



REGULAR MEETING OF THE MILPITAS CITY COUNCIL



AGENDA

TUESDAY, FEBRUARY 4, 2025

CITY COUNCIL CHAMBER, 455 E. CALAVERAS BLVD, MILPITAS, CA
7:00 PM (PUBLIC BUSINESS)

For assistance in the following languages, you may call:

Đối với Việt Nam, gọi 408-586-2400

Para sa Tagalog, tumawag sa 408-586-3051

Para español, llame 408-586-3072

** To access written translation during the meeting, scan the QR Code.*

The City Council meeting is held in the City Council Chamber at City Hall, 455 E. Calaveras Blvd.,
Milpitas and via teleconference/Zoom webinar.

You may watch the Council meeting without providing public comment by accessing it via links here.

Meeting shall be livestreamed - Go to:

Facebook: <https://www.facebook.com/CityofMilpitas/>

YouTube: <https://www.milpitas.gov/youtube>

Web Streaming: <https://www.milpitas.gov/webstreaming>

PUBLIC COMMENT INSTRUCTIONS

Oral public comments may only be provided live during the City Council meeting in person, unless the City Council approves remote public comment. All comments provided shall be limited to three minutes or less as determined by the Mayor. All members of the public will be limited to one comment per agenda item, and one comment for non-agenda items. Members of the public may submit written comments by email to CityClerk@milpitas.gov

The meeting will be streamed via Zoom for viewing purposes only unless the City Council approves remote public comment. To watch via Zoom, please register at:

https://ci-milpitas-ca-gov.zoom.us/webinar/register/WN_bx4s7SGdQJCHHxCRFBVjcw

NOTE: If a member of the public wishes to share any presentation materials for Council consideration, they must be submitted to the Clerk's Office by email to CityClerk@milpitas.gov by 12:00 p.m. on the day of the meeting. No presentations will be accepted in person in the Council Chambers.

MILPITAS CITY COUNCIL CODE OF CONDUCT

- Be respectful and courteous (words, tone, and body language).
- Model civility.
- Avoid surprises.
- Praise publicly and criticize privately.
- Focus on the issue, not the person.
- Refrain from using electronic devices while on the Council dais.
- Disclose conflicts of interest and affiliations related to agenda items.
- Separate governing from campaigning.
- The Council speaks with one voice after making policy on issues.
- Respect the line between policy and administration.
- Council will hold one another accountable to comply with this Code of Conduct.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk (7:00 PM)

PLEDGE OF ALLEGIANCE

INVOCATION (William Lam)

PRESENTATIONS (7:05 PM)

- Black History Month (Proclamation)

PUBLIC FORUM (7:10 PM)

Members of the public are invited to speak on any item that does not appear on today's agenda. Comments will be limited to three minutes or less at the Mayor's discretion. When called to speak, you are encouraged to state your name for the record. As an item not listed on the agenda, no action can be taken, however the City Council may instruct the City Manager to place the item on a future meeting agenda.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

READING OF THE CITY COUNCIL CODE OF CONDUCT

APPROVAL OF AGENDA

CONSENT CALENDAR (7:15 PM)

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a City Councilmember, member of the audience or staff requests the Council to remove an item from (or be added to) the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar.

- C1. Receive City Council Calendar of Meetings for February 2025 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**

Recommendation: Receive City Council Calendar of Meetings for February 2025.

- C2. Approve City Council City Council Meeting Minutes of January 9 and 21, 2025 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**

Recommendation: Approve City Council Meeting minutes of January 9 and 21, 2025.

- C3. Receive the Preview List of Anticipated Items for the Next Regular City Council Meeting (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**

Recommendation: Receive the list of anticipated agenda items for the next regular City Council meeting.

- C4. Receive and Review the List of Agenda Items Requested by City Councilmembers (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**

Recommendation: Receive the list of items that have been requested by City Councilmembers and received consensus in previous meetings to date.

- C5. Consider Recommendations from Mayor Montano for Appointments to the Senior Advisory Commission (Contact: Mayor Montano, 408-586-3024)**

Recommendation: Receive Mayor Montano's recommendation and approve and confirm appointment to the Senior Advisory Commission.

- C6. Set a Public Hearing for March 4, 2025 and Adopt a Resolution Declaring Weeds on Specific Properties to be a Public Nuisance (Staff Contact: Arthur Belton, Deputy Chief/Fire Marshal, 408-586-3384)**

Recommendation: (1) Set a public hearing for March 4, 2025; and (2) Adopt a resolution declaring weeds on specific properties to be a public nuisance.

