



Planning & Development Services

Memorandum

To: Human Relations Commission
From: Clare Campbell, Manager of Long Range Planning
Date: September 8, 2022
Re: Summary of Fiscal Year 2021-2022 Community Development Block Grant (CDBG) Program Accomplishments - Review Consolidated Annual Performance and Evaluation Report (CAPER)

Recommendation

This is an informational report and no action is required.

Executive Summary

The City is required to report annually to U.S. Department of Housing and Urban Development (HUD) the accomplishments for the Community Development Block Grant (CDBG) program. This report, the Consolidated Annual Performance and Evaluation Report (CAPER), summarizes the City's CDBG accomplishments and expenditures for the Fiscal Year (FY) 2021-22 CDBG funding cycle. The City funded a total of eight projects in FY2021-22. The CAPER (Attachment A) is required to be submitted to HUD by September 30, 2022.

Background

The City of Palo Alto receives funds annually from HUD as an entitlement city under the CDBG program. As a recipient of CDBG funds, the City is required to prepare a Consolidated Annual Performance Evaluation and Report (CAPER) at the end of the fiscal year. The CAPER describes the City's progress implementing the activities identified in the Annual Action Plan¹ and the goals and objectives of the Con Plan².

¹ Annual Action Plan: An annual report listing the activities the City intends to undertake with CDBG funds to address the needs and implement the strategies identified in the Consolidated Plan.

² Consolidated Plan (Con Plan): A five-year strategic plan that addresses the housing and non-housing community development needs of lower income persons and establishes annual goals and objectives to meet the identified needs.

Discussion

During FY2021-22, the City's CDBG subrecipients continued to provide vital services to extremely low, very low, low and moderate-income households while addressing the priorities and needs of the community and the City's funding priorities; including strategies to address COVID-19 related impacts, using funds from the CDBG CARES Act (CDBG-CV). The City achieved a number of goals as outlined in the 2021 Annual Action Plan (AAP) through CDBG and CDBG-CV funding.

A total of \$746,715 was available for funding projects and programs during the 2021 program year. The City received \$536,756 from the federal CDBG program, approximately \$136,049 in program income, and \$73,910 in reallocated funds from previous years.

Through the combination of CDBG and CDBG-CV funds, in total, 935 persons were assisted in this program year. Of the 935 persons, 383 were extremely low-income, 421 were low income and 131 were moderate income of the total. Approximately 40 percent of all persons were assisted through the COVID-19 related activities.

The CAPER, attachment A, provides a detailed description of the programs and project accomplishments. The major accomplishments include the following:

1. **Catholic Charities**, through the Long-Term Care Ombudsman Program, assisted 262 mostly low- or moderate- income elderly residents at the Palo Alto long-term care facilities that mainly serve low-income residents. Additionally, the Long-Term Care Ombudsman Program resolved 47 complaints made by, or on behalf of, low-income elderly residents of the facilities. [Goal: Assist 50 individuals]
2. **Alta Housing** had on-site counseling services available to the residents of the 131 units of the Single-Room Occupancy (SRO) Resident Support Program at Alma Place (25 units) and Barker Hotel (106 units). Services were provided to 151 residents. [Goal: Assist 131 individuals]
3. **LifeMoves**, at the Opportunity Services Center, provided case management services including assistance with housing and job searches, referrals, and mentoring to 56 homeless and/or very low-income Palo Alto residents. [Goal: Assist 30 individuals]
4. **Project Sentinel** (Fair Housing Services) assisted 17 individuals in investigating their fair housing complaints; 21 residents received individual consultation relating to specific fair housing questions. [Goal: Assist 15 individuals]
5. **Silicon Valley Independent Living Center (SVILC)** (Housing and Emergency Services) assisted 26 adults with disabilities in developing an independent living plan for housing that resulted in improved accessibility to decent affordable housing. [Goal: Assist 24 individuals]
6. **Rebuilding Together Peninsula** (Safe at Home) assisted six households with home rehabilitation. [Goal: Assist five households]

7. **Downtown Streets Team** (Workforce Development) connected 14 employers with seven individuals who were meaningfully employed. [Goal: Assist 14 individuals]

The Workforce Development program was eligible for CDBG funding for July and September 2021 only, due to a change in the organization's Community Based Development Organization (CBDO) status. The City has agreed to assist the program with reimbursements for the remaining CDBG-related costs for FY2022. At year-end, the program assisted 15 individuals with job placement.

