

**Council Meeting: December 16, 2008****SUBJECT: General Fund Support of CDBG Funded Public Services (Study Issue)****REPORT IN BRIEF**

Over the past few years, the allocation of Community Development Block Grant (CDBG) funds has gradually decreased due to reductions in the grant allocation that the City receives from the federal government, as well as a decline in program income. Due to the fluctuating grant revenues and given its effect on service levels, City Council requested that staff review the current process for allocating CDBG funds to eligible human service agencies (**Attachment A**). The study includes a survey of policies and practices of adjacent cities and all available statistical data to determine whether the City should budget General Funds to compensate for any future reductions in federal funding. If General Funds continue to be allocated, this study analyzes the appropriate level of funding and the process and criteria for allocating the funds.

The Housing and Human Services Commission (HHSC) had the opportunity to review this report and give additional input. During the meeting of November 19, 2008, the HHSC made the following four motions 1) to recommend to City Council that General Fund support by the City continues; 2) that said support becomes part of the Housing Division's operating budget and is given a priority ranking; 3) that a combined General Fund and CDBG maximum allocation be set; and 4) that maximum and minimum amounts for individual funding of human services agencies be also set. Thus, the HHSC recommended streamlining the current two-phase process and enabling the City and the agencies being funded to deliver consistent levels of service to the community.

BACKGROUND

The City has supplemented the CDBG funds granted to human services agencies with General Fund dollars for over thirty years for the benefit of its low-income and at-risk residents. Currently, the recommendation for an amount and allocation of the General Fund portion occurs after staff and the Housing and Human Services Commission have already reviewed applications and made their recommendations for CDBG funding allocations. The current policy creates a two-phase process by having City Council consider the General Fund portion of funding separately along with other City priorities and after the CDBG Action Plan is adopted.

Human service agencies provide supportive services to a specific group of people, at least 51% of whom are low income (less than 80% of area median income). The City has assumed an advocacy role to manage the use of its resources to best meet the human service needs of its community, but there is a continuing demand for the City to fund additional human services needs. The City, however, cannot respond to all requests or even close a significant amount of the gap created by the federal, state, and county reductions in available funds. The City also has certain basic services that it has chartered to provide with limited available fiscal resources.

The allocation of CDBG funds is currently guided by the Human Services Council Policy 5.1.3. **(Attachment B)** which outlines in its purpose that, “The City of Sunnyvale recognizes that the supportive human services programs of the Federal, State and County governments do not fully meet the needs of all its population. The City, therefore, shall make its best efforts to provide supplemental human services, which include but are not limited to emergency services, senior services, disabled services, family services, and youth services.” Furthermore, the 2005-2010 Consolidated Plan, which is also submitted to HUD, outlines the priority human services needs set forth by the City, as well as the criteria used to set such priorities in Chapter 4, Section 4.3. **(Attachment C)**. This section contains the priorities and objectives the City will pursue to address identified housing and community development needs.

Housing and community development priorities are divided into the following general categories:

- Housing
- Homeless
- Public Services
- Community Development

The strategy also addresses the federally required topics of reducing poverty, eliminating barriers to affordable housing, and abating hazards associated with lead-based paint.

Chapter 4, Section 4.3.1 outlines the Criteria for Establishing Consolidated Plan Priorities (Attachment C).

In establishing its five-year priorities, the City of Sunnyvale has taken into consideration the following concerns:

- Categories of low- and moderate-income households most in need of assistance based on results of the Housing and Community Development Needs Assessment; and

- Programs and activities that best meet the identified needs; and
- Resources available and appropriate to address identified needs.

The needs summary identifies the City's priorities for housing, special populations, and community development needs for the five-year period of this Consolidated Plan. These priority needs were determined based on an assessment of demographic and housing information, interviews with local service providers, results of the Housing and Community Development Needs Survey, and consultation with the other public and private agencies. Proposed strategies contained in Chapter 4 of the Consolidated Plan cover only those activities that are deemed to be of high or medium priority. For a detailed list of the current priorities see Attachment C, Page 4-34, Table 4-6. For a summary of accomplishments and the third year progress in meeting the five-year Housing and Community Development Objectives see **Attachment D**.

The Housing Division submits the Action Plan for CDBG funds annually to the Department of Housing and Urban Development (HUD) in May, while the decision on whether to provide additional General Fund support takes place in June. The City will continue support to human services agencies with CDBG funds over the upcoming two-year funding cycle (FY 2009/2010 and FY 2010/2011).

The upcoming two-year funding process began with the Housing and Human Services Commission discussing and recommending priority funding needs for the upcoming cycle in October, with a recommendation to Council in December. A Request for Proposals (RFP) for services from human service agencies will be issued by the City in December of 2008, with applications due back in January 2009. The RFP is published in the major local newspapers and on-line on the Housing Division's website.

Eligibility

Groups applying for funding must meet the following eligibility criteria:

The human service agency must provide supportive services to a specific group of people, at least 51% of whom are low income (less than 80% of area median income).

The group must be incorporated as a non-profit organization, or be chartered as a local unit and organization so incorporated; and must be tax exempt (non-profits under Section 501(c)(3) of the IRS Code and Section 23701(d) of the California Revenue and Taxation Code).

A program seeking funding must represent a service that can be more cost-effectively operated by the applicant agency than by the City, or be the most logical service provider because of its role in the community.

Summary of Application Process

Projects applying for the City of Sunnyvale go through a process consisting of the following:

- Written application
- Determination by staff of proposal eligibility based on CDBG eligibility criteria
- Housing & Human Services Commission Review and Hearings
- Two-part evaluation process based on adopted numerical rating factors and other factors
- Funding recommendation by the Housing Division Staff
- Funding recommendation by the City of Sunnyvale Housing & Human Services Commission
- Final decision made by City Council

EXISTING POLICY

Council Policy 5.1.3 Human Services - The City of Sunnyvale recognizes that the supportive human services programs of the Federal, State and County governments do not fully meet the needs of all its population. The City, therefore, shall make its best efforts to provide supplemental human services, which include but are not limited to the emergency services, senior services, disabled services, family services and youth services. Human Services Agencies are defined as those which provide supportive services to a specific group of people, at least 51% of whom are low and moderate income (80% or less than of area median income). (Attachment B)

LAP 5.0(7) Support legislation that improves the quality of life for children and families through increased access to educational support, health care, housing, emancipation transition services for foster youth, and vocational training programs.

Socio-Economic Policy 5.1A Preserve and enhance the physical and social environment and facilitate positive relations and a sense of well-being among all community members, including residents, workers, and businesses.

Socio-Economic Policy 5.1J.2 The City shall assume an advocate role to manage the use of its resources to meet Human Services needs in Sunnyvale.

LAP 2.3(2) Support full funding of the federal CDBG Program and continue HOME Programs with increased funding, while urging federal, state and municipal governments to make the maximum use of the programs through partnerships with non-profit organizations and the private sector. Support enhanced local priority setting and administrative flexibility.

DISCUSSION

Per direction in study issue CDD-30 (see Attachment A), staff surveyed 15 jurisdictions, including some in different counties, to evaluate and analyze if and how other cities provide General Fund support for human services agencies (**Attachment E**). The following is a summary of the responses received by the nine cities that participated in the survey

Seven out of the nine cities supplement their CDBG allocation through different processes that are ultimately approved by Council. All but two cities have done so for more than 10 years. Of the two, one does not supplement at all and the other has its own Housing Trust Fund to support its public service activities. With populations ranging from nearly 38,000 in the City of Campbell to almost 1 million for the City of San Jose, the supplemental amounts range from \$40,000 to \$350,000.

All the jurisdictions use similar competitive application and evaluation criteria through the Request for Proposals (RFP) process and the HUD guidelines for qualifications and performance measures. Criteria such as cost per service unit, total number of residents served, and most importantly, serving the highest priority community needs are key qualifications for all applicants.

Staff concluded that although most jurisdictions operate similarly there were also some practices that are intended to maintain consistent levels of human service agency funding despite federal fluctuations. Furthermore, they allow supplemental funds to be considered at the beginning of the application review process rather than after the analysis and awarding of funds have occurred.

The principal source of human service agency funding is CDBG funding. The amount of this funding is limited by statute, to a maximum of 15% of the annual CDBG entitlement plus prior year's program income. The City has supplemented CDBG funds with General Funds for many years. Since FY 1995/96, the amounts have ranged from \$28,000 to \$128,000, with the highest funding years being FY 2001/02 and FY 2002/03 as shown in **Attachment F**.

This report addresses three policy issues; 1) should the City continue to provide a General Fund supplement for human service agencies; 2) if so, how

much supplemental General Fund should be allocated, and 3) what will be the process for allocating these funds. Staff offers different options depending on what alternatives are favored.

Policy Issue #1 - General Fund Support

The first policy issue is whether the City should continue its historic practice of providing supplemental General Fund assistance to human service agencies, or if these agencies should rely entirely on available CDBG funds as allocated from the federal government to the City each year. The pros and cons of continuing General Fund assistance include the following:

PROS

- Council Policy specifically states that the City recognizes that the supportive human services programs of the Federal, State and County governments do not fully meet the needs of all its population. The City, therefore, shall make its best efforts to provide supplemental human services, which include but are not limited to the emergency services, senior services, disabled services, family services and youth services.
- General Fund assistance provides essential services for an important segment of Sunnyvale's population, such as low-income seniors, at-risk families and individuals, and the homeless.
- General Fund assistance to human service agencies provides funds for preventive and supportive services that could divert or reduce the cost for other public services (e.g. public safety and social and mental health services.)
- Many surrounding cities provide funding for human service agencies to supplement CDBG funds and view this as an essential city service.
- The City has historically provided supplemental General Fund assistance to human service agencies.
- General Fund assistance is desirable to stabilize and minimize the disruption in the level of service provided by human service agencies if CDBG funds fluctuate significantly from year to year.

CONS

- General Fund assistance for human service agencies is not a basic service that should be funded by the City. Social service funding should

primarily be the responsibility of the federal, state, and county governments.

- The City should place higher priority on allocating its limited and finite resources for essential city services and unmet capital improvement needs.
- General Fund assistance for human service agencies should be ranked lower in priority than other services because these agencies assist a limited or targeted population versus other core city services (e.g. street maintenance, parks, and library) that benefit a larger population.
- Not all cities provide General Fund assistance for human service agencies. Some cities rely entirely on CDBG or other funds to assist human services agencies.
- Although the City has provided funding in the past, it should not be bound to continue this commitment, particularly during times when City revenues are increasingly scarce.

Staff suggests two basic alternatives for the Council in terms of continuing supplemental General Fund assistance for human service agencies:

Alternative #1a: Do not recommend any supplemental General Fund assistance. Human service agencies would be 100% CDBG supported.

Alternative #1b: Designate funding for human service agencies with an operating priority ranking level of *4.Mid-Range* and designate that the supplemental General Fund support be incorporated into the Housing Division's base operating budget in order to have the funding available on an ongoing basis, at a level greater, equal, or less than historic levels. One of the ranking criterion for the *4.Mid-Range* level is to target vulnerable populations and it describes activities such as the Columbia Neighborhood Center Health Services and case management for seniors (**Attachment H**). This ranking level is consistent with other similarly ranked activities in the Housing Division Program (e.g. affordable housing program, housing improvement program, Below Market Rate program).

Policy Issue #2 - Amount of General Fund Support

The second policy issue is how much General Fund support to allocate. If the City Council favors Alternative #1b and desires to generally maintain the past level of combined CDBG and General Fund assistance, staff suggests that a total not to exceed \$300,000 be allocated annually for CDBG-eligible public services for the next two years (FY 2009/10 and FY 2010/11) based on the

total funding allocated during the last several years. This includes an estimated \$220,000 in CDBG funds and up to \$80,000 in General Fund support.

Although the maximum \$80,000 General Fund supplement falls below the historic average as shown below in Table 1, it would more than sufficiently cover the allocations for recent years. Of course, the City Council can choose to allocate a lesser or greater amount. This figure also takes into account the City's current fiscal constraints and is within the range that cities with a similar population allocate (**Attachment E**). However, current economic conditions will create a greater demand for services provided by human service agencies in the next few years.

Table 1

City of Sunnyvale Historical Human Service Agency Funding

Fiscal Year	General Fund Supplement \$	CDBG \$	Prior Year's Program Income \$	Total Funding
98/99	\$99,617	\$251,490	\$9,510	\$360,617
99/00	\$97,264	\$249,609	\$15,391	\$362,264
00/01	\$90,431	\$225,386	\$6,357	\$322,174
01/02	\$128,801	\$264,745	\$6,733	\$400,279
02/03	\$116,485	\$252,637	\$13,135	\$382,257
03/04	\$67,189	\$289,674	\$13,342	\$370,205
04/05	\$112,691	\$276,408	\$6,785	\$395,884
05/06	\$58,277	\$332,116	\$17,884	\$408,277
06/07	\$69,176	\$260,206	\$11,394	\$340,776
07/08	\$27,895	\$250,840	\$6,736	\$285,471
08/09	\$53,182	\$227,485	\$4,804	\$285,471
Averages	\$83,728	\$261,872	\$10,188	\$355,789

The suggested \$300,000 total allocation is comprised of a maximum General Fund supplement not to exceed \$80,000 and the 15% maximum allowed of CDBG funds and prior year's program income combined. The precise allocation of CDBG funds for next year will not be known until January 2009 at the earliest, but staff anticipates that no less than \$220,000 will be available for CDBG public services based on allocations from the past several years, also shown above in Table 1.

The pros and cons of setting a combined amount of CDBG and General Funds for allocation to human service agencies are as follows:

PROS

- Establishing a combined maximum amount of funding would assist in keeping a consistent level of financial support for human service agencies and services to the community.
- A combined maximum amount of funding would enable the agencies to plan ahead for the second year of their contracts with greater reliability, provided that they are meeting their performance goals.
- A combined maximum amount allows staff to easily establish the General Fund supplement once the allocation of CDBG funds is known.

CONS

- It creates uncertainty with regards to the services or programs that will have to be reduced in order to provide funding in the Housing Division's base operating budget for human service agencies.
- Human service agencies may come to anticipate or even expect funding from the City.
- It may result in pre-committing General Funds prior to completing the budget process.

Staff suggests three alternatives for the Council in terms of setting a combined maximum amount of combined CDBG fund and supplemental General Fund assistance for human service agencies:

Alternative #2a: Do not allocate supplemental General Plan assistance for FY 2009/10 and FY2010/11. Human service agencies would be 100% CDBG supported for the next two years.

Alternative #2b: Establish \$300,000 as the maximum annual amount of combined funding for CDBG eligible human service agencies for FY 2009/10 and FY 2010/11. Of this amount, staff anticipates that no less than \$220,000 will come from the CDBG federal allocation and prior year's program income, and will continue to follow the current two-year cycle process. A maximum of \$80,000 in supplemental General Fund support would be incorporated into the Housing Division's base operating budget to be available on an ongoing basis. This option would require a corresponding reduction in General Fund support to existing services yet to be identified.

Alternative #2c: Establish a different annual maximum amount of combined CDBG funds and supplemental General Funds with a different maximum amount of General Funds. This option would require a corresponding reduction in General Fund support to existing services yet to be identified.

Policy Issue #3 - Process for Allocation of General Fund Supplement

The third policy issue is defining the criteria and process for setting the funding level, if the City Council favors Alternatives #2b or #2c and decides that a combined maximum amount of General Fund and CDBG fund assistance for human service agencies is appropriate.

Current Process

Council Policy 5.1.3, Human Services, currently guides the Outside Group funding process for human service agencies (Attachment B).

The funding process begins bi-annually, prior to adoption of the 20-year Resource Allocation Plan with a recommendation by the Housing and Human Services Commission and adoption by City Council of priority human service funding needs. The recommendations for targeted services will then be included in the City's Request for Proposals.

The Policy also sets forth processes for filing and evaluating applications **(Attachment G)**.

