



# Planning & Development Services

## Memorandum

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**To:** Human Relations Commission  
**From:** Clare Campbell, Manager of Long Range Planning  
**Date:** March 10, 2022  
**Re:** Recommendations for Fiscal Year 2022-23 Community Development Block Grant Funding Allocations and Review of the Draft Fiscal Year 2022-23 Annual Action Plan

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### **Recommendation**

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

1. Provide funding recommendations for the Fiscal Year 2022-23 Community Development Block Grant (CDBG) Entitlement Program; and
2. Recommend Council approve the Draft Fiscal Year 2022-23 Annual Action Plan (Attachment E) amended as needed to reflect the HRC recommended funding allocations.

### **Executive Summary**

The City is preparing for its second year of a two-year CDBG funding cycle for Fiscal Year (FY) 2022-23. A Notice of Funding Availability (NOFA) was released on December 13, 2021, requesting applications specifically for Public Improvement and Facilities projects for the CDBG Fiscal Year 2022-23 funding cycle. The City did not receive any new funding applications.

For FY 2021-22 (year one), the City approved eight funding applications. Seven of those projects are being carried over into FY 2022-23 (second year of funding). The project not being carried over is a facilities improvement project with a one-time allocation.

On February 24, 2022, the Selection Committee reviewed the applications and recommended funding allocations for each project, see Table 1 for summary. 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. The City is anticipating receiving formal notification from the U.S. Department of Housing and Urban Development (HUD) of the City's CDBG funding allocation in early March.

## Background

The CDBG program, administered by U.S. Department of Housing and Urban Development (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<sup>1</sup>:

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. 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 Plan<sup>2</sup>, 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 programs 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 FY2022-23 AAP.

## Application Review Process

Funding applications for Public Improvement and Facilities projects were made available on December 13, 2021. A notice of CDBG funding availability was published in the Palo Alto Weekly on December 13, 2021, with completed applications due January 14, 2022. A mandatory pre-proposal conference was conducted on January 7, 2022, to assist applicants with program regulations and project eligibility questions.

Per HUD's regulations and the City's adopted "Citizen Participation Plan<sup>3</sup>," the City must ensure adequate citizen participation in the CDBG funding process. Prior to the submission of the AAP, 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 scheduled March 10, 2022, will serve as the first public hearing and the City Council meeting tentatively scheduled for May 2, 2022, will serve as the second public hearing. Staff will circulate the AAP for public comment for a 30-day period after the March 2022 HRC meeting.

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<sup>1</sup> CDBG National Objectives:

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

<sup>2</sup> 2020-2025 Consolidated Plan: <https://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?t=49340.42&BlobID=79655>

<sup>3</sup> Adopted Citizen Participation Plan 2020:

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

HRC Selection Committee

On February 24, 2022, 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 FY2022-23 funding recommendations based on criteria outlined in the report attachments.

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). If more funds are received than estimated, the recommendation is to (1) allocate additional funds to projects within the Public Services to match what was funded this year (FY2021-22), and (2) allocate additional un-capped funds to the 50-unit low income housing project at 525 E. Charleston Road.

The Selection Committee’s project funding recommendations are detailed in Table 1 below and in Attachment C.

**Discussion**

This section includes information on the CDBG funds available for allocation, funding categories, and applications received for FY2022-23 funding cycle.

Funds Available for Allocation in FY2022-23

The CDBG federal appropriations for FY2022-2023 have not yet been determined by HUD. For budgeting purposes, staff estimated the City’s HUD Entitlement Grant for FY2022-2023 based on a 10% reduction from the FY2021-2022 entitlement grant. The estimated total amount available for allocation in FY2022-2023 is \$665,459, which includes the entitlement grant, program income, and previous year’s resources, as summarized below.

|   |                  |
|---|------------------|
| FY2022-2023 Entitlement Grant (Estimated)   | \$483,080        |
| Estimated Program Income in FY2022-23 from Alta Housing generated from loan repayments and rental income in excess of expenses on specific properties acquired or rehabilitated with CDBG funds | \$126,000        |
| Prior Year Resources (FY2021-22)  | \$56,379         |
| <b>Estimated Total Available for Allocation</b>   | <b>\$665,459</b> |

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 estimated amount available to allocate in each of the activity area is summarized below.

