



COUNCIL REPORT

DATE: April 25, 2023
CATEGORY: Public Hearing
DEPT.: Community Development
TITLE: **Funding Recommendations for Fiscal Year 2023-24 Annual Action Plan**

RECOMMENDATION

1. Allocate \$2,192,506 (\$772,588 in Community Development Block Grant funds and \$1,419,918 in Home Investment Partnership Program funds) for the following capital projects:
 - a. \$30,000 for a minor home repair program;
 - b. \$2,162,506 toward the rehabilitation of the Crestview Hotel property by Jamboree Housing Corporation (or approved affiliate) for permanent affordable housing—a project that would meet various housing needs—and/or other affordable housing projects; and
 - c. Find these projects exempt under the California Environmental Quality Act under Health and Safety Code Section 50675.1.4 and CEQA Guidelines Section 15061(b)(3).
2. Approve the replacement of the allocation of \$2,162,506 for an equivalent amount of City Housing funds previously appropriated by Council for the Crestview Hotel project.
3. Increase appropriation of \$750,000 in Grant funds from a Federal Economic Development Grant toward the rehabilitation of the Crestview Hotel and approve replacement of these funds for the equivalent amount of City Housing funds previously appropriated by Council for the Crestview Hotel project.
4. Authorize the City Manager or designee to negotiate and execute the loan agreement(s) in an amount not to exceed \$9.1 million (\$3,605,661 in Community Development Block Grant funds, \$3,816,433 in Home Investment Partnership Program funds, \$750,000 in a Federal Economic Development Grant, and approximately \$888,000 in Rental Housing Impact fees and Housing Impact fees) with Jamboree Housing Corporation (or approved affiliate), the affordable housing regulatory agreement(s) with Jamboree Housing Corporation (or

approved affiliate), and other documents relating to this allocation of funds for the rehabilitation of the Crestview Hotel for permanent housing.

5. Allocate \$128,968 of Community Development Block Grant funds for funding in Fiscal Year 2023-24 for public service applicants in the recommended amounts as shown in Table 1 in this Council report.
6. Allocate \$171,000 total from the General Fund for Fiscal Year 2023-24 for public service applicants recommended for funding as shown in Table 2 in this Council report.
7. Approve the Fiscal Year 2023-24 Annual Action Plan for Community Development Block Grant and Home Investment Partnership Program funds (Attachment 1 to this Council report) and authorize the City Manager or designee to execute and submit any required forms and certifications to the U.S. Department of Housing and Urban Development.

BACKGROUND

The City of Mountain View is an “entitlement jurisdiction,” which enables the City to receive annual grants on a formula basis for the Federal Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) programs directly from HUD. The amount of program funds awarded each fiscal year fluctuates and is dependent on the Federal budget adopted for these programs. The City then allocates these funds to eligible public services and capital projects to meet City and Federally required housing and community development objectives.

As recipients of these Federal funds, the City is required to develop a Consolidated Plan every five years identifying priority goals for the CDBG and HOME programs and to create Annual Action Plans (AAPs) to implement the five-year plan. If a jurisdiction uses other funding sources to fund activities and projects to meet these goals, those are also referenced in the AAP. The City is currently implementing its 2020-25 Consolidated Plan, and the Fiscal Year 2023-24 AAP is the fourth program year of the Consolidated Plan. Additionally, the City funds public service activities on a two-year cycle, and Fiscal Year 2023-24 is the first year of the next two-year cycle.

The purpose of this public hearing is for the City Council to consider the Fiscal Year 2023-24 AAP, which includes funding recommendations for public service activities using CDBG and the City’s General Fund as well as capital improvement program funds using CDBG and HOME funds to facilitate affordable housing.

