



**COMMUNITY DEVELOPMENT DEPARTMENT
HOUSING DIVISION**

DATE: March 28, 2012
TO: Housing and Human Services Commission
FROM: Suzanne Isé, Housing Officer
RE: **FY 2012-13 CDBG/HOME Capital Project Proposals and Evaluations**

In January 2012, the City released a Request for Proposals (RFP) for affordable housing and/or capital project proposals to be funded with HOME and CDBG funds in FY 2012-13. The proposals were determined eligible by Housing staff, then reviewed and scored by a panel of three additional City staff.

The City received two proposals in response to the RFP:

Applicant: MidPen Housing Corporation
Funding Request: \$1,500,000 (HOME)
Project: Rehabilitation of the 20-unit Garland Plaza Apartments, located at 662 Garland Avenue, to improve and preserve affordable rental housing for low-income households.

Applicant: Sunnyvale Community Services
Funding Request: \$220,000 (CDBG)
Project: A Sunnyvale Workforce Development Program implemented primarily by Downtown Streets Team (DST) to provide job readiness training, job skills training, and job placement for low-income individuals who are homeless, recently homeless, or at risk of homelessness in Sunnyvale.

Recommended Action:

1. **Staff recommends providing a conditional commitment for a HOME loan of up \$1.5 million to MidPen Housing for the proposed Garland Plaza rehabilitation project.** MidPen's extensive experience in the development, management, and rehabilitation of affordable housing will address the goal of supporting affordable rental housing for lower-income households, as

described in the City's Consolidated Plan. The MidPen proposal provides matching funds equal to approximately 74% of the project cost, well over the minimum matching requirement of 25% stated in the RFP. The proposed budget for the rehabilitation project is slightly over \$5.6 million. The requested \$1.5 million in City HOME funds would cover nearly 27% of this total project cost, at \$75,000 in HOME funds per unit. This subsidy level is well within the HOME per-unit subsidy limits established by HUD. The staff panel gave this proposal an average score of 93 out of 100, due in part to its very high percentage of matching funds.

2. **Staff recommends funding the Sunnyvale Workforce Development Program with a \$220,000 CDBG grant, with minor modifications to the proposed project budget to comply with CDBG expenditure requirements.** The proposed matching funds, including eligible in-kind contributions, equate to 28% of the project cost, slightly over the required match of 25%. With all in-kind contributions considered, the proposed matching ratio is nearly 50%. This program would address the Consolidated Plan objective to help people who are currently homeless or at imminent risk of homelessness to obtain employment or other sources of income and adequate support services/networks to achieve stability.

Although this is a new program for Sunnyvale, both agencies have strong organizational capacity, extensive experience, and an excellent track record in meeting program goals. Given the urgent community need for these services, staff supports the request for a grant of \$220,000 in CDBG funds, which would enable this program to help at least 50 job seekers find work and access employment-supportive services. The staff panel gave this proposal an average score of 88 out of 100. The primary difference in score compared to the HOME proposal was due to the lower percentage of matching funds provided by in the CDBG proposal.