



CITY OF PALO ALTO
Human Relations Commission
Regular Meeting
Thursday, September 12, 2024
6:00 PM

Agenda Item

2. Public Hearing: Summary of Fiscal Year 2023-2024 (HUD CDBG Program Year 2023)
Community Development Block Grant (CDBG) Program Accomplishments - Review of the
Draft Consolidated Annual Performance and Evaluation Report (CAPER) – Staff –
Discussion – 30 minutes



Human Relations Commission Staff Report

From: Coleman Frick, Manager of Long Range Planning Division

Meeting Date: September 12, 2024

Report #: 2408-3369

TITLE

PUBLIC HEARING: Summary of Fiscal Year 2023-2024 (HUD CDBG Program Year 2023) Community Development Block Grant (CDBG) Program Accomplishments - Review of the Draft Consolidated Annual Performance and Evaluation Report (CAPER)

RECOMMENDATION

Staff recommends that the Human Relations Commission open a public hearing to review, discuss, and take public comments on the FY 2023-2024 (Program Year 2023) draft CAPER. No HRC motions or action is required.

EXECUTIVE SUMMARY

The City must annually report the accomplishments of its Community Development Block Grant (CDBG) program to the U.S. Department of Housing and Urban Development (HUD). This report, called the Consolidated Annual Performance and Evaluation Report (CAPER), summarizes these accomplishments and expenditures for the FY 2023-2024 (Program Year 2023) CDBG funding cycle. In FY 2023-2024, HUD requires submittal of the CAPER (Attachment A) by September 28, 2024.

BACKGROUND

The City of Palo Alto receives funding annually from HUD as an entitlement city under the CDBG program. As a recipient of CDBG funds, the City is required to prepare a CAPER at the end of each fiscal year.¹ The CAPER describes the City's progress toward implementing the activities identified in the 2023-2024 Annual Action Plan² and the goals and objectives of the 2020-2025 Consolidated Plan.³

¹ The Consolidated Annual Performance and Evaluation Report (CAPER) uses the questions, report organization, and information format required and provided by HUD.

² Annual Action Plan: An annual report listing the activities the City intends to undertake with CDBG funds to address the needs and implement the strategies identified in the Consolidated Plan.

³ Consolidated Plan (Con Plan): A five-year strategic plan that addresses the housing and non-housing community development needs of lower income persons and establishes annual goals and objectives to meet the identified needs.

ANALYSIS

During FY 2023-2024 (Program Year 2023), the City's CDBG subrecipients provided projects, activities, and programs that benefitted extremely low, very low, low, and moderate-income individuals and households in Palo Alto.

A total of \$895,067 was available for CDBG funding projects and programs during FY 2023-2024 (PY 2023). The City received \$514,242 from the federal CDBG program, \$300,000 in prior year allocations, and \$80,825 in program income.

Through CDBG and CDBG-CV funds 613 persons and 19 microenterprises were assisted in FY 2023-2024. Of the 632 persons and microenterprises assisted by CDBG, 501 were extremely low-income, 105 were low-income, 8 were moderate-income, and 18 were non-low-moderate income.

The draft 2023-2024 CAPER (Attachment A) provides a detailed description of the accomplishments achieved by the City's CDBG and CDBG-CV funding subrecipients.

Major FY 2023-2024 (PY 2023) accomplishments include the following:

- **Catholic Charities of Santa Clara County – Long Term Care Ombudsman Program** [Goal: Assist 50 individuals; Actual 50 individuals]. The program provided advocacy and complaint investigation for elderly residents of long-term care facilities in Palo Alto, which included regular contact with Palo Alto Residential Care Facilities to observe and monitor conditions of care;
- **Alta Housing – SRO Resident Supportive Services** [Goal: Assist 131; Actual 145 individuals]. Alta Housing engaged a service coordinator to provide 40 hours of weekly services to provide case management and support counseling services to residents at Alma Place and Barker Hotel to help them maintain housing stability. Activities included financial counseling, health maintenance, information, and referral problem-solving, employment assistance, crisis intervention, and case management. Both Alma Place and Barker Hotel are single-room occupancy facilities;
- **LifeMoves – Case Management** [Goal: Assist 27 individuals; Actual 193 individuals]. Case management services provided to Opportunity Services Center and Hotel De Zink clients in locating housing and/or employment and be connected to benefits;
- **Project Sentinel – Fair Housing Services** [Goal: Assist 15 individuals; Actual 19 individuals]. Project Sentinel provided fair housing services to City residents including community education and outreach regarding fair housing law and practices, investigation, counseling, and legal referral for victims of housing discrimination, and analyses for City staff and officials regarding fair housing practices. California and federal fair housing laws assure specific protected classes the right to be treated in terms of their individual merits and qualifications in seeking housing. Unfortunately,

some people are not aware of the law or their rights;