| <b>Breakdown of Capped/Un-capped Estimated Funds</b> |                  |
|--|------------------|
| Estimated Public Service Maximum                     | \$91,000         |
| Estimated Planning and Administration Maximum        | \$121,000        |
| Estimated Un-capped Funds                            | \$453,459        |
| <b>Estimated Total Available for Allocation</b>      | <b>\$665,459</b> |

Changes to “Public Services” and “Planning and Administration” Categories

For this second year of CDBG funding, staff is recommending a change to the allocation distribution for “Public Services” and “Planning and Administration” categories. The reason for this change is a direct result of the change in staffing that administers the CDBG program. As of November 2021, the City is using consultant services to administer the program due to the related staff vacancy. With this change, additional budget is needed to maintain the program administration and the City is requesting to retain 100% of the administration allocation for this purpose.

As a result of the City being allocated 100% of the administration allocation, the Project Sentinel program was moved into the Public Services category and the total allocation for this category must be divided by five programs now, instead of four. There is approximately \$91k to allocate to the five programs, when previously it was four programs.

Funding Applications

For FY 2022-23, the summary of projects recommended for funding are listed below. As noted in the descriptions below and in Table 1, the Selection Committee recommendations for the funding allocations are provided. For reference, Attachment B provides a more detailed summary of each application/program, and the mid-year performance report for the existing programs is provided in Attachment E.

*Public Service (15% Cap)*

**1. Catholic Charities**

Requested: \$10,000      FY2021-22 Allocation: \$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      FY2021-22 Allocation: \$31,545

**Recommendation: \$23,613**

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. Alta Housing**

Requested: \$24,535      FY2021-22 Allocation: \$24,535

**Recommendation: \$20,113**

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

**4. Silicon Valley Independent Living Center**

Requested: \$27,246      FY2021-22 Allocation: \$14,021

**Recommendation: \$14,021**

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

**5. Project Sentinel**

Requested: \$33,698      FY2021-22 Allocation: \$33,698

**Recommendation: \$23,615**

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.

*Planning & Administration (20% Cap)*

**1. City of Palo Alto for CDBG Administration**

Requested: \$121,816      FY2021-22 Allocation: \$99,304

**Recommendation: \$121,816**

The project activities include administration of the CDBG program. Per HUD’s regulations, upto 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      FY2021-22 Allocation: \$ 160,477

**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: \$99,880                      FY2021-22 Allocation: \$73,135

**Recommendation: \$73,135**

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. 525 E. Charleston**

Requested: N/A                      FY2021-22 Allocation: N/A

**Recommendation: \$218,669**

Eden Housing is developing 50 units of affordable housing. Approximately half the units are for persons with disabilities. The parcel is owned by the County and will be a long-term lease with the developer. The City intends to use CDBG funding for predevelopment costs as per HUD regulations.

**Table 1: Fiscal Year 2022-23 CDBG Budget – HRC Selection Committee Recommendations**

| <b>Applicant Agency</b>   | <b>Requested Funding</b> | <b>Recommended Allocation</b> |
|---|--------------------------|-------------------------------|
| <b>Public Services (15% Cap = \$91,362)</b>                                 |                          |                               |
| Alta Housing - SRO Resident Supportive Services                             | \$24,535                 | \$20,113                      |
| Catholic Charities of Santa Clara County – Long Term Care Ombudsman Program | \$10,000                 | \$10,000                      |
| LifeMoves – Case Management at Opportunity Center                           | \$65,850                 | \$23,613                      |
| Silicon Valley Independent Living Center – Case Management Services         | \$27,246                 | \$14,021                      |
| Project Sentinel – Fair Housing Services                                    | \$33,698                 | \$23,615                      |
| <i>Sub-total</i>  |                          | <b>\$91,362</b>               |
| <b>Planning and Administration (20% Cap = \$121,816)</b>                    |                          |                               |
| City of Palo Alto Administration  | \$121,816                | \$121,816                     |
| <i>Sub-total</i>  |                          | <b>\$121,816</b>              |
| <b>Economic Development (No Cap)</b>  |                          |                               |
| Downtown Streets – Workforce Development Program                            | \$336,000                | \$160,477                     |
| <i>Sub-total</i>  |                          | <b>\$160,477</b>              |
| <b>Public Facilities and Improvement (No Cap)</b>                           |                          |                               |
| 525 E. Charleston – Affordable Housing Construction                         | N/A                      | \$218,669                     |
| <i>Sub-total</i>  |                          | <b>\$218,669</b>              |
| <b>Housing Rehabilitation (No Cap)</b>                                      |                          |                               |

|  |          |                  |
|--|----------|------------------|
| Rebuilding Together Peninsula – Safe at Home | \$99,880 | \$73,135         |
| <i>Sub-total</i>                             |          | <b>\$73,135</b>  |
| <b>Grand Total</b>                           |          | <b>\$665,459</b> |