8. **Ravenswood Family Health Network** requested a time extension to complete the project for a new ADA Accessible Clinic Entrance and Exit at the Palo Alto Clinic. The new completion timeline is June 2023.

Other CDBG Program Updates

The **Ravenswood Family Health Network** Mobile Clinic was put into service in September 2021 and has been used to provide vaccination and booster COVID-19 vaccines. The Mobile Clinic has assisted 403 individuals. This was a CV funded project in FY2021.

Timeline

The FY2020-21 CAPER will be submitted to HUD by the September 30 deadline.

Stakeholder Engagement

An advertisement was published in The Daily Post on August 24, 2022 announcing the availability of the draft CAPER for public review and comment. The draft CAPER was posted on the City's CDBG webpage (<https://www.cityofpaloalto.org/cdbg>) from August 24, 2022 through September 7, 2022. At the time this report was prepared no public comments were received.

Attachments

Attachment A: Draft FY2021-22 Consolidated Annual Performance and Evaluation Report (CAPER)



DRAFT

CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

PROGRAM YEAR JULY 1, 2021 THROUGH JUNE 30, 2022

PUBLIC COMMENT PERIOD
August 24, 2022 THROUGH SEPTEMBER 7, 2022

ADMINISTERED BY: PLANNING AND DEVELOPMENT SERVICES

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CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

Below, as shown in Table 1 - Accomplishments – Program Year & Strategic Plan to Date, is a description of the progress the City of Palo Alto has made in achieving the goals outlined in its strategic plan and annual action plan. In Program Year 2021-22, the City achieved the majority of its annual goals and is on track to meet most of the five-year goals outlined in the Consolidated Plan.

PY2021 Annual Action Plan Substantial Amendment

The City was informed by the CDBG subrecipient LifeMoves that they no longer needed the remaining funds allocated to them in Program Year 2020-21. These funds supported a Rental Assistance Program and specifically came from CDBG-Coronavirus (CDBG-CV) grants. The remaining funds totaled \$194,501. Staff investigated other funding opportunities for eligible CDBG-CV activities for the reallocation of the \$194,501 and plan to fund \$160,300 for Move Mountain View to support a safe parking program and \$34,201 for LifeMoves to administer a COVID-19 testing program.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Affordable Housing	Affordable Housing	CDBG: \$0	Rental units rehabilitated	Household Housing Unit	107	0	0.00%	0	0	0
Affordable Housing	Affordable Housing	CDBG: \$65,340	Homeowner Housing Rehabilitated	Household Housing Unit	40	6	15.00%	6	6	100

Economic Development	Non-Housing Community Development	CDBG: \$0	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0			0		
Economic Development	Non-Housing Community Development	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	0	0		0	0	
Economic Development	Non-Housing Community Development	CDBG: \$160,477	Jobs created/retained	Jobs	150	28	18.00%	15	7	46.67%
Fair Housing	Non-Housing Community Development	CDBG: \$33,698	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	75	41	22.67%	16	24	105%
Homelessness	Homeless	CDBG: \$48,556 / CDBG-CV: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	850	222	26.12%	167	222	132.93%
Homelessness	Homeless	CDBG: \$0 / CDBG-CV: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	60	54	90.00%			90.00%

Homelessness	Homeless	CDBG: \$31,545 / CDBG-CV: \$	Homeless Person Overnight Shelter	Persons Assisted	100	99	99.00%	38	56	147%
Homelessness	Homeless	CDBG: \$0 / CDBG-CV: \$	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	0	0		0	0	
Homelessness	Homeless	CDBG: \$0 / CDBG-CV: \$	Homelessness Prevention	Persons Assisted	0			0		
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / CDBG-CV: \$300,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1200	0	0.00%			
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$ / CDBG-CV:	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1345	1286	95.00%		403	

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Please note, these activities and the goals listed in the table are related to the City’s 5-Year Consolidated Plan. Where there is funding listed in the table above, these goals were set as priorities for PY2021-22.

