurisdictions and developers in sharing information and resources.

In addition to the actions listed above, the City will continue to coordinate with the City’s human services funding efforts to comprehensively address community needs.

Discussion

Please see discussions above.

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

The following provides additional information about the CDBG program income and program requirements.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	136,049
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	136,049

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

Discussion

Please see discussion above.