**Timeline**

The draft FY2022-23 Annual Action Plan will be circulated for public review and comment for 30 days after the HRC meeting. Upon conclusion of the public review period, staff will present the HRC’s funding recommendations and draft FY2022-2023 AAP to the City Council May 2, 2022. Subsequently, the adopted FY2022-23 AAP will be submitted to HUD by the May 15, 2022, deadline.

**Attachments**

- Attachment A: CDBG Estimated Funds Available
- Attachment B: Summary of Funding Applications
- Attachment C: Funding Requests Worksheet
- Attachment D: 2020-2025 Consolidated Plan Goals
- Attachment E: Criteria for Funding Consideration & FY2021-22 Semiannual Performance Data
- Attachment F: Draft Fiscal Year 2022-23 Annual Action Plan

**CDBG ESTIMATED FUNDS AVAILABLE  
FY2022-23**

| <b>Estimated Funds Available</b>                     |                            |
|--|----------------------------|
| FY2022-23 Entitlement Grant (Estimated)              | \$483,080.00               |
| Estimated Program Income FY2022-23                   | \$126,000.00               |
| Prior Year Resources                                 | \$56,379.00                |
| <b><i>Estimated Total Available to Allocate</i></b>  | <b><i>\$665,459.00</i></b> |
| <b>Maximum for Public Services</b>                   |                            |
| FY2022-23 Entitlement Grant (Estimated)              | \$483,080.00               |
| FY2022-23 – Estimated Program Income                 | \$126,000.00               |
| <i>Total</i>   | <i>\$609,080.00</i>        |
| <b><i>Public Service Cap (15% of \$609,080)</i></b>  | <b><i>\$91,362.00</i></b>  |
| <b>Maximum for Planning/Admin</b>                    |                            |
| FY2022-23 Entitlement Grant (Estimated)              | \$483,080.00               |
| FY2022-23 Estimated Program Income                   | \$126,000.00               |
| <i>Total</i>   | <i>\$609,080.00</i>        |
| <b><i>Planning/Admin Cap (20% of \$609,080)</i></b>  | <b><i>\$121,816.00</i></b> |
| <b>Breakdown of Capped/Un-capped Estimated Funds</b> |                            |
| Public Service Maximum                               | \$91,000.00                |
| Planning and Administration Maximum                  | \$121,000.00               |
| Un-capped Funds                                      | \$453,459.00               |
| <b><i>Estimated Total</i></b>                        | <b><i>\$665,459.00</i></b> |



**SUMMARY OF FUNDING APPLICATIONS**

| AGENCY / PROJECT NAME  | PROJECT DESCRIPTION  | STAFF NOTES   |
|--|--|---|
| <p><b>1. Catholic Charities of Santa Clara County/Long Term Care Ombudsman</b></p> <p>Funding Request: \$10,000 for FY2022-23</p> <p>Recommend: \$10,000</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"> <li>• Regular contact with Palo Alto Residential Care Facilities to observe and monitor conditions of care.</li> <li>• Handle and resolve issues regarding residents’ rights, unmet needs, allegations of abuse, and complaints effectively, promoting resident well-being.</li> </ul> | <p><b>CDBG Eligible Activity:</b> 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"> <li>• <i>#3: Support provision of essential human services, particularly for special needs populations, and maintain/expand community facilities and infrastructure.</i></li> </ul> <p>The project is authorized by the Federal Older Americans Act (OAA).</p> <p>The organization’s semi-annual report, July 1, 2021, through December 13, 2021, had a staff member retire, but is currently in the process of recruiting and hiring a replacement. They have met their accomplishment goal and is on track to spending their allocation in FY 2021-22.</p> |
| <p><b>2. Downtown Streets/Workforce Development Program</b></p> <p>Funding Request: \$336,000 for FY2022-23</p> <p>Recommend: \$160,477</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,</p>  | <p><b>CDBG Eligible Activity:</b> 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"> <li>• <i>#5: Support economic development activities that promote</i></li> </ul>   |