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

During Program Year 2021, the City's CDBG subrecipients continued to provide vital services to extremely low, very low, low and moderate-income households while addressing: (1) the priorities and needs of the community as explained in the City's adopted 2020-25 Consolidated Plan; and (2) the City's funding priorities and strategies to address COVID-19 related impacts, using funds from the CDBG CARES Act (CDBG-CV).

The City has achieved a number of goals as outlined in the 2021 Annual Action Plan (AAP) through CDBG and CDBG-CV funding. A total of \$746,715 is available for funding projects and programs during the 2021 Program Year. The City received \$536,756 from the federal CDBG program, approximately \$136,049 in program income and \$73,910 in reallocated funds from previous years. At the time of this reporting, the City has spent approximately \$186,934. However, this will significantly increase in the next few months. Due to turnover and lack of staffing, three of the organizations have requested an extension of the reporting deadline and in one case an extension in contract. Per HUD standards, this would be reported in the following year's CAPER.

Through the combination of CDBG and CDBG-CV funds, in total, 935 persons were assisted in this Program Year. Of the 935 persons, 383 were extremely low-income, 421 were low income and 131 were moderate income of the total. Approximately 40 percent of all persons were assisted through the COVID-19 related activities.

With the CDBG annual formula grant, Catholic Charities, through the Ombudsman Program, assisted 262 senior residents through visitation and phone outreach at the local long-term facilities, and LifeMoves, at the Opportunity Services Center, provided case management services including assistance with housing and job searches to 56 homeless/very low-income community residents. Project Sentinel provided fair housing and tenant/landlord mediation services to 24 local residents. Additionally, through the CDBG funds, Alta Housing was able to offer on-site counseling services to 151 residents of the Single-Room Occupancy (SRO) Resident

Support Program. Additionally, Rebuilding Together Peninsula was able to assist six households (eight persons) with home rehabilitation to help assist in the City's goal of affordable housing.

Ravenswood Family Health Network, a local health clinic, administered COVID-19 tests for 403 community residents through the CDBG annual formula grant through the pop-up vaccination events and booster COVID-19 vaccines.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White	416
Black or African American	109
Asian	146
American Indian/Alaskan Native	31
American Indian/Alaskan White	2
Asian/White	1
Native Hawaiian or Other Pacific Islander	3
Other	227
Total	935

Source: IDIS Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

Table 2 generated in IDIS has only five racial categories and does not reflect all of the racial categories served by the City's CDBG funded activities. To accurately report the racial and ethnic breakdown, Table 2 is edited and provided as an attachment in the "Narrative" section. The updated table shows the accurate racial and ethnic categories of total individuals served in PY2021-22 through CDBG and CDBG-CV funds. Total number (935) also includes 403 individuals assisted through the COVID-19 related activities. In total, the City's CDBG program served 935 individuals in PY2021-22. Of those individuals, approximately 44% were White; 27% were African American; 36% were Asian; less than 1% were either American Indian/American Native, Native Hawaiian, American Indian/Alaskan Native and Black, American Indian/Alaskan Native and White, Black or African American/White. Fifty six percent of individuals reported as "Other."

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	746,715	186,934

Table 3 - Resources Made Available

Narrative

Almost all of the City’s CDBG subrecipients were able to utilize all of their grant funds in PY2021-22 with the exception of Silicon Valley Independent Living Center (SVILC) Rental Assistance Program and Ravenswood Family Health Network: ADA Accessible Clinic Entrance and Exit at the Palo Alto Clinic; both COVID-19 (CARES-ACT) projects.

