



**FY 2020-21 DRAFT
CONSOLIDATED ANNUAL PERFORMANCE AND
EVALUATION REPORT (CAPER)**

JULY 1, 2020 THROUGH JUNE 30, 2021

PUBLIC COMMENT PERIOD
SEPTEMBER 2, 2021 – SEPTEMBER 17, 2021

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)

Below 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 Fiscal Year 2020-21, the City achieved the majority of its annual goals & is on track to meet most of the five year goals outlined in the Consolidated Plan.

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)

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%			
Affordable Housing	Affordable Housing	CDBG: \$0	Homeowner Housing Rehabilitated	Household Housing Unit	40	0	0.00%			
Economic Development	Non-Housing Community Development	CDBG: \$236,000	Jobs created/retained	Jobs	150	21	14.00%	21	21	100.00%
Fair Housing	Non-Housing Community Development	CDBG: \$37,480	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	75	17	22.67%	15	17	113.33%

Homelessness	Homeless	CDBG: \$59,863	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	850	222	26.12%	167	222	132.93%
Homelessness	Homeless	CDBG: \$85,000 CDBG-CV: \$294,000	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	60	29	48.33%	60	29	48.33%
Homelessness	Homeless	CDBG: \$ / CDBG-CV: \$97,622	Homeless Person Overnight Shelter	Persons Assisted	100	43	43.00%	100	43	43.00%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$342,228 CDBG-CV: \$205509	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1345	883	65.65%	1129	883	78.21%

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

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 2020, 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 was able to achieve most of its goals outlined in the 2020 Annual Action Plan (AAP) through CDBG and CDBG-CV funding. The City received a total of \$746,413 in CDBG-CV funds. Additionally, the City allocated \$251,701 out of its 2020 annual formula grant to local non-profits to support and help community residents affected by the COVID-19 pandemic.

Through the combination of CDBG and CDBG-CV funds, in total, 1,215 persons were assisted in this fiscal year. Out of the 1,217 persons assisted, 650 (66 from CDBG-CV funds and 584 from 2020 CDBG funds directed towards COVID-19 related activities) persons were assisted by allowing access to emergency funding intended to assist in making a timely response to the impacts of the COVID-19 pandemic. Of the 1,217 (1217 persons were assisted in this fiscal year. However, one individual from YWCA Case Management activity did not report their income level.) persons, 677 were extremely low-income, 387 were low income and 152 were moderate income. Similarly, of the 650 persons supported through the COVID-19 related activities, 406 were extremely low-income, 198 were low income and 46 were moderate income. This includes the 66 persons assisted through the CDBG-CV funds

With the CDBG annual formula grant, 21 individuals were able to secure meaningful employment, 266 senior residents were contacted by Ombudsmen through visitation and phone outreach at the local long-term facilities and 66 homeless/very low-income community residents were provided case management services including assistance with housing and job searches. Project Sentinel provided fair housing and tenant/landlord mediation services to 17 local residents. The City also funded a local nonprofit to provide counseling, therapy and legal services to 25 lower income local residents who are victims of domestic violence. Additionally, through the CDBG funds, a local nonprofit was able to offer on-site counseling services to 156 residents of the Single-Room Occupancy (SRO) Resident Support Program.

The City partnered with three local nonprofits and provided rental assistance to 29 low-income households who suffered documented income loss due to COVID-19. Of the three nonprofits, one was fully funded through the CDBG-CV funds, the other two were funded through the CDBG annual formula grant. A local food bank was funded through the CDBG annual formula grant and delivered groceries to 217 community residents categorized as vulnerable due to the COVID-19 pandemic. Through the CDBG-CV funding a local nonprofit overseeing the operations of an emergency shelter, provided extended hours of supports and services to 43 homeless persons. The hours of operations of the emergency shelter were increased by 55% from 9 pm through 6 am to 5 pm through 7 am.

A local health clinic administered COVID-19 tests for 351 community residents through the CDBG annual formula grant. Additionally, the organization also placed a down payment for a Mobile Clinic in December 2020. This activity was funded through a combination of CDBG annual formula grant and CDBG-CV funds. The Mobile Clinic took over six months to build due to increased demand for Recreational Vehicles (RVs) and supply chain issues. Unfortunately, the mobile clinic that was delivered has some physical issues that are currently being addressed by the manufacturer. It is expected that the mobile clinic will be operational by the end of Fall 2021. Through the mobile clinic, the organization plans to provide 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)

Table 2 shows the accurate racial and ethnic categories of total individuals served in FY 2020-21 through CDBG and CDBG-CV funds. Total number (1217) also includes 650 individuals assisted through the COVID-19 related activities. In total, the City’s CDBG program served 1217 individuals in FY2020-21. Of those individuals, approximately 62% were White; 13% were African American; 12% were Asian; 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. 11% individuals reported as “Other”. Of the 1217 individuals served, approximately, 24% were Hispanic.