The Policy (Attachment B, Part VIII) includes an evaluation process for all funding requests submitted to the City. The process calls for all applications to be evaluated by the Housing and Human Services Commission with recommendations forwarded to the City Manager and City Council for consideration. The process includes the following steps:

1. Applications for funding are screened by staff for technical eligibility and evaluation factors described in the Human Services Policy.
2. Staff prepares technical evaluations and funding recommendations based upon the priorities adopted by City Council and upon its evaluation of the applicant's ability to effectively deliver such services for each of the proposals and submits them to HHSC with the proposal.
3. Following staff evaluation of proposals from agencies and audit of their past performance, the Housing and Human Services Commission conducts a public hearing, recommends funding levels, and ranks each proposal applying evaluation criteria uniformly to all applications reviewed.

4. The Housing and Human Services Commission makes recommendations to Council for allocation of CDBG funds, and recommendations to the City Manager (with copy to Council) of unmet needs which could be addressed with supplemental support from the General Fund.

The pros and cons of the current process for General Fund allocation to human service agencies are as follows:

PROS

- The current two-phase process abides by current budgeting practices.
- The CDBG budget process is distinguished from the General Fund budget supplement process. The City Council first allocates available CDBG funds each year in April or May when it approves the Annual CDBG Action Plan. Then in June the Council decides if it will provide supplemental General Fund assistance to specific agencies based on the level of approved CDBG funding and the perceived community need.
- The City Council is able to look at the recommended General Fund supplement in relation to overall budget priorities and balance competing needs.

CONS

- The total available funding for human services is not known at the beginning of the process, which introduces uncertainties in the overall process for funding human service agencies.
- The two-phase funding decision creates a dual process for assessing human service needs in the community and requires additional staff work to administer.
- A rationale has emerged where a lower CDBG funding level is recommended for one or several agencies by the Housing and Human Services Commission primarily because of the belief that those agencies would be in a stronger position to request and receive additional General Funds from the City Council later.
- Allocating General Funds to human service agencies on an annual basis hampers the ability of these agencies to plan for longer-term services versus if recipient agreements are approved for two years.

Assuming the decision is to continue providing a General Fund supplement for human service agencies staff suggests two alternatives for the Council in terms of setting a fixed amount of combined CDBG fund and supplemental General Fund assistance for human service agencies:

Alternative #3a: Maintain the current two-phase funding process, which determines the General Fund supplement and allocates these funds after approval of the CDBG Action Plan.

Alternative #3b: Determine that the General Fund supplement be incorporated into the Housing Division's base operating budget and eliminate the need for the two-phase process. Thus, the total available funds, including service needs and priorities, would be established at the beginning of the CDBG process before the request for proposals is released to human service agencies. Funds would be allocated concurrently and the allocation to the individual agencies would be determined from the Housing and Human Services Commission and staff recommendations.

Alternative #3b would simplify and eliminate the current two-phase process for funding human service agencies. The General Fund supplement would be combined with CDBG funds. It would provide greater certainty to the Housing and Human Services Commission and human service agencies about total available City funds during deliberations on the CDBG Action Plan. The criteria for distributing General Funds would be the same as those for distributing CDBG funds. Progress on achieving public service needs as defined in the Consolidated Plan (Attachment D), supplemented by the community priorities established every two years by the Housing and Human Services Commission and the City Council, would guide the allocation of the General Fund supplement.

The amount of General Fund support will fluctuate for the purpose of maintaining a consistent level of funding throughout the two-year cycle and will be adjusted based upon the amount of the CDBG grant received by HUD for each year. For example, if CDBG funds are increased by HUD, General Fund support would be decreased to maintain the established funding levels at the combined total of \$300,000.

To further streamline the process, the City could set a minimum grant amount of \$5,000 for funded agencies, and commit funds for the entire two-year cycle. A two-year contract agreement would be prepared with specific language stipulating that the second year of their two-year contract is contingent upon the prior year's performance and the City's availability of grant funds.

If CDBG funds suffer a significant decline in the second year such that allocated General Funds are insufficient to cover the gap, then approval by City

Council would be required for any supplemental allocation to maintain the annual \$300,000 funding level.

FISCAL IMPACT

The fiscal impact to the General Fund will depend on Council's direction on Policy Issue #2 discussed in the preceding section of the report. The current policy for outside group funding is to consider the General Fund supplement annually. If Council chooses not to provide supplemental General Fund support to Outside Groups beyond FY 2008/2009, there will be no ongoing fiscal impact. The FY 2008/2009 Adopted Budget contains no funding for Outside Groups past the current fiscal year. Continuing funding past this fiscal year would represent an additional financial commitment from the General Fund beginning in FY 2009/2010. The General Fund Long-Term Financial Plan is fully balanced to the twentieth year, so any increase in costs will require a corresponding revenue increase or service-level decrease in another area. Therefore, in order to continue General Fund Support for Outside Groups, Council will need to take one of the following actions:

- 1) Establish a priority ranking for the new service level. Direct the City Manager to incorporate the new service level and a corresponding service level reduction into the FY 2009/2010 Recommended Budget.
- 2) Establish a priority ranking for the new service level. Commit a portion of the General Fund Service Level Set Aside to cover additional costs. \$340,000 of this set aside is available annually beginning in FY 2009/2010; however, given the current economic climate, staff does not anticipate this set aside to be available, and therefore does not believe this to be a viable funding option.
- 3) Establish a priority ranking for the new service level and use the Priority Ranking Tool to select a service to cut to maintain a balanced long-term financial plan. Agendize a public hearing on the recommended change and once the service level reduction is determined establish the General Fund supplement.

Should Council choose to continue to provide General Fund support to Outside Groups, one of the alternatives presented is to provide General Fund support of up to \$80,000 annually. \$80,000 in annual support equates to approximately \$2.2 million over the 20-year long-term financial plan.

PUBLIC CONTACT

Public contact was made through review at the Housing and Human Services Commission meetings of September 24, and November 19, 2008. Public

contact was also made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, in the Council Chambers lobby, in the Office of the City Clerk, at the Library, Senior Center, Community Center and Department of Public Safety; posting the agenda and report on the City's Web site; and making the report available at the Library and the Office of the City Clerk.

During their meeting of November 19, 2008, the HHSC recommended:

- Alternative #1b, to designate funding for human service agencies with an operating priority ranking level of *4.Mid-Range* and designate that the supplemental General Fund support be incorporated into the Housing Division's base operating budget;
- Alternative #2c, to establish an annual maximum amount of combined CDBG funds and supplemental General Funds of \$350,000 which includes a maximum amount of General Funds supplement of \$100,000 and adding a maximum of 25% of the total funding allowed to a single agency, with direction for the City Manager to consider the new service level and corresponding service level decrease in the FY 2009/2010 Recommended Budget; and
- Alternative #3b, that the General Fund supplement be incorporated into the Housing Division's base operating budget making the total available funds known at the beginning of the CDBG process, allowing for a one time allocation rather than the current two-phase process.

Further, the HHSC recommended that a minimum grant limit of \$5,000 be set for human service agencies receiving funds through the CDBG process.

ALTERNATIVES

Policy Issue #1 - General Fund Support

Alternative #1a: Do not recommend any supplemental General Fund assistance. Human service agencies would be 100% CDBG supported.

Alternative #1b: Designate funding for human service agencies with an operating priority ranking level of *4.Mid-Range* (criterion: targets vulnerable population), and designate that the supplemental General Fund support be incorporated into the Housing Division's base operating budget in order to have the funding available on an ongoing basis, at a level greater, equal, or less than historic levels

Policy Issue #2 - Amount of General Fund Support

Alternative #2a: Do not allocate supplemental General Plan assistance for FY 2009/10 and FY2010/11. Human service agencies would be 100% CDBG supported for the next two years.

Alternative #2b: Establish \$300,000 as the maximum annual amount of combined funding for CDBG eligible human service agencies for FY 2009/10 and FY 2010/11. Of this amount, staff anticipates that no less than \$220,000 will come from the CDBG federal allocation and prior year's program income, and will continue to follow the current two-year cycle process. A maximum of \$80,000 in supplemental General Funds would be incorporated into the Housing Division's base operating budget to be available on an ongoing basis. Approval of this alternative would require Council to determine the implementation of service level reductions necessary to fund the additional service. Funding Implementation options include:

Implementation Option A: Direct the City Manager to consider the new service level and corresponding service level decrease in the FY 2009/2010 Recommended Budget.

Implementation Option B: Use the Priority Ranking Tool (Attachment H) to select a service to cut immediately to maintain a balanced long-term financial plan. Council would need to then agendaize those proposed cuts at a subsequent public hearing before they became effective.

Alternative #2c: Establish a different annual maximum amount of combined CDBG funds and supplemental General Funds with a different maximum amount of General Funds. Approval of this alternative would require Council to determine the implementation of service level reductions necessary to fund the additional service. Funding Implementation Options include:

Implementation Option A: Direct the City Manager to consider the new service level and corresponding service level decrease in the FY 2009/2010 Recommended Budget.

Implementation Option B: Use the Priority Ranking Tool (Attachment H) to select a service to cut immediately to maintain a balanced long-term financial plan. Council would need to then agendaize those proposed cuts at a subsequent public hearing before they became effective.

Policy Issue #3 - Process for Allocation of General Fund Supplement

Alternative #3a: Maintain the current two-phase funding process and determine the General Fund supplement and allocate these funds after approval of the CDBG Action Plan.

Alternative #3b: Determine that the General Fund supplement be incorporated into the Housing Division's base operating budget and eliminate the need for the two-phase process. Thus, the total available funds, including service needs and priorities, would be established at the beginning of the CDBG process before the request for proposals is released to human service agencies. Funds would be allocated concurrently and the allocation to the individual agencies would be determined from the Housing and Human Services Commission and staff recommendations.

RECOMMENDATION

Staff recommends Service Level Alternatives #1b, that Council designates funding for human services with a priority ranking of *4.Mid-Range* and that it be incorporated in the Housing Division's base operating budget in order for it to be available on an ongoing basis; #2b, that Council designates a combined maximum of \$300,000 in CDBG and General Funds for CDBG eligible human services agencies which includes the proposed maximum amount of General Fund supplement of \$80,000 (with Implementation Option A) to direct the City Manager to consider the new service level and corresponding service level decrease in the FY 2009-2010 Recommended Budget; and #3b, that Council determines that the General Fund supplement be incorporated in the Housing Division's base operating budget to eliminate the need for a two-phase allocation process by having the total available funds, including service needs and priorities, established at the beginning of the CDBG process before the request for proposals is released to human service agencies. Funds would then be allocated concurrently and the allocation to the individual agencies would be determined from the Housing and Human Services Commission and staff recommendations. Additionally, to further streamline the process, staff recommends establishing a \$5,000 annual grant minimum for funded agencies and the adoption of a two-year contract.

The recommended changes support the current Human Services Policy 5.1.3 Statement which describes a bi-annual review prior to the adoption of the two-year Resource Allocation Plan as well as the adoption by Council of the two-year priority of human service needs.

The HHSC supported staff recommendation except that they recommended Alternative #2c, believing that a higher maximum combined amount of \$350,000, and a higher maximum General Fund supplement of \$100,000 should be established.

Reviewed by:



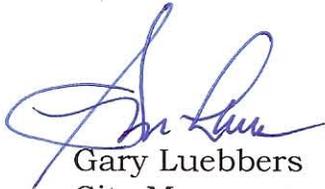
Hanson Hom, Director of Community Development
Prepared by: Edith Alanis, Housing Programs Technician

Reviewed by:



Mary Bradley, Director of Finance

Approved by:



Gary Luebbers
City Manager

Attachments

- Attachment A: Study Issue CDD-30
- Attachment B: Council Policy 5.1.3 Human Services
- Attachment C: Chapter 4.3 of 2005-2010 Consolidated Plan
- Attachment D: Summary of Accomplishments
- Attachment E: Survey Results
- Attachment F: Historical Funding
- Attachment G: Eligibility Criteria and Evaluation Process
- Attachment H: Operating Priority Ranking Tool

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City of...
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ATTACHMENT A

STUDY ISSUE CDD-30

Proposed 2008 Council Study Issue

CDD-30 General Fund Support of CDBG funded Public Services

Lead Department	Community Development
Element or Sub-element	Socio-economic Element
New or Previous	New
Status Above the line	History 1 year ago None 2 years ago None

1. What are the key elements of the issue? What precipitated it?

Community Development Block Grant (CDBG) funds to support human service agencies have been gradually reduced over the past five years due to reductions in the grant allocation the City receives from the federal government and to reductions in program income. To meet federal guidelines which limit funding to public service agencies to a maximum of 15% of the grant plus program income, human service agencies have experienced substantial reductions in the funding they receive from the City to support their programs.

There is a continuing demand for the City to directly assume more nontraditional human services. The City cannot respond to all requests or even take up a significant amount of the slack created due to federal, state and county reductions that continue to reduce available funds. The City has certain basic services that it is chartered to provide, and fiscal resources have limitations.

The study would review related City policy, survey policies and practices of adjacent cities and all available statistical data on prior funding support to provide recommendations for Council to consider any supplemental funding of CDBG agencies utilizing General funds.

The study would address the policy question as to whether the City should budget general funds to compensate for any future funding reductions of federal CDBG funds and whether this amount should be a fixed amount or should fluctuate to "pick up the slack" according to federal funding reductions.

The study would include a discussion of various types of criteria and level of accountability that might be used to fairly and equally evaluate each group requesting funds for distribution and to propose specific criteria to be adopted by Council that all groups would be expected to comply with each year.

2. How does this relate to the General Plan or existing City Policy?

Socio-economic Element Goal 5.1A- Preserve and enhance the physical and social environment and facilitate positive relations and a sense of well-being among all community members, including residents, workers and businesses.

The City has a Human Service Policy which provides guidance on the City's role in

human services. The purpose of the Human Service Policy is to recognize human service needs and to assure that needs are met in the most efficient and cost effective manner. This policy casts the City in the role of a "gatekeeper" to assure that human service needs in the City are addressed. The Socio-economic Element addresses the health and social welfare of the residents of Sunnyvale. The information is used to guide community development and City social programs. The Consolidated Plan 2005-2010 describes the identified public service needs of the community.

3. Origin of issue

Council Member(s) Moylan,Swegles
General Plan
City Staff
Public
Board or Commission none

4. **Multiple Year Project?** No **Planned Completion Year** 2008

5. **Expected participation involved in the study issue process?**

Does Council need to approve a work plan? No
Does this issue require review by a Board/Commission? Yes
If so, which?
Housing and Human Services Commission
Is a Council Study Session anticipated? No
What is the public participation process?
Public Hearing

6. **Cost of Study**

Operating Budget Program covering costs
230 Housing and Human Services
Project Budget covering costs
Budget modification \$ amount needed for study
0
Explain below what the additional funding will be used for

7. **Potential fiscal impact to implement recommendations in the Study approved by Council**

Capital expenditure range None
Operating expenditure range \$500 - \$50K
New revenues/savings range None
Explain impact briefly
Operating Budget Program covering cost 230 Housing and Human Services

8. Staff Recommendation

Staff Recommendation For Study

If 'For Study' or 'Against Study', explain

Staff recommends proceeding with the study if additional funding cuts to CDBG are likely. The update of the Socio-economic Element has been considered by Council for the past two years, and will be considered again this year. If Study Issue CDD-16 Socio-economic Element Update will be undertaken, then the recommendation would be to include this issue with the update of the Socio-economic Element update, since the key elements of the study issue may be more fully addressed in the context of an update to the Element.