- Silicon Valley Independent Living Center (SVILC) Rental Assistance Program has \$47,085 remaining in this grant. SVILC has continued to face challenges with the shutdown due to the COVID-19 pandemic and their inability to provide in-person services to residents at the Palo Alto Opportunity Services Center. Additionally, the State’s extended eviction moratorium has postponed many residents’ acute concerns about being behind on rent. The City has worked with SVILC and provided them an extension of six additional months through December 2021, to utilize the remaining grant funds because the agency expects that after the state's eviction moratorium ends, there will be an increase demand for rental assistance. SVILC reported that they have assisted 6 people and their goal was 10 for the year.
- For Ravenswood Family Health Network (ADA Accessible Clinic Entrance and Exit at the Palo Alto Clinic), the project was funded \$300,000 but the project had a number of issues in regards to architectural design and plan check approval. They are nearing completion for all of the preliminary items and will be putting the project out to bid soon. Once a contractor is chosen and construction begins, they estimate the work to last about 2-3 months. A combination of County plan check delays and supply chain issues were causing the overall delay of the project resulting is a request for a time extension to June 2023 to complete the work.

Every year, the City tracks a sub-recipient’s spending with the goals that have been established. In some cases, a sub-recipient/organization is not able to spend the remaining funds. These funds are then added to the City’s unused funds from previous years and are considered roll over funds to be allocated as part of the following program year. The anticipated rollover funds from program year 2021 were included in the planning process for program year 2022. The Notice of Availability of Funding (NOFA) was published in Winter 2021.

In the case that SVILC and Ravenswood are not able to spend the remaining funds, these funds will be added to the City’s unused funds from previous years and will be allocated as part of the 2023-24 Notice of Availability of Funding (NOFA) to be published in Winter 2022.

In October 2020, Staff published NOFA for the second round of available CDBG-CV funds (\$451,504) and received two applications Ravenswood Vaccination Van, and LifeMoves Hotel De Zink Program.

- Hotel De Zink provided emergency shelter to homeless clients from January 2021 through June 2021. After fully funding the two requests, the City still had \$43,000 to allocate to an activity/project. In February 2021, staff re-published NOFA for the remaining \$43,000 and received only one application from LifeMoves for the same Hotel De Zink program (provide emergency shelter to homeless clients from July 2021 through December 2021). Staff amended the original contract and added \$43,000 and extended the term of performance from June 2021 to December 2021. The organization fully utilized the additional \$43,000 by December 2021.
- Ravenswood Vaccination Van was funded through a combination of PY2020 CDBG annual formula grant (\$149,950) and CDBG-CV (\$204,600) funds. This activity’s goals were achieved. According to their reporting, the Ravenswood organization assisted 403 persons with vaccination and or testing in program year 2021-2022.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
N/A	N/A	N/A	N/A

Table 4 – Identify the geographic distribution and location of investments

Narrative

The City considers the provisions of all types of housing assistance on a citywide basis consistent with the policies of the Comprehensive Plan. Palo Alto does not have specific target areas for housing activities; instead, the City attempts to provide affordable housing to lower-income persons throughout the City. Minority concentration includes areas in the City where the concentration of racial and ethnic minority population is 10% or higher than their total citywide representation. There are only a few areas that are considered to have a concentration of minority populations or low-income residents in Palo Alto. The CDBG Program defines low-income concentration as any census block group where 51% or more residents earn 80% of Median Family Income (MFI) or less. An exception exists for a jurisdiction that does not have any

areas meeting this definition, such as Palo Alto, which includes the highest quartile of all areas in the City in terms of degree of concentration, is used. However, Palo Alto does not qualify activities under the low- and moderate- income (LMI) area benefit category.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Palo Alto leverages federal and private housing funds to the greatest extent feasible consistent with the goals identified in the 2020-2025 Consolidated Plan. Moreover, the City continues to encourage non-profit organizations to seek other local, state, and federal funding for both housing and non-housing community development activities.

HUMAN SERVICES RESOURCE ALLOCATION PROCESS (HSRAP): The City of Palo Alto provided \$549,306 in General Funds during PY2021-22 to address primary human service needs in the community. These funds include multi-year agreements allocated by HSRAP and administered by the Office of Human Services in the Community Services Department. Funded projects addressed the Human Relations Commission's priority needs in the following categories: early childcare and education, youth programs, senior nutrition and social services, homelessness, and basic needs such as health care and mental health.