Race	
White	756
Black or African American	159
Asian	149
American Indian/Alaskan Native	9
Native Hawaiian	5
American Indian/Alaskan Native and White	4
American Indian/Alaskan Native and Black or African American	3
Black or African American and White	2
Others	130
Total	1217
Ethnicity:	
Hispanic	297
Not Hispanic	920

Table 2 – Racial/Ethnic Composition of Individuals Assisted in FY20-21 Through CDBG & CDBG-CV Funds

Table 3 provides the breakdown of racial and ethnic categories of the 650 individuals assisted through the COVID-19 related activities by utilizing FY20-21 CDBG and CDBG-CV funds. Of the 650 persons supported through the COVID-19 related activities approximately 54% were White; 15% were Asian; 13% were

African American; 16% individuals reported as “Other” and 37% were Hispanic.

Race:	
White	354
Black or African American	82
Asian	98
American Indian/Alaskan Native	6
Native Hawaiian	2
American Indian/Alaskan Native and Black or African American	2
Others	106
Total	650
Ethnicity:	
Hispanic	241
Not Hispanic	409

Table 3 – Racial/Ethnic Composition of Individuals Assisted Through the COVID-19 Related Activities in FY20-21 Through CDBG & CDBG-CV Funds

CR-15 - Resources and Investments 91.520(a)

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	850,458	
Other	public - federal	746,413	

Table 4 - Resources Made Available

Narrative

Almost all of the City's CDBG subrecipients were able to utilize all of their grant funds in FY2020-21 with the exception of Silicon Valley Independent Living Center (SVILC)- Rental Assistance Program. There are \$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 6 additional months, through December 2021, to utilize the remaining grant funds because the agency expects that after final moratorium extension ends, there will be an increase demand for rental assistance.

In the case, that the agency is 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 2022-23 Notice of Availability of Funding (NOFA) to be published in Winter 2021.

The City staff received CDBG-CV funding in two rounds. \$294,909 was allocated in April 2020 and \$451,504 was allocated in September 2020. The first round of funding was provided to LifeMoves for their rental assistance program. As of June 2020, the City has reimbursed \$85,000 to the organization. The City has worked with the organization and provided an extension of 6 additional months, through December 2021, to utilize the remaining grant funds because the agency expects that after final moratorium extension ends, there will be an increase demand for rental assistance. In the case, that the agency is not able to spend the remaining funds, staff will look for additional projects/activities to reallocate the remaining CDBV-CV funds to an eligible COVID-19 related CDBG activity.

In October 2020, Staff published NOFA for the second round of available CDBG-CV funds (\$451,504) and received two applications 1- Ravenswood Vaccination Van 2- LifeMoves Hotel De Zink Program (To provide emergency shelter to homeless clients from Jan 2021 through June 2021). After fully funding the two requests, the City still had \$43k to allocate to an activity/project. In Feb 2021, staff re-published NOFA for the remaining \$43k and received only one application from LifeMoves for the same Hotel De Zink program (To provide emergency shelter to homeless clients from July 2021 through December 2021). Staff amended the original contract and added \$43k and extended the term of performance from June 2021 to December 2021. We are confident that the organization will fully utilized the additional \$43k by December 2021.

Ravenswood Vaccination Van was funded through a combination of CDBG annual formula grant (\$149,950) and CDBG-CV (\$204,600) funds. The City has reimbursed \$293,717 to the organization which was used to place a down payment for a Mobile Clinic in December 2020. The Mobile Clinic took over six months to build due to increased demand for Recreational Vehicles (RVs) and supply chain issues. Unfortunately, the mobile clinic that was delivered has some physical issues that are currently being

addressed by the manufacturer. It is expected that the mobile clinic will be operational by the end of Fall 2021. The City and the organization agreed on reimbursing the remaining \$60,832 after the vaccination van is functional and the activity goals are achieved.

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 5 – 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.

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 General Funds during FY2020-21 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.

An additional \$50,000 was provided through HSRAP under the emergency needs funds to local nonprofits to assist community members impacted due to the COVID-19 pandemic.

