



COUNCIL REPORT

DATE: September 10, 2024

CATEGORY: Public Hearing

DEPT.: Housing

TITLE: **Fiscal Year 2023-24 Consolidated Annual Performance and Evaluation Report (CAPER)**

RECOMMENDATION

Receive input and approve the draft Fiscal Year 2023-24 Consolidated Annual Performance and Evaluation Report for the Community Development Block Grant and Home Investment Partnership Program (Attachment 1 to the Council report) for submission to the U.S. Department of Housing and Urban Development.

BACKGROUND

The purpose of this public hearing is for the City Council to receive public input on the Fiscal Year 2023-24 Consolidated Annual Performance and Evaluation Report (CAPER) for the Community Development Block Grant (CDBG) program and the HOME Investment Partnerships Program (HOME) and approve it for submission to the U.S. Department of Housing and Urban Development (HUD) by the deadline of September 30, 2024.

Each fiscal year, the City, as a federal “entitlement jurisdiction,” directly receives CDBG and HOME funds from HUD to invest in qualifying public service activities and capital projects in Mountain View. In addition to these annual allocations, unspent funds from prior years, as well as program income (such as when a developer repays the City CDBG/HOME funds that were used to fund an affordable housing project), may be available to fund activities and projects. The City is required to develop and submit an Annual Action Plan (AAP) to HUD that identifies the specific public services and capital projects (such as affordable housing projects) that will be funded with CDBG and HOME funds. These public services and capital projects must align with the goals and priorities identified in the City’s federally required five-year Consolidated Plan (currently for the Fiscal Year 2020-25 period). The Fiscal Year 2023-24 Annual Action Plan was approved by the City Council on April 25, 2023.

The CAPER is an annual document required by HUD that outlines the progress the City has made towards carrying out its Annual Action Plan by providing an overview of major initiatives and accomplishments that were achieved throughout the fiscal year. The CAPER consists of program narratives, an assessment of annual performance, and an assessment of progress towards

meeting the goals and objectives contained in the Consolidated Plan. The Fiscal Year 2023-24 CAPER summarizes the City's CDBG and HOME accomplishments over the period from July 1, 2023 to June 30, 2024 and represents the fourth year of the 2020-2025 Consolidated Plan. The draft Fiscal Year 2023-24 CAPER can be found in Attachment 1.

HUD's CDBG regulations establish the maximum percentages that may be allocated to CDBG administration and public services. Of the total estimated funding, a maximum of 20% may be used for administrative costs, a maximum of 15% may be used for public services, and the remaining funds may be used for capital projects. Similarly, HUD's HOME regulations establish that a maximum of 10% of the City's annual HOME allocation may be used for administration costs.

The City supplements the CDBG public services funding by providing an annual allocation of \$171,000 from its General Fund to fund other important public services that are not eligible for CDBG funding. For the purposes of HUD reporting and this report, the CAPER focuses on the CDBG-funded public services; hence, the \$171,000 in City funding for public services is not reflected in the tables below.

ANALYSIS

Overall, the CDBG-/HOME-funded activities met the goals established for the Fiscal Year 2023-24 AAP. The total amount of CDBG funding that was anticipated to be made available for Fiscal Year 2023-24 outlined in the AAP, was \$1,023,664. This funding was allocated as shown in Table 1 below.

- A capital project (Crestview Hotel);
- The minor home repair program (Rebuilding Together Peninsula);
- Public services (seven programs, listed below); and
- Administrative costs.

Table 1: Fiscal Year 2023-24 CDBG Funding

Program/Project	Funding Allocated
Conversion of Crestview Hotel into permanent affordable housing	\$ 742,588
Minor home repair program (Rebuilding Together)	30,000
Public services (7 programs, listed in Table 3)	128,968
Administrative costs	<u>122,108</u>
TOTAL	<u>\$1,023,664</u>

The Annual Action Plan is typically drafted and approved, well ahead of the City learning of our actual funding amounts. The initial funding anticipated and allocated differs from the final amounts that are received or made available through the Fiscal Year. Ultimately, for CDBG, the

City received \$610,539 in entitlement funds for Fiscal Year 2023-24, \$566,062 in Program Income and had \$163,125 in rollover funds for a total of \$1,339,726.

The City funds the public service agencies through a two-year funding cycle. Fiscal Year 2023-24 was the first of the two-year cycle. Due to the requests for CDBG public service funding for Fiscal Year 2023-24 being oversubscribed, the City provided an additional \$47,701 of General Funds on top of the \$128,968 in CDBG funds for a total of \$176,669 to support these CDBG public service agencies.