9. Estimated consultant hours for completion of the study issue

0

Managers

Role	Manager	Hours			
Lead	Simpson, Laura (i)	Mgr CY1:	80	Mgr CY2:	0
		Staff CY1:	100	Staff CY2:	0
Support	Hom, Hanson	Mgr CY1:	0	Mgr CY2:	20
		Staff CY1:	0	Staff CY2:	0
Support	Ryan, Trudi	Mgr CY1:	0	Mgr CY2:	20
		Staff CY1:	0	Staff CY2:	0

Total Hours CY1: 180

Total Hours CY2: 40

Note: If staff's recommendation is 'For Study' or 'Against Study', the Director should note the relative importance of this Study to other major projects that the Department is currently working on or that are soon to begin, and the impact on existing services/priorities.

Reviewed by

Department Director

Date

Approved by

City Manager

Date

Addendum

A. Board / Commission Recommendation

Issue Created Too Late for B/C Ranking

Board or Commission	Rank	Rank 1 year ago	Rank 2 years ago
Arts Commission			
Bicycle and Pedestrian Advisory Committee			
Board of Building Code Appeals			
Board of Library Trustees			
Child Care Advisory Board			
Heritage Preservation Commission			
Housing and Human Services Commission	3 of 11		
Parks and Recreation Commission			
Personnel Board			
Planning Commission			

Board or Commission ranking comments

B. Council

Council Rank 4
Work Plan Review Date (blank)
Study Session Date (blank)
RTC Date 10/28/2008
Actual Complete Date (blank)
Staff Contact De Frenchi, Ernie

ATTACHMENT B

COUNCIL POLICY 5.1.3 HUMAN SERVICES

Policy 5.1.3 Human Services

POLICY PURPOSE:

The City of Sunnyvale recognizes that the supportive human services programs of the Federal, State and County governments do not fully meet the needs of all its population. The City, therefore, shall make its best efforts to provide supplemental human services, which include but are not limited to the emergency services, senior services, disabled services, family services and youth services.

The City establishes this Human Services Policy to insure that Human Services are identified and provided in the most efficient and effective manner.

This policy establishes guidelines for funding programs/services that may be provided on behalf of the City by outside groups. The intent of this policy is to:

- A. Establish a process through which outside groups can be funded to provide needed human services cost-effectively.
- B. Establish a methodology by which programs/services proposed by outside groups can be assessed.
- C. Establish an evaluation system that assures equity in the process of funding considerations by Council.
- D. Establish the type and amount of funding commitment that the City will provide.

This policy does not apply to those outside groups with whom the City contracts to provide City services other than human services. Human Services Agencies are defined as those which provide supportive services to a specific group of people, at least 51% of whom are low and moderate income (80% or less than of area median income).

POLICY STATEMENT:

- I. The City will bi-annually, prior to adoption of the two-year Resource Allocation Plan, review prevailing conditions of human needs within the City and give appropriate attention to Human Services Policies in the City. The Housing and Human Services Commission, following one or more public hearings, will recommend to City Council priority human service needs for the next two years. Following a public hearing, City Council will adopt a two-year priority of human service needs.
- II. The City seeks to meet as many Human Service needs as possible using its limited available resources. The primary resource utilized for funding human services is the Federal Community Development Block Grant (CDBG) which permits up to 15% of the annual grant entitlement to be utilized for such purposes. The City Council may choose to supplement CDBG funding of human services through the annual Operating Budget process.
- III. The City assumes an advocacy role to manage the use of its resources to meet human service needs in Sunnyvale in the following ways:

COUNCIL POLICY MANUAL

- Encourages and advocates coordination and cooperation among organizations providing Human Services in Sunnyvale
- Advocates, encourages and wherever possible, facilitates the co-location of human service providers
- Actively pursues the cooperation of Federal, State, County and other agencies to enhance the quality and availability of human services to residents of Sunnyvale.

IV. The City *may directly provide* needed Human Services when:

- Specifically targeted intergovernmental funds (such as CDBG) are available. The City is the most cost-effective or logical provider of the service, AND
- Provision of such services by the City is compatible with the City's General Plan, policies and/or action plans.

V. The City may *fund service providers* of needed human services when:

- Specifically targeted intergovernmental funds (such as CDBG) are available,
- Another agency is the most cost-effective or logical provider of the service, AND
- Provision of such services by the City is compatible with the City's General Plan, policies and/or action plans.

VI. PROPOSAL FUNDING CATEGORIES:

Programs requesting funding must qualify under one of the categories below:

Operational: Funding of programs and services to address identified community needs or problems as specified in the City's General Plans or other policies through direct financial support and/or in-kind contributions.

- Programs/services funded under this category must represent a service that can be more cost-effectively operated by the proposer than by the City, or
- Must be such that the proposer because of its role in the community is the most logical service provider.
- Funding may be provided on a multi-year basis but is not guaranteed. Continued funding is contingent upon City budget limitations and proposer's previous program performance.
- Proposer must demonstrate good faith efforts to secure funding for programs/service from other sources.

Emergency: Funding of operational programs offered in the community that meet an existing need for which normal funding is no longer available.

Proposers and programs qualifying under this category must demonstrate:

- Good performance of current programs;
- Current financial difficulties will largely curtail the services currently provided to City residents;
- Future funding to continue the program can be obtained from other sources with reasonable probability;
- Funding for programs qualifying under this category shall be limited to one year.

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Seed Program: Funding for start-up of new programs designed to meet a significant community need or problem.

- Proposers must demonstrate a high probability that funding can be sustained beyond the commitment of City funds;
- Initial funding for seed programs is limited to one year;
- Second year funding may be possible if the program demonstrated good performance or special factors related to the continued need for funding can be demonstrated;
- Prospect must demonstrate good faith efforts to secure funding for programs/services from other sources.

Project: Funding of capital or other one-time projects designed to address a significant community need or problem.

- Funding of such projects shall be limited to a specific time frame, usually not more than one year.

VII. APPLICATION POLICY STATEMENT:

The City wishes to consider funding of needed and appropriate services. In order to determine which agencies should be awarded funding, the Council has adopted a formalized human services funding application procedure. All groups desiring to act as service providers, and requesting City funds to do so, must submit a complete application by specific due dates. Public notice of the availability of requests for proposals and the specified dates will be provided in ample time for applications to be prepared.

All applicants desiring a grant from the City to provide human and social services will be required to comply with the application procedure and time schedule. All applications will have to meet the following three criteria:

1. Provide a service consistent with an existing recognized City priority need, policy, goal or objective;
2. Request funds for a program or project that qualifies under one of the four previously identified funding categories;
3. Have completed the application process and the application has been determined to be accurate and complete.

VIII. EVALUATION PROCESS:

To assure all applications for City funding of human services receive due consideration and to ensure Council is provided with the information it needs to make its funding decisions, the following evaluation process will be applied to requests received:

1. Applications not received by the due date will be rejected. Applicants submitting applications, which are materially incomplete, will have five working days from notification by staff to correct any deficiencies, or their applications will not receive further evaluation.

COUNCIL POLICY MANUAL

2. Staff will determine proposal eligibility based on guidelines provided in this policy. Proposals not qualifying will not be recommended to Council for funding and will not receive further evaluation.
3. Staff will prepare a technical evaluation of the applications and make recommendations to the Housing and Human Services Commission based upon the priorities adopted by City Council and upon its evaluation of the applicant's ability to effectively deliver such services.
4. The Housing and Human Services Commission will conduct formal evaluations of the applications, including the opportunity for each group to present its program in public hearing for evaluation. The Commission will make recommendations to the City Manager and Council for allocation of available CDBG funds to outside groups to provide human services. The Commission may also notify the City Manager and City Council of applications where a significant need will remain unmet even if Council allocates CDBG funds as recommended. The City Manager may recommend, and the City Council may provide supplemental funding from the annual Operating Budget.
5. The City Manager will forward the Commission recommendation to Council with a staff recommendation thereon.

The Housing and Human Services Commission shall develop evaluation criteria, which criteria must be consistent with adopted Council policy. Staff and the Commission will apply these criteria uniformly to all applications reviewed. The following guidelines for general evaluation criteria include (but are not limited to):

Critical Evaluation Factors. Each of these factors must be met for the program to receive a recommendation for City funding.

- The organization must meet minimum eligibility standards to receive funding.
- The organization and its program must have demonstrated good performance and capability to effectively provide the program.
- The organization and its program must deliver services in a cost-effective manner.
- The organization must be an appropriate agency to deliver this program.
- The program must not be a duplication of services provided in the same service area.
- The organization and its programs must demonstrate strong financial management *and effective management controls*.
- The proposed program must have a contingency plan for funding if City support is limited or eliminated in the future.

Favorable Evaluation Factors. The proposed program must address one or more of the following factors to receive a positive recommendation.

- The proposed program addresses a priority adopted by the City Council and is related directly to a general plan policy.

COUNCIL POLICY MANUAL

- The proposed program is a needed enhancement of any existing City program, and can be better performed by an outside group than by the City directly.
- The program has a diverse funding base and is not heavily reliant upon City funds to support its operation.
- The program has leveraged City funds with other funding sources to maximize service provision.

(Adopted: RTC 81-617 (10/13/1981); Amended: RTC 99-430 (10/19/1999); Amended: RTC 06-112 (4/11/2006))

Lead Department: Community Development Department

4.3 Housing and Community Development Priorities and Objectives

This section contains the priorities and objectives the City will pursue to address identified housing and community development needs.

Housing and community development priorities are divided into the following general categories:

- Housing
- Homeless
- Public Services
- Community Development

The strategy also addresses the federally required topics of reducing poverty, barriers to affordable housing, and hazards associated with lead-based paint.

4.3.1 Criteria for Establishing Consolidated Plan Priorities

In establishing its five-year priorities, the City of Sunnyvale has taken into consideration the following concerns:

- Categories of low- and moderate-income households most in need of assistance based on results of the Housing and Community Development Needs Assessment; and
- Programs and activities that best meet the identified needs; and
- Resources available and appropriate to address identified needs.

A priority ranking has been assigned to each category of housing and community development need as follows:

High Priority: Activities expected to be funded with entitlement grants by the City during the five-year period.

Medium Priority: Activities that may be funded by the City during the five-year period provided sufficient entitlement funds are available.

Low Priority: Activities that will not be funded by the City with entitlement grants during the five-year period. However, the City may support applications for funding from other sources if found to be consistent with this Plan.

No Such Need: The City finds there is no need for such activities or the need is already substantially addressed. The City will not support applications for funding from others for activities where no such need has been identified.

The needs summary tables integrated throughout this section identify the City's priorities for housing, special populations, and community development needs for the five-year period of this Consolidated Plan. These priority needs were determined based on an assessment of demographic and housing information, interviews with local service providers, results of the

Housing and Community Development Needs Survey, and consultation with the other public and private agencies. Proposed strategies contained in this section cover only those activities that are deemed to be of high or medium priority.

4.3.2 Housing and Supportive Services Needs and Objectives

Estimate of Need by Income and Household Type

The City coordinates efforts in expanding and preserving affordable housing opportunities for low- and moderate-income households through the strategies and actions described in this section. **Table 4-2**, **Table 4-3**, and **Table 4-4** provides estimates of unmet needs and goals (quantified objectives) for CDBG and HOME-funded housing and related supportive services activities to be undertaken by the City. The estimated dollar amounts reflect only anticipated CDBG and HOME expenditures over the next five years. The estimates of unmet needs are based on the following sources of information:

- Renter and owner needs by income and household type are from the 2000 CHAS data provided by HUD (see **Table 3-20**). The estimated number of households with unmet needs includes only those households with incomes of 80% or less of median that reported any housing problem (overpayment, overcrowding, or substandard housing conditions).
- The number of special needs populations includes low- and moderate-income elderly and large family households with unmet needs (as shown in **Table 3-20**).
- The estimated number of persons with disabilities who have unmet housing needs is also based on HUD CHAS data as described in **Chapter 3, Section 3.1.7**. This estimate includes only those households with 80% or less of median income. HUD reported approximately 2,470 such households, of which approximately 1,030 were elderly households (counted as frail elderly in Tables 4-2 and 4-3). The estimate of unmet need for persons with physical and severe mental disabilities is based on the proportion of such households in relation to all persons with disabilities as reported in Section 3.1.7.
- The number of female-headed households with unmet special needs is based on the estimated number of very low-income single mothers (760) at the time of the 2000 Census, as calculated using HUD's 2000 median family income.
- The estimated unmet need among households with alcohol or drug abuse is based on 7.6% of the reported countywide need of 9,358 (see **Chapter 3, Section 3.1.7**). The City of Sunnyvale has approximately 7.6% of the countywide population.
- The estimated unmet need among households with HIV/AIDS is based on 7.6% of the reported number of individuals countywide (3,395), multiplied by 37%. The proportion of persons with HIV/AIDS countywide estimated to have unmet needs (37%) is described in **Chapter 3, Section 3.1.7**.

**Table 4-2
(HUD Table 2A)
Five-Year Housing Needs and Priorities**

Priority Housing Needs		Income	Priority Need Level	Unmet Need	Goals
Renter	Small Related	0-30%	High	860	230
		31-50%	Medium	1,126	
		51-80%	Low	781	
	Large Related	0-30%	High	199	190
		31-50%	Medium	375	
		51-80%	Low	395	
	Elderly	0-30%	High	606	125
		31-50%	Medium	394	
		51-80%	Low	160	
	All Other	0-30%	High	697	130
		31-50%	Medium	790	
		51-80%	Low	789	
Owner	Small Related	0-30%	High	230	200
		31-50%	High	281	
		51-80%	High	405	
	Large Related	0-30%	High	75	140
		31-50%	High	81	
		51-80%	High	119	
	Elderly	0-30%	High	915	50
		31-50%	High	391	
		51-80%	High	216	
	All Other	0-30%	High	159	50
		31-50%	High	134	
		51-80%	High	201	
Special Needs Populations*		0-80%	High	6,930	216
Total Goals**					1,331
Section 215 Renter Goals ¹					675
Section 215 Owner Goals ²					440

*Includes only special needs households not counted in the upper portion of Table 2A.

**Goals include units of new construction, rehabilitation, preservation of "at-risk" units, handicapped accessibility, and rental subsidy.

¹ This goal relates to the number of affordable rental housing units as defined under section 215 (Title II) of the National Affordable Housing Act of 1990. A rental housing unit is considered to be "affordable" if it is occupied by a household earning no more than 80% of median income and if the unit costs the lesser of the Section 8 Fair Market Rent or 30% of the adjusted income for a household earning no more than 65% of median income.

² This goal relates to the number of affordable owner-occupied housing units as defined under section 215 (Title II) of the National Affordable Housing Act of 1990. An ownership housing unit is considered affordable if: 1) it is purchased as a principal residence by a first-time homebuyer earning no more than 80% of median income and has a sale price that does not exceed sales prices limits under the National Housing Act; or 2) it is owned and occupied as a principal residence by a household earning no more than 80% of median income, the unit is to be rehabilitated, and the value of the unit after rehabilitation does not exceed mortgage limits under the National Affordable Housing Act of 1990.

**Table 4-3
(HUD Table 1B)
Special Needs (Non-Homeless) Populations**

SPECIAL NEEDS SUBPOPULATIONS	Priority Need Level High, Medium, Low, No Such Need	Unmet Need	Anticipated Dollars to Fund (CDBG)	Goals
Elderly*	High	1,650	430,000	175
Frail Elderly*	High	1,030	165,000	100
Severe Mental Illness**	Low	400	0	10
Developmentally Disabled	Medium	240	0	20
Physically Disabled***	High	800	30,000	80
Persons w/ Alcohol/Other Drug Addictions	High	710	75,000	70
Persons w/HIV/AIDS	Medium	100	0	10
Female Headed Households	High	760	443,000	100
Large Families	High	1,240	607,000	330
TOTAL		6,930	1,750,000	895

*Elderly excludes frail elderly to avoid double counting

**Estimate of low- and moderate-income individuals with severe mental disabilities, which is less than the estimate of 1,900 individuals with all types of mental disabilities for Sunnyvale.

