



CITY OF
PALO ALTO

DRAFT
2022-2023
Consolidated Annual Performance and
Evaluation Report
(CAPER)

PUBLIC COMMENT PERIOD
AUGUST 30, 2023 – SEPTEMBER 13, 2023

SUBMITTED TO HOUSING AND URBAN DEVELOPMENT (HUD)
SEPTEMBER 28, 2023

ADMINISTERED BY: PLANNING AND DEVELOPMENT SERVICES

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.

Below, as shown in Table 1 - City of Palo Alto's accomplishments for the Program Year & Strategic Plan to date. The description illustrates the strides made toward fulfilling the objectives outlined in the strategic and annual action plans. Throughout the FY2022-23 Program Year, the City successfully attained a significant portion of its yearly objectives and is progressing well toward accomplishing the overarching five-year goals specified in the Consolidated Plan. This includes the Substantial Amendment to the FY2022-2023 Annual Action Plan.

The major accomplishments include the following for **FY2022-2023**:

1. **Catholic Charities** assisted mostly low- and moderate-income (LMI) elderly residents through the Long-Term Care Ombudsman Program at the Palo Alto long-term care facilities that mainly serve low-income residents. Additionally, the Long-Term Care Ombudsman Program resolved complaints made by, or on behalf of, low-income elderly residents of the facilities. [Goal: Assist 50 individuals; Actual 62 individuals]
2. **Alta Housing** had on-site counseling services available to the residents of the 131 units of the Single-Room Occupancy (SRO) Resident Support Program at Alma Place (25 units) and Barker Hotel (106 units). [Goal: Assist 50; Actual 148 individuals]
3. **LifeMoves**, at the Opportunity Services Center, provided case management services, including assistance with housing and job searches, referrals, and mentoring homeless and/or very low-income Palo Alto residents. [Goal: Assist 30 individuals; Actual 49 individuals]
4. **Project Sentinel** assisted LMI individuals in investigating their fair housing complaints, as well as received individual consultation relating to specific fair housing questions. The outreach goal was based on 100 individuals and the case management goal was 15 LMI individuals. Actual reports revealed the following: outreach was provided to 779 residents receiving fair housing mailers of which 33 residents received direct outreach, case management assisted 22 LMI residents. It must be noted, all fair housing activities must meet HUD's national objective of assisting LMI residents. Table One of this CAPER

reflects LMI accomplishments of the 22 LMI individuals who received case management and fair housing consolation. [Goal 1: Assist 100 individuals; Actual 779 individuals] [Goal 2: Assist 15 LMI individuals; Actual 22 LMI individuals]

5. **Silicon Valley Independent Living Center (SVILC)** (Housing and Emergency Services) assisted adults with disabilities in developing an independent living plan for housing that resulted in improved accessibility to decent, affordable housing. [Goal: Assist 24 individuals; Actual 24 individuals]
6. **Rebuilding Together Peninsula** (Safe at Home) assisted income-qualified owner-occupied households with home rehabilitation. [Goal: Assist 4 households; Actual 5 households]
7. **525 E. Charleston Road** Eden Housing requested funds for public facilities improvements adjacent to its proposed 50-unit affordable housing development. Approximately half the units are for persons with disabilities. [Goal: Assist 355 individuals; Actual 0 individuals]

Michell Park Place/525 E. Charleston Road affordable housing project's tax credit application (LIHTC) was recently approved and construction is targeted to commence in early 2024.

Other CDBG Program Updates

A total of \$620,468 was available for CDBG funding projects and programs during the 2022-23 program year. The City received \$513,168 from the federal CDBG program and approximately \$107,300 in program income. Through CDBG funds 310 persons were assisted in this program year. Of the 310 persons, 275 were extremely low-income, 23 were low-income and 12 were moderate-income of the total.

CDBG CARES-Act (CDBG-CV) funds were available in FY 2022-23. CDBG-CV funds were utilized in FY 2022-23 for planning and administrative services in order to continue to provide assistance to homeless providers in regards to their 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 2023-24 CAPER.

FY2022 Annual Action Plan Substantial Amendment

The approved FY2022-23 AAP included funding of \$356,330 for the Mitchell Park Place/525 E. Charleston Road project. CDBG funding was to be allocated for predevelopment costs associated with an affordable housing development. This activity supports affordable housing development at a Santa Clara County-owned property; Eden Housing will develop 50 affordable housing units, half of which are for people with disabilities. As the property owner, the County plans to execute a long-term lease with the developer, Eden Housing. In late Summer 2022, the City was informed by HUD that the Mitchell Park Place project description was incorrectly represented in the FY2022-23 Annual Action Plan. A substantial amendment is needed to amend section AP-38 Project Summary description of the FY2022-23 Annual Action Plan.