HRC Recommendations

November 3, 2022 Meeting

Each year, staff provides program updates to the HRC and seeks feedback from the HRC before the beginning of a two-year public services grant cycle. At the November 3, 2022 meeting, the HRC approved the following:

- A general funding framework for the Federal grants program, including minimum funding levels, efficient and flexible administration of funds for capital projects, and alignment of Consolidated Plan goals.
- Policy recommendations for the Fiscal Year 2023-24 funding cycle:
 - Minimum grant request of \$7,500 for CDBG public services and General Fund grants;
 - CDBG funding for capital projects:
 - \$30,000 toward a minor home repairs program; and
 - Minimum funding threshold of \$300,000 for capital projects (affordable housing developments, renovations of nonprofit buildings, and Public Works projects, such as new parks or sidewalk improvements); and
 - HOME funding is to be directly allocated to capital projects for Fiscal Year 2023-24. This is consistent with recent Federal funding for capital projects.

The City has previously allocated CDBG and/or HOME funding directly to eligible capital projects due to a lack of interest for a number of reasons, such as a lack of nonprofits interested in receiving Federal funding for capital projects; the City's funding allocation is relatively small for capital projects (which typically have much greater funding needs due to the size and cost of such projects); and the Federal funds have various program and reporting requirements that may be challenging for recipients to administer. HUD allows entitlement jurisdictions to directly allocate funding to projects that align with the City's Consolidated Plan goals and that meet national CDBG and HOME objectives.

The policy recommendations approved by the HRC were included in the Notice of Funding Availability (NOFA) discussed later in this Background section. The funding recommendations are discussed further in the Analysis section.

March 2, 2023 Meeting

Staff funding recommendations were brought to the Human Relations Commission at its March 2, 2023 meeting. The HRC unanimously recommended that the staff recommendations be forwarded to Council for approval. Note that the funding recommendations presented to the HRC were based on estimated allocations for Fiscal Year 2023-24 at the time the NOFA was released in December 2022. Just before the March HRC meeting, HUD announced the actual allocation amount for Fiscal Year 2023-24, but actual allocations for public services were determined after the meeting. The actual amount for public services is slightly lower than the estimates (approximately \$2,000 lower than the estimated allocation), and the funding recommendations in the Analysis section below have been proportionally adjusted based on the actual allocation for the CDBG and HOME funds as noted in the HRC meeting.

The recommended organizations, public service activities, capital projects, and funding amounts are included in the City's Fiscal Year 2023-24 Annual Action Plan (see Attachment 1 to this Council report). The funding recommendations summarized in the Draft Fiscal Year 2023-24 Annual Action Plan and report are consistent with the priority needs and goals as identified in the City's 2020-25 Consolidated Plan.

Council action at this April 25, 2023 meeting will be incorporated and used to finalize the Fiscal Year 2023-24 AAP. The Council-adopted Fiscal Year 2023-24 AAP will then be submitted to HUD by May 15, 2023, as Federally required.

Funding Sources and Proposed Uses

The City's Fiscal Year 2023-24 allocations are \$610,539 in CDBG funds and \$285,869 in HOME funds. In addition to the annual CDBG and HOME allocations, the City also receives "program income" (PI) for both programs on a periodic basis in the form of loan repayments from past CDBG- and HOME-funded capital projects. The PI may be used to fund public service activities, capital projects, and/or administration. Due to HUD rules, a maximum of 15% of Fiscal Year 2022-23 PI may be included in the Fiscal Year 2023-24 public service funding levels.

Additionally, there may be funds from prior years that are considered "unallocated." Unallocated funds typically occur when the City receives PI that it did not expect or in an amount higher than anticipated or when funds set aside for program administration are not fully spent.

Finally, the City provides an annual allocation from its General Fund to supplement Federal funds and support human services, educational, cultural, arts, and other programs not eligible for Federal funds. Per City policy, the uses of the City's General Fund to supplement Federal funding must align with and further the goals and strategies in the City's Federal Consolidated Plan.

Below is a summary of the total funding available for Fiscal Year 2023-24 and proposed uses:

- **CDBG:** For Fiscal Year 2023-24, the City's allocation for CDBG funding will be \$610,539. Additionally, the City received \$251,744 in PI in Fiscal Year 2022-23, along with available carryover funds.

Combined with the Fiscal Year 2023-24 CDBG annual allocation, there is \$128,968 for public services and \$772,588 for capital projects.