As shown in Table 2 below, the City allocated \$1,448,505 of HOME funding in the Fiscal Year 2023-24 AAP.

Table 2: Fiscal Year 2023-24 HOME Funding

Program/Project	Funding Allocated
Conversion of Crestview Hotel into permanent affordable housing	\$1,419,919
Administrative costs	<u>28,586</u>
TOTAL	<u>\$1,448,505</u>

During the Fiscal Year, the City received \$285,869 in HOME entitlement funds, \$823,604 in HOME Program Income, and had \$962,636 in roll-over funds, for a total of \$2,072,109.

In total, 4,978 people/households were served through the City’s CDBG and HOME funded activities. Of the individuals/households who were helped by these services, 4,286 were extremely low-income, 594 were low-income, and 98 were moderate-income. Table 3 below summarizes the funding allocated, funding expended, and accomplishments for both CDBG and HOME programs and projects in Fiscal Year 2023-24. Funding figures do not include administrative costs.

Table 3: Summary of Fiscal Year 2023-24 Public Services and Capital Projects, Funding, and Accomplishments

Agency	Program/Project	Funding Allocated	Funding Expended	Accomplishment Data
City of Mountain View	Capital Project: Crestview Hotel Conversion/Rehabilitation for Affordable Housing	CDBG: \$742,588 HOME: \$1,419,919	CDBG: \$3,605,661 HOME: \$1,992,634	<i>Project is progressing as scheduled and is anticipated to be completed in fall 2024</i>
Rebuilding Together Peninsula	Minor Home Repair Program	CDBG: \$30,000	CDBG: \$25,596	Four households served

Agency	Program/Project	Funding Allocated	Funding Expended	Accomplishment Data
Community Services Agency	Public Services: Homelessness Prevention	CDBG: \$31,201	CDBG: \$31,201	4,611 people served
Community Services Agency	Public Services: Senior Services Case Management	CDBG: \$19,929	CDBG: \$19,929	173 people served
LifeMoves	Public Services: Graduate Housing Case Management	CDBG: \$25,550	CDBG: \$25,550	Three people served
Next Door Solutions to Domestic Violence	Public Services: Services for Victims of Domestic Violence	CDBG: \$10,950	CDBG: \$10,950	37 people served
Senior Adult Legal Assistance	Public Services: Legal Services for Seniors	CDBG: \$12,045	CDBG: \$12,045	49 people served
Silicon Valley Independent Living Center	Public Services: Services for the Disabled	CDBG: \$7,393	CDBG: \$7,393	50 people served
Vista Center for the Blind and Visually Impaired	Public Services: Services for the Blind	CDBG: \$21,900	CDBG: \$21,900	51 people served
TOTAL: CDBG HOME		\$901,556 \$1,419,919	\$3,760,225 \$1,992,634	4,978 people served

Note that the City has committed construction funds to the Crestview Hotel conversion over the course of a few fiscal years. Due to the nature and timing of affordable housing projects, funds need to be committed early on but are not spent until later on when the work begins. Construction/rehabilitation work at Crestview Hotel commenced during Fiscal Year 2023-24, which allowed the City to draw down on all funds committed to the project. Therefore, Table 3 shows a higher Funding Expended amount than the Funding Allocated amount because the Funding Allocated reflects the funding allocated to the project only from Fiscal Year 2023-24 funds alone, while the Funding Expended reflects the total amount the City actually expended including funding commitments from prior years.

FISCAL IMPACT

Approval of the Fiscal Year 2023-24 CAPER for submission to HUD does not have a fiscal impact on the General Fund. Submittal of the CAPER meets HUD reporting requirements and maintains the City's eligibility for future cycles of CDBG and HOME program funding.

ALTERNATIVES

1. Do not approve the Fiscal Year 2023-24 CAPER for submission. Not approving the CAPER for submission by the HUD-required deadline may cause the City to be ineligible for federal funding.
2. Provide other direction.

PUBLIC NOTICING

Per HUD requirements, the Fiscal Year 2023-24 CAPER was posted on the City website at mountainview.gov/our-city/departments/housing for a 15-day public comment period that began on August 27, 2024 and ended on September 10, 2024. Advertisements for 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, Russian, and Chinese. Notices were also sent to the CDBG interest list per the City's Citizen Participation Plan.

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Attachment: 1. Draft Fiscal Year 2023-24 CAPER