- **Silicon Valley Independent Living Center (SVILC) – Case Management Services** [Goal: Assist 25 individuals; Actual 24 individuals]. Silicon Valley Independent Living Center provided assistance for individuals with disabilities and their families to transition from homelessness, health care facilities, unstable or temporary housing to permanent affordable, accessible, integrated housing with emergency assistance, security deposits, rent, information, and referral, and other basic essentials;
- **Rebuilding Together Peninsula - Safe at Home Program** [Goal: Assist 5 households; Actual 6 households]. Program preserved affordable housing by transforming homes through critical repairs and accessibility modifications, at no cost to the service recipient. The majority of the low-income homeowners served were elderly seniors and/or people with disabilities, who are physically and financially unable to maintain safe living conditions for themselves and their families;
- **Peninsula Healthcare Connection – Harm Reduction Services** [Goal: 100 individuals; Actual 114 individuals]. PHC delivered Harm Reduction materials to referral families. Materials included: substance use treatment recommendations such as rehab center options, AA/NA meeting referrals, harm reduction kits designed for safe needle use and storage, and basic needs resources, such as Narcan. This is in response to the prevalent use of controlled substances and subsequent overdose-related deaths in the City;
- **WeeCare/Upwards – BOOST Program** [Goal: 19 microenterprises; Actual 19 microenterprises]. WeeCare worked with FCCH providers in Palo Alto who are already on the wait list for the BOOST program. These providers received staff training-learning best practices on how to grow and sustain their organization and how to better support LMI families they serve. Funds requested to pay WeeCare staff salaries for training providers on how to use Child Management System (CCMS) software. CCMS was developed for providers to create work plans, goals, capacity, and revenue, empowering them to reach service and operations goals; and
- **Move Mountain View** [Goal: 109 individuals; Actual 62 individuals]. The program provides reserved off-street parking for participants, as well as permanent housing solutions through intensive case management. MMV operates four 24/7 RV Safe Parking lots and 3 Congregational Safe Parking locations. The total capacity of these lots in Palo Alto and Mountain View is 109 vehicles. 159 vehicle dwellers are currently enrolled in the program. One of which is located in Palo Alto, Geng Road Safe Parking lot. The Geng Road Safe Parking Lot is where MMV utilizes Palo Alto's CDBG-CV funds. Funding pays for the salary of one full-time Client Counseling Case Manager and one full-time Client Case Manager Housing Specialist.

STAKEHOLDER ENGAGEMENT

Electronic copies of the FY 2023-2024 draft CAPER are available on the City website (<https://www.cityofpaloalto.org/CDBG>) and will remain available for the required 15-day public comment period from August 29, 2024 through September 12, 2024. Hardcopies of the draft CAPER were also available for review at the Development Center, Planning & Development Services Department at City Hall, and the City's Downtown Public Library. An advertisement was placed in The Daily Post, a newspaper of general circulation, on August 28, 2024, advertising the availability of the draft CAPER for public review and comment. The Human Relations Commission will hold a public hearing on September 12, 2024, to discuss the draft CAPER and hear public comments on the CAPER. No public comments have been received as of the time this report was prepared.

FISCAL/RESOURCE IMPACT

This informational report has no fiscal or resource impact.

ATTACHMENTS

Attachment A: 2023-2024 Draft Consolidated Annual Performance and Evaluation Report (CAPER), version date August 28, 2024



Community Development Block Grant (CDBG) Program

DRAFT 2023-2024 Consolidated Annual Performance and Evaluation Report (CAPER)

15-DAY PUBLIC COMMENT PERIOD
AUGUST 29, 2024 – SEPTEMBER 12, 2024

ADMINISTERED BY: PLANNING AND DEVELOPMENT
SERVICES

Draft Aug 28, 2024

CDBG Fiscal Year 2023-2024 (Program Year 2023)
PALO ALTO CAPER (DRAFT - August 28, 2024)

1

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan.

91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

Table 1 - Accomplishments – Program Year & Strategic Plan to Date shows the City of Palo Alto's accomplishments for FY 2023-2024 (HUD CDBG Program Year 2023), as well as strides made toward fulfilling the objectives outlined in the strategic plan (2020-2025 Consolidated Plan) and corresponding past Annual Action Plans.

Throughout FY 2023-2024 (Program Year 2023), the City was successful by attaining significant portions of the outlined yearly objectives. This Additionally, the City made amendments to the 2022-2023 Annual Action Plan, including the Substantial Amendment approved April 17, 2023 by City Council modifying the Mitchell Park Place Project's description from predevelopment costs to public facilities improvements.