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	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	*Percent Complete	Expected – Program Year	Actual – Program Year	*Percent Complete
Affordable Housing	Affordable Housing	CDBG: \$900,000	Rental units rehabilitated	Household Housing Unit	107	0	0.00%	n/a	n/a	n/a
			Homeowner Housing Rehabilitated	Household Housing Unit	40	11	27.50%	4	5	125%
Economic Development	Non-Housing Community Development	CDBG: \$900,000	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0	0.00%	n/a	n/a	n/a
			Homeless Person Overnight Shelter	Persons Assisted	0	0	0.00%	n/a	n/a	n/a
			Jobs created/retained	Jobs	150	28	18.67%	n/a	n/a	n/a

Fair Housing	Non-Housing Community Development	CDBG: \$150,000	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	75	63	84%	15	22	146.67%
Homelessness	Homeless	CDBG: \$240,000 / CDBG-CV: \$294,000 (CDBG-CV funds were not utilized in FY2022-2023 in a matter that would contribute to the Actual # of each unit measured.	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	850	577	67.90%	161	148	92.00%
			Tenant-based rental assistance / Rapid Rehousing	Households Assisted	60	54	90.00%	n/a	n/a	n/a
			Homeless Person Overnight Shelter	Persons Assisted	100	43	43.00%	30	49	163%
			Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	0	0	0.00%	n/a	n/a	n/a
			Homelessness Prevention	Persons Assisted	0	0	0.00%	n/a	n/a	n/a
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$120,000	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1200	0	0.00%	n/a	n/a	n/a
			Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1345	1636	121.6%	77	62	80.50%
			Homeless Person Overnight Shelter	Persons Assisted	0	0	0.00%	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's 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 Program Year 2022-23, the subrecipients of the City's Community Development Block Grant (CDBG) persistently delivered essential services to households belonging to extremely low, very low, low, and moderate income brackets. Simultaneously, they tackled the priorities and needs of the community, as outlined in the City's officially adopted 2020-25 Consolidated Plan.

The City has achieved a number of goals as outlined in the 2022-2023 Annual Action Plan (AAP) through CDBG funding. A total of \$620,468 is available for funding projects and programs during the 2022-2023 Program Year. The City received \$513,168 from the federal CDBG program, approximately \$107,300 in program income. At the time of this report, the City has spent approximately \$223,052.67.

Through CDBG funds, in total, 310 persons were assisted in this program year. Of the 310 persons, 275 were extremely low-income, 23 were low-income and 12 were moderate-income of the total.

With the CDBG annual formula grant, Catholic Charities, through the Ombudsman Program, assisted 62 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 49 homeless/very low-income community residents. Project Sentinel provided fair housing and tenant/landlord mediation services to 22 local residents. Additionally, through the CDBG funds, Alta Housing was able to offer on-site counseling services to 148 residents of the Single-Room Occupancy (SRO) Resident Support Program. Additionally, Rebuilding Together Peninsula was able to assist 5 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:	183
Black/African American:	60
Asian:	31
American Indian/Alaskan Native:	4
Native Hawaiian/Other Pacific Islander:	0
American Indian/Alaskan Native & White:	1
Asian White:	4
Black/African American & White:	0
American Indian/Alaskan Native & Black/African American:	1
Other multi-racial:	24
Asian/Pacific Islander:	0
Total	310
Hispanic	56
Not Hispanic	254

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

Narrative

Table 2 shows the racial and ethnic categories of total individuals served in FY2022-23 through CDBG funds. Total number (310) does not include individuals assisted through the CDBG-CV related activities. CDBG-CV related activities requested expansion to their contracts. This will be reported in the following year’s CAPER. In total, the City’s CDBG program served 310 individuals in FY2022-23. Of those individuals, approximately 59% were White; 19% were African American; 5% were Asian; less than 1% were either American Indian/American Native, American Indian/Alaskan Native and Black, American Indian/Alaskan Native and White, Asian White, American Indian/Alaskan Native & Black/African American. 7% of individuals reported as “Other.”

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	620,468	223,052.67
Other	public – federal	0	0

Table 3 – Resources Made Available

Narrative

Except for one CDBG activity, 525 E. Charleston Road, nearly all of the City’s CDBG subrecipients effectively utilized their grant funds during FY2022-23.

- 525 E. Charleston Road bidding for the CDBG-funded public facilities improvements section of the project is anticipated in the Fall of 2023, while construction is planned to commence in early 2024.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
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 Comprehensive Plan. In Palo Alto, housing 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. Minority concentration pertains to locales within the city where there is a notable concentration of racial and ethnic minority populations, surpassing 10% in comparison to their citywide representation.