- C7. Adopt a Resolution Expressing Support for the City's 2016 Measure B Grant Application to the Santa Clara Valley Transportation Authority to Continue Operating Milpitas SMART (Staff Contact: Jay Lee, Planning Director, 408-586-3077)**

Recommendation: Adopt a resolution expressing support for the City's 2016 Measure B grant application to the Santa Clara Valley Transportation Authority to continue operating Milpitas SMART.

- C8. Accept the Report on the 2025 Solid Waste Rate Adjustment (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Elaine Marshall, Deputy Public Works Director, 408-586-2603)**

Recommendation: (1) Accept the report on the Milpitas Sanitation Rate Cost Based Rate Review for Rate Year 8 and; (2) Find that the methodology used conforms with the Solid Waste Franchise Agreement.

- C9. Receive an Update on the Security Improvements at the McCarthy Ranch Sewer Lift Station (Main Lift) and Determine that the Condition Continues to Constitute an Emergency (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**

Recommendation: (1) Receive an update on the security improvements at the McCarthy Ranch Sewer Lift Station; and (2) Determine by a four-fifths vote that the condition continues to constitute an emergency.

- C10. Accept the Workplan for the Street Resurfacing Project 2024, CIP No. 4305 and Street Resurfacing Project 2025, CIP No. 4300 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Recommendation: Accept the workplan update for the Street Resurfacing Project 2024, CIP No. 4305 and Street Resurfacing Project 2025, CIP No. 4300

PUBLIC HEARINGS (7:20 PM)

Members of the public may be allotted up to three (3) minutes or less at the Mayor's discretion, to comment on any public hearing item. Applicants/Appellants and their representatives may be allotted up to a total of ten (10) minutes for opening statements and up to a total of five (5) minutes maximum for closing statements. Items requested/recommended for continuance are subject to Council's consent at the meeting.

- 11. Adopt a Resolution Approving the FY 2024-25 Development and Storm Impact Fee Schedule for the Transit Area Specific Plan Impact Fee, Calaveras Boulevard Widening Traffic Impact Fee, and Storm Drain Fee (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111)**

Recommendation: Adopt a resolution approving the FY 2024-25 Development and Storm Impact Fee Schedule for the Transit Area Specific Plan (TASP) Impact Fee, Calaveras Boulevard Widening Traffic Impact Fee, and Storm Drain Fee.

- 12. Consider Substantial Amendments to the 2022-2025 Consolidated Plan and 2024-2025 Annual Action Plan, and Review Applications for the 2025-2026 Annual Action Plan and 2025-2030 Consolidated Plan Development Update (Staff Contact: Robert Musallam, Housing Official, 408-586-3275)**

Recommendation: (1) Conduct the public hearing; (2) Provide direction to staff on CDBG priority areas or specific applications that the City Council seeks to fund; (3) Approve a substantial amendment to the FY 2022-25 Consolidated Plan; (4) Authorize the City Manager, or designee, to make any necessary changes to the approved FY 2022-25 Consolidated Plan; and (5) Authorize the City Manager, or designee, to sunset the Home Rehab Program and to reallocate any future program income earned from the Revolving Loan Fund towards Economic Development activities.

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS (9:00 PM)

Members of the City Council or City Manager may make brief announcements at this time. Members of the City Council may also suggest future agenda items. For future agenda items, the City Council shall not debate the topic or engage in discussion but shall simply state a “yes” or “no” as whether to move the item forward. If a majority of the City Council agrees to move the item forward, the City Manager shall place the item on a future agenda.

ADJOURNMENT (9:05 PM)

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other City agencies exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and City operations are open to the people's review. For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail: mmutalipassi@milpitas.gov / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.milpitas.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on City website. City Council agendas and related materials can be viewed online: www.milpitas.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Commission application forms are available online at www.milpitas.gov or at Milpitas City Hall. Contact the City Clerk's Office at 408-586-3001 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, please call the City Clerk at 408-586-3001 or send an e-mail to CityClerk@milpitas.gov prior to the meeting. You may request a larger font agenda.