Major FY 2023-2024 (PY 2023) accomplishments include the following:

-Catholic Charities of Santa Clara County – Long Term Care Ombudsman Program [Goal: Assist 50 individuals; Actual 50 individuals]. The program provided advocacy and complaint investigation for elderly residents of long-term care facilities in Palo Alto, which included regular contact with Palo Alto Residential Care Facilities to observe and monitor conditions of care.;

-Alta Housing – SRO Resident Supportive Services [Goal: Assist 131; Actual 145 individuals] .Alta Housing engaged a service coordinator to provide 40 hours of weekly services to provide case management and support counseling services to residents at Alma Place and Barker Hotel to help them maintain housing stability. Activities included financial counseling, health maintenance, information, and referral problem-solving, employment assistance, crisis intervention, and case management. Both Alma Place and Barker Hotel are single-room occupancy facilities;

-LifeMoves – Case Management [Goal: Assist 27 individuals; Actual 193 individuals]. Case management services provided to Opportunity Services Center and Hotel De Zink clients in locating housing and/or employment and be connected to benefits;

-Project Sentinel – Fair Housing Services [Goal: Assist 15 individuals; Actual 19 individuals]. Project Sentinel provided fair housing services to City residents including community education and outreach regarding fair housing law and practices, investigation, counseling, and legal referral for victims of housing discrimination, and analyses for City staff and officials regarding fair housing practices. California and federal fair housing laws assure specific protected classes the right to be treated in terms of their individual merits and qualifications in seeking housing. Unfortunately, some people are not aware of the law or their rights;

-Silicon Valley Independent Living Center (SVILC) – Case Management Services [Goal: Assist 25 individuals; Actual 24 individuals]. Silicon Valley Independent Living Center provided assistance for individuals with disabilities and their families to transition from homelessness, health care facilities, unstable or temporary housing to permanent affordable, accessible, integrated housing with emergency assistance, security deposits, rent, information, and referral, and other basic essentials;

-Rebuilding Together Peninsula - Safe at Home Program [Goal: Assist 5 households; Actual 6 households]. Program preserved affordable housing by transforming homes through critical repairs and accessibility modifications, at no cost to the service recipient. The majority of the low-income homeowners served were elderly seniors and/or people with disabilities, who are physically and financially unable to maintain safe living conditions for themselves and their families;

-Peninsula Healthcare Connection – Harm Reduction Services [Goal: 100 individuals; Actual 114 individuals]. PHC delivered Harm Reduction materials to referral families. Materials included: substance use treatment recommendations such as rehab center options, AA/NA meeting referrals, harm reduction kits designed for safe needle use and storage, and basic needs resources, such as Narcan. This is in response to the prevalent use of controlled substances and subsequent overdose-related deaths in the City;

-WeeCare/Upwards – BOOST Program [Goal: 19 microenterprises; Actual 19 microenterprises]. WeeCare worked with FCCH providers in Palo Alto who are already on the wait list for the BOOST program. These providers received staff training-learning best practices on how to grow and sustain their organization and how to better support LMI families they serve. Funds requested to pay WeeCare staff salaries for training providers on how to use Child Management System (CCMS) software. CCMS was developed for providers to create work plans, goals, capacity, and revenue, empowering them to reach service and operations goals; and

-Move Mountain View [Goal: 109 individuals; Actual 62 individuals]. The program provides reserved off-street parking for participants, as well as permanent housing solutions through intensive case management. MMV operates four 24/7 RV Safe Parking lots and 3 Congregational Safe Parking locations. The total capacity of these lots in Palo Alto and Mountain View is 109 vehicles. 159 vehicle dwellers are currently enrolled in the program. One of which is located in Palo Alto, Geng Road Safe Parking lot. The Geng Road Safe Parking Lot is where MMV utilizes Palo Alto's CDBG-CV funds. Funding pays for the salary of one full-time Client Counseling Case Manager and one full-time Client Case Manager Housing Specialist.

Other CDBG Program Updates:

A total of \$895,067 was available for CDBG funding projects and programs during FY 2023-2024 (PY 2023). The City received \$514,242 from the federal CDBG program, \$300,000 in prior year allocations, and \$80,825 in program income.

Through CDBG and CDBG-CV funds 613 persons and 19 microenterprises were assisted in this program year. Of the 632 persons and microenterprises assisted by CDBG, 501 were extremely low-income, 105 were low-income, 8 were moderate-income, and 18 were non low-moderate income.

CDBG CARES-Act (CDBG-CV) funds were available in FY 2023-2024 (PY 2023). CDBG-CV funds were utilized in FY 2023-2024 for planning and administrative services to provide assistance to homeless providers regarding their CDBG-CV contracts, scope of work and the required substantial amendment processes. The number of persons assisted through CDBG-CV funds will be reported in next year's FY 2024-2025 CAPER.