HOUSING IN-LIEU: The City of Palo Alto maintains a local housing fund consisting of two sub funds: the "Commercial Housing Fund" and the "Residential Housing Fund." Palo Alto, under Chapter 16.65 of the Municipal Code, requires commercial and industrial development projects to pay a housing mitigation fee. The fees are deposited in the "Commercial Housing Fund", and the accumulated fees and interest earned on the fund are made available for the creation of new low and moderate-income housing units under the "Affordable Housing Fund Guidelines" adopted by the City Council. As of April 12, 2022, the Commercial Housing Fund had a preliminary available balance of approximately \$1,451,109.

Pursuant to Program H-3.1.2, the Below Market Rate Program of the City's Housing Element, Palo Alto collects housing in-lieu fees from residential development when it is infeasible to provide below market rate units on-site. The accumulated fees and interest earned on the fund and other miscellaneous revenues related to housing, are placed in a special fund: "Residential Housing Fund." This fund is used to provide funding for acquisition or rehabilitation of low and moderate-income housing but may also be used for assistance to new housing construction projects. As of April 12, 2022, the Residential Housing Fund had a preliminary available balance of approximately \$731,838.

These are the only local sources of funding and subsidies available for affordable housing within the City. They are used to provide matching funds, pay for expenses which exceed HUD income and cost limits, to fund the cost of features and amenities classified as ineligible under federal housing programs, predevelopment expenses, feasibility studies, site acquisition, and other similar purposes.

No publicly owned land or property was used to address needs identified in the Annual Action Plan.

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	0	0
Number of Special-Needs households to be provided affordable housing units	0	0
Total	0	0

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	5	6
Number of households supported through Acquisition of Existing Units	0	0
Total	5	6

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The City has partnered with Rebuilding Together - Peninsula and introduced a “Safe at Home” Program. Through this program, critical health and safety related home repair needs were provided to six low-income homeowners. This is the first year that this program has been implemented and had trouble initially establishing environmental process through the City. However, despite these initial setback, Rebuilding Together – Peninsula was able to exceed their initial goals and will also be funded in the next program year.

Discuss how these outcomes will impact future annual action plans.

The City has partnered with Rebuilding Together - Peninsula and introduced a “Safe at Home” Program. Through this program, critical health and safety related home repair needs were provided to six low-income homeowners. All six households served were extremely low-income. As previously mentioned, the City has decided to continue to support Rebuilding Together – Peninsula in the upcoming program year. The organization has continued to provide essential services to residents and this partnership will continue to support the affordable housing goals contained in both the Consolidated Plan and Action Plans.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	6	0
Low-income	0	0
Moderate-income	0	0
Total	6	0

Table 7 – Number of Households Served

Narrative Information

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Providing services for the unhoused in Palo Alto and ultimately ending homelessness has been a long-standing local concern. As the COVID-19 pandemic continues to be present, the strain on individuals and households has increased the number of people experiencing homelessness, challenged service providers to find new ways to deliver services, and makes this topic even more relevant.

Every two years, during the last ten days of January, communities across the United States conduct comprehensive counts of the local population experiencing homelessness. The last Point-in-Time Count was done in 2019 and it showed 313 Total Unhoused in Palo Alto (299 unsheltered and 14 sheltered) which is an increase from 2017, when the count was 276. The County was unable to complete a count in PY 2021 due to COVID-19; a Point-in-Time Count was completed in 2022 and County is working on finalizing 2022 numbers.

The City of Palo Alto supports services to the unhoused as well as homelessness prevention through three main funding sources: HSRAP, CDBG, and Emerging Needs Fund. At a high level, funding for the unhoused is geared towards unhoused support and homelessness prevention. Unhoused Support includes: workforce development, basic needs stipends for work experience, food, seasonal homeless shelter, school supplies for homeless children, case management, tele-medicine equipment, and shower/laundry services.