January 2025						
S	M	T	W	T	F	S
5	6	7	1	2	3	4
12	13	14	8	9	10	11
19	20	21	15	16	17	18
26	27	28	22	23	24	25
			29	30	31	

Milpitas City Council Calendar

February 2025

March 2025						
S	M	T	W	T	F	S
2	3	4	5	6	7	1
9	10	11	12	13	14	8
16	17	18	19	20	21	15
23	24	25	26	27	28	22
30	31					29

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3 7:00 PM-Parks, Recreation & Cultural Resources Commission (EC)	4 7:00 PM-City Council	5 1:00 PM-Santa Clara VTA Monthly Briefing - Northeast Group (CM) (Zoom) 5:30 PM-Veterans Commission (GB) 7:00 PM-Community Housing Commission (EC)	6 5:30 PM-Milpitas Chamber of Commerce Board (GB) 5:30 PM-Santa Clara VTA Board of Directors (CM)	7	8
9	10 4:00 PM-Economic Development and Trade Commission (WL) 5:30 PM- Special Meeting Library and Education Advisory Commission (HL)	11 6:00 PM- Special CIP Budget Session	12 4:30 PM-City Council Finance Subcommittee (CM/EC) 7:00 PM-Silicon Valley Clean Energy Board of Directors (GB) (Cupertino) 7:00 PM-Planning Commission	13 4:00 PM-Treatment Plant Advisory Committee (CM) (San Jose) 4:00 PM-Santa Clara VTA Policy Advisory Committee (EC) 6:00 PM-Youth Advisory Commission (HL) 7:00 PM-Cities Assoc of SCC (CM)	14	15
16	17  PRESIDENT'S DAY CITY HALL CLOSED	18 4:00 PM- Special Budget Study Session 7:00 PM-City Council	19 6:00 PM-Energy and Environmental Sustainability Commission (EC)	20	21 9:00 AM- Santa Clara VTA Board of Directors Workshop Meeting (CM)	22
23	24 7:00 PM-Special Meeting Arts Commission (CM) 7:00 PM- Science, Technology & Innovation Commission (WL)	25 1:30 PM-Senior Advisory Commission (HL)	26 5:30 PM-Cities Assoc. of SCC - Recycling and Waste Reduction Commission (CM) 7:00 PM-Planning Commission	27	28 9:00 AM- Santa Clara VTA Board of Directors Workshop Meeting (CM)	



SPECIAL MEETING OF THE MILPITAS CITY COUNCIL

MINUTES
TUESDAY, JANUARY 9, 2025

The City Council of the City of Milpitas convened in a Special Meeting of the Milpitas City Council on January 9, 2025, in the Milpitas Community Center, Room 7/8 at 457 East Calaveras Blvd, Milpitas, CA.

WELCOME AND CALL TO ORDER

Mayor Montano called the Special City Council meeting to order at 11:00 AM.

PRESENT: Mayor Montano, Councilmembers Chua, Councilmember Lam, and Councilmember Lien

ABSENT: Vice Mayor Barbadillo

PLEDGE OF ALLEGIANCE

Mayor Montano led the Pledge of Allegiance.

PUBLIC FORUM

There were no public speakers.

ANNOUNCEMENT OF CONFLICT OF INTEREST

Assistant City Attorney Christopher Creech read the announcement of conflict of interest. .

READING OF THE CITY COUNCIL CODE OF CONDUCT

Mayor Montano read the Code of Conduct.

APPROVAL OF AGENDA

All members present approved the agenda.

CITY COUNCIL PRIORITY WORKSHOP

Councilmembers met together with the staff and consultant to (1) Ceate opportunities to learn about individual council members; (2) Review and affirm the City's Strategic Goals; and (3) Discuss priority strategic goals and desired outcomes for 2025.

The Mayor and City Council took a break from 12:15 to 1pm.

ADJOURNMENT

Mayor Montano adjourned the meeting at 2:15pm.

Draft meeting minutes submitted by City Clerk, Suzanne Guzzetta



JOINT MEETING OF THE MILPITAS CITY COUNCIL, HOUSING AUTHORITY, AND MUNICIPAL FINANCING AUTHORITY

MINUTES

TUESDAY, JANUARY 21, 2025

The City Council of the City of Milpitas convened on the regular City Council meeting day in a Joint Meeting of the Milpitas City Council, Housing Authority, and Municipal Financing Authority on January 21, 2025, in the City Council Chamber, 455 E. Calaveras Blvd, Milpitas, CA, and via teleconference/Zoom webinar.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk

Mayor Montano called the Regular City Council meeting to order at 5:31 PM and announcing that Vice Mayor Barbadillo was participating remotely from the Kameha Grand Zurich Business Center in Zurich, Switzerland pursuant to California Government Code Section 54953. Roll Call was taken by City Clerk Guzzetta.