[REMAINDER OF PAGE INTENTIONALLY LEFT]

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Affordable Housing	Affordable Housing	Rental units rehabilitated	Household Housing Unit	107	0	0.00%	n/a	n/a	n/a
Affordable Housing	Affordable Housing	Homeowner Housing Rehabilitated	Household Housing Unit	40	12	30.00%	5	6	120.00%
Economic Development	Non-Housing Community Development	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0	undefined	n/a	n/a	n/a
Economic Development	Non-Housing Community Development	Homeless Person Overnight Shelter	Persons Assisted	0	0	undefined	n/a	n/a	n/a
Economic Development	Non-Housing Community Development	Jobs created/retained	Jobs	150	28	18.67%	n/a	n/a	n/a
Economic Development	Non-Housing Community Development	Businesses assisted	Businesses Assisted	0	19	undefined	19	19	100.00%
Fair Housing	Non-Housing Community Development	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	75	60	80.00%	12	19	158.33%
Homelessness	Homeless	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	850	829	97.53%	481	400	83.16%

Homelessness	Homeless	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	60	54	90.00%	n/a	n/a	n/a
Homelessness	Homeless	Homeless Person Overnight Shelter	Persons Assisted	100	43	43.00%	0	0	undefined
Homelessness	Homeless	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	0	0	0	n/a	n/a	n/a
Homelessness	Homeless	Homelessness Prevention	Persons Assisted	0	0	0	n/a	n/a	n/a
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1200	0	0.00%	2090	0	0.00%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1345	1762	131.00%	565	188	33.27%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	Homeless Person Overnight Shelter	Persons Assisted	0	0	0	n/a	n/a	n/a

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

*IDIS (Integrated Disbursement and Information System) automatically rounds percentages to the nearest whole number: rounding up if the decimal portion is 0.50 or greater and rounds down if it is less than 0.50. Table 1 reports on precise percentages.

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

Throughout FY 2023-2024 (PY 2023), the City's Community Development Block Grant (CDBG) subrecipients delivered essential services to households belonging to extremely low, very low-, low-, and moderate-income brackets. Simultaneously, they addressed the priorities and needs of the community, as outlined in the City's adopted 2020-25 Consolidated Plan.

The City achieved a number of goals as outlined in the FY 2023-2024 Annual Action Plan (AAP) through CDBG funding. A total of \$895,067 was available for funding projects and programs during the 2023 Program Year. The City received \$514,242 from the federal CDBG program, approximately \$80,825 in program income, and \$300,000 in previous CDBG allocations. At the time of this report, the City has spent approximately \$406,580.18.

With the CDBG annual formula grant, Catholic Charities, through the Ombudsman Program, assisted 50 senior residents through visitation, resolved complaints, phone outreach at the local long-term facilities, and LifeMoves, at the Opportunity Services Center, provided case management services, including assistance with housing and job searches to 193 homeless/very low-income community residents. Project Sentinel provided fair housing and tenant/landlord mediation services to 19 local residents. Additionally, through the CDBG funds, Alta Housing was able to offer onsite counseling services to 145 residents of the Single-Room Occupancy (SRO) Resident Support Program. Additionally, Rebuilding Together Peninsula was able to assist 6 households with home rehabilitation to help assist in the City's goal of affordable housing.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG
White:	324
Black/African American:	100
Asian:	62
American Indian/Alaskan Native:	8
Native Hawaiian/Other Pacific Islander:	8
American Indian/Alaskan Native & White:	1
Asian & White:	0
Black/African American & White:	0
American Indian/Alaskan Native & Black/African American:	1
Other multi-racial:	128
Asian/Pacific Islander:	0
Total	632
Hispanic	129
Not Hispanic	503

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

Table 2 outlines the racial and ethnic populations served by CDBG funds in FY 2023-2024 (PY 2023). A total of 613 individuals and 19 microenterprises were served by the City's CDBG and CDBG-CV programs: 324 White persons with 95 of those identifying as Hispanic; 99 Black/African American persons with 1 of those identifying as Hispanic; 62 Asian persons with 0 of those identifying as Hispanic; 8 American Indian persons with 3 of those identifying as Hispanic; 8 Native Hawaiian/Other Pacific Islander persons with 0 of those identifying as Hispanic; 1 American Indian/Alaskan Native & White persons with 1 of those identifying as Hispanic; and 1 American Indian/Alaskan Native & Black/African American persons with 0 identifying as Hispanic. Additionally, 128 persons identified as multi-racial with 29 of those identifying as Hispanic.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	\$895,067	\$406,580.18
CDBG-CV	public - federal	\$746,413	\$23,689.29

Table 3 - Resources Made Available

Narrative

Nearly all the City's CDBG subrecipients effectively utilized their grant funds during FY 2023-2024 (Program Year 2023). However, the Public Works ADA Curb Ramp Improvements Project (IDIS Activity #358) was unable to expend its CDBG grant funds during FY 2023-2024. Despite efforts to release earlier, the project bid package request for proposals was first released on March 13, 2024, closed on April 3, 2024, required re-release on April 17, 2024, and closed again on May 1, 2024. City Council awarded the contract in June 2024. The project is on track to commence construction in September 2024, the first available contractor start timeframe.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
n/a	N/A	N/A	N/A

Table 4 – Identify the geographic distribution and location of investments

Narrative

The City's approach to housing assistance encompasses all forms of housing support, aligning with the principles outlined in the City's Comprehensive Plan. Housing support activities are not confined to specific target areas; instead, the City strives to offer affordable housing options to individuals with lower incomes across the entire municipality.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Palo Alto leverages Federal, State, & private housing funds in alignment with goals outlined in 2020-2025 Consolidated Plan. The City actively encourages non-profit organizations to pursue various avenues of funding, spanning local, state, & Fed. resources, to support both housing and non-housing community development activities.