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 June 30, 2021, the Commercial Housing Fund had a preliminary available balance of approximately \$278,321.36

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; "The 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 June 30, 2021, the Residential Housing fund had a preliminary available balance of approximately \$974,396.86.

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.

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 6 – 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	0	0
Number of households supported through Acquisition of Existing Units	0	0
Total	0	0

Table 7 – Number of Households Supported

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

In FY2020-21, the City allocated \$149,950 to Alta Housing for rehabilitation of a 4-story building consisting of 106 single room units. All the units were occupied by extremely low and very low income residents. However, in Fall of 2020, the organization returned the funds because they were unable to find a qualified contractor who is willing to do the work under the Davis Bacon Act.

The City Staff published NOFA for the returned funds as well as the second round of the CDBG-CV funds and received application related to COVID-19 activities and reallocated the available \$149,950 to an activity to help the community residents to prevent the COVID-19 pandemic.

However, through the combination of CDBG and CDBG-CV funds, the City partnered with three local nonprofits and provided rental assistance to 29 low-income households who suffered documented income loss due to COVID-19. Of the three nonprofits, one was fully funded through the CDBG-CV funds, the other two were funded through the PY2020 CDBG annual formula grant.

Additionally, the City continues to fund a fair housing service provider through the CDBG grant. The fair housing service provider exceeded its annual fair housing goals in FY 2020-21 and provided fair housing and tenant/landlord mediation services to 17 local residents.

Discuss how these outcomes will impact future annual action plans.

Although, the City will no longer be providing rental assistance through the CDBG funds in the coming years. However, in FY2021-22, 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 to 5 low-income homeowners will be provided. Depending on the success of the program, the City may increase funding and accomplishments for this activity in the coming years.

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	0	0
Low-income	0	0
Moderate-income	0	0
Total	0	0

Table 8 – Number of Households Served

Narrative Information

As mentioned above, in FY2020-21, the City partnered with three local nonprofits and provided rental assistance to 29 households. Of the 29 households, 26 were extremely low income; 2 were low income; and 1 was moderate income household.

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

The City's entitlement amount for FY 2020-21 was \$501,242. The City had estimated \$136,049 in program income and \$213,167 in uncommitted funds from previous years. In total, the City provided \$850,458 in direct CDBG funding, additional \$746,413 in CDBG-CV funding and \$549,306 in HSRAP funding. The following details the accomplishments of the CDBG funded subrecipients targeted to benefit persons who are low income, homeless, or at risk of homelessness.

The City's entitlement amount for FY 2020-21 was \$501,242. The City had estimated \$136,049 in program income and \$213,167 in uncommitted funds from previous years. In total, the City provided \$850,458 in direct CDBG funding, additional \$746,413 in CDBG-CV funding and \$549,306 in HSRAP funding. The following details the accomplishments of the CDBG funded subrecipients targeted to benefit persons who are low income, homeless, or at risk of 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-CV \$ 97,622: 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 5 pm 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.

Palo Alto Housing Corporation; CDBG \$29,931: Alta Housing, formerly known as Palo Alto Housing Corporation, had on-site counseling services available for the 156 residents 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.

LifeMoves; Case Management; CDBG \$29,932: The organization provided 1:1 case management service including assistance with housing and job searches, referrals, and mentoring to 66 unduplicated homeless and/or very low-income Palo Alto residents.

LifeMoves; Rental Assistance Program; CDBG-CV \$294,000: LifeMoves provided financial assistance to eligible households for rent, utilities, and similar types of financial needs to 23 households who were unable to meet these financial obligations as a result of the COVID-19 emergency. Eligible households in danger of becoming homeless or losing their homes, utilities or other basic needs were able to remain in their homes with utilities and other basic services intact through this grant.

Silicon Valley Independent Living Center; Rental Assistance Program; CDBG \$75,000: Through this grant, the organization addressed the short-term needs of four Palo Alto households, at risk of being displaced by rent increases, utility payments, emergency situations, and other market forces due to Covid-19. 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.

YWCA; Rental Assistance Program; CDBG \$10,000: Through this grant, the organization promoted safety and prevent homelessness by providing financial assistance to two Palo Alto households impacted by domestic violence.

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.

YWCA; Case Management; CDBG \$5,000: The YWCA Support Network Program provides domestic violence support services including counseling, case management, crisis counseling, and legal assistance. During the program year the Support Network Program provided 25 unduplicated clients with counseling, therapy and/or legal advocacy services. Crisis Counselors provided crisis line assistance to 33 callers from Palo Alto that received crisis counseling services.