- **HOME:** For Fiscal Year 2023-24, the City's allocation for HOME funding will be \$285,869. HOME funds can be used for affordable housing projects but not for public services activities. The City received a relatively large amount of HOME PI in Fiscal Year 2022-23 compared with the amounts received in prior years. Additionally, there were some unallocated HOME funds from previous years available for programming.

Combined with the Fiscal Year 2023-24 HOME allocation, \$1,419,918 in HOME funding is available for capital projects.

The final amount to capital projects and public services might be adjusted slightly based on the final grant amounts. The budget resolution in the annual Adopted Budget authorizes City staff to make proportional adjustment up to the amount requested if there is any modification to the actual grant amount received from the U.S. Department of Housing and Urban Development for the Community Development Block Grant and Home Investment Partnership Program Federal Program, or additional program income is received which may revise the amounts awarded to capital projects and public service agencies.

- **General Fund Allocation and ARPA Funding:** \$171,000 from the General Fund is recommended to fund public services grant applicants for Fiscal Year 2023-24. Furthermore, Council appropriated an additional \$95,540 from one-time ARPA funding as part of the City's Fiscal Year 2022-23 Adopted Budget to support public services in Fiscal Year 2023-24. Staff will work with nonprofits to make the ARPA funds available over the two-year grant cycle term (Fiscal Year 2023-25) to ensure nonprofits have the same funding levels throughout the two-year grant cycle based on the **total available amount of \$218,770 for each year (\$171,000 annual General Fund allocation and \$47,770, half of the ARPA funding of \$95,540).**

Notice of Funding Availability Process

The City typically uses a NOFA process to allocate funding to nonprofit agencies for the delivery of public services activities and capital projects. This NOFA cycle included a one-year cycle for CDBG capital projects and a new two-year funding cycle for Fiscal Years 2023-24 and 2024-25 for CDBG and General Fund public services. The NOFA included an estimated allocation of \$130,500

for CDBG public services, \$30,000 in capital funds for a minor home repair program, and \$746,100 for capital projects. HUD has since announced its CDBG and HOME allocations for Fiscal Year 2023-24, and the actual amounts available for funding are slightly lower at \$128,968 for CDBG public services and \$772,588 for capital projects.

The NOFA application period opened on December 5, 2022 and closed on January 17, 2023 at 5:00 p.m. Pacific Standard Time. Per the City's Citizen Participation Plan, a notice was published in the *Daily Post*, the *Mountain View Voice*, and on the City website. In addition, interested applicants were notified of the NOFA through outreach emails and through the monthly meetings of the City, County, and community-based organizations coordinated by the City's Human Services team. Interested applicants were required to attend a presubmittal webinar (held on December 16, 2022) or watch a recording of the webinar prior to applying. All applications were required to be submitted to the City's online grants platform by the deadline.

Eligibility Requirements

Below are the eligibility requirements for both the CDBG and General Fund public service activities:

1. CDBG recipients must:
 - a. Be eligible applicants (limited to 501(c)(3) nonprofit organizations, government agencies, and school districts).
 - b. Meet one of the following CDBG National Objectives:
 - Benefit low- and moderate-income (LMI) persons;
 - Aid in the prevention or elimination of slums or blight; and
 - Meet an urgent need.
 - c. Meet one or more of the six priority goals in the City's 2020-25 Consolidated Plan, as follows:
 - Increase affordable housing;
 - Respond to homelessness;
 - Support social services;

- Enhance physical infrastructure;
 - Address and promote fair housing; and/or
 - Promote economic resiliency.
2. General Funds: The following criteria for public service activities funded by the General Fund are in City Council Policy A-8, Service Organization Funding Policy.
- a. Purpose:
 - Educational, cultural, arts, and other programs that are not eligible for Federal funds; and
 - To supplement the Federal funding for public service activities. General Funds that supplement Federal funding shall align with and further goals and strategies in the City's Consolidated Plan and Annual Action Plan.
 - b. Timeline, application process, review, and approval process for public services activities are the same as those for CDBG funds.

