



**COMMUNITY DEVELOPMENT DEPARTMENT
HOUSING DIVISION**

DATE: May 18, 2012
TO: Housing and Human Services Commission
FROM: Suzanne Isé, Housing Officer
RE: **Commission Review of Recommended FY 2012-13 Budget**

Each year prior to adoption of the budget, the City's Boards and Commissions are given an opportunity to "provide Council a recommendation regarding the city manager's recommended budget for content under the purview of their board or commission."

Council Policy 7.2.19(I)1(c)

The Housing & Human Services Commission has purview over the budget matters related to housing and human services activities.

The entire budget is available for review online at: ProposedBudget.inSunnyvale.com

Portions of the Recommended Budget under the Commission's purview include:

- Housing and CDBG Program sections of Volume I, Part III: Operating Budget, Community Development Chapter (pages 19-49), and
- Portions of Volume II: Projects Budget related to Housing and Human Services activities (relevant pages attached).

Please review the above-noted portions of the budget prior to the meeting.

A public hearing on the Recommended Budget is scheduled for the June 12th Council meeting, and adoption of the Final Budget is scheduled for the June 19th Council meeting.

Recommended Action:

The Commission may choose to make a formal motion with recommendations regarding the Recommended Budget, or to forward its comments on the Budget to Council in the form of the meeting minutes.

Attachment: Housing and Human Services-related excerpts from Volume II: Projects Budget

Housing

The City's housing projects are targeted to achieve the goals of the City's Housing and Community Revitalization Sub-Element of the General Plan and the 2010-2015 Consolidated Plan.

Housing projects are funded through Housing Mitigation Fees, the City's allocation of the Federal CDBG and HOME Grants, and Below Market Rate (BMR)-related fees and revenues.

Major Housing Projects

Housing Trust Fund Contribution. This project provides for a contribution of Housing Mitigation funds to the Housing Trust Fund of Santa Clara County. These contributions go towards the investment in City-approved projects located in Sunnyvale and can include loans for affordable multi-family rental housing construction or rehabilitation and down payment assistance for low-to-moderate income first-time home buyers.

Housing Loans. The City has two First-Time Homebuyer loan programs that help individuals with low and moderate incomes. Other loan programs are offered by the City; however, they are financed by CDBG and appear in that section.

Armory Affordable Housing Site. Mid-Peninsula Housing Coalition and Charities Housing Development Corporation will create 124 low-income housing units at the City's Armory Site. Each organization received \$4 million in Housing Mitigation funds for the predevelopment, entitlement and long-term lease of the Armory Property, and the construction of rental housing.

Garland Plaza Rehabilitation. MidPeninsula Housing Corporation will use \$1.5 million in HOME funds to substantially rehabilitate the Garland Plaza property. The reconfiguration will result in 20 housing units for low-income households.

**CITY OF SUNNYVALE
FUNDED / UNFUNDED PROJECTS
BUDGETED PROJECT COSTS SUMMARY**

PROJECT NO.	PROJECT NAME	PRIOR ACTUAL	CURRENT 2011-12	BUDGET 2012-13	PLAN 2013-14	PLAN 2014-15	PLAN 2015-16	PLAN 2016-17	PLAN 2017-18	PLAN 2018-19	PLAN 2019-20	PLAN 2020-21	PLAN 2021-22	Y11-Y20 TOTAL	PROJECT LIFE TOTAL
HOUSING FUNDED PROJECTS															
823750	BMR Compliance Enforcement	263,786	25,000	10,200	10,404	10,612	10,824	11,041	11,262	11,487	11,717	11,951	12,190	143,935	544,409
826520	Pre-Development Costs on Affordable Housing Sites	64,010	6,519	0	0	0	0	0	0	0	0	0	0	0	70,529
826530	County-wide Homeless Count	21,882	0	8,238	0	8,732	0	9,256	0	9,915	0	10,708	0	67,860	136,591
828100	First-Time Homebuyer Loans (81-120% AMI)	17,527	382,500	0	0	0	0	0	0	0	0	0	0	0	400,027
828110	Housing Trust Fund (HTFSCC) Contribution	200,000	200,000	300,000	0	0	0	0	0	0	0	0	0	0	700,000
828120	First-Time Homebuyer Loans (up to 80% AMI)	209,160	217,535	100,000	0	0	0	0	0	0	0	0	0	0	526,695
828530	Aster Park Rehabilitation	1,170,000	130,000	0	0	0	0	0	0	0	0	0	0	0	1,300,000
828700	Momentum for Mental Health: Rehab (HOME)	112,358	318,900	0	0	0	0	0	0	0	0	0	0	0	431,258
828750	Tenant Based Rental Assistance (HOME)	43,750	449,692	200,000	0	0	0	0	0	0	0	0	0	0	693,442
828830	Homestead Park	0	577,300	0	0	0	0	0	0	0	0	0	0	0	577,300
900860	Armory Affordable Housing Site - Charities Housing	0	0	4,050,000	0	0	0	0	0	0	0	0	0	0	4,050,000
900861	Armory Affordable Housing Site - MidPen Housing	0	0	4,050,000	0	0	0	0	0	0	0	0	0	0	4,050,000
900862	MidPen Housing: Garland Plaza Rehab	0	0	1,500,000	0	0	0	0	0	0	0	0	0	0	1,500,000
900870	Affordable Housing	0	0	5,000,000	0	0	0	0	0	0	0	0	0	0	5,000,000
HOUSING FUNDED PROJECTS		2,102,473	2,307,446	15,218,438	10,404	19,344	10,824	20,297	11,262	21,402	11,717	22,659	12,190	211,795	19,980,251