HUMAN SERVICES RESOURCES ALLOCATION PROCESS (HSRAP): In FY 2023-2024, the City allocated \$896,035 in General Funds to HSRAP to address primary human service needs in Palo Alto. This represents a funding increase over the amount of \$622,377 allocated the preceding year. These funds support initiatives, guided by the Human Relations Commission's priority needs & administered by the Office of Human Services.

LOCAL HOUSING TRUST FUND (LHTF): In FY 2022-23, Palo Alto received \$3.4 million from HCD to use alongside local matching funds toward the production of rental housing units at affordability levels. 70% of funds target housing units for residents with incomes at or below 60% of AMI and 30% of funds targeting housing units for residents with incomes at or below 30% AMI. Palo Alto expended \$1.5 million of HCD LHTF funds in FY 2023-2024, leaving a remainder balance of \$1.9 million for use in the future.

PERMANENT LOCAL HOUSING ALLOCATION (PLHA): As a PLHA entitlement jurisdiction, Palo Alto receives an annual PLHA allocation from HCD. Palo Alto uses these funds to assist persons experiencing or at risk of homelessness by funding street outreach and operating expenses for the Palo Alto Homekey shelter, as well as funding affordable rental housing preservation, new construction, and operating subsidies.

HOMEKEY: Palo Alto Homekey is a forthcoming new modular interim housing shelter near the Palo Alto Baylands. It will house over 200 individuals annually. Palo Alto and LifeMoves received Homekey funds. Palo Alto Homekey also utilizes local, county, and state funding, as well as funds from Sobrato Philanthropies. These additional funding sources address expenses beyond what federal funds can cover, such as pre-development costs, feasibility studies, site acquisition, and other similar activities.

CR-20 – Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of homeless households to be provided affordable housing units	0	0
Number of non-homeless households to be provided affordable housing units	0	0
Number of special-needs households to be provided affordable housing units	0	0
Total	0	0

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through rental assistance	0	0
Number of households supported through the production of new units	0	0
Number of households supported through the rehab of existing units	5	6
Number of households supported through the acquisition of existing units	0	0
Total	5	6

Table 6 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The City continued its partnership with Rebuilding Together Peninsula through its Safe at Home Program. The Program represents preservation of affordable housing, as the program provides for critical home repairs and accessibility modifications at no cost to the recipient. Those served include LMI homeowners that are elderly and/or are people with disabilities, who are physically and financially unable to maintain safe living conditions for themselves and their families. The City and Rebuilding Together Peninsula exceeded the current year goal of assisting 5 LMI households due to efficient use of program funds.

Discuss how these outcomes will impact future annual action plans.

Rebuilding Together Peninsula's multi-year success demonstrates continued need for home rehabilitation for LMI households. Future plans would build upon these consecutive successes to continue providing home rehabilitation.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	3	0
Low-income	3	0
Moderate-income	0	0
Total	0	0

Table 7 – Number of Households Served

Narrative Information

Palo Alto CDBG subrecipient Rebuilding Together Peninsula serves verified moderate income to extremely low-income households.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)
Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Palo Alto has an enduring local commitment to address homelessness and provide services for the unhoused.

Santa Clara County jurisdictions participate in the County's Point-in Time Count every two years. The next count will be in 2025. The 2022 Point-in-Time Count showed 274 unhoused persons in Palo Alto (263 unsheltered and 11 sheltered) which is a decrease from 2019, when the count was 313. The 2023 Point-in-Time Count showed 206 unhoused persons in Palo Alto (187 unsheltered and 19 sheltered), which is a decrease in homelessness compared with 2022. This data shows that initiatives have reduced overall homelessness in Palo Alto. During the Point-in-Time count, surveys are administered to gather information and assess needs for the population.

The City of Palo Alto provides funding for unhoused services and homelessness prevention via multiple funding channels: CDBG, Human Services Resource Allocation Process (HSRAP), Permanent Local Housing Allocation (PLHA), and the Emerging Needs Fund. This broad financial support is directed toward service provision and homeless prevention.

Unhoused services include workforce development, basic needs stipends for work experience, food, seasonal homeless shelter, school supplies for homeless children, case management, tele-medicine equipment, and shower/laundry services. Additionally, the City contracted with a local nonprofit to provide a two-person full time Outreach Team to reach out and provide services to unhoused individuals in the community, including those living in cars and RV's. The City also opened an Overnight Warming Location (OWL) that operated during winter and provided 112 "nights indoors" for 34 unique participants.