ANALYSIS

Sixteen (16) organizations applied to this NOFA requesting public service funding for 19 programs/activities.

- CDBG Funding Request: A total request of \$343,669 representing 10 activities, which exceeded the \$128,968 available.
- General Fund Request: A total request of \$238,724 representing nine public service activities, which exceeded the \$171,000 available. The ARPA fund allocation of \$95,540 was not included in the NOFA notice and will be used to supplement the General Fund support for public services activities that could otherwise not be funded due to the oversubscription, as shown in Table 2 below.

The City received one application for administering the Minor Home Repair program, and no applications were received for capital projects funding.

Evaluation Framework

Staff reviewed and scored each application based on the following parameters:

- Completeness of application; and
- Scoring awarded for:
 - Furthering Consolidated Plan goals;
 - Addressing community needs;
 - Administrative capacity to implement program/activity/project; and
 - Process flows for program/activity/project, including monitoring and reporting.

In addition to the evaluation framework, staff considered the following factors for funding recommendations:

- Amount previously awarded to recipients, if applicable;
- Amount requested in the NOFA application;
- Funds available; and
- Minimum funding threshold of \$7,500 for public services applicants.

Most of the applicants are current or previous subrecipients of the CDBG funds and General Fund and are familiar with the application process and received high scores. However, as the NOFA is oversubscribed, it is not possible to fully fund all of the activities. Based on these factors, staff recommends a proportional funding to 14 of 16 applicants or 17 of the 19 activities. Two applications are not recommended for funding through the CDBG process (see Table 1 below for more information). The funding recommendations are summarized below.

Public Services Funding Recommendations

CDBG Funding Recommendations

Table 1 provides a summary of the organizations that applied for the CDBG public services funding and the funding recommendations. The funding rationale is discussed below:

- **CDBG Funding Rationale:** All of the above programs and activities meet community needs and would benefit low- and moderate-income households; however, as the funding available is limited, staff has recommended funding based on the following rationale:
 - **Funding for Agencies Not Part of the CDBG Process—Project Sentinel:** Project Sentinel has been funded through General Housing Funds on an ongoing basis for their Fair Housing program services, and the funding request is included as part of the City’s base budget. It is recommended that they continue to be funded through General Housing Funds instead of CDBG funding.
 - **Request Not Recommended for Funding:** WeeCare is a for-profit organization that has applied for CDBG public service funding for a program providing technical assistance to small day-care businesses. The CDBG funds can be provided under the economic development category to an agency that gives technical assistance to micro-enterprise businesses (if they are a business with five or fewer employees, including the owner), and the business owner is low- to moderate-income. However, as the City’s funding allocation is relatively small and based on community needs, it has been typically focused toward public service and eligible capital projects. If Council provides direction to pursue funding of economic development projects in addition to public services and capital projects, staff will have to create a policy and procedures manual which must be approved by HUD before economic development projects can be funded. Given the City’s NOFA for CDBG funds was for public services and capital projects, and not economic development, it has been determined that the City will be unable to fund WeeCare’s BOOST program.
 - **Addressing Remaining Oversubscription of CDBG Funds:** The Day Worker Center has requested CDBG funding for its Education, Skills Training, and Job Placement program. The Day Worker Center has also requested funding for their Healthy Meals program from the General Fund. It is recommended that both programs be funded under the General Fund category instead of CDBG. While the General Fund is oversubscribed, CDBG funding is even more oversubscribed. This would also enable the Day Worker Center to consolidate its reporting and compliance requirements for both programs based on one funding source of the General Fund instead of two funding sources.

- **Proportionate Funding for Awarded Applicants:** Based on the available funding of \$128,968 and that all eligible applicants scored highly based on the evaluation factors noted above, seven of the 10 applicants are recommended for proportional funding (73% of their requested amounts based on actual allocation). This funding framework allows for available funds to be distributed equally among all recommended applicants for the two-year grant cycle.