| AGENCY / PROJECT NAME   | PROJECT DESCRIPTION   | STAFF NOTES  |
|---|---|--|
|   | <p>insurance, communications, audit and team incentives.</p> <p>Project activities include:</p> <ul style="list-style-type: none"> <li>• Attain paid employment opportunities for unemployed and homeless individuals.</li> <li>• Build extensive network of local employers willing to hire program participants</li> </ul>  | <p><i>employment growth and help lower income people secure and maintain jobs.</i></p> <p>The organization’s semi-annual report, July 1, 2021, through December 13, 2021, demonstrates workplace training and hiring assistance; on track to meet their goals and have had staff turnover. Due to their demonstration of hard work, Downtown Streets is on track to spending their allocation in FY2021-22.</p>  |
| <p><b>3. LifeMoves/Opportunity Services Center (OSC) and Hotel De Zink (HDZ): Case Management</b></p> <p>Funding Request: \$65,850 for FY2022-23</p> <p>Recommend: \$23,613</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"> <li>• Provide comprehensive, one-stop, multi-service day drop-in center for critical homeless services</li> <li>• Provide case management services to OSC and HDZ clients in locating housing and/or employment and be connected to benefits.</li> </ul> | <p><u>CDBG Eligible Activity: Operating Costs Homeless (HUD Matrix Code 03T)</u></p> <p>The Project meets the following Consolidated Plan Goal(s) (italics added for emphasis):</p> <ul style="list-style-type: none"> <li>• #2: <i>Support activities to prevent and end homelessness.</i></li> </ul> <p>The organization’s semi-annual report, July 1, 2021, through December 13, 2021, demonstrates they provide case management services (housing/job searches and referrals), mentoring for homeless. LifeMoves provided critically-needed services to 508 individuals, exceeding their goal for FY2021-22.</p> |

| AGENCY / PROJECT NAME  | PROJECT DESCRIPTION  | STAFF NOTES   |
|--|--|---|
| <p><b>4. Alta Housing/Single Room Occupancy (SRO) Support Services</b></p> <p>Funding Request: \$24,535 for FY2022-23</p> <p>Recommend: \$20,113</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"> <li>• Provide case management and support counseling services to residents at Barker Hotel (25 units) and Alma Place (106 units)</li> <li>• Prevent and mitigate risk factors for housing loss</li> <li>• Provide access to nutritious food on a weekly basis to 40 individuals.</li> </ul> | <p><u>CDBG Eligible Activity:</u> (HUD Matrix Code 050)</p> <p>The Project meets the following Consolidated Plan Goal(s) (<i>italics added for emphasis</i>):</p> <ul style="list-style-type: none"> <li>• #2: <i>Support activities to prevent and end homelessness.</i></li> </ul> <p>Alta Housing’s semi-annual report, July 1, 2021, through December 13, 2021, demonstrates they have exceeded their accomplishment goal for FY2021-22. Since the beginning of COVID, the demand for support, counseling, food security and financial assistance services has increased. They are currently collaborating with other organizations such as LifeMoves, Saint Vincent de Paul, State of California Rental Assistance, Silicon Valley Independent Living Center, and the Housing Industry Foundation.</p> |

| AGENCY / PROJECT NAME  | PROJECT DESCRIPTION   | STAFF NOTES   |
|--|---|---|
| <p><b>5. Project Sentinel/Fair Housing</b></p> <p>Funding Request: \$33,698 for FY2022-23</p> <p>Recommend: \$23,615</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"> <li>• Fair housing counseling and investigative services through casework and increase knowledge of fair housing laws.</li> <li>• Community outreach and education through presentations to Palo Alto residents, or social service agencies and housing providers who serve the City of Palo Alto.</li> <li>• Individual counseling on the fair housing laws to improve understanding of residents and housing providers rights or obligations.</li> </ul> | <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) (italics added for emphasis):</p> <ul style="list-style-type: none"> <li>• #4: <i>Promote fair housing choice.</i></li> </ul> <p>Project Sentinel’s semi-annual report, July 1, 2021, through December 13, 2021, demonstrates meeting their goal by the end of FY2021-22. COVID has caused challenges including staffing, but they have made a lot of progress in addressing those challenges.</p> |
| <p><b>6. Silicon Valley Independent Living Center/Housing and Emergency Services for Persons with Disabilities</b></p> <p>Funding Request: \$27,246 for FY2022-23</p> <p>Recommend: \$14,021</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"> <li>• Assist low-income individuals and families in search for affordable, accessible housing</li> <li>• Provide education/ training on all aspects of how to conduct a</li> </ul>  | <p><u>CDBG Eligible Activity:</u> Handicapped Services (HUD Matrix Code 05B)</p> <p>The Project meets the following Consolidated Plan Goal(s) (italics added for emphasis):</p> <ul style="list-style-type: none"> <li>• #3: <i>Support provision of essential human services, particularly for special needs populations, and</i></li> </ul>   |