***Physically disabled adults ages 16-64, excluding frail elderly with disabilities

**Table 4-4
(HUD Table 1C - Part)
Summary of Specific Homeless/Special Needs Objectives**

Obj #	Specific Objectives	Performance Measure	Expected Units**	Actual Units***
G-1	Homeless Objectives			
G-1	Emergency Shelter – Individuals	Beds	15	
G-1	Emergency Shelter – Families	Beds	4	
G-1	Transitional Housing Beds – Individuals	Beds	50	
G-1	Transitional Housing Beds – Families	Beds	11	
G-1	Permanent Housing Units – Individuals	Units	30	
G-1	Permanent Housing Units – Families	Units	5	
	Special Needs Objectives (Units/Beds)			
	Elderly	Units	175	
	Frail Elderly	Beds*	100	
	Severe Mental Illness	Beds*	12	
	Developmentally Disabled	Beds*	24	
	Physically Disabled	Units	80	
	Persons w/ Alcohol/Other Drug Addictions	Beds*	70	
	Persons w/HIV/AIDS	Beds*	10	
	Female Headed Households	Units	100	
	Large Families	Units	330	
*Residential care facilities (group homes)				
**Expected Units are units currently available to Sunnyvale residents. This does not reflect what is actually in the City.				
***Actual Units represent what may be added in each annual Action Plan				

GOAL A: Expand the Supply of Affordable Housing

Priority A-1: New Housing Construction (High Priority)

According to the Association of Bay Area Governments (ABAG) regional housing allocation plan³, Sunnyvale should accommodate 129 new affordable housing units per year for low- and moderate-income households⁴. The City will use this annual need as its estimate of new construction need for the Consolidated Plan period (2005 to 2010). Over the five-year Consolidated Plan period, the City should attempt to accommodate 645 additional housing units affordable to low- and moderate-income households. These units may be a combination of rental housing, ownership units, single-room occupancy units, second units, or group homes, depending on the targeted household types.

Five-Year Objectives

The following five-year objectives by household type are based on the annual goals in Table 13 of the Sunnyvale Housing and Community Revitalization Sub-Element.

	Small Related	Large Related	Elderly	Other	Total
Rental	30	60	65	45	200
Ownership	200	150	0	95	445
Total	230	210	65	140	645

Anticipated Funding Sources

The City anticipates using one or more of the following funding sources: CDBG, HOME, Sunnyvale Housing Fund, state and federal tax credits, other HUD programs (such as Section 202 of 811), state programs (such as the California Multifamily Housing Program or the California Housing Finance Agency), tax exempt bonds, mortgage credit certificates, and the Federal Home Loan Bank Board Affordable Housing Program.

Dollars to Fund: \$4,782,000
Other (non-federal): \$2,718,000⁵

Specific Actions

The City will undertake the following actions included in the City's Housing and Community Revitalization Sub-Element and 2003 Community Development Strategy:

- Continue to implement the Below Market Rate (BMR) Program (authorized under the Sunnyvale Municipal Code Chapter 19.66) for new market rate residential construction by requiring that 12.5% of new housing units, except those units in R-0 and R-1 zones, be affordable to low and/or moderate-income owners, and provide for density bonuses up to 25% to encourage the development of housing for moderate, low, and extremely low-income households. Both for-profit and nonprofit developers may take advantage of these provisions. The City's BMR Program also includes state density bonus provisions. The

³ The ABAG regional housing plan, a requirement of state law, establishes each city and county's "fair share" of housing construction needs in the nine-county San Francisco Bay area for the period 1999 through 2007.

⁴ Low- and moderate-income as defined in the Consolidated Plan, not state law, up to 80 percent of AMI.

⁵ Derived from Housing Mitigation fees to be used for rental and ownership housing.

ordinance contains the regulatory incentives to comply with the state density bonus law enacted prior to 2005. The BMR requirement for rental development is at 10% and will increase to 15% when the rental market conditions reach a specified threshold with an economic rebound. The period of affordability is 30 years for owner-occupied units and 55 years for rental units.

- Continue to implement the Housing Mitigation requirement (part of the Sunnyvale Municipal Code), which requires certain developments in industrial zoning districts that exceed 35% floor area ratios (FAR) contribute to the housing fund or take other measures to mitigate the effects of the job increase upon the housing supply. The Housing Mitigation Fee will be used to assist both rental and ownership housing.
- Subject to the County's continued pursuit, the City will participate in future tax exempt housing bond funds through the Santa Clara County Housing Bond Committee. The Committee coordinates participation by Santa Clara County jurisdictions and allocates funding from bond proceeds to finance the development of housing for low- and moderate-income households. The program consists of the following components:
 - Santa Clara County's Mortgage Credit Certificate (MCC) for first-time homebuyers. The MCC program is a federal program administered by the County. First-time homebuyers can get a federal income tax credit for up to 15% of the mortgage interest they pay annually on their first loan.
 - Mortgage Revenue Bonds (MRBs) to develop new low-income rental units and to preserve low-income units through refinancing. These bonds provide below market rate financing for affordable housing construction.
- Continue to support the Santa Clara County Housing Trust Fund to finance the construction of affordable housing. Non-profit, private and public sectors, including the Housing Collaborative, the Silicon Valley Manufacturing Group, Santa Clara County, several cities in Santa Clara County contribute to the Housing Trust Fund as an innovative response to the housing shortage. The Fund is administered as a separate nonprofit organization.
- The City may use its CDBG and HOME allocations and City Housing Funds to provide loans to nonprofit agencies to acquire land for new construction of affordable rental units. Rental units focus on providing housing to households at 40 percent or less of area median income with rents limited to a maximum of 30 percent of gross household income.
- The City will continue to provide assistance to affordable housing developers in their applications to state, federal, and other funding agencies for financing for affordable housing developments. Assistance may include:
 - Demographic and other community information necessary to support a needs analysis for a competitive funding request;
 - Expedited permitting for land development entitlements needed prior to the submittal of a funding request; and
 - Letters of support.

- Continue implementation of First-Time Homebuyer Support Program to assist qualified renters (at 80% or below AMI), particularly occupants in existing BMR at-risk apartments, to move into first-time homeownership. The program includes homebuyer education workshops, Individual Development Accounts (IDA) with matching contributions to down payment savings accounts, and down payment loans up to \$50,000.
- Continue to implement zoning regulations that encourage the construction, development, and distribution of non-institutional residential care facilities (group homes) throughout the community as required by state law. Residential care facilities with six or fewer residents are considered under state law as a residential use permitted under the same standards and permitting process as other residential uses.
- Continue to fund the acquisition of land by nonprofit housing developers and assist in development/redevelopment of housing through partnerships with regional agencies, nonprofit housing developers and private sector developers.
- Identify underutilized land with potential for recycling as affordable housing. Sunnyvale will facilitate rezoning of such sites for multi-family rental housing, and will assist in the acquisition of such sites by providing financial assistance. The City will also support the developer in an application for funding assistance from other housing assistance organizations such.

Priority A-2: Increase Homeownership Opportunities for Low- and Moderate-Income Households (Medium Priority)

The median priced home in Sunnyvale, at over \$500,000, is more than five times the Santa Clara County median income for a family of four. Under conventional rules of home lending and affordability, it would require an annual income of approximately \$180,000 to afford the median priced home without a down payment significantly greater than 20%. A household earning 80% of median income can afford to purchase a home priced at about \$260,000.

The City's Community Development Strategy has established increased homeownership as a goal. From a municipal standpoint, homeownership represents an investment in and commitment to a community. Its community benefits are greater stability, a higher level of community participation, and often an increased and sustained level of property maintenance. The Strategy notes that homeownership is not synonymous with single-family housing, as it can also occur in attached townhomes and condominium buildings. The present rate of homeownership in Sunnyvale is slightly higher than 47.6%. If the target were 50%, all of the new housing units to be built over the next five years would have to be owner-occupied, and even then the City would fall short. A more practical but still challenging target is that 50% of all new units constructed be intended for ownership.

Five-Year Objectives

- Assist 70 first-time homebuyers earning up to 80% of median income.
- Provide homebuyer education to 200 first-time homebuyers.
- Provide funding for matches of 30 Independent Development Accounts (IDAs) for up to \$10,000 per first-time homebuyer for home purchase.

Anticipated Funding Sources

The City anticipates using one or more of the following funding sources: the City Housing Fund, BMR In-Lieu Reserve and the Housing Trust Fund of Santa Clara County.

Dollars to Fund: \$0
Other (non-federal): \$2,220,000
BMR In-Lieu, HPCC and First-Time Homebuyer

Specific Actions

The City will undertake the following actions included in the City's Housing and Community Revitalization Sub-Element and 2003 Community Development Strategy:

- Provide down payment assistance to first-time low- and moderate-income homebuyers with funds leveraged from the Housing Trust of Santa Clara County when available.
- Continue to participate in Santa Clara County's Mortgage Credit Certificate (MCC) Program for first-time homebuyers. The MCC program is a federal program administered by the County. First-time homebuyers can get a federal income tax credit for up to 15% of the mortgage interest they pay annually on their first loan.
- Continue to address affordable housing for teachers and City employees through the Housing for Public School Employees, City Employees and Child Care Teachers (HPCC) Program. This program, funded by the City Housing Fund, provides security deposit rental assistance, first time homebuyer education, and down payment loans for homeownership.
- Provide IDA match grant funds and Down Payment Assistance loans to first-time homebuyers. This program is funded by BMR In-Lieu Reserve funds.

GOAL B: Preserve the Existing Supply of Affordable Housing – “At-Risk” Units

Priority B-1: Acquisition and/or Rehabilitation of Existing Assisted Rental Housing to Maintain Affordability (High Priority)

To help provide affordable housing, a number of federal, state, and local government programs have provided subsidies to housing developers in exchange for guarantees that some of the units in the project would be affordable to low- and moderate-income households. These projects included both rental and owner-occupied units. The government entities providing the subsidies negotiated with the developer to maintain the affordability of the units for a fixed period of time. For projects funded with tax-exempt Mortgage Revenue Bonds, the term was generally for half the life of the bonds. Since the bonds typically had a 40-year maturity, the affordability provisions were generally to remain in effect for 20 years. Similar terms were provided for other types of subsidies.

There are 299 federally-assisted rental housing and 245 locally-assisted rental units (under the City's BMR Program) at risk of converting to market rate housing, with the potential loss of affordability to low- and moderate-income households that typically accompanies the conversion. The City previously assisted in preserving and has committed to assist in the preservation of 100 units of affordable senior housing at Plaza de las Flores, 222 units at Homestead Park and 35 units at Morse Court.

Summary of Five-Year Objectives

The City's objective will be to preserve 299 units of federally-assisted rental housing at risk of conversion to market rate housing through a combination of direct City action and/or through assistance to nonprofit organizations. This program will not require that all units be assisted with

federal funds covered by the Consolidated Plan, as other city, state and federal programs may provide funding for the preservation of affordable rental housing.

Anticipated Funding Sources

The City anticipates using one or more of the following funding sources: CDBG, HOME, City Housing Fund, State and federal tax credits, other HUD programs (such as Section 202 of 811), state programs (such as the California Multifamily Housing Program or the California Housing Finance Agency Preservation Acquisition Program), tax exempt bonds, and the Federal Home Loan Bank Board Affordable Housing Program.

Dollars to Fund: **\$4,782,000**
Other (non-federal): **\$2,500,000⁶**

Specific Actions

The City will undertake the following actions included in the City's Housing and Community Revitalization Sub-Element and 2003 Community Development Strategy:

- Provide loans to nonprofit housing providers, or assist these nonprofits in accessing state or federal funds, for the acquisition of at-risk rental properties to preserve affordability and to provide professional management and maintenance of existing properties. The City will continue to fund this activity through a Housing Acquisition Revolving Loan Fund (HARLF) from loan repayments on loans funded with CDBG funds, and other federal and City funds.

Priority B-2: Assist in Housing Improvement and Neighborhood Preservation Activities (High Priority)

According to the City's Housing and Community Revitalization Sub-Element and Community Development Strategy, approximately 8% of the housing stock, or 4,300 units, may be in need of rehabilitation. Substandard housing is concentrated in neighborhoods with concentrations of low- and moderate-income households and concentrations of older, multi-family rental housing (which is often located in the same areas as concentration of low- and moderate-income households).

Summary of Five-Year Objectives

The City's objective will be to assist in the preservation of ownership and rental housing units, including rehabilitation; emergency repairs; painting; abatement of lead, asbestos, and other hazardous materials; and reconstruction (under limited circumstances) according to the following:

- 75 single family ownership rehabilitations (minor through substantial)
- 50 rental housing rehabilitations (minor through substantial)
- 100 owner-occupied units under the Paint Program
- 150 access grants
- 2,700 code enforcement actions per year (approximate number based on prior years)

Anticipated Funding Sources

The City anticipates using one or more of the following funding sources: CDBG, City Housing Fund and General Fund to support operations of the Neighborhood Preservation Division.

⁶ Derived from Housing Mitigation fees to be used for rental and ownership housing.

Dollars to Fund: \$2,837,000

Specific Actions

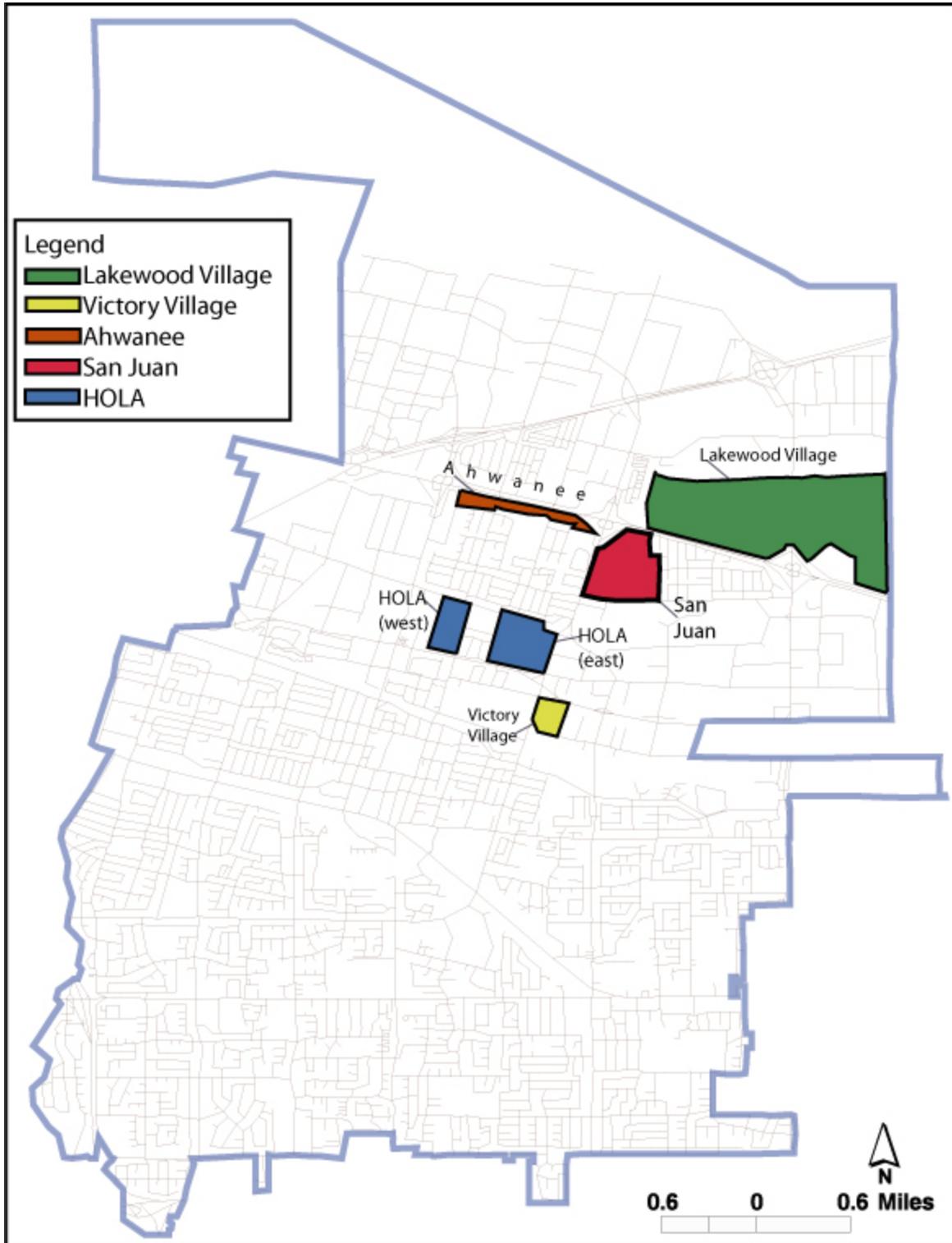
The City will undertake the following actions included in the City's Housing and Community Revitalization Sub-Element and 2003 Community Development Strategy:

- Expand the level of participation in the City's housing rehabilitation programs by both private and non-profit property owners for rental housing through ongoing marketing and community awareness programs aimed at both property owners and contractors.
- Continue to offer housing rehabilitation assistance under the City's Housing Improvement Program, which includes the Housing Rehabilitation Program, Home Access Program, Homeowner Paint Program, Emergency Repair Program, Mobilehome Rehabilitation Program, and the Rental Rehabilitation Program. This program will continue to be funded through a Housing Improvement Program Revolving Loan Fund (HIPRLF).
- Continue to provide low interest loans to single-family homeowners age 60 or more to paint the exterior of their homes. This program provides loans of up to \$4,000 to have a licensed painting contractor following HUD lead-safe work practices paint the home. Lead testing of all pre-1978 homes will be undertaken. Grants of up to \$1,000 will be provided to homeowners below age 60 for reimbursement of paint material and testing costs for the painting of their home.
- Continue to provide financial assistance for minor repairs and access lifts to increase accessibility for residents with physical challenges. Over the next five years the program will reuse the City's existing inventory of lifts as available and the provision of accessible home improvements of up to \$5,000 per residence.
- Continue the Concentrated Code Enforcement Programs, in addition to existing citywide enforcement of zoning and property maintenance regulations, by the Neighborhood Preservation division of the Community Development Department.
- Initiate a Neighborhood Education Program to encourage and support property maintenance and improvement in single-family and multi-family action areas identified as upper quartile high concentrations of low-income Census Block Groups (figure 3-5), including:
 - Property owner/manager workshops on good management techniques (including tenant screening), the Section 8 program, and fair housing compliance;
 - A Tool Lending Library to provide owners and renters with tools and equipment to perform home improvement projects; and
- Continue to pursue comprehensive neighborhood development strategies in specified neighborhood action areas identified in the Community Development Strategy. Action areas require a more concerted approach to service delivery. The types and amounts of community development service delivered to these areas will not be the same, and the level of service in action areas will likely be higher than is provided citywide. Action areas that the City will continue to pursue are:

- **Lakewood Village.** The strategy will include housing rehabilitation loans; exterior paint grants and loans for painting materials and contractor services, and neighborhood improvements such as streetscapes, clean-ups, front yard landscaping, and other targeted projects.
- **Victory Village.** The strategy will focus on improving housing conditions rather than property maintenance and include housing rehabilitation loans, concentrated code enforcement, paint grants and loans, neighborhood improvements such as clean-ups and landscape designs, and neighborhood education to assist homeowners with home improvements.
- **Ahwanee.** The strategy for this action area is for the rehabilitation of rental housing. The City will actively seek partnerships with nonprofit agencies to acquire rental housing affordable to households earning from 30 percent to 80 percent of median income. The City will also promote mixed-income projects. Actions may include site acquisition and reconstruction of affordable rental housing, acquisition and rehabilitation of rental housing, rental housing inspections, and neighborhood improvements.
- **San Juan.** The strategy for the San Juan neighborhood is multi-family housing rehabilitation and reconstruction. The City will actively seek partnerships with nonprofit agencies to acquire existing apartment units for substantial rehabilitation or demolition and replacement with new rental housing. These new or rehabilitated apartments should focus on serving households at 30 percent to 80 percent of median income. Programs will include acquisition and rehabilitation (including assembly of duplexes and four-plexes into single ownership), multi-family housing rehabilitation, neighborhood improvements, rental housing inspection, and homebuyer assistance to help first-time homebuyers purchase homes.
- **HOLA (Homeowners Association of "Low Landers").** The strategy for the eastern part of HOLA is targeted multi-family housing rehabilitation. The City will work with existing owners to encourage substantial rehabilitation, and actively seek partnerships with non-profit agencies to acquire properties for rehabilitation. Rehabilitated rental units should be focused on providing housing for households from 30% to 80% of median income. Programs will include multi-family housing rehabilitation, acquisition and rehabilitation (including assembly of smaller apartment projects into single ownership so as to facilitate on-site management), condominium conversion, rental housing inspection, and homebuyer assistance for the purchase of condominiums.

Figure 4-1 shows the locations of the neighborhood action areas.

Figure 4-1
Sunnyvale Neighborhood Action Areas in Community Development Strategy – 2003



GOAL C: Provide Rental Assistance to Very Low and Extremely Low-Income Households

Priority C-1: Work with the Housing Authority and Other Santa Clara County Jurisdictions in the Implementation of Rental Assistance Programs (High Priority)

The primary program that provides monthly rental assistance to low- and moderate-income renter households in Santa Clara County is the federal Housing Choice Voucher (Section 8) Program. The Housing Authority of the County of Santa Clara administers this program for all of Santa Clara County, including Sunnyvale. The Housing Authority inspects participating rental units to certify that they are physically sound and that the rent charged is equal to or less than market rate.

There are currently 647 Section 8 voucher holders in Sunnyvale, with 135 individuals on the waiting list. The waiting list does not reflect the current unmet need for rental assistance. While the characteristics of these voucher holders is driven largely by the demographics of those currently holding vouchers and those on the waiting list, the Housing Authority does give priority to households earning less than 50% of median income and special needs households.

The City hopes to maintain at least the present level of voucher availability to Sunnyvale residents, however, the number of vouchers available depends on the level of federal funding, and the willingness of rental property owners to participate in the program. It also is dependent on the desired place or residency of voucher holders or persons on the waiting list (as vouchers are portable), and the continued availability of project-based Section 8 funding.

One rental housing development in Sunnyvale containing 74 units has project-based Section 8 funding and there are two senior group homes with nine project based certifications.

Five-Year Objectives

- Work with Housing Authority to maintain at least the current number of Section 8 certificates (647).
- Continue to assist up to 50 City employees, public school employees serving Sunnyvale, and/or child care workers with rental security deposit loans.

Anticipated Funding Sources

HUD Section 8 Program and other funding program for public Housing Authorities and City Housing Fund for HPCC security deposit.

Dollars to Fund: \$0
Other (non-federal): \$50,000

Specific Actions

The City will undertake the following actions:

- The City will continue to work with nonprofit and for-profit housing developers to increase the supply of affordable rental housing according to the actions described in priority A-1.
- Through its Housing for Public School Employees, City Employees and Child Care Teachers Program (HPCC), the City will continue to provide security deposit loans of up

to \$5,000 to help obtain apartments for City employees, employees of public schools serving Sunnyvale, and certified child care workers.

Priority C-2: Take part in a regional partnership to work with non-profit organizations to support programs for emergency rent and utility payment assistance and security deposits.

According to service providers who participated in focus group sessions for the preparation of the 2005 – 2010 Sunnyvale Consolidated Plan, emergency rental assistance is one of most important needs for individuals and families who are homeless or are at-risk of becoming homeless. Move-in expenses (first and last months' rent, security deposit, application and credit check fees, moving costs, etc.) can be insurmountable for individuals and families who have little or no cash reserves. Individuals and families facing a temporary financial crisis can easily become homeless without temporary assistance with rent and/or utility payments.

An emergency rental assistance program that provides funding for households with little or no cash reserves can shorten the period of homelessness or avoid a potential crisis resulting in homelessness. Some jurisdictions and nonprofit services providers in Santa Clara County offer some emergency rental assistance, however, demand greatly exceeds the funds available. In Sunnyvale, Sunnyvale Community Services has, over the years, provided emergency rent and utility assistance on a limited basis.

Ideally, an emergency rental assistance program should be coordinated on a countywide basis to track clients and ensure that efforts are not duplicated To avoid program abuses.

Five-Year Objectives

- Work with other jurisdictions in Santa Clara County, the Housing Authority, and nonprofit service providers to develop a countywide emergency rental assistance program.
- Assist up to 50 Sunnyvale households

Anticipated Funding Sources

CDBG, or City Housing Fund and private sources

Dollars to Fund: \$50,000

Other (non-federal): \$50,000

Specific Actions

The City will meet with representative of other jurisdictions in Santa Clara County, the Housing Authority, and nonprofit service providers to identify an appropriate administrative mechanism, program guidelines, and funding for a coordinated, countywide emergency rental assistance program. The organization through which such a program could be administered might be the Housing Authority or a nonprofit service provider. The City's goal will be to participate in the creation of such a coordinated, countywide program within the next two years.

GOAL D: Provide Supportive Services in Combination with Special Needs Housing

Priority D-1: Provide Housing and Related Supportive Services (High Priority)

Many special needs households need assistance with daily living activities. The City provides funding for supportive housing services for seniors and single-parent households.

Five-Year Objectives

- Assist 6,945 seniors and 300 single-parent households.

Anticipated Funding Sources

CDBG

Dollars to Fund: \$856,915

Specific Actions

To ensure the viability of all affordable housing projects, the City will continue to fund projects that provide housing-related support services. Specific programs that may be funded by the City include:

- **Long Term Care Ombudsman Program.** This program provides training, assignment, supervision, and support of volunteer ombudsmen who act as a voice and advocate primarily for the elderly residents of skilled nursing facilities and residential board and care homes.
- **Shared Housing.** This program facilitates single-parent households in making shared housing living arrangements.
- **Senior Group Residence Services.** This program provides services for seniors living in group homes, such as on-going case management to assess, refer and/or counsel low-income seniors in a group or individually, and referral to needed self-care, mutual care, and/or professional care services.
- **Meals on Wheels.** This program delivers hot meals plus supportive services to homebound seniors, disabled and chronically ill, enabling them to continue to live in their own homes.
- **Senior Adult Legal Assistance (SALA).** This program provides legal assistance and advocacy services to low-income seniors.
- **Senior Nutrition.** This program offers subsidized hot meals five day per week at the Senior Nutrition site located at First United Methodist Church.
- **Second Harvest Food Bank.** The Food Bank provides weekly food supplements (Brown Bag Services) to low-income seniors.

GOAL E: Provide Housing and Supportive Services for Persons with HIV/AIDS

Priority E-1: Provide Housing and Related Supportive Services for Persons with HIV/AIDS (Low Priority)

The primary source of funding for housing and supportive services is the federal program Housing Opportunities for Persons with AIDS (HOPWA). This program provides funds for the acquisition, rehabilitation, conversion, lease and repair of facilities to provide housing and services for persons with AIDS, including: new construction of single room occupancy dwellings and community residences, project or tenant-based rental assistance, short term rent, mortgage and utility payments to prevent homelessness, supportive services, operating costs and housing information services for persons with AIDS. Other federal programs (including HOME) can assist in the construction of housing, hospices, residential care facilities, and other types of housing or shelter for persons with HIV/AIDS.

The City of San Jose administers the HOPWA funds on behalf of the cities in the county including Sunnyvale. San Jose works directly with the Santa Clara County HIV Planning Council and the other entitlement jurisdictions in Santa Clara County to determine the appropriate allocation of funding according to need.

Five-Year Objectives

- Assist 25 persons in Sunnyvale with HIV/AIDS in accessing HOPWA funded programs administered by the City of San Jose.

Anticipated Funding Sources

Housing Opportunities for Persons with AIDS.

Dollars to Fund: **\$3,680,000 (Note: funding is anticipated to be provided through the City of San Jose.)**

Specific Actions

The City of Sunnyvale will continue to participate with other entitlement jurisdictions in Santa Clara County to implement a countywide collaborative approach to meeting the needs of persons with HIV/AIDS. Sunnyvale will continue to refer such individuals to service offered through HOPWA funds, including:

- Health Connections-AIDS Services (HCAS) formerly the Visiting Nurse Association's AIDS Project, which provides assistance to persons with HIV/AIDS in accessing private and public benefit/entitlement programs as well as housing subsidies and support services to obtain long term housing. VNA provides individual counseling, case management and psychosocial assessments to assure stable housing as well as short term emergency assistance with rent and utility expenses.

GOAL F: Support Equal Housing Opportunity for All

Priority F-1: Support Fair Housing Services (High Priority)

The City will continue to fund fair housing services for Sunnyvale residents, including landlord and tenant education and training workshops, fair housing events, investigation of housing discrimination complaints, use of local media to promote fair housing, landlord-tenant

mediation, and legal representation of tenants. The City may continue to support jointly funded programs and services with the cities of Mountain View and Palo Alto, when feasible, to reduce discrimination in housing regionally.

Five-Year Objectives

- Reduce discrimination in housing;
- Educate renters and rental property owners (including mobilehome park residents and owners) in Sunnyvale on rights and responsibilities; and
- Assist in resolving up to 150 housing discrimination complaints

Anticipated Funding Sources

CDBG

Dollars to Fund: \$150,000

Specific Actions

Specific strategies and actions may include:

- Provide educational seminars and training workshops. Information shall be provided to homeowners and mobilehome owners, landlords/managers and property managers (particularly in neighborhood action areas).
- Participate in the ongoing efforts of a countywide Fair Housing Task Force to improve the provision of fair housing services on a regional basis. The Fair Housing Task Force will continue to gather information on fair housing activity and issues of regional importance in Santa Clara County.
- Support the efforts of the Sunnyvale Housing and Human Services Commission to participate in the City's fair housing activities and work with other local organizations.
- Educate Below-Market-Rate Program homebuyers and homeowners through workshops that inform them how to identify predatory lending practices.
- Educate potential renters and buyers regarding their rights under fair housing laws. Specifically, provide fair housing informational materials to households occupying or waiting to occupy BMR rental and BMR ownership units.
- Inform the public of fair housing services and resources utilizing local media through ongoing advertisements, including ethnic media and public service announcements and the activities to celebrate Fair Housing Month
- Provide legal assistance where appropriate to pursue housing discrimination complaints and monitor compliance with fair housing practices.

Priority F-2: Support Housing Mediation Services (High Priority)

The City will continue to support landlord-tenant mediation and dispute resolution.

Five-Year Objectives

- Provide up to 1800 landlord-tenant mediation sessions.

Anticipated Funding Sources

General Fund

Dollars to Fund: **\$0**
Other (non-federal): **\$500,000**

Specific Actions

Specific strategies and actions may include:

- Continue a Landlord-Tenant Dispute Resolution program to provide services to residents, landlords, property managers, and owners of property in the form of counseling, conciliation, mediation and general educational outreach.

Priority F-3: Continue to Participate in Countywide Efforts to Promote Fair Housing (High Priority)

Santa Clara County and the entitlement Jurisdictions within the County possess populations diverse in national origin, ethnicity, culture, disability, and economics. A significant effort, undertaken as a joint venture by the cities and the County, has been the initiation of a Santa Clara Countywide Fair Housing Task Force. The Task Force is comprised of a membership of federal, state and local government and social service agency staff, representative of the unique demographics and special needs of the residents of Santa Clara County. The Fair Housing Task Force goals are the review of various impediments identified as barriers to fair housing choice, that impact the County as a whole, and that when resolved will benefit the County and each participating city.

The continued efforts of the Fair Housing Task Force with the support of the member jurisdictions address the fair housing problems of Santa Clara County is vital and the available resources continue to be effectively utilized. Coordination among funders and service providers should produce enhanced and dynamic fair housing services.