Only a few areas are considered to have a concentration of minority populations or low-income residents in Palo Alto. The CDBG Program defines low-income concentration as any census block group where 51% or more residents earn 80% of Median Family Income (MFI) or less. An exception exists for a jurisdiction with no areas meeting this definition, such as Palo Alto, which includes the highest quartile of all areas in the City in terms of degree of concentration, is used. Palo Alto currently has 5 census block groups that are designated as upper quartile tracks with and LMI% > 32.26% qualifying activities under the low- and moderate-income (LMI) area benefit category.

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 (P.A.) leverages Fed., 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 FY2022-23, the City allocated \$622,377 from its General Funds to address primary human service needs in the community. These funds support initiatives, guided by the Human Relations Commission's priority needs & administered by the Office of Human Services and fund: the Commercial Housing Fund & the Residential Housing Fund.

LOCAL HOUSING TRUST FUND (LHTF): In FY 2022-23, the Palo Alto received a \$3.4 million to use as 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.

PERMANENT LOCAL HOUSING ALLOCATION (PLHA): Palo Alto receives an annual allocation of an estimated \$1.3M from the PHLA to assist persons experiencing or at risk of homelessness, including:(a) Outreach & services to those experiencing homelessness, (b)Operating expenses for the forthcoming Homekey shelter, & Affordable housing rental unit preservation, new construction, & operating subsidies.

HOMEKEY: Palo Alto and LifeMoves receive Homekey funds supporting homeless individuals. The Homekey program is made up of several funding sources including: local, county and state contributions as well as Sobrato Philanthropies. The project is to build a new modular interim housing shelter near the Palo Alto Baylands, that will house over 200 individuals annually. HOMEKEY funds leverage additional funds to cover expenses beyond what federal funds can cover such as pre-development costs, feasibility studies, site acquisition, and other similar activities.

525 EAST CHARLESTON ROAD (Mitchell Park Place): The County currently owns the property located on 525 E. Charleston Road to be developed by an affordable housing developer. The County will extend a long-term lease with the developer. The City intends to use CDBG funding for public facilities improvements near the proposed Mitchell Park Place affordable housing site.

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	4	5
Total	4	5

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	4	5
Number of households supported through the acquisition of existing units	0	0
Total	4	5

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 helps preserve affordable housing by transforming homes through critical 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 exceeded its goal of assisting 4 households due to efficient use of its \$73,135 in program funds for the year.

Discuss how these outcomes will impact future annual action plans.

The success of the program has dated back to last year, when it achieved its goal of 6 households supported. The repeat success shows that there is a continued demand for rehabilitation for LMI families, and effective systems in place to implement improvements. Future plans will look to build upon these consecutive successes. The organization has continued to provide essential

services to residents and this partnership will continue to support the affordable housing goals contained in both the Consolidated Plan and Action Plans.

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	2	0
Low-income	3	0
Moderate-income	0	0
Total	5	0

Table 7 – Number of Households Served

Palo Alto's Subrecipient Rebuilding Together only serves low to moderate 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

Addressing homelessness and striving to provide services for the unhoused in Palo Alto has been an enduring local commitment. The continuing impact of the COVID-19 pandemic has heightened challenges for individuals and households, leading to an upsurge in homelessness. This, in turn, has prompted service providers to seek innovative ways of delivering assistance, reinforcing the pertinence of this issue.

In 2022, The County was unable to complete a count on time in FY 2021-22, due to COVID-19. The Point-in-Time Count was completed in 2022, the County was working to finalize the 2022 numbers at the time of FY2021-22 CAPER reporting. The Point-in-Time Count that was completed in 2022 showed 274 Total Unhoused 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 that was completed in 2023 showed 206 Total Unhoused in Palo Alto (187 unsheltered and 19 sheltered) which is a decrease from 2022. While homelessness is still a concern, this data shows that initiatives have been successful in making improvements. 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 three primary funding channels: HSRAP, CDBG, and the Emerging Needs Fund. Broadly financial support for the homeless and those most at risk of homelessness 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.

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 (OSC) 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. Through support from CDBG and funding from the County's office of supportive housing, in FY2022-23, they have served 49 unduplicated individuals.

Palo Alto will continue to explore its funding strategy and collaborate with other South 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 – Hotel De Zink, 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. The prolonged hours of operation and improved communication facilitated by electronic signage are attributed to the effective prevention of a widespread COVID-19 outbreak within the Opportunity Services Center and Hotel De Zink emergency shelter. Continuation of these extended hours remains a priority for the organization. During this year, the program funds facilitated services to 49 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 \$22,413: Alta Housing had on-site counseling services available to residents of the 131 units of the Single-Room Occupancy (SRO) Resident Support Program at Alma Place and Barker Hotel. 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 getting along 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 \$26,660: The organization provided case management service including assistance with housing and job searches, referrals, and mentoring to 49 unduplicated homeless and/or very low-income Palo Alto residents.