Table 1: CDBG Public Service Funding Recommendations for Fiscal Years 2023-24 and 2024-25 Public Service Applicants

Applicant (Agency Name)	Program/Activity Name	Amount Requested (Per FY)	Amount Requested w/Staff Modifications*	CDBG Funding Recommendation (Per FY)
Community Services Agency (CSA)	The program supports both housed and unhoused residents with case management services, including advocacy, enrollment in benefits, and housing.	\$42,742	\$42,742	\$31,201
Community Services Agency (CSA)	Case management to seniors over the age of 60 to keep them living independently at home through wrap-around services, advocacy at medical appointments, assistance enrolling in benefits, and home visits to assess needs and address safety concerns.	\$27,300	\$27,300	\$19,929
Day Worker Center	Education, skills training, and job placement	\$40,000	Recommended to fund with General Fund allocation	See General Fund Recommendations below, Table 2
LifeMoves	Graduate House is a long-term transitional housing site and provides case management services to enable transition to permanent housing, including employment and housing-readiness support.	\$35,000	\$35,000	\$25,550

Applicant (Agency Name)	Program/Activity Name	Amount Requested (Per FY)	Amount Requested w/Staff Modifications*	CDBG Funding Recommendation (Per FY)
Next Door Solutions to Domestic Violence	Services for victims of domestic violence through systems advocacy, case management, and support groups to increase resilience, and reduce isolation.	\$15,000	\$15,000	\$10,950
Project Sentinel	Fair housing	\$25,000	Not part of CDBG process. Ongoing services funded through General Housing Fund.	Not part of CDBG process. Ongoing services funded through General Housing Fund.
Senior Adults Legal Assistance (SALA)	Legal assistance to seniors focusing on: public benefits, housing, elder abuse/ domestic violence, nursing homes, consumer finance, health care directives, and incapacity/end of life planning.	\$16,500	\$16,500	\$12,045
Silicon Valley Independent Living Center (SVILC)	Housing placement assistance and referrals for residents with disabilities, including seniors with disabling conditions.	\$10,127	\$10,127	\$7,393
Vista Center for the Blind and Visually Impaired	Providing visually impaired adults the skills necessary to remain safe and independent in their home by creating an individual rehabilitation plan.	\$30,000	\$30,000	\$21,900
WeeCare	BOOST (Business Operation & Optimization Support Tools)	\$102,000	N/A—Ineligible as a Public Service activity	N/A—Ineligible as a Public Service activity
Total CDBG FUNDS		\$343,669	\$176,669	\$128,968

* Staff modifications include removing Project Sentinel and WeeCare for reasons noted above from consideration for CDBG funds and transferring the Day Worker Center to the General Fund and ARPA allocation.

General Fund and ARPA Funding Recommendations

Table 2 summarizes staff’s recommendation for public service activities funded by the General Fund and ARPA funding (for Fiscal Year 2023-24 only). The funding rationale is discussed below:

- General Fund and ARPA Funding Rationale: All of the organizations that applied for the General Funds appropriation provide needed and valuable services to low-income seniors, disabled persons, youth, and families. Funding public services activities provides a variety of unique services for low-income and at-risk populations and enables the City to further the priority goals identified in the Federal Consolidated Plan. Without General Fund support, agencies that would not be eligible for CDBG funds would not receive City funding.

As the requested amount is more than the available funding of the General Fund allocation and ARPA funds, and all eligible applicants scored highly based on the evaluation factors noted in the section above, staff recommends proportional funding for the recommended applicants over the two-year grant cycle. All 10 programs/activities, including the Day Worker Center’s education, skills training, and job placement program, transferred from the CDBG list of applicants, are recommended for proportional funding (approximately 78% of their requested amounts). This allows for available funds to be distributed equitably among all recommended applicants for the Fiscal Year 2023-25 grant cycle.