Silicon Valley Independent Living Center; Case Management; CDBG \$11,232: 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 FY2020-21 CDBG funding, 16 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.

Project Sentinel; Fair Housing Services; CDBG \$37,480: 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. Twenty One (21) 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 2014-2023 Housing Element Update to increase the supply of affordable housing; and 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. The most recent included \$200,000 from the City's Residential Housing Fund for Fiscal Year 2014/2015.

Participation in the Housing Trust has increased the available housing funding for a number of Palo Alto Projects as summarized in the table below. In addition, the Housing Trust has invested over \$100,000 assisting 16 households to purchase homes in Palo Alto through its first-time homebuyer program.

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 fee for non-residential development is \$22.69 per square foot for retail and hotel uses. The fee for commercial uses increased to \$39.70 per square foot. The fee rate applies to all net new commercial square footage on a site. 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.

Project Name	Number of Units	HTSCC Loan Amount	Leveraged Amount
Opportunity Center	89	\$650,000	\$20,050,000
Oak Court Apartments	53	\$400,000	\$19,700,000
Alta Torre	56	\$689,439	\$18,110,561
Tree House	35	\$500,000	\$11,016,525
Alma Street	50	\$500,000	\$28,536,801
801 Alma	50	\$500,000	\$30,000,000*
Total	333	\$2,739,439	\$127,413,887

*Estimated Amount

Table 9: Housing Trust Palo Alto Projects

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 FY2020-21, 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.
- 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 6 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 FY 2020-2021, these programs included the following:

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. 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 Downtown Streets Team connected 26 employers with 21 individuals who were meaningfully employed.

As mentioned previously, the City provided LifeMoves with \$29,932 in CDBG funds in FY2020-21. During the program year 66 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 continues to participate with other local jurisdictions in sharing information and resources regarding CDBG and other housing programs. Meetings take place on a biweekly basis. Additionally, when projects are funded by multiple jurisdictions, the jurisdictions involved cooperate in an effort to reduce duplication of work and reduce project monitoring costs. City staff will continue the following collaborative efforts to improve institutional structure:

- Joint jurisdiction RFP and project review committees
- Coordination on project management for projects funded by multiple jurisdictions
- HOME Consortium 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 Regional Housing Working Group 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
- 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 2021.

During Fiscal Year 2020-21, 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 responded to and investigated 17 cases of housing discrimination in Palo Alto during the fiscal year. Additionally, 898 Palo Alto residents and service providers through outreach presentations were provided information relating to fair housing laws. Finally, 21 low-income Palo Alto residents and/or housing providers were provided extended fair housing consultation sessions to tenants. In addition, 789 brochures were distributed throughout the City of Palo Alto to create awareness and information relating to fair housing laws.

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.

In FY 2020-21, the City completed on-site monitoring of four subrecipients. Since the City operates under a two-year funding cycle there are some subrecipients that receive funding for two years and are only required to have one on-site monitoring during this time. However, starting FY2017-18 the City Staff is conducting annual monitoring of the Downtown Streets Team; Workforce Development Program due to the large funding amount that the organization receives annually. Typically, subrecipients who have had trouble implementing projects or have been identified as having compliance issues in a previous monitoring are selected for the annual monitoring. There were no major deficiencies identified during the previous monitoring. The City will be conducting on-site monitoring of four subrecipients in Winter 2021.

Additionally, City staff plans to conduct on-site monitoring of three subrecipients funded through 2020 annual formula grant for COVID-19 related activities. Other than the typical monitoring plan that staff follows, for COVID-19 related activities specifically, review of additional documentation such as self-certification forms to determine client eligibility, rental application packets etc. will also be reviewed. The City plans to conduct on-site monitoring of the remaining four subrecipients funded through CDBG and CDBG-CV, for COVID-19 related assistance, upon completion of the activities. It is expected that the activities will be completed by Summer 2022 and monitoring will be scheduled in Fall 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.

PY2020 Draft CAPER was made available on the City website:

<https://www.cityofpaloalto.org/Departments/Planning-Development-Services/Long-Range-Planning/Community-Development-Block-Grant>

for the required 15 days public comment period from September 2 through September 17, 2021. An advertisement was placed in The Daily Post, a newspaper of general circulation, on September 1, 2021, advertising the availability of the CAPER for public review and comment. The draft CAPER was posted on the City's website on September 1, 2021. Due to COVID-19, copies of the CAPER were made available electronically. The Palo Alto City Council held a virtual public hearing on September 20, 2021 to discuss the CAPER and to allow the public an opportunity to comment on the CAPER.

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