| AGENCY / PROJECT NAME | PROJECT DESCRIPTION   | STAFF NOTES  |
|-----------------------|---|--|
|                       | <p>housing search to transition from homelessness, health care facilities, or unstable temporary housing</p> <ul style="list-style-type: none"> <li>• Conduct group workshops, one-on-one service provision, and access to Independent Living services</li> </ul> | <p><i>maintain/expand community facilities and infrastructure.</i></p> <p>The organization’s semi-annual report, July 1, 2021, through December 13, 2021, demonstrates meeting their goal by the end of FY2021-22. They provide training and education for people with disabilities to find and secure affordable housing and other housing related support. Silicon Valley Independent Living Center had some difficulty meeting the performance measures for the first half of the fiscal year due to the current Covid-19 Pandemic and Shelter in Place making it difficult to reach those without technological resources. SVILC has currently revamped the Housing Workshops to incorporate distance learning, online workshops and increase online presence and outreach. SVILC has seen an increase in participation as the outreach has increased.</p> |

| AGENCY / PROJECT NAME  | PROJECT DESCRIPTION  | STAFF NOTES   |
|--|--|---|
| <p><b>7. Rebuilding Together Peninsula/ Safe at Home Minor Home Repair Program</b></p> <p>Funding Request: \$99,880 for FY2022-23</p> <p>Recommend: \$73,135</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"> <li>• Providing critical health and safety related home repair needs for low-income Palo Alto homeowners.</li> </ul> | <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) (<i>italics added for emphasis</i>):</p> <ul style="list-style-type: none"> <li>• <i>#1: Assist in the creation and preservation of affordable housing for low income and special needs households.</i></li> </ul> <p>The organization’s semi-annual report, July 1, 2021, through December 13, 2021, demonstrates their ability to meet their goal by the end of FY2021-22. They provide critical home repairs/maintenance, accessibility improvement. Rebuilding Together Peninsula and Palo Alto is a new partnership. They have been establishing processes between the two.</p> |

| AGENCY / PROJECT NAME   | PROJECT DESCRIPTION  | STAFF NOTES   |
|---|--|---|
| <p><b>8. 525 E. Charleston Project</b></p> <p>Funding Recommendation:<br/>\$218,669 for FY2022-23</p> | <p>Funds are requested for predevelopment costs for a 50-unit affordable housing complex. Approximately half of the units are for persons with disabilities. The parcel is owned by the County and will be a long-term lease with the developer, Eden Housing.</p> | <p><u>CDBG Eligible Activity:</u> Public Facilities and Improvements: Health Facilities (HUD Matrix Code <u>TBD</u>)</p> <p>The Project meets the following Consolidated Plan Goal(s) (<i>italics added for emphasis</i>):</p> <ul style="list-style-type: none"> <li>• <i>#1: Assist in the creation and preservation of affordable housing for low income and special needs households.</i></li> </ul> <p>This is a new potential activity to be funded in FY2022-23.</p> |

**SOURCES:**

|   |                  |
|---|------------------|
| FY2022-23 Entitlement Grant (Estimated) | \$483,080        |
| Estimated Program Income FY2022-23      | \$126,000        |
| Prior Year Resources (FY2020-21)        | \$56,379         |
| <b>TOTAL</b>                            | <b>\$665,459</b> |