Homelessness Prevention support includes provision of emergency rent and utility funding assistance through LifeMoves and Silicon Valley Independent Living Center. LifeMoves – Opportunity Center is designated by the County as the Emergency Assistance Network Agency for financial assistance for Palo Alto. The Opportunity Services Center in Palo Alto exclusively serves homeless individuals. LifeMoves at the OSC provides intake services to all the clients they serve to assess their needs and provide the appropriate resources and referrals. They also provide basic need services such as access to restrooms, showers, laundry, used clothing, hygiene supplies, health care, mail/telephone services, food, transportation assistance, information and referral services, counseling, and other critical services.

Palo Alto will continue to explore its funding strategy and collaborate with other Santa Clara County cities to ensure that limited federal and local resources are targeted to pressing community needs such as homelessness.

Addressing the emergency shelter and transitional housing needs of homeless persons

The following activity received funding from the City of Palo Alto to provide emergency shelter and/or transitional housing for homeless persons.

LifeMoves – Opportunity Services Center, funded by CDBG with an amount of \$26,660, has significantly extended its operational hours, thereby providing enhanced support to Palo Alto's homeless community. This extension has granted vulnerable clients more time within a secure and nurturing environment, ensuring they receive the critical assistance they require. During this year, the program funds facilitated services to 193 individuals.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The following agencies received funding from the City of Palo Alto to help low-income individuals and families avoid becoming homeless.

Alta Housing; CDBG \$14,000: Alta Housing had on-site counseling services available to residents of the 145 units of the Single-Room Occupancy (SRO) Resident Support Program at Alma Place and Barker Hotel. The majority of the residents are low-income, disabled, elderly, veterans, and formerly homeless adults. Many residents have difficulty managing daily living skills, such as managing finances, maintaining their health (mental and physical) and apartments, and having a good relationship with others. Without onsite support, such issues can become so severe that tenants risk losing their housing. Case management was provided to 148 residents this year using program funds.

LifeMoves, Case Management; CDBG \$23,636: LifeMoves provided case management service including assistance with housing and job searches, referrals, and mentoring to 193 unduplicated homeless and/or very low-income Palo Alto residents.

The City follows the guidance of Santa Clara County's Continuum of Care (CoC) as it relates to individuals who may be discharged from publicly funded institutions and systems of care. The Santa Clara County's CoC has developed the Santa Clara County Countywide Quality Assurance Standards for Homeless Housing & Service Programs (2021). The document was developed with the expectation of providing quality, standardized services to persons who have become homeless to facilitate their successful re-entry back into their communities. As a member of the CoC, the City of Palo Alto will be following the standards in the documents.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

Silicon Valley Independent Living Center; Case Management: SVILC is highly recognized for its Housing Workshops. The Housing Workshops cover many important topics such as: credit readiness and credit repair; types of low-income housing and eligibility; application and interview preparation; tenant and landlord rights and responsibilities; fair housing and home modifications laws and resources; security deposit and rental assistance programs; long term services and supports. Through the FY 2023-2024 (PY 2023) CDBG funding, 24 unduplicated Palo Alto residents with disabilities received one-on-one assistance and developed an independent living plan for housing which resulted in improved accessibility to decent affordable housing.

Project Sentinel; Fair Housing Services: Project Sentinel provided community education and outreach regarding fair housing law and practices, investigation, counseling, and legal referral for victims of housing discrimination. In total, 19 LMI residents were provided individual case management and consultation relating to specific fair housing questions.

CR-30 - Public Housing 91.220(h); 91.320(j)e
Actions taken to address the needs of public housing

Not applicable. The Santa Clara County Housing Authority does not operate in Palo Alto.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

The Santa Clara County Housing Authority is proactive in incorporating resident input into the agency's policy making process. An equitable and transparent policy making process that includes the opinions of residents is achieved through the involvement of two tenant commissioners, one being a senior citizen, on the Authority's board.

Actions taken to provide assistance to troubled PHAs

Not applicable.

CR-35 – Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The City of Palo Alto 2023-2031 Housing Element was adopted in July 2024 and certified by HCD in August 2024. The Housing Element includes many programs to tackle impediments to affordable housing development. Programs include modifications to existing zoning to allow for denser development, further streamlining the development review process, provisions of development standards that incentivize housing production, and reevaluation of fees to support development, to name a few.

Housing Trust Silicon Valley (Housing Trust): Originally known as the Housing Trust Fund of Santa Clara County (HTSCC), the Housing Trust was established to provide available financial resources targeted at bridging the affordable housing gap within the County. Its overarching mission is to contribute to rendering Silicon Valley a more financially accessible place to reside. The Housing Trust achieves this by disbursing loans and grants to increase the affordable housing supply, supporting first-time homebuyers, forestalling homelessness, and enhancing community stability. Palo Alto was one of the founding contributors to this initiative and has maintained a consistent commitment to fund allocation. Notably, a provision was introduced to ensure that the funds allocated by the City are exclusively channeled towards qualifying affordable housing projects situated within Palo Alto's municipal boundaries.