Community Development Block Grant (CDBG)

Each year, the City of Sunnyvale submits an Action Plan to the U.S. Department of Housing and Urban Development (HUD). This plan allows the City to receive entitlement funds under the Community Development Block Grant Program (CDBG) and the HOME Program. CDBG and HOME funds are used to finance specific and targeted activities, including outside group service agencies, as well as housing facilities and home loans for seniors and people with low to moderate incomes. These grant funds can also be used for projects targeting ADA compliance and for projects in defined low income census tract areas.

Major CDBG Projects

Each year, staff prepares the City's Consolidated Housing Plan and the FY 2012/13 plan includes the following major projects:

ADA Curb Retrofit and Sidewalk Replacement. This project address the significant number of intersections that require improvements to sidewalk access to meet Americans with Disabilities Act (ADA) standards, as well as the backlog of CDBG-eligible sidewalks that require repair. The combined curb retrofit and sidewalk replacement project has been budgeted for \$100,000 per year in the 20-year plan.

Outside Group Funding. FY 2012/13 is the second year of a two-year funding cycle for human services agencies receiving CDBG and General Fund support. The CDBG allocation is \$217,436 in FY 2012/13. This allocation will be supplemented by \$100,000 of General Fund support, which is shown under the Outside Group Funding project category.

CDBG Housing Rehabilitation Revolving Loan Fund. This project provides for rehabilitation and repair of single-family and multi-family homes. This program also provides an option for extremely low-income individuals to defer their rehabilitation loan repayment until the owner passes away or the property is sold or transferred. While the original financing was federal CDBG monies, the project receives continual funding from the proceeds of loan repayments.

Outside Group Funding

The City of Sunnyvale has, for decades, provided supplemental support to its needy residents through funding of local human services agencies. The principal source of funding is the Community Development Block Grant (CDBG). Over the years, the City has supplemented federal funding with General Fund support at varying levels.

In years past, General Fund monies were allocated based on a set dollar amount through an outside group funding process. There were two types of groups that competed for the funds through this process: human services agencies, which were also eligible for CDBG funding, and outside groups that provided community enrichment services such as promotion of community engagement and job training. Starting in FY 2008/09, the process was separated for these two group types.

For outside groups not eligible for CDBG funds, groups must make funding requests directly to the City department in which their services would reside. Staff considers these requests in context of their operating budgets and currently funded service levels. Staff then makes one of three recommendations: 1) fund the request within the existing budget by reducing or eliminating another service; 2) fund the request using General Fund monies; or 3) do not recommend funding

the request. For items 2) and 3), the requests are presented to Council as a budget supplement in the City Manager's recommended budget.

For human services agencies, their requests are processed together with their requests for CDBG funds. In December 2008, Council approved a maximum General Fund support level of \$100,000 annually. A combined maximum of \$350,000 in CDBG and General Funds was set for CDBG-eligible human services agencies. Therefore, General Fund support could go up and down annually depending on the CDBG allocation, but will be no more \$100,000.

Outside Group Funding Projects

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OUTSIDE GROUP FUNDING FUNDED PROJECTS															
819720	Outside Group Funding Support [GF]	0	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000	2,000,000
OUTSIDE GROUP FUNDING FUNDED PROJECTS		0	0	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000	2,000,000