Table 2: General Fund Public Service and ARPA Funding Recommendations for Fiscal Years 2023-24 and 2024-25 Public Service Applicants

Applicant (Agency Name)	Program/ Activity Name	Amount Requested (Per FY)	Funding Recommendation (Per FY)
Community School of Music and Arts (CSMA)	Preschool bilingual music and art Program at Latham, Graham, and Theuerkauf schools in Mountain View.	\$25,000	\$19,861
Community Services Agency (CSA)	Seniors nutrition program providing on-site weekday lunches at the Senior Center.	\$38,029	\$29,775
Day Worker Center	Healthy meals program provides breakfast and lunch six days a week to-go for day workers and their families.	\$40,000	\$31,312
Healthier Kids Foundation	VisionFirst screenings for low-income children and ensuring the child can access appropriate treatment.	\$11,245	\$8,882

Applicant (Agency Name)	Program/ Activity Name	Amount Requested (Per FY)	Funding Recommendation (Per FY)
Junior Achievement of Northern California	Mountain View youth economic empowerment initiative through a career exploration and development program for 8th to 12th graders and personal finance and career readiness lesson series.	\$8,000	\$6,351
MayView Community Health	Increasing access to medical and behavioral health care for underserved Mountain View residents at safety-net health center.	\$22,500	\$17,662
Parents Helping Parents, Inc.	Support services for families raising children with disabilities.	\$8,250	\$6,547
The Health Trust	Meals on Wheels program helps seniors access nutritious food and maintain health and independence in their own homes.	\$43,200	\$33,807
YWCA	Domestic violence support services, including emergency shelter and basic needs; support via counseling, therapy, legal advocacy, case management, and connection to additional resources.	\$42,500	\$33,261
Day Worker Center (DWC)	Job placement services for day workers and training for learning ESL, job safety, and familiarity with technology used for basic everyday requirements (moved over from CDBG funding request).	\$40,000	\$31,312 [^]
TOTAL GENERAL FUND SUPPORT (INCLUDES ARPA)		\$278,724	\$218,770

[^] DWC’s Education, Skills Training and Job Placement program recommended to be transferred to the General Fund public service grant from the CDBG public services grant.

Capital Projects Funding Recommendations

- \$30,000 to Rebuilding Together to Implement a Minor Home Repair Program: The City allocated \$30,000 of CDBG capital funds for implementing a minor home repair program and received one application from Rebuilding Together Peninsula for their Safe at Home

program. The organization had been a CDBG subrecipient when this program was previously funded through the public services grants until 2019. The program was paused during the COVID-19 pandemic and based on community feedback, there remains a need for these services.

The goal of the home repair programs is to address minor repair needs for eligible low-income homeowners before they become serious safety or deferred maintenance issues. Examples of common repairs include, but are not limited to: widening doorways and passageways, removing tripping hazards, smoke and carbon monoxide detector installation, and improved interior and exterior lighting. Staff recommends Rebuilding Together Peninsula for the implementation of the minor home repair program to leverage their networks with contractors and understanding of homeowners' needs. Rebuilding Together Peninsula is also familiar with CDBG monitoring and reporting requirements.

- Approximately \$2.2 Million CDBG and HOME Direct Allocation to Crestview Hotel Project: As noted above, a direct allocation of HOME funding for capital projects to affordable housing projects in the City's pipeline that are "shovel-ready" to meet program requirements was approved. In addition, as no applications were received for CDBG capital projects in the NOFA, staff recommends a direct allocation of available funding.

Over the last two years, the City has set-aside approximately \$5.26 million in CDBG and HOME funds for the rehabilitation and conversion of the Crestview Hotel (located at 901 East El Camino Real) for permanent affordable housing. On March 14, 2023, the City Council approved \$3.8 million from the Rental Housing Impact Fees and Housing Impact Fees, and the County Board of Supervisors approved \$7.75 million in additional funds to the project. As noted in the staff report, due to the rising costs of construction, there was a remaining funding gap that had to be closed before the loans could be closed and the developer starting the renovations/construction.

Staff recommends that the Fiscal Year 2023-24 Annual Action Plan include \$2,162,507 in funding for the Crestview Hotel project by allocating the available CDBG funds for capital projects (\$742,588) and available HOME funds for capital projects (\$1,419,918). These funds would replace the equivalent amount of \$2,162,507 of the housing impact fees as noted in the March 14 report.