These efforts are essential to expand public support for fair housing and to provide housing seekers with information about their rights and the services available to them.

Five-Year Objectives

To significantly reduce fair housing complaints and increase compliance with fair housing laws

Anticipated Funding Sources

CDBG

Dollars to Fund: **\$20,000**

Specific Actions

The following is a list of the identified impediments and planned actions by the Countywide Task Force to combat those impediments:

- **Maintain Countywide Fair Housing Collaborative Task Force** that will create priorities and proactive goals aimed at reducing fair housing problems, identify resources and provide assistance to the non-profit fair housing service providers for enhanced performance, and issue an annual report profiling the nature and extent of fair housing in Santa Clara County.

- **Provide enhanced education and outreach that includes:**
 - Support non-profit fair housing service providers to increase public awareness of and support for fair housing laws, to inform housing seekers of their rights and remedies, and to publicize the availability of the fair housing services on a coordinated county-wide basis.
 - Educational presentations to resident and community-based organizations, such as community centers, social services and health care providers, schools and senior centers, with targeted focus being to reach new immigrant populations.
 - Materials distribution and identification of existing resources to provide for the distribution of multi-lingual fair housing educational material on a coordinated countywide basis.
 - Media and public relations, including newspaper stories about specific fair housing issues and the availability of fair housing services; guidance and support to the non-profit fair housing service providers for the effective use of media and public relations resources throughout the county.

- **Support and Strengthen Enforcement Services through:**
 - Coordination of services between the various direct service providers. Develop and maintain a countywide reporting format that will accurately and easily describe services requested and services provided, and to develop fair housing enforcement profiles in Santa Clara County.
 - Support for fair housing audits to reflect dissemination of audit results to provide education to the community.
 - Seek a better understanding of the nature and extent of predatory lending in Santa Clara County. The Task Force will provide guidance and support to direct service providers to combat this impediment and provide a forum for developing a greater understanding of predatory lending in Santa Clara County.

4.3.3 Homeless Needs and Objectives

It is the goal of the jurisdictions within Santa Clara County, and the City of Sunnyvale, to coordinate services and facilities for the homeless through a regional, cooperative strategy, as a continuum of care. The goal of the continuum of care program is to help homeless residents get housing, job training, childcare, and other services. The continuum of care stresses permanent solutions to homelessness through comprehensive and collaborative community planning. The goal of a comprehensive homeless service system is to ensure that homeless individuals and families move from homelessness to self-sufficiency, permanent housing, and independent living.

The County adopted a Continuum of Care Strategy in 2004. In May 2005, the County Board of Supervisors is scheduled to adopt a "Ten Year Plan to End Chronic Homelessness." The Ten Year Plan will promote and support the "Housing First" model of assistance to the homeless and those at-risk of becoming homeless. The Housing First approach, piloted in other parts of the U.S., aims to get homeless people into permanent housing with supportive services as quickly as possible in lieu of the three tier system of placing people in temporary shelter, then transitional housing, then permanent housing.

Homelessness is a shared problem among Santa Clara County jurisdictions. Any attempt to quantify homeless needs must recognize that homeless individuals and families do not follow jurisdiction boundaries, nor do facilities and services for homeless persons. Based on the County's Continuum of Care funding application to HUD, the cities and the County have agreed to a homeless needs and gaps analysis that assigns each jurisdiction a share of the countywide need based on homeless clients' last reported place of residence in the Homeless Management Information System database.⁷ According to the database, approximately 4.4% of homeless clients countywide who reported a permanent residence stated they last lived in Sunnyvale. **Table 4-5** summarizes the City's homeless and special needs objectives.

**Table 4-5
(HUD Table 1C – Part)
Summary of Specific Homeless/Special Needs Objectives**

Obj #	Specific Objectives	Performance Measure	Expected Units	Actual Units*
	Homeless Objectives			
G-1	Emergency Shelter – Individuals	Beds	15	
G-1	Emergency Shelter – Families	Beds	4	
G-1	Transitional Housing Beds – Individuals	Beds	50	
G-1	Transitional Housing Beds – Families	Beds	11	
G-1	Permanent Housing Units – Individuals	Units	30	
G-1	Permanent Housing Units – Families	Units	5	

* *Actual Units* represent what may be added in each annual Action Plan

Note: Table 4-5 reflects upper portion of Table 4-4

GOAL G: Provide Shelter, Housing, and Supportive Services to Homeless Individuals and Families

Priority G-1: Provide Homeless, Housing and Related Supportive Services for Sunnyvale Residents Who Are Homeless or At-Risk of Becoming Homeless (High Priority)

Based on the HMIS data, it is estimated that there are 299 homeless persons in Sunnyvale and that 120 homeless persons (40.1%) have shelter. Homeless individuals comprise approximately 73.9% of the homeless population in Sunnyvale. Members of homeless families make up approximately 26.1% of the homeless population in Sunnyvale. Estimated homeless subpopulations in Sunnyvale include:

- Eight chronically homeless persons;
- 42 homeless persons who are seriously mentally ill;
- 36 homeless persons with chronic substance abuse problems;
- 12 homeless persons who are veterans; and
- Six homeless persons with HIV/AIDS.

Sunnyvale's share of the gaps in facilities and services includes the following, measured in beds, to accommodate additional persons:

- For individual homeless: 73 in emergency shelter, 102 in transitional housing, and 62 in permanent supportive housing; and

⁷ A federally-mandated recordkeeping system for tracking homeless clients.

- For persons in families: four in emergency shelter, 11 in transitional housing, and 15 in permanent supportive housing.

Homeless facilities and services in Santa Clara County are provided through the individual efforts of the cities and the County and through a collaborative effort. The Santa Clara Collaborative on Affordable Housing and Homeless Issues (the Collaborative) is the lead entity for the implementation of the countywide Continuum of Care process and official forum for planning and implementing a response to end chronic homelessness in the County. The work of the Collaborative is shared by its members with staffing support provided by the County Homeless Concerns Coordinator (located within the County Office of Affordable Housing). The Collaborative prepared a comprehensive Five Year Continuum of Care Plan in 2004 and has drafted a Ten Year Plan to End Chronic Homelessness in the spring of 2005, which includes specific goals, strategies and action steps to work toward ending homelessness in the community. Further details on the Collaborative, are contained in the Santa Clara County Continuum of Care Plan and the Santa Clara County Ten Year-Plan Plan to End Chronic Homelessness.

The City of Sunnyvale, as a participant in the Collaborative, supports regional efforts to address homelessness and will determine its role, after review of the County's Ten Year Plan.

Five-Year Objectives

See **Table 4-4** for specific homeless objectives.

Anticipated Funding Sources

Emergency Shelter Grant Program, Shelter Plus Care Program, CDBG, HOME, City Housing Fund, Housing Trust Fund of Santa Clara County.

Dollars to Fund: \$357,500

Specific Actions

The City of Sunnyvale will continue to participate with other entitlement jurisdictions in Santa Clara County to implement a countywide collaborative approach to meeting the needs of homeless individuals and families. Strategies to address Sunnyvale's share of homeless needs and to eliminate chronic homelessness may include financial support of the following types of organizations and activities:

- Local nonprofit organizations that provide shelter, supportive services to individuals, couples, and families who are homeless or in crisis and at-risk of becoming homeless. The City will support programs that assist these individuals and families in obtaining stable housing and self-sufficiency. Some of the supportive services include emergency services, crisis intervention, peer counseling, money management, food and clothing assistance, and transportation vouchers.
- Local nonprofit organizations that arrange for "rotating shelters" for homeless individuals and to provide support services such as food, rental assistance, medical assistance, housing, job counseling, computer training, and gas vouchers for the shelter clients. The Rotating Shelter Program helps homeless individuals secure gainful employment and permanent housing.
- Emergency shelter providers included in the Collaborative's Continuum of Care plan who serve Sunnyvale residents and offer emergency shelter, transitional housing, and permanent supported housing.

- Emergency and on-going assistance to victims of domestic violence, including emergency shelter, family counseling, and legal guidance.
- Assistance in the development of housing facilities for homeless families and individuals.
- Assistance in the development of new housing for families graduating from transitional housing programs.
- Organizations that provide shelter, supportive services, and counseling for homeless youth.

4.3.4 Public Service and Facility Needs and Objectives

Goal H: To Support Special Needs Individuals to Live Independently and Productively

Priority H-1: Provide Services to Seniors, Youth, and Persons with Disabilities (High Priority)

Many Sunnyvale residents have special needs due to their age, physical or developmental capacities, home environment, or level of education or job skills. The City of Sunnyvale will continue to support services to special needs individuals that allow them to live full, productive, and independent lives.

Five-Year Objectives

- 275 seniors
- 100 persons with disabilities
- 895 at-risk youth
- 70 individuals with substance abuse
- 300 individuals assisted with workforce training and development

Anticipated Funding Sources

CDBG

Dollars to Fund: \$541,710

Specific Actions

The City may pursue any of the following actions for special needs individuals:

- **Supportive Services for Persons with Disabilities:** Support services to families and individuals who have developmental or other disabilities to allow persons with disabilities and their families to live as independently as possible. Among the activities that may be funded are infant support, recreation, respite services, specialized day care for adults, job training and placement for adults, and outreach and education for persons with disabilities.
- **Nutrition Services:** Daily nutrition services for seniors at a central location, nutrition services for homebound seniors and persons with disabilities, and weekly food supplements to seniors and persons with disabilities.

- **Mobile Wellness Services:** Meal deliveries to homebound seniors and persons with disabilities and that may also include supportive services such as newspaper delivery and wellness checks.
- **Youth Mentoring Program:** Mentoring programs that match at-risk youths with adult volunteers mentors to help them improve their lifeskills.
- **Substance Abuse Recovery:** Support programs that provide counseling, service and housing referrals, and other support for individuals seeking treatment and recovery from substance abuse.
- **Senior Adult Legal Assistance:** Legal and advocacy services for seniors.
- **Workforce development:** Coordination of workforce training and development through the NOVA Workforce Board, which focuses both on assistance to job seekers in gaining skills and locating employment opportunities, and on assisting businesses in the management of their workforce development needs. The Community Development Department assists by connecting businesses to these services and by documenting changing business conditions and needs. NOVA also operates a Youth at Work initiative to assist students with career development and job searches and sponsors job fairs and programs that will guide and support the next generation of Sunnyvale's workforce.⁸

Priority H-2: Expand the Columbia Neighborhood Center for Greater Service Capacity (High Priority)

The Columbia Neighborhood Center is the only family resource center in Sunnyvale serving low- and moderate-income youth and families. This collaborative project between the City and the Sunnyvale School District was developed to provide social, recreational and educational services targeted to North Sunnyvale residents. Among the services and activities at the Center are a health clinic, health insurance assistance, counseling, recreation activities, adult/parent education, after school program and mentoring program. The Center provides a variety of services and activities year round, five days a week, including evenings. The City, the School District, and the Community Advisory Committee have identified a need to expand the Columbia Neighborhood Center. A facility expansion will enable the Center to provide more effective health services and expand social, educational, and recreational services. New space will further enable the Center to house new service partners, thus leveraging additional needed services for the community. As the City continues to grow, demand for centers in other neighborhoods may increase.

Five-Year Objective

Expand the current Columbia Neighborhood Center

Anticipated Funding Sources

CDBG, Sunnyvale School District (e.g. state lottery funds for capital improvements), Section 108 Loan

Dollars to Fund: \$1,000,000
Other (non-federal): \$2,000,000

⁸ Workforce training programs are funded through state and federal programs other than CDBG.

Specific Actions

The City will work with the Sunnyvale School District, the Columbia neighborhood, and service providers to identify the facility and funding needs for the expansion of the multi-service Columbia Neighborhood Center.

4.3.5 Community Development Needs and Objectives

Goal I: To Improve Neighborhoods and Increase Accessibility for Persons with Disabilities

Priority I-1: Provide Public Improvements in Low- and Moderate-Income Neighborhoods (Medium Priority)

The City's efforts to support comprehensive approaches to neighborhood preservation involves a City commitment to public improvements in those areas of the City with concentrations of low- and moderate-income households. This priority will be pursued in block group areas that qualify as having concentrations of low- and moderate-income households (census block groups with concentrations of low- and moderate-income households exceeding 32.2%, as determined by HUD). See **Chapter 3, Figure 3-5**.

Five-Year Objectives

- Provide improvements in 19 U.S. Census "Block Groups" where approximately 47,000 persons reside, of whom nearly 20,000 are considered low-income households.
- Replace or recondition the sewer collection system in lower income neighborhoods where the system components have reached the end of their useful economic life resulting in sewer main plugs breaks and deteriorated manholes.

Anticipated Funding Sources

CDBG

Dollars to Fund: \$1,000,000

Specific Actions

The City may implement a neighborhood improvement program to fund improvements in public areas. The City may also implement a utility rehabilitation project to replace old mainline sewer piping (including the laterals connecting the sewer to individual properties) that is prone to failure and potential back-ups in action area neighborhoods. Projects may include: Murphy Avenue (between Evelyn-Washington and Evelyn Avenue between Murphy-Carroll Avenues) remove and replace clay pipe along with service connections and manholes; Borregas Avenue (between Ahwanee and Maude Avenues) insertion of "slip-line" coating to rebuild existing clay pipe and rebuild deteriorated manholes; recondition manholes in area formed by Mathila, Washington, Sunset and Evelyn Avenues; and Henderson Avenue (between Rosa and Valerian Way) removing and replacing damaged laterals and connecting them to the public sewer line.

Priority I-2: Improve Accessibility in Public Rights-of-Way for Persons with Disabilities (High Priority)

The City will continue to promote accessibility in public rights-of-way through pedestrian improvements (sidewalk improvements of curb cuts at intersections) to increase accessibility for persons with disabilities.

Five-Year Objectives

- Complete 275 sidewalk segments and curb cut accessibility improvements.

Anticipated Funding Sources

CDBG

Dollars to Fund: \$550,000

Specific Actions

The City will continue to retrofit as many curbs as possible each year to make intersections in the City conform to ADA requirements.

**Table 4-6
(HUD Table 2B) - City Community Development Needs**

Priority Community Development Needs	Priority Level (High, Medium, Low, No Such Need)	Goals	Dollars to Address Unmet Priority Need
PUBLIC FACILITY NEEDS (projects)			
Senior Centers	No Such Need	Expand the current multi-service Columbia Neighborhood Center	3,000,000
Handicapped Centers	Low		
Homeless Facilities	Medium		
Youth Centers	High		
Childcare Centers	High		
Health Facilities	No Such Need		
Neighborhood Facilities	High		
Parks and/or Recreation Facilities	Low		
Parking Facilities	Low		
Non-residential Historic Preservation	Low		
Other Public Facility Needs	Low		
INFRASTRUCTURE (projects)			
Water/Sewer Improvements	High	Handicapped access improvements at 275 intersections	1,550,000
Street Improvements	Low		
Sidewalks (including accessibility improvements)	High		
Solid Waste Disposal Improvements	No Such Need		
Flood Drain Improvements	No Such Need		
Streetscape Improvements (Neighborhood Action Areas)	Medium		
PUBLIC SERVICES NEEDS (people)			
Senior Services	High	7200 seniors 100 persons w/disabilities 895 at-risk youth	1,750,000
Handicapped Services	High		
Youth Services	High		
Child Care Services	Medium		
Transportation Services	Medium		
Substance Abuse Services	High		
Employment Training	High		
Health Services	Medium		
Crime Awareness	Low		
Homeless Services	Medium		
Lead Hazard Screening	Medium		
ECONOMIC DEVELOPMENT			
ED Assistance to For-Profits (businesses)	Low		0
ED Technical Assistance (businesses)	Low		
Micro-Enterprise Assistance (businesses)	Low		
Rehab; Publicly- or Privately-Owned Commercial/Industrial (projects)	Low		
C/I* Infrastructure Development (projects)	Low		
Other C/I Improvements (projects)	Medium		
PLANNING/ADMINISTRATION			
Planning/Administration	High	N/A	8,118,820
TOTAL ESTIMATED DOLLARS NEEDED			

* Commercial or Industrial Improvements by Grantee or Non-profit

Notes:

1. Fire facilities and equipment are included under neighborhood facilities.
2. The County Health and Human Services Agency provides a range of social services to County residents.
3. Table includes federal and other dollars (non-federal). For specific breakdown of dollars, refer to priority statements.