Development Impact Fees for Housing: The City's development impact fees encompass four distinct categories: Housing, Traffic, Community Facilities, and Parkland Dedication. These fees result from comprehensive Nexus Studies undertaken for both Residential and Commercial Development. The outcomes of these studies laid the groundwork for revised fees associated with residential and non-residential housing, which became effective on June 19, 2017. The housing impact fees are subjected to annual updates. Fees charged are periodically evaluated and modified so that they support, rather than prohibit housing development.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

The City's CDBG program demonstrates a committed effort to collaborate with various funding entities, aiming to maximize the impact of each dollar invested. This is accomplished through strategic collaborations with other municipal resources, such as HSRAP, enabling the pooling of funds designated for site acquisition in low-income housing alongside diverse funding sources. However, Palo Alto faces challenges in fully addressing barriers that impede the fulfillment of underserved needs, given that needs outshine the annual availability of CDBG funds over the years. In response, the City supplements its CDBG funding with other resources and funds. As examples:

- During FY 2023-2024 (PY 2023), the City allocated \$896,035 in General Funds to the City's Human Service Resource Allocation Process (HSRAP) to address primary human service needs in Palo Alto. The HSRAP funds, coupled with the CDBG public service funds, are allocated to local non-profit organizations.
- The Palo Alto Commercial Housing Fund is used primarily to increase the number of new

affordable housing units for Palo Alto's work force. It is funded with mitigation fees required from developers of commercial and industrial projects;

- Palo Alto Residential Housing Fund is derived from mitigation fees collected through Palo Alto's BMR housing program from residential developers and various other miscellaneous sources. These diverse sources include proceeds generated from the sale or leasing of City property.
- The City established the Below Market Rate Emergency Fund to offer continuous funding for loans to BMR owners, encompassing special assessment loans, as well as supporting the restoration and safeguarding of the City's collection of BMR ownership units.
- Annually, the HOME Program funds are made accessible through a competitive selection process administered by the State of California HOME program and the County's HOME Consortium.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

Lead exposure can inflict enduring damage upon the brain and various organs, ultimately leading to diminished cognitive and behavioral challenges, especially among young children. As of August 2023, an estimated 500,000 children below the age of six in the United States exhibit elevated lead levels in their bloodstream, surpassing the threshold set by the Centers for Disease Control and Prevention for concern. A significant portion of these children hails from low-income families, residing in aged residences marked by substantial concentrations of lead-based paint and lead-contaminated dust and soil in their surroundings.

City housing and CDBG staff disseminate information and make referrals to property owners, developers, and non-profit organizations engaged in the restoration of older housing, particularly concerning hazards linked to lead-based paint (LBP). In line with this, any dwelling slated for rehabilitation aided by City financial support is subjected to an assessment for the presence of LBP hazards. The City extends financial support for mitigating LBP hazards in rehabilitated units with City funding. Additionally, the City enforces contractor training and certification to mitigate the potential use of LBP in the construction of 40 new units. All development and rehabilitation projects must be evaluated according to HUD's Lead Safe mitigating LBP hazards in rehabilitated units Housing Rule 24 CFR Part 35.[1].

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

As part of its ongoing commitment to poverty reduction, the City allocated CDBG and CDBG-CV funds to agencies offering direct support to individuals experiencing homelessness or those at risk of becoming homeless. During FY 2023-2024 (PY 2023):

LifeMoves provided case management services, including assistance with housing and job searches to 193 homeless/very low-income community residents. LifeMoves provides necessities for persons who are homeless or at risk of becoming homeless. Additionally, LifeMoves operates the Opportunity Services Center, which is a comprehensive, one stop, multi service, day drop-in center providing critical services for homeless Palo Alto residents. Specifically, the center provides showers, laundry, clothing, snacks, case management, and shelter/housing referral services.

Alta Housing provided counseling and supportive case management services for low-income residents of single room occupancy facilities to help them maintain housing stability. Activities included financial

counseling, health maintenance, information and referral, problem solving, employment assistance, crisis intervention, and case management. Alta Housing was able to provide services to 145 individuals. MOVE Mountain View's Safe Parking Lot Program provided reserved off-street parking for participants, as well as permanent housing solutions through intensive case management to 62 individuals. MMV operates four 24/7 RV Safe Parking lots and 3 Congregational Safe Parking locations. The total capacity of these lots in Palo Alto and Mountain View is 109 vehicles. 159 vehicle dwellers are currently enrolled in the program. One of which is located in Palo Alto, Geng Road Safe Parking lot. Funding pays for the salary of one full-time Client Counseling Case Manager and one full-time Client Case Manager Housing Specialist.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City is actively working towards enhancing collaboration between governmental bodies and private sector entities to harness collective endeavors, pool resources, and identify additional revenue to address community service requirements and create affordable housing. This collaborative approach encompasses several key initiatives:

- Participate in meetings among entitlement jurisdictions through the CDBG Coordinators.
- Participate in meetings of the Regional Housing Working Group.
- Participate in joint jurisdiction Request for Proposals and project review committees.
- Participate in community services and housing initiatives funded by multiple jurisdictions.
- Participate in HOME Consortium meetings among member jurisdictions to discuss affordable housing projects.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City benefits from a strong housing and community development partner network within its jurisdiction and the wider region. Collaborative relationships with organizations such as the County and the Continuum of Care (CoC) further strengthen this network. To foster increased collaboration between public and private sectors, the City actively partners with local jurisdictions and developers, facilitating the exchange of knowledge and resources. In addition to the strategies mentioned above, the City remains dedicated to harmonizing its goals with its HSRAP funding initiatives, ensuring a comprehensive approach to meeting community needs.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The City is committed to actively promoting fair housing in accordance with the adopted Analysis of Impediments. The subsequent enumeration outlines the measures undertaken to advance fair housing:

- The City's 2023-2031 Housing Element includes programs to address affirmatively further fair housing (AFFH). These include outreach/education services, continue to enforce the Below Market Rate (BMR) program that provides more affordable units, expands housing services, and implement more renter protections.
- A significant portion of the City's local housing funds were allocated towards augmenting and conserving the inventory of affordable housing.

- The Office of Human Services held regular meetings with the County of Santa Clara Housing Authority to facilitate the placement of homeless individuals utilizing Section 8 vouchers.
- Affordable housing information and referral services were provided by the Office of Human Services;
- In a joint effort with the County of Santa Clara and Cities, the City adopted its updated Assessment of Fair Housing (AFH) Plan in May 2023.
- During FY 2023-2024, the City continued to support actions to affirmatively further fair housing choice through a subrecipient agreement with Project Sentinel, a non-profit organization dedicated to assisting individuals with housing problems. Project Sentinel exceeded their goal of 15 individuals served through case management. They served 19 LMI individuals via case management.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

The City remains actively engaged in overseeing all subrecipients and projects to ensure their adherence to program and comprehensive planning requirements. This monitoring process encompasses the review of quarterly performance reports, reimbursement requests, submitted supporting documentation, and agency audit reports. Biennial desk-site monitoring is conducted for all CDBG subrecipients, involving assessing client files, project objectives, compliance with agreements, administrative and financial management, and internal controls. For FY 2023-2024 (PY 2023), the City completed the subrecipient monitoring process in Spring 2024 for all subrecipients. The City also completed risk assessments for all subrecipients.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

Electronic copies of the FY 2023-2024 draft CAPER were made available on the City website (<https://www.cityofpaloalto.org/CDBG>) for the required 15-day public comment period from August 29, 2024 through September 12, 2024. Hardcopies of the draft CAPER were also available for review at the Development Center, Planning & Development Services Department at City Hall, and the City's Downtown Public Library. An advertisement was placed in The Daily Post, a newspaper of general circulation, on August 28, 2024, advertising the availability of the draft CAPER for public review and comment. The Human Relations Commission will hold a public hearing on September 12, 2024, to discuss the draft CAPER and hear public comments on the CAPER.

Per the City's adopted Citizen Participation Plan, the City offers translation services when a significant number of non-English speaking residents can be reasonably expected to participate or when a reasonable accommodation request is made. Non-English speaking residents requiring translation assistance or any accommodations and or persons with disabilities that require assistance are advised to submit their request as soon as possible but no later than 48 hours before a scheduled meeting, program, or service.

For the September 12, 2024 HRC meeting agenda, staff report, and meeting information, please visit: www.cityofpaloalto.org/City-Hall/Boards-Commissions/Human-Relations-Commission. Comments, if any, received by phone, email, and/or during the public meeting will be summarized and provided in the draft CAPER attachments that will later be submitted to HUD.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

Not applicable. The City does not plan to change the CDBG program objectives.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No.

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

Not applicable.

CR-58 – Section 3

Identify the number of individuals assisted and the types of assistance provided

Total Labor Hours	CDBG	HOME	ESG	HOPWA	HTF
Total Number of Activities	0	0	0	0	0
Total Labor Hours					
Total Section 3 Worker Hours					
Total Targeted Section 3 Worker Hours					

Table 8 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers					
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.					
Direct, on-the job training (including apprenticeships).					
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.					
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).					
Outreach efforts to identify and secure bids from Section 3 business concerns.					
Technical assistance to help Section 3 business concerns understand and bid on contracts.					
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.					
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.					
Held one or more job fairs.					
Provided or connected residents with supportive services that can provide direct services or referrals.					
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.					
Assisted residents with finding child care.					
Assisted residents to apply for, or attend community college or a four year educational institution.					
Assisted residents to apply for, or attend vocational/technical training.					
Assisted residents to obtain financial literacy training and/or coaching.					
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.					
Provided or connected residents with training on computer use or online technologies.					
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.					
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.					
Other.					

Table 9 – Qualitative Efforts - Number of Activities by Program

Narrative

There were no Section 3 project activities in FY 2023-2024 (PY 2023).