Homelessness Prevention Support includes: Provision of emergency rent and utility funding assistance through LifeMoves and Silicon Valley Independent Living Center. Additionally, there are local and State rental assistance programs available to local residents during the COVID pandemic. LifeMoves – Opportunity Center is designated by the County as the Emergency Assistance Network Agency for financial assistance for Palo Alto.

The Opportunity Services Center (OSC) in Palo Alto exclusively serves homeless individuals. LifeMoves at the OSC, provides intake services to all the clients they serve to assess their needs and provide the appropriate resources and referrals. They also provide basic need services such as access to restrooms, showers, laundry, used clothing, hygiene supplies, health care, mail/telephone services, food, transportation assistance, information and referral services,

counseling, and other critical services. As a result, through support from CDBG and funding from the County's office of supportive housing, in PY2021-22, they have served 56 unduplicated individuals.

Palo Alto will continue to explore its funding strategy and collaborate with other South County cities to ensure that limited federal and local resources are targeted to pressing community needs such as homelessness.

Addressing the emergency shelter and transitional housing needs of homeless persons

The following activity received funding from the City of Palo Alto to provide emergency shelter and/or transitional housing for homeless persons

LifeMoves – Hotel De Zink, CDBG \$ 31,545: Through the Hotel de Zink activity, LifeMoves, offered longer hours of support to the homeless population of Palo Alto. The hours of operations of the Hotel de Zink emergency shelter were extended by 55% from 9 PM through 6 AM, to 5PM through 7 AM. This allowed these vulnerable clients to have a greater portion of their day in a safe and supportive environment where they could receive the assistance they so desperately needed. The longer Hotel de Zink hours, and increased communication via the electronic signage are a few factors attributed to not having a widespread outbreak of COVID-19 within the Opportunity Services Center and/or Hotel de Zink emergency shelter. The organization is continuing the extended hours of operations.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The following agencies received funding from the City of Palo Alto to help low income individuals and families avoid becoming homeless.

Alta Housing; CDBG \$24,535: Alta Housing had on-site counseling services available to residents of the 131 units of the Single-Room Occupancy (SRO) Resident Support Program at Alma Place and Barker Hotel. Majority of the residents are low-income, disabled, elderly, veterans, and formerly homeless adults. Many residents have difficulty managing daily living skills, such as managing finances, maintaining their health (mental and physical) and apartments, and getting

along with others. Without onsite support, such issues can become so severe that tenants risk losing their housing. Case management was provided to 151 residents.

LifeMoves; Case Management; CDBG \$31,545: The organization provided 1:1 case management service including assistance with housing and job searches, referrals, and mentoring to 56 unduplicated homeless and/or very low-income Palo Alto residents.

Silicon Valley Independent Living Center; Rental Assistance Program; CDBG \$58,233: Through this grant, the organization was able to address rent increases, utility payments, emergency situations, and other market forces due to COVID-19 to 6 residents. The target population of this activity were the lower income (80% or less AMI) residents with disabilities, veterans and older adults, aged 55 and over.

The City follows the guidance of Santa Clara County's CoC as it relates to individuals who may be discharged from publically funded institutions and systems of care. Currently, neither the CoC nor the City have a written policy that specifically addresses discharges, but the CoC actively works with health care facilities, hospitals, and correction programs and institutions when individuals are discharged to provide referrals to shelters.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

The following agencies received funding from the City of Palo Alto to help homeless persons make the transition to permanent housing and independent living.

Silicon Valley Independent Living Center; Case Management; CDBG \$14,021: SVILC is highly recognized for its Housing Workshops. The Housing Workshops cover many important topics such as: credit readiness and credit repair; types of low-income housing and eligibility; application and interview preparation; tenant and landlord rights and responsibilities; fair housing and home modifications laws and resources; security deposit and rental assistance programs; long term services and supports. Through the PY2021-22 CDBG funding, 26 unduplicated Palo Alto residents with disabilities received one-on-one assistance and developed an independent living plan for housing which resulted in improved accessibility to decent affordable housing. Their annual goal was 24.