Silicon Valley Independent Living Center; Rental Assistance Program; CDBG \$14,021: Through this grant, the organization was able to address rent increases, utility payments, emergency situations, and other market forces for 24 residents. The target population of this activity were lower income (80% or less AMI) residents with disabilities, veterans, and older adults, aged 55 and over.

The City follows the guidance of Santa Clara County's 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

The following agencies received funding from the City of Palo Alto to help homeless persons make the transition to permanent housing and independent living.

Silicon Valley Independent Living Center; Case Management; CDBG \$14,021: 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 FY2022-23 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; CDBG \$19,976 & \$13,722 for Administration (Total Funded amount of \$33,698). 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, 22 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)

Actions taken to address the needs of public housing

Not applicable. The Housing Authority of the County of Santa Clara (HACSC) does not operate in Palo Alto.

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

While the majority of their units have been converted to affordable housing stock, HACSC 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 HACSC 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 recently adopted the 2023-2031 Housing Element in May 2023. 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. As stated above, the current fees being charged will be evaluated and modified to levels that are more appropriate to 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 endeavor is realized 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, primarily due to the dwindling availability of CDBG funds over the past years. To mitigate this limitation, the City undertakes measures to supplement its CDBG funding with other resources and funds, which include:

- During FY2022-23, the City's Human Service Resource Allocation Process (HSRAP) provided approximately \$622,377 from the General Fund in support of human services.

The HSRAP funds, when 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 (CDC) 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.

The housing and CDBG staff of the City is actively engaged in disseminating information and making 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 prioritized allocating funds to agencies offering direct support to individuals experiencing homelessness or those at risk of becoming homeless. During the program year FY2022-23, the highlighted programs encompassed the following:

Through the Ombudsman Program, Catholic Charities of Santa Clara County assisted 62 senior residents with resolved complaints made by, or on behalf of, low-income elderly facility residents.

LifeMoves, at the Opportunity Services Center, provided case management services, including assistance with housing and job searches to 49 homeless/very low-income community residents. LifeMoves provides necessities for persons who are homeless or at risk of becoming homeless. The Opportunity Services Center is a comprehensive, one-stop, multi-service, day drop-in center that provides critical services for homeless Palo Alto residents. Specifically, the facility provides showers, laundry, clothing, snacks, case management, and shelter/housing referral services. As mentioned previously, the City provided LifeMoves with \$26,660 in CDBG funds in FY2022-23. During the fiscal year 49 homeless and/or very low-income Palo Alto residents received case management services, including assistance with housing/job search, referral, and mentoring.

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 148 individuals.

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 cultivate fresh avenues of revenue to address community service requirements and foster affordable housing creation. This collaborative approach encompasses several key initiatives:

- Holding regular meetings among entitlement jurisdictions through the CDBG Coordinators.
- Participation in meetings of the Regional Housing Working Group.
- Engaging in joint jurisdiction Request for Proposals and project review committees.
- Coordinating project management for initiatives funded by multiple jurisdictions.
- Participating 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 FY2022-23, 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 22 LMI individuals via case management. They updated their fair housing manual for housing providers and is readily available on their website.

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 the program year 2022-23, the City foresees completing the monitoring process in the spring of 2024. The City also plans to conduct risk assessments for all subgrantees, including those receiving funding.

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.

The 2022-23 Draft CAPER was made available on the City website (<https://www.cityofpaloalto.org/CDBG>) for the required 15-day public comment period from August 30th through September 13, 2023. An advertisement was placed in The Daily Post, a newspaper of general circulation, on August 28, 2022, advertising the availability of the CAPER for public review and comment. The draft CAPER was posted on the City's website on August 30, 2023. Copies of the CAPER were available electronically. The Human Relations Commission held a public hearing on September 14, 2023, to discuss the CAPER and allow the public to comment on the CAPER. There was no public comment made during the hearing, and the HRC members did not provide any significant discussion points that would change the contents and or metrics of the CAPER Report. HRC recommends the CAPER Report be included within the October 23, 2023 City Council Staff Report.

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 HRC agenda, meeting link and additional information related to the meeting, please visit: www.cityofpaloalto.org/City-Hall/Boards-Commissions/Human-Relations-Commission.

Comments, if any, received during the public meeting are summarized and provided in the attachments.

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 2022-23.