4.3.6 Removal of Barriers to Affordable Housing

Goal J: Remove Public and Private Barriers to Affordable Housing

The primary barriers to affordable housing in Sunnyvale are the high cost of housing, the lack of available land for new housing, and the scarcity of public funds to assist in the development of affordable housing. The City has limited ability to significantly reduce these barriers. The General Plan Housing and Community Revitalization Sub-Element described the following factors within the City's control that can affect access to affordable housing:

- **Land Use Controls.** The primary government constraint on housing production is the regulation of land use through zoning ordinances. Sunnyvale maintains a complete range of residential zoning categories from low-density (0-7 d.u./acre) to high-density (up to 48 d.u./acre, not including Density Bonus). Sunnyvale also has a very high proportion of land zoned for mobile homes (445 acres). Some of the land in the higher density categories was previously developed at lower densities. The City currently requires development to be at a minimum of 75% of the permitted density. The current General Plan also provides for a very high density category (43 to 65 d.u./acre, including Density Bonus). One parcel was rezoned for this very high density to accommodate a single-room occupancy (SRO) facility. In addition, Sunnyvale uses the Planned Development (PD) Combining District, which allows consideration of deviations from development standards specifically to accommodate a variety of development types and to improve design and amenities.
- **Site Improvements.** The Sunnyvale Zoning Ordinance requires housing developers to provide off-street parking, wiring for electrical and telecommunications, including undergrounding of utilities, and open space for all residential development. For multifamily units, developers are also required to provide secure storage space and landscaping. While these requirements all increase the cost of housing, they are consistent with current market demand and similar to requirements in other Bay Area communities. The Planning Commission and City Council may reduce parking requirements on a case-by-case basis.
- **Subdivision Ordinance.** The City requires cross gutters; curbs and gutters; sidewalks; street name signs and traffic control signs; street paving; street trees; ornamental street lighting system; sanitary sewage collection and pumping system; water distribution and fire protection system; storm water drainage system fences along lot line adjacent to proposed or existing surface water drainage channels; fences and landscaping along rear lot lines of lots backing upon streets or highways; off-tract improvements, wherever such improvements are required for the general health, safety and welfare, and where conditions necessitating such improvements are caused or aggravated by the subdivision; and the dedication of rights-of-way or granting of easements when necessary for the proper layout and maintenance of facilities. While Sunnyvale's requirements are not unusual for California cities and are designed to meet health and safety requirements, they add to the cost of housing.
- **Fees and Other Exactions.** Planning fees are intended to reflect the actual cost of processing applications. Developers of single and multifamily housing projects may also be required to dedicate land for parks or pay an in-lieu fee. Park land dedications are

calculated at the general plan standard of 1.25 acres per 1,000 residents. Where land dedication is not feasible an in-lieu fee will be assessed based on the land requirement and the fair market value of land.

- **Local Processing and Permit Procedures.** Sunnyvale has a One-Stop Permit Center to process building permits, building inspections, use permits, business licenses, code compliance, housing services, plan checking, planning permits, economic development, and other general services. The One-Stop Permit Center is comprised of a team of City Staff from the Community Development Department, Public Works Department and Public Safety. The team effort by these individuals results in fast and convenient service to Sunnyvale customers. Some of the services provided are:
 - Coordinated customer contacts with appropriate staff representatives;
 - Related services in a central location;
 - Streamlined permitting process;
 - Computerized land use information and permit tracking system;
 - Plan checks and permit issuance combined in one location; and
 - E-permit processing, the City's on-line version of a one-stop permit center.

Sunnyvale also had a substantial amount of land zoned for industrial uses that became obsolete and under-used because it was Class C or lower industrial and used predominantly by smaller manufacturing and repair firms. The City rezoned eight industrial areas with an Industrial to Residential Combining District (ITR) to encourage their re-use and redevelopment for housing. The ITR district allows industrial, office, commercial, and residential uses to exist within the same district while gradually converting to residential use. The ITR Combining District includes approximately 263 acres with a potential for 6,196 dwelling units.

The City has also created two specific plans to encourage mixed use development. The Downtown Specific Plan covers approximately 150 acres and includes specific criteria for each block in the downtown. The 101/Lawrence Site Specific Plan aims at creating a self-supporting urban village with a mix of uses that includes high density residential; this Plan has been fully implemented.

Finally, Sunnyvale provides density bonuses for affordable housing in accordance with state law (Zoning Ordinance §19.66.080). The density bonus is used in conjunction with the City's inclusionary zoning Below Market Rate (BMR) housing program. Developers may be granted a density bonus of 15-40% depending on the affordability levels of the project.

Priority J-1: Seek to Remove Barriers to Affordable Housing (High Priority)

An adequate supply of housing for all income groups has become an increasingly difficult goal to achieve. Housing costs continue to rise (even in a sluggish economic climate), due to strong demand for housing, low mortgage interest rates, higher construction costs, and the decreasing supply of vacant and developable land. Rental property owners are especially sensitive to increases in maintenance and repair costs during periods of flat or declining rents.

The barriers cited above may also provide new opportunities for affordable housing. With the increase in land value for housing, land within the ITR zone has begun to develop for housing at a rapid rate. There are also density bonus incentives to developers to provide low-income affordable units and units for seniors. If the vacancy rate remains high or increases and incomes

either remain stable or decrease, rental rates will either stabilize or decrease (at least in the short term). Lower interest rates encourage developers to target homebuyer and increase the feasibility of homeownership under the City's BMR and other homebuyer assistance programs.

Five-Year Objectives

- Implement Housing and Community Revitalization Sub-Element policies and actions to reduce barriers to affordable housing.
- Update Housing and Community Revitalization Sub-Element by June 30, 2007 (or as required by State law).

Anticipated Funding Sources

General Fund, CDBG.

Dollars to Fund: \$12,000

Specific Actions

The City will undertake the following actions to reduce barriers to affordable housing (from the City's Housing and Community Revitalization Sub-Element):

- Continue to approve residential uses on former industrial land;
- Maintain provisions of the zoning code that permit housing to be constructed in commercial districts after planning review;
- Continue to encourage development of affordable owner-occupied units;
- Continue to provide incentives such as density bonus for land assembly for residential development;
- Review the General Plan annually to ensure that sufficient sites are available to facilitate the creation of additional housing units to meet Sunnyvale's share for regional housing needs;
- Maintain the Industrial to Residential (ITR) combining district;
- Continue to provide incentives, such as a density bonus, for land assembly for residential development;
- Maintain diversity in tenure, type, size, and location of housing to permit a range of individual choices for all current residents and those expected to become city residents;
- Study increasing the density of residential areas near transit stops and along major transportation corridors in conjunction with regional transportation plans;
- Continue the accessory living unit ordinance, required by state law, as a means to increase the supply of affordable housing; and
- Update the City's Housing and Community Revitalization Sub-Element in 2007 as required by state law.

4.3.7 Summary of Objectives

**Table 4-7
(HUD Table 2C)
Summary of Specific Housing/Community Development Objectives**

Obj #	Specific Objectives	Performance Measure	Expected Units	Actual Units*
	Rental Housing Objectives			
A-1	New Construction	units	200	
B-1	Acquisition and Rehabilitation	units	125	
B-1	Preservation of Assisted Rental Housing	units	299	
B-2	Rehabilitation	units	50	
C-1	Monthly Rental Assistance/Move-In Subsidies	households	50	
C-2	Emergency Rental Assistance	households	50	
	Owner Housing Objectives			
A-1	New Construction	units	445	
A-2	Homebuyer Assistance	units	70	
B-2	Rehabilitation	units	75	
B-2	Access Grants	units	150	
B-2	Paint Program	units	100	
	Community Development Objectives			
I-1	Neighborhood Improvements (in block groups with/Low- and Moderate-income concentrations)	individuals	20,000	
	Infrastructure Objectives			
I-2	Accessibility Improvements	sidewalk segments/ curb cuts	275	
H-2	Public Facilities Objectives	Expanded Columbia Neighborhood Center	1	
	Public Services Objectives			
D-1, H-1	Seniors (nutrition, legal assistance, wellness assessment, etc.)	households	6,945	
D-1	Single-Parents	households	300	
E-1	Persons with HIV/AIDS	individuals	25	
F-1, F-2	Fair Housing and Counseling (discrimination complaints, investigations, landlord-tenant mediation, homeowner education, tenants' rights education, etc.)	individuals and families	1,650	
F-3	Continue to participate in countywide fair housing efforts	individuals and families	See F-1	
H-1	Persons with Disabilities		100	
H-1	At-Risk Youth		895	
H-1	Substance Abuse Treatment and Counseling		70	
H-1	Workforce Training, Development, Placement, and Referrals		300	
	Economic Development Objectives			

*Actual Units represent what may be added in each annual Action Plan.

ATTACHMENT C

CHAPTER 4.3 OF 2005-2010 CONSOLIDATED PLAN

ATTACHMENT D

SUMMARY OF ACCOMPLISHMENTS

ATTACHMENT D

**SUMMARY OF ACCOMPLISHMENTS
THIRD YEAR PROGRESS IN MEETING 5-YEAR HOUSING AND COMMUNITY DEVELOPMENT OBJECTIVES**

Objective	Performance Indicator	PY2007 Accomplishment	Cumulative 2005-2010 Accomplishment	5 Year Objectives	Percent of Year Objective
HOUSING AND SUPPORTIVE SERVICES NEEDS AND OBJECTIVES					
Goal A: Expand the Supply of Affordable Housing					
1. New Housing Construction					
Rental	Housing Units	0	11	200	5.50%
Ownership	Housing Units	46	123	445	27.64%
2. Increase Homeownership Opportunities for Low and Moderate-Income Households					
First Time Homebuyer Program (FTHB)	Loans	9	25	70	35.71%
Provide homebuyer education to first-time homebuyers	Households	586	1111	200	555.50%
Provide funding matches for Independent Dev Accts (IDA's)	Households	0	15	30	50.00%
Goal B: Preserve the Existing Supply of Affordable Housing					
1. Acquisition and/or Rehab of Existing Assisted Rental Housing to Maintain Affordability	Housing Units	0	120	299	40.13%
2. Housing Improvement Program					
Rehab - Single Family	Housing Units	5	19	75	25.33%
Rehab - Rental	Housing Units	24	24	50	48.00%
Paint/ Emergency Program	Housing Units	3	12	100	12.00%
Home Access Program	Housing Units	15	60	150	40.00%
Goal C: Provide Rental Assistance to Low-Income Households					
1. Maintain Section 8 Certificates*	Households	660	n/a	647	102.01%
2. HPCC Rental Security Deposits	Households	1	7	50	14.00%
Goal D: Provide Supportive Services in Combination with Special Needs Housing					
1. Supportive Housing Services					
Seniors	Households	1,893	5,092	6,670	76.34%
Single Parents	Households	8	41	300	13.67%
Goal E: Provide Housing and Supportive Services for Persons with HIV/AIDS					
1. HOPWA	Persons	50	69	25	276.00%

Objective	Performance Indicator	PY2007 Accomplishment	Cumulative 2005-2010 Accomplishment	5 Year Objectives	Percent of Year Objective
Goal F: Support Equal Housing Opportunity for All					
1. Support Fair Housing Services					
Resolve up to 150 housing discrimination complaints	Households	38	101	150	67.33%
2. Support Housing Mediation					
Provide up to 1800 landlord-tenant mediation sessions	Households	362	1089	1800	60.50%
3. Analysis of Impediments (AI) Update	Project	Complete	1	1	100.00%
HOMELESS NEEDS AND OBJECTIVES					
Goal G: Provide Shelter, Housing, and Supportive Services to Homeless Individuals and Families					
1. Homeless, Housing & Related Supportive Services for Sunnyvale Residents who are Homeless or At-Risk of Becoming Homeless					
Emergency Shelter	Beds	0	10	19	52.63%
Transitional Housing	Beds	0	12	66	18.18%
Permanent Supportive Housing	Housing Units	0	9	35	25.71%
Strategies to address the City's share of homeless needs and to eliminate chronic homelessness which may include financial support of the following types of organizations and activities:					
Local nonprofit organizations that provide shelter, supportive services to residents who are homeless or in crisis and at-risk of becoming homeless	Households	6636	20,090		
Local nonprofit organizations that arrange for rotating shelters for homeless individuals and to provide support services such as food, housing, job counseling, etc.	Individuals	11	42		
Emergency shelter providers	Households	162	633		
Emergency and on-going Assistance to victims of domestic violence	Households	11	51		

PUBLIC SERVICE AND FACILITY NEEDS AND OBJECTIVES

Goal H: Support Special Needs Individuals to Live Independently and Productively

1. Provide Services to Seniors, Youth, and Persons with Disabilities					
Seniors	Persons	330	643	275	233.82%
At-Risk Youth	Persons	148	495	895	55.31%
Persons with Disabilities	Persons	174	255	100	255.00%
Assist individuals with workforce training and development	Persons	1921	2,573	300	857.67%
2. Expand the Columbia Neighborhood Center (Underway)	Facility	Underway	0	1	0.00%

COMMUNITY DEVELOPMENT NEEDS AND OBJECTIVES

Goal I: Improve Neighborhoods and Increase Accessibility for Persons with Disabilities

1. Upper Borregas Sewer Repair	Project	Complete	1	1	100.00%
2. Pedestrian Light	Project	Complete	1	1	100.00%
3. Speed Radar Signs	Project	Complete	1	1	100.00%
4. ADA Curb Retrofit	Curb Cuts	30	106	275	38.55%

Goal J: Removal of Public and Private Barriers to Affordable Housing

1. Housing Element Update (Underway)	Project	Underway	0	1	0.00%
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ATTACHMENT E

SURVEY RESULTS

**Attachment E
Survey Results**

Jurisdiction and Population	1. Does your jurisdiction provide General Fund support to human service agencies? If so, how long has this practice been in place?	2. How much General Fund support is typically available to assist in the funding of agencies?	3. What is the evaluation criteria used to determine the dollar amount of support to the agencies?	4. Are there criteria that each agency is expected to comply with prior to requesting or receiving General Funds?	5. What accountability measures are in place to fairly and equally evaluate each agency requesting General Funds?	* Include anything unique about your jurisdiction
Campbell 38,000	<ul style="list-style-type: none"> • Yes • For at least 15 years 	<ul style="list-style-type: none"> • \$50,000 	<ul style="list-style-type: none"> • The Civic Improvement Commission looks at many factors, including past funding, performance data, need, unduplicated community service need, ratio of dollar funding per clients served, etc. 	<ul style="list-style-type: none"> • Formal application data, budget, other sources of funding, public presentation, and general liability insurance 	<ul style="list-style-type: none"> • See answer to Question 4. • Also, the City requires both 6-month and 12-month performance reports • There may be other requirements for CDBG funds. 	<ul style="list-style-type: none"> • 1-year cycle
Concord 120,000	<ul style="list-style-type: none"> • Yes • Since at least the mid-1980's 	<ul style="list-style-type: none"> • ≈\$175,000 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • At minimum, agencies are expected to have the capacity to fill out the application, develop a budget and have an audit 	<ul style="list-style-type: none"> • The is a thorough review and selection process done by the Community Services Commission in conjunction with Council 	<ul style="list-style-type: none"> • Concord has a \$5,000 minimum for General Funds and \$10,000 for CDBG funds\ • New agencies are often started on GF then transitioned to CDBG funds • 2-year cycle
Cupertino 53,000	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • \$40,000 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> •
Gilroy 50,000	<ul style="list-style-type: none"> • No 	<ul style="list-style-type: none"> • None 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Gilroy has a local Housing Trust fund that supports public service activities related to housing that would otherwise qualify for CDBG funds
Milpitas 67,000	<ul style="list-style-type: none"> • No 	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • -
Mountain View 70,000	<ul style="list-style-type: none"> • Yes, but it is Council decision on an annual basis • At least the last three funding cycles (two-year cycles) 	<ul style="list-style-type: none"> • No preset amount set aside 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • 2-year cycle • Mechanism in place to address federal fund reductions
Santa Clara 110,000	<ul style="list-style-type: none"> • Yes • Over 20 years 	<ul style="list-style-type: none"> • FY 07-08 \$52,822 • FY 08-09 \$75,358 	<ul style="list-style-type: none"> • Primary funding is amount needed to support Landlord/Tenant dispute resolution • In FY 08-09, \$21,000 will come from City Affordable Housing Fund to assure stable funding for CDBG-funded agencies 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • Santa Clara's Affordable Housing Fund (CAHF) comes from the sale of Below Market Price housing units produced by the City's inclusionary zoning policy. • Council has approved use of that fund for all high priority housing and community needs identified in the City's Consolidated Plan.