Project Sentinel; Fair Housing Services; CDBG \$33,698: Project Sentinel provided community education and outreach regarding fair housing law and practices, investigation, counseling and legal referral for victims of housing discrimination. In total, 17 fair housing complaints were investigated by Project Sentinel and 24 residents were provided individual consultation relating to specific fair housing questions.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

Not applicable. The Housing Authority of the County of Santa Clara (HACSC) owns and manages four (4) public housing units, which are all located in the City of Santa Clara. There is no public housing in Palo Alto.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

While the majority of their units have been converted to affordable housing stock, HACSC is proactive in incorporating resident input into the agency's policy-making process. An equitable and transparent policy-making process that includes the opinions of residents is achieved through the involvement of two tenant commissioners, one being a senior citizen, on the HACSC board.

Actions taken to provide assistance to troubled PHAs

Not applicable.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

The City of Palo Alto has undertaken a number of actions to eliminate barriers to the development of affordable housing including participation in a county-wide effort to provide additional affordable housing units; programs in the 2015-2023 Housing Element to increase the supply of affordable housing; and increase the development impact fees for housing.

Housing Trust Silicon Valley (Housing Trust): The Housing Trust, formerly the Housing Trust Fund of Santa Clara County (HTSCC), was created to provide additional financial resources to address the County's affordable housing deficit. The Housing Trust's mission is to make Silicon Valley a more affordable place to live. Loans and grants are issued to increase the supply of affordable housing, assist first-time home buyers, prevent homelessness and stabilize neighborhoods. Palo Alto was among the contributors during its founding and has continued to allocate funding. A provision was added to ensure the City's funds be used exclusively for qualifying affordable housing projects within the City of Palo Alto.

2015-2023 Housing Element Update: The Palo Alto Housing Element, which is part of the City's Comprehensive Plan, is the chief policy document describing the City's housing needs and the policies and programs the City will use to meet those needs. The 2015-2023 Housing Element Update has been certified by the California State Department of Housing and Community Development.

Development Impact Fees for Housing: The City's impact fees are comprised of four categories: Housing, Traffic, Community Facilities, and Parkland Dedication. The City has completed Nexus Studies for Residential and Commercial Development. The studies served as a basis for an update to both residential and non-residential housing fees and became effective on June 19, 2017. The housing impact fees are updated annually. Full payment is required at building permit issuance with some exemptions including hospitals and convalescent facilities, private education facilities, public facilities and private clubs, lodges and fraternal organizations.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City's CDBG program diligently works with other purveyors of funding to provide the most value per dollar. This is actualized by partnering with other City resources such as HSRAP and

leveraging dollars invested in site acquisition for low-income housing with a multitude of other funding sources. However, Palo Alto is at a disadvantage in removing or eliminating obstacles to meeting underserved needs due to the consistently shrinking amount of CDBG funds available in recent years. To address this, the City supplements its CDBG funding with other resources and funds, such as:

- During PY2021-22, the City's Human Service Resource Allocation Process (HSRAP) provided approximately \$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;
- 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 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; and
- HOME Program funds are available on an annual competitive basis through the State of California HOME program, and the County's HOME Consortium.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

Lead poisoning can cause permanent damage to the brain and many other organs, and can result in reduced intelligence and behavioral problems in young children. More than 80,000 children younger than six years old living in the United States have lead in their blood that is above the level of concern set by the Centers for Disease Control and Prevention (CDC). A significant number of these children are in families of low income and are living in old homes with heavy concentration of lead-based paint and lead-contaminated dust and soil in the environment.

The City's housing and CDBG staff provides information and referrals to property owners, developers, and nonprofit 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 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.[1]

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City, in its continuing effort to reduce poverty, prioritized funding agencies that provide direct assistance to the homeless and those in danger of becoming homeless. In PY2021-2022, these programs included the following:

Catholic Charities of Santa Clara County, through the Ombudsman Program, assisted 262 senior residents through visitation and phone outreach at the local long-term facilities.

LifeMoves, at the Opportunity Services Center, provided case management services including assistance with housing and job searches to 56 homeless/very low-income community residents. 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.