Table 3 below provides an updated summary of the funding sources and amounts, including the replacement of funds approved from the City Housing funds by Federal funds.

Table 3: Funding Sources for the Rehabilitation of the Crestview Hotel Project

Funding Source	Previously Approved Funds		Replacement of City Housing Funds	Final Funding Totals (in \$)
	Funding Amount (in \$)	Year Approved/ Awarded		
CDBG	\$2,108,856	April 2021	\$742,588*	\$3,605,661
	\$754,217	April 2022		
HOME	\$1,600,000	April 2021	\$1,419,918*	\$3,816,433
	\$796,515	April 2022		
Federal Community Project Funding Grant for Crestview Hotel		March 2023	\$750,000	\$750,000
City Housing Funds	\$3,800,000	March 2023		\$887,494
TOTAL	\$9,059,588		\$2,912,506 of Housing Funds replaced	\$9,059,588

* Replacement of Impact fees with additional CDBG and HOME funds subject to HUD approval of the allocations in the FY 2023-24 Annual Action Plan—anticipated by July 2023.

Based on previous allocations of CDBG and HOME funds to the Crestview Hotel and the additional funds approved on March 14, the total City funding for the project is \$9,059,588. At its March 14, 2023 meeting, Council authorized the City Manager or designee to negotiate and execute a loan agreement in an amount not to exceed \$9.0 million. Staff recommends the authorization for the affordable housing regulatory agreements and other related documents relating to this allocation of funds with Jamboree Housing Corporation (or approved affiliate) be modified to \$9.1 million to accurately reflect the actual amount (see Recommendation No. 4 above).

FISCAL IMPACT

Approval of the Fiscal Year 2023-24 AAP will not impact the General Fund. The Fiscal Year 2022-23 Adopted Budget has \$163,500 in the General Operating Fund for public services, and staff recommends increasing it by \$7,500 in Fiscal Year 23-24 to bring it to \$171,000. The funding recommendations for the Final Fiscal Year 2023-24 AAP will reflect Council's approval for public services and capital projects. This includes \$128,968 in CDBG funding (composed of Fiscal Year 2023-24 CDBG public services funding and current year program income received allowed for public services) for public services; \$171,000 (annual) will be included in the Fiscal Year 2023-24 Recommended Budget supplemented by \$95,540 in ARPA funds for public services; \$30,000 in CDBG funds for a minor home repair program; and \$2,162,506 in funding for a capital project (\$742,588 in CDBG and \$1,419,918 in HOME funds). The funding recommendations are consistent with the Consolidated Plan goals. The General Fund for public services is part of the City's base budget, and staff requests additional General Fund support of \$7,500 for the Fiscal Year 2023-24 public services funding cycle. The ARPA funding has already been appropriated for this use as part of the City's Fiscal Year 2022-23 Adopted Budget.

CONCLUSION

The purpose of this item is to hold a public hearing and for Council to review and approve the Fiscal Year 2023-24 AAP and funding recommendations for public services and capital projects. This NOFA cycle provides funding for public services activities and CDBG funds for a minor home repair program and capital projects. The NOFA for public services activities was significantly oversubscribed, and no applications were received for capital projects. This report includes the HRC's funding recommendations which have been adjusted based on actual allocations.

ALTERNATIVES

Provide other funding recommendations and/or direction on the Fiscal Year 2023-24 Annual Action Plan.

PUBLIC NOTICING

The Fiscal Year 2023-24 Annual Action Plan was posted on the City website at www.mountainview.gov/depts/comdev/housing/default.asp on March 24, 2023. Advertisements of the opening of the public comment period were placed in the *Mountain View Voice* and *Palo Alto Daily Post*, with links to the same notice in Spanish and Mandarin. The English and translated notices were also physically posted at City Hall and the Library. Notices were also sent to interested parties per the City's Citizen Participation Plan.

The Human Relations Commission heard the staff recommendation on March 2, 2023. The Commission unanimously recommended approval of the Fiscal Year 2023-24 Annual Action Plan.

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Attachment: 1. Fiscal Year 2023-24 Annual Action Plan