**Attachment E
Survey Results**

Jurisdiction and Population	1. Does your jurisdiction provide General Fund support to human service agencies? If so, how long has this practice been in place?	2. How much General Fund support is typically available to assist in the funding of agencies?	3. What is the evaluation criteria used to determine the dollar amount of support to the agencies?	4. Are there criteria that each agency is expected to comply with prior to requesting or receiving General Funds?	5. What accountability measures are in place to fairly and equally evaluate each agency requesting General Funds?	* Include anything unique about your jurisdiction
San Jose 940,000	<ul style="list-style-type: none"> • Yes • Over 10 years 	<ul style="list-style-type: none"> • FY 06-07 \$350,000 	<ul style="list-style-type: none"> • There is no evaluation process to determine dollar amount. 	<ul style="list-style-type: none"> • All General Funds are allocated through a contractual process • Agencies are responsible for the delivery of certain outlined services and meeting expectations of the contract. 	<ul style="list-style-type: none"> • Because this is largely done through the annual budget process, there are no specific criteria for the distribution of these dollars. • It is important to note that agencies do not request General Fund assistance. 	<ul style="list-style-type: none"> • \$25,000 minimum grant amount for CDBG funds
Walnut Creek 63,000	<ul style="list-style-type: none"> • Yes • At least the last 7 years 	<ul style="list-style-type: none"> • \$100,000 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • Same as CDBG, although in some instances Walnut Creek will fund a program with GF if it doesn't meet all the CDBG requirements 	<ul style="list-style-type: none"> • Walnut Creek has a \$5,000 grant minimum • Most grants range from \$5,000 to \$15,000 • 2-year cycle • The process is done collaboratively and agencies apply for funds from all the Contra Costa County entitlement jurisdictions.
Sunnyvale 120,000	<ul style="list-style-type: none"> • Yes 	<ul style="list-style-type: none"> • Council decision 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • Same as CDBG 	<ul style="list-style-type: none"> • Housing and Human Services Commission makes recommendations, but it is ultimately City Council's decision 	<ul style="list-style-type: none"> • Only CDBG funded agencies. • Process for agencies receiving solely GF is separate.

ATTACHMENT F

HISTORICAL FUNDING

Historical Funding

ATTACHMENT F

GENERAL FUND SUPPORT PER PROGRAM YEAR (Actual)														(Plan)
Agency Name	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09
Catholic Charities - Long Term Ombudsman												\$675		\$227
Catholic Charities - Shared Housing												\$511		\$151
Abilities United														\$132
West Valley Community Svc								\$4,000				\$767		\$227
Emergency Hsg. Consortium - EHC												\$2,889	\$2,888	\$3,459
Family & Children Services									\$6,514	\$47,941	\$7,930	\$9,350	\$3,000	\$3,428
First United Meth.-Senior Nutrition												\$1,227		\$478
Friends for Youth - Mentoring														\$331
Live Oaks/Adult Day Services									\$30,000	\$28,000	\$6,352	\$9,263		\$334
Outreach														\$517
Santa Clara Valley Blind Center														\$129
Second Harvest Food Bank												\$281	\$280	\$376
Senior Adults Legal Assistance												\$536		\$180
Senior Housing Solutions (prev Project Match)												\$716		\$240
Sunnyvale Community Services	\$10,000	\$10,000							\$16,000	\$20,000	\$32,787	\$30,471	\$20,091	\$40,274
Support Network for Battered Women												\$1,636	\$1,636	\$2,121
The Health Trust												\$698		\$234
Bill Wilson Marriage and Counseling Ctr	\$14,204	\$14,577	\$14,928	\$15,227	\$15,227	\$15,227	\$15,227	\$15,227	\$15,000	\$16,750	\$7,500	\$7,072		\$344
Mid-Peninsula YWCA	\$2,809	\$3,956	\$5,734	\$2,932	\$4,264	\$11,310	\$6,500	\$6,500						
India Community Center											\$3,708	\$3,084		
Outreach Paratransit Fare Subs						\$5,001								
City Year San Jose/Silicon Valley							\$5,000	\$5,000	(\$325)					
Senior Day Care (in 2003)	\$40,268	\$41,074	\$42,305	\$42,305	\$43,574	\$42,490	\$43,574	\$43,202						
SAY / Comprehensive Youth Service	\$33,857	\$32,082	\$38,385	\$39,153	\$34,199	\$16,403	\$58,500	\$42,556						
Total	\$101,138	\$101,689	\$101,352	\$99,617	\$97,264	\$90,431	\$128,801	\$116,485	\$67,189	\$112,691	\$58,277	\$69,176	\$27,895	\$53,182

ATTACHMENT G

ELIGIBILITY CRITERIA AND EVALUATION PROCESS

SUMMARY OF APPLICATION AND EVALUATION PROCESS

GENERAL INFORMATION

SUMMARY OF APPLICATION PROCESS

Projects applying for the City of Sunnyvale CDBG or HOME funds go through a process consisting of the following:

1. Determination of Eligibility - Staff will review the proposals to ensure that applicants meet the entry criteria.
2. Project Evaluation – Proposals will be evaluated using the following steps:
 - a) Project interviews with applicants and Housing Division staff.
 - b) Application hearings in which applicants make a short presentation about their projects to staff and the Housing & Human Services Commission.
3. Project ratings based on the evaluation criteria rating scale by Housing Division staff.
4. Recommendation – Funding recommendations will be made by:
 - a) Housing Division staff.
 - b) Housing & Human Services Commission.
5. Final Funding Decision – The City Council will approve the final funding awards at a Public Hearing in May, 2009.

SUMMARY OF EVALUATION PROCESS

The following criteria will be used by the Housing Division staff to evaluate project proposals and make funding recommendations.

1. ENTRY CRITERIA

At the time of application submittal, all projects must meet the entry criteria referenced in the Application Instruction and Eligibility Standards (Attachment I). Projects which do not meet all entry criteria at the time of application will not be considered for funding, and no evaluation of the proposal will be made.

2. EVALUATION CRITERIA

- a. **RATING SCALE:** All projects that meet the entry criteria will receive an evaluation based on a rating scale delineated in Attachment IV. While this scale will be a major factor in determining if a project is recommended to receive any funding, receiving a favorable evaluation does not guarantee funding.
- b. **OTHER FACTORS:** The purpose of this analysis will be to make decisions between similarly rated projects, give special attention to certain program components, ensure a balanced program and determine funding levels.

The Housing & Human Services Commission will oversee the monitoring and evaluation of funded projects, based on performance standards included in a written agreement between the sponsoring organization and the City. Past performance is an important factor in the decision to fund projects.

APPLICATION CLARIFICATION

Housing Division staff will review all applications received for missing or incomplete information. The Housing Division cannot allow applicants the opportunity to submit missing items that affect ratings or compliance with Funding Criteria, including supporting documentation. Applicants should carefully check their applications to ensure that all of the questions are complete and attachments are included.

Clarification items are those that do not affect rating, but are necessary to provide a complete application. If an application clarification item is identified, Housing Division staff will contact the applicant and request additional information to correct the deficiency. The applicant will have 24 hours to respond to the request. Applicants should fax the information to the Housing Division as quickly as possible and send a hard copy of the information to the Housing Division by mail. Any missing information that is not received within the 24-hour period will be inadmissible, and the application may be rejected as incomplete.

Applications will be rejected for the following reasons:

- Late or incomplete
- Failure to meet the entry criteria or eligibility requirements at the time of application
- The agency does not have an acceptable audit and does not submit a letter with their application from the fiscal agent accepting responsibility

STATEMENT OF FISCAL AGENT RESPONSIBILITIES WITH THE APPLICATION

- Supplemental information that could affect the rating will not be accepted.
- Supplemental information will only be accepted if it is requested by staff.

FIRST TIME APPLICANTS

New applicants should carefully review the entry and eligibility criteria and discuss their project's eligibility with Housing Division staff prior to preparing and submitting the application.

PROJECT INTERVIEWS

Individual appointments with Housing Division staff will be held following submittal of a projects application, and prior to project hearings. The purpose of the meeting is to assist Housing Division staff in obtaining a thorough understanding of the proposal, and provide an opportunity to clarify the points of analysis regarding the proposal. All meetings will be scheduled during the month of January and February. Please be prepared to schedule an appointment time when submitting the application.

Staff will prepare a technical evaluation for each application and make a preliminary funding recommendation before it is submitted to the appropriate City advisory boards or commission for further review.

The City advisory body will review and evaluate all eligible applications. Each applicant will have the opportunity to present its program to the advisory body. The advisory body will make funding recommendations to the City Council. Advisory bodies will also recommend a *priority ranking of reviewed programs*, and such ranking will be included in the staff report to the City Council.

The final funding decision is made by the Sunnyvale City Council.

EVALUATION CRITERIA

In general, these evaluation criteria would include (but not necessarily be limited to) the following guidelines:

Required - Each of the following factors must be met for the program to receive a recommendation for City funding.

- The organization must meet minimum eligibility standards to receive funding.
- The organization and its program must have demonstrated good performance and capability to effectively provide this program.
- The organization and its program must deliver services in a cost-effective manner.
- The organization must be an appropriate agency to deliver this program.
- The program is not a duplication of service provided in the same service areas by another agency.
- The organization and its program must have good financial and management systems.

Favorable Evaluation Factors - The proposed program must address one or more of the following factors, particularly the first four, to receive a positive recommendation. Programs that meet all or several of the criteria will be in a stronger position to receive a positive recommendation.

- The proposed program addresses or relates directly to a City general plan policy or action statement.
- The proposed program is an enhancement of an existing City program.
- The proposed program has a contingency plan for funding if City support is limited or eliminated in the future (critical for seed funding.)
- The program has a diverse funding base, as opposed to reliance upon City funds to support its operation.
- The extent to which City funds are leveraged with other funds to provide services. *It is very favorable if City funding requested for the program is limited to 10% or less of program budget.*
- Proposals for projects that involve construction or acquisition of real property demonstrate the feasibility of completion within eighteen months from the beginning of the fiscal year for which funding is requested.

HUMAN SERVICES POLICY

The City has an adopted "Human Services Policy" that is applicable to the evaluation of outside group applications (Attachment V). The Human Services Policy is also considered by staff and City advisory bodies in making recommendations to the City Council.

ADDITIONAL EVALUATION CRITERIA FOR PROPOSALS

- What is the total annual budget of the organization?

- What is the current annual dollar contribution by the City to the organization through outside group funding?
- How many Sunnyvale residents does the organization serve?
- What is the current City annual contribution per resident to the organization?
- Does the group provide benefits to the City beyond those benefits directly to residents?

ACCEPTANCE OF APPLICATIONS

Submittal of an application does not commit the City to award a contract, to pay any costs incurred in the preparation of a submittal, or to procure or contract for services or supplies. The City reserves the right to accept or reject any or all applications received as a result of this request, to negotiate with all qualified sources, or to cancel in part or in its entirety this application if it is in the best interest of the City to do so.

INDIVIDUAL APPOINTMENTS

Individual appointments may be scheduled with Housing Division staff for the review of *draft* applications prior to final submittal. Appointments may be scheduled up to one day prior to the application deadline. Draft applications should be submitted by e-mail or hard copy two days prior to the appointment to allow Housing Division staff time to review the draft application. Draft applications may **not** be faxed for review. Telephone consultations may also be scheduled for the review of draft applications.

CONTRACT AWARD

The City may award a contract(s) based upon applications received, without discussion of such offers with the applicant; each application should be submitted in the most favorable terms from a price and technical standpoint. However, the City reserves the right to request additional data or oral discussion or presentation in support of written applications.

TYPE OF CONTRACT

A **performance-based, fixed-unit** contract will be developed, holding the contractor accountable for provision of contractual services. Those funded groups will receive specific performance standards upon which on-going performance can be evaluated. In submitting the application, your agency agrees to comply with the general provisions included in the master agreement, as applicable (master agreement is available on request).

In addition loan agreement documents specific to the type and scope of project will be required for an award of funds for construction or acquisition projects. All activities funded with CDBG/HOME funds will be required to meet any additional CDBG/HOME regulations as promulgated by HUD. City advisory bodies will oversee the monitoring and evaluation of programs funded.

QUESTIONS OR TECHNICAL ASSISTANCE

Any questions or requests for technical assistance should be addressed to:

Katrina Ardina or
Edith Alanis (408) 730-7250

Both the application and general information packet are available in Microsoft Word for Windows, and are also available on the City of Sunnyvale web site at www.ci.sunnyvale.ca.us. You are encouraged to keep the application content as succinct as possible.

RECEIPT OF PROPOSALS

- Submit one (1) original and nine (9) copies of the application.
- To be considered, all applications must be submitted under the guidelines stated herein. ***Incomplete or late proposals will not be accepted.***
- Do not include literature or attachments beyond that necessary to present a complete and effective application. Do not bind copies. Failure to submit a concise, complete application shall be considered as evidence of an agency's inability to undertake program objectives.
- All applications must be submitted on forms provided in a manner consistent with these instructions.

ATTACHMENT H

OPERATING PRIORITY RANKING TOOL

RANKING CRITERIA - OPERATING

- 1. Highest**
 - Legally Mandated
Required by Federal, State, City Charter or Municipal Code
Example:
 - Wastewater Treatment
 - Hazardous Materials Safety Services

- 2. High**
 - Health and Safety
Services that, were they not performed, would seriously jeopardize the health and safety of our residents
Example:
 - Solid Waste Collection and Disposal
 - Emergency Response to Police and Fire Calls for Service

 - Essential Services
Maintenance of core facilities and services for which the City is responsible and, if not done, will not be provided
Example:
 - Pavement Operations (Street Maintenance)
 - Land Use Planning

- 3. High Mid-Range**
 - Functions for Proper Organizational Management
Critical Internal Systems to support base city operations
Example:
 - Payroll Services
 - Central Information Technology Systems and Networks

 - Typical Services Provided by Most Cities
Services expected by residents to be available for the benefit of **all** community members
Example:
 - Borrower Services/Circulation of Library Materials
 - Parks and Open Space Maintenance

4. Mid-Range

- Targets Vulnerable Populations
Fills a service void that is not the responsibility of other levels of government
Example:
 - Columbia Neighborhood Center Health Services
 - Case Management for Seniors

- Directly Enhances the City's Fiscal Health and Vitality
Example:
 - Economic Development Business Retention

- Typical Services Provided by Most Cities
Services expected by residents to be available for the benefit of **a portion of** community members
Example:
 - Library Services for Children and Teens

5. Other

- All Remaining Services
(May be scaleable)