Alta Housing provided counseling and supportive case management services for low-income residents of single-room occupancy facilities to help them maintain housing stability. Activities included financial counseling, health maintenance, information and referral, problem solving, employment assistance, crisis intervention, and case management. Alta Housing was able to provide services to 151 individuals.

Downtown Streets Team is a nonprofit in the City that works to reduce homelessness through a "work first" model. Downtown Streets Team utilized their community connections to provide training and job opportunities to homeless people, specifically in the downtown area. The Workforce Development Program provided transition from unemployment and homelessness to regular employment and housing through case management, job training, mentoring, housing, and transportation assistance. The Downtown Streets Team connected seven individuals who were meaningfully employed.

As mentioned previously, the City provided LifeMoves with \$31,545 in CDBG funds in PY2021-22. During the fiscal year 56 homeless and/or very low-income Palo Alto residents received case management services including assistance with housing/job search, referral and mentoring.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

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; and
- HOME Consortium meetings between member jurisdictions for affordable housing projects.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

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 (CoC). To improve intergovernmental and private sector cooperation, the City participated 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 HSRAP funding efforts to comprehensively address community needs.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The City makes every effort to affirmatively further fair housing in compliance with the adopted Analysis of Impediments. The following is a list of actions taken to affirmatively further fair housing:

- The Department of Housing and Community Development has certified the City's 2015-2023 Housing Element update;
- The City targeted the majority of its local housing funds to increase and preserve the supply of affordable housing;
- The Office of Human Services regularly met with the County of Santa Clara Housing Authority to place homeless individuals with Section 8 vouchers;
- Affordable housing information and referral services were provided by the Office of Human Services; and

- In a joint effort with the County of Santa Clara and Cities, the City is currently updating its Assessment of Fair Housing (AFH) Plan. The Palo Alto AFH Plan is expected to be completed in Winter/Spring 2023.

During PY2021-22, the City continued to support actions to affirmatively further fair housing choice through a subrecipient agreement with Project Sentinel, a non-profit organization dedicated to assisting individuals with housing problems. Project Sentinel exceeded their goal of 15 individuals served through case work. They served 24 individuals via casework. They also exceeded their goal of 12 consultations. They completed 16 extended fair housing consultations, and reached 1,147 Palo Alto residents and service providers through outreach. They updated their fair housing manual for housing providers and is readily available on their website. They also met their goal of distributing a minimum of 1000 pieces of literature. They exceeded their goal of reaching 50 people through intake and referral and instead reached 53 people.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City continues to actively monitor all subrecipients and projects ensuring compliance with program and comprehensive planning requirements. Monitoring involves review of semiannual and annual performance reports, review of reimbursement requests and submitted backup documentation, agency's audit reports etc. Biennial on-site monitoring is carried out for all CDBG subrecipients and consists of reviewing client files, project objectives and conformance with agreement, administrative management, financial management/internal controls etc.

For the program year 2021-22, the City anticipates completing the monitoring in by end of 2022.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The program year 2021-2022 Draft CAPER was made available on the City website (<https://www.cityofpaloalto.org/CDBG>) for the required 15 days public comment period from August 24th through September 7, 2022. An advertisement was placed in The Daily Post, a newspaper of general circulation, on August 24, 2022, advertising the availability of the CAPER for public review and comment. The draft CAPER was posted on the City's website on August 24, 2022. Due to COVID-19, copies of the CAPER were available electronically. The Human Relations Commission held a virtual public hearing on September 8, 2022 to discuss the CAPER and to allow the public an opportunity to comment on the CAPER.

Per the City's adopted Citizen Participation Plan, the City offers translation services when a significant number of non-English speaking residents can be reasonably expected to participate, or when a reasonable request for such an accommodation is made. Non-English speaking residents requiring translation assistance or residents requiring any accommodations are advised to submit their request as soon as possible but no later than 48 hours in advance of a scheduled meeting, program, or service.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

Not applicable. The City does not plan to change the CDBG program objectives.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Not Applicable

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
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Table 8 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
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Table 9 – Qualitative Efforts - Number of Activities by Program