**USES:**

| AGENCY  | PROGRAM NAME                      | FY 2021-22 ALLOCATIONS | FY 2022-23 REQUEST | FY 2022-23 STAFF RECOMMENDATION | SELECTION COMMITTEE RECOMMENDATION | HRC RECOMMENDATION |
|---|-----------------------------------|------------------------|--------------------|---------------------------------|------------------------------------|--------------------|
| <b>Public Services (15% Cap = \$91,362)</b>                 |                                   |                        |                    |                                 |                                    |                    |
| Alta Housing  | SRO Resident Support              | \$24,535               | \$24,535           | \$20,113                        | \$ 20,113                          | \$                 |
| Catholic Charities  | Ombudsman                         | \$10,000               | \$10,000           | \$10,000                        | \$ 10,000                          | \$                 |
| LifeMoves (formerly Inn Vision)                             | Opportunity Services Center       | \$31,545               | \$65,850           | \$23,613                        | \$ 23,613                          | \$                 |
| Silicon Valley Independent Living Center                    | Housing and Emergency Services    | \$14,021               | \$27,246           | \$14,021                        | \$ 14,021                          | \$                 |
| Project Sentinel  | Fair Housing Services             | \$ 0.00                | \$33,698           | \$23,615                        | \$ 23,615                          | \$                 |
| <b>Public Service Total</b>                                 |                                   | <b>\$80,101</b>        | <b>\$161,329</b>   | <b>\$91,362</b>                 | <b>\$ 91,362</b>                   | <b>\$</b>          |
| <b>Planning &amp; Administration (20% Cap = \$ 121,816)</b> |                                   |                        |                    |                                 |                                    |                    |
| City of Palo Alto   | CDBG Administration               | \$99,304               | \$121,816          | \$121,816                       | \$ 121,816                         | \$                 |
| Project Sentinel  | Fair Housing Services             | \$33,698               | \$ -               | \$ -                            | \$ -                               | \$ -               |
| <b>Planning &amp; Administration Total</b>                  |                                   | <b>\$133,002</b>       | <b>\$121,816</b>   | <b>\$121,816</b>                | <b>\$ 121,816</b>                  | <b>\$</b>          |
| <b>Economic Development (No Cap)</b>                        |                                   |                        |                    |                                 |                                    |                    |
| Downtown Streets Team                                       | Workforce Development Program     | \$ 160,477             | \$ 336,000         | \$ 160,477                      | \$ 160,477                         | \$                 |
| <b>Economic Development Total</b>                           |                                   | <b>\$ 160,477</b>      | <b>\$ 336,000</b>  | <b>\$ 160,477</b>               | <b>\$ 160,477</b>                  | <b>\$</b>          |
| <b>Housing/Public Facilities Rehabilitation (No Cap)</b>    |                                   |                        |                    |                                 |                                    |                    |
| Rebuilding Together Peninsula                               | Safe at Home Program              | \$ 73,135              | \$99,880           | \$65,340                        | \$ 73,135                          | \$                 |
| 525 E. Charleston   | Affordable Housing (Construction) | \$0.00                 | \$ 282,009         | \$ 226,464                      | \$ 218,669                         | \$                 |
| <b>Rehabilitation/Public Facilities Total</b>               |                                   | <b>\$ 73,135</b>       | <b>\$ 381,889</b>  | <b>\$ 291,804</b>               | <b>\$ 291,804</b>                  | <b>\$</b>          |
| <b>GRAND TOTAL</b>  |                                   | <b>\$ 446,715</b>      | <b>\$1,001,034</b> | <b>\$ 665,459</b>               | <b>\$ 665,459</b>                  | <b>\$</b>          |



## **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 2021-22 SEMIANNUAL PERFORMANCE

| Agency  | Annual Goal<br>Persons Assisted | July-Dec 2021<br>Persons Assisted | Percentage of<br>Goal Achieved |
|---|---------------------------------|-----------------------------------|--------------------------------|
| LifeMoves   | 38                              | 42                                | 110%                           |
| Alta Housing  | 131                             | 140                               | 107%                           |
| Project Sentinel  | 127                             | 54                                | 43%                            |
| Ravenswood Family Health Network – COVID 19 Testing and PPE | 351                             | 403                               | 115%                           |
| Rebuilding Together Peninsula – Safe at Home*               | 6                               | 4                                 | 66%                            |
| Downtown Streets – Workforce Development Program            | 14                              | 7                                 | 50%                            |
| Silicon Valley Independent Living Center                    | 22                              | 8                                 | 36%                            |
| Catholic Charities  | 65                              | 177                               | 272%                           |

\*To date, they have done previews at five (5) Palo Alto homes. Four were approved by the City on four (4) homes in January of 2022. One homeowner withdrew from the program. Repair work has been scheduled.