PRESENT: Mayor Montano, Vice Mayor Barbadillo (5:42 PM), Councilmember Chua, Councilmember Lam, Councilmember Lien

ABSENT: None

Acting City Attorney Creech briefed the City Council on the closed session items.

The City Council adjourned to Closed Session at 5:34 PM.

ADJOURN TO CLOSED SESSION

(a) CONFERENCE WITH REAL ESTATE PROPERTY NEGOTIATOR

Pursuant to Government Code Section 54956.8

Property: 174-176 Main Street

Agency Negotiator: Economic Development and Strategic Initiatives Director Alex Andrade

Negotiating Parties: 286 Lynn Avenue, LLC

Under Negotiation: Price and Terms of Payment

(b) CONFERENCE WITH LEGAL COUNSEL

Existing Litigation Pursuant to Government Code § 54956.9(d)(1) and (2):

Chad Pancoe Gurney v. City of Milpitas, WCAB case number(s) ADJ18987292.

(c) CONFERENCE WITH LEGAL COUNSEL

Existing Litigation Pursuant to Government Code § 54956.9(d)(2):

Eric Emmanuele v. City of Milpitas, WCAB case numbers ADJ14723641 and ADJ14722396.

CLOSED SESSION ANNOUNCEMENT:

The City Council reconvened at 7:17 PM. Acting City Attorney Creech had no Closed Session report.

PLEDGE OF ALLEGIANCE

Mayor Montano led the pledge of allegiance.

The City Council recessed at 7:21 PM and reconvened at 7:29 PM.

INVOCATION

Councilmember Chua provided the invocation.

PRESENTATIONS

Mayor Montano, joined by the City Council presented proclamations in recognition of Martin Luther King, Jr. Day and Lunar New Year. Milpitas Unified School District Board President Chris Norwood and Chief Business Officer Dorothy Reconose accepted the proclamation for Martin Luther King, Jr. Day. Jane Chen from the Mandarin Language and Cultural Center accepted the proclamation for Lunar New Year.

PUBLIC FORUM

There were the following public speakers.

1. Voltaire Montemayor

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

Acting City Attorney Creech asked the Mayor and City Councilmembers if they had any personal conflicts of interest. By roll call, there were no conflicts of interest. Acting City Attorney Creech asked the Mayor and City Councilmembers if they had any reportable campaign contributions. By roll call, there were no reportable campaign contributions.

READING OF THE CITY COUNCIL CODE OF CONDUCT

Mayor Montano read the City Council Code of Conduct.

APPROVAL OF AGENDA

After discussion, motion: to approve the agenda.

Motion/Second: Mayor Montano / Councilmember Lien

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam,
Councilmember Lien

NOES: None

CONSENT CALENDAR

After discussion, motion: approve the Consent Calendar.

Motion/Second: Councilmember Chua / Councilmember Lien

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam,
Councilmember Lien

NOES: None

1. **Receive City Council Calendar of Meetings for January and February 2025 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**

Received City Council Calendar of Meetings for January and February 2025.

2. **Approve City Council City Council Meeting Minutes of January 7, 2025 (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**

Approved City Council Meeting minutes of January 7, 2025.

3. Receive the Preview List of Anticipated Items for the Next Regular City Council Meeting (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received the list of anticipated agenda items for the next regular City Council meeting.

4. Adopt Resolutions of the Milpitas City Council and Milpitas Municipal Financing Authority to Approve the Continued Investment of Monies in the Local Agency Investment Fund and Designation of Officers Authorized to Sign on the Account (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)

(1) Adopted **Resolution No. 9382** of the Milpitas City Council to authorize the continued investment of monies in the Local Agency Investment Fund and designation of officers authorized to sign on the respective accounts; and (2) Adopted **Resolution No. MFA 5** of the Board of Directors of the Milpitas Municipal Financing Authority to approve continued investment of monies in the Local Agency Investment Fund and designation of officers authorized to sign on the respective accounts.

5. Approve an Agreement with SHI International Corp. for Office 365 Cloud Services (Staff Contact: Daniel Nam, Information Technology Director, 408-586-2712)

Approved and authorized the City Manager to execute a new 3-year agreement with SHI International Corp. for Office 365 cloud services in the amount of \$181,715.05 annually for base services, totaling to \$545,145.15; and authorize 10% contingency in the amount of \$54,514.52 over the total contract term with not-to-exceed total contract amount of \$599,659.67.

6. Receive an Update on the Security Improvements at the McCarthy Ranch Sewer Lift Station (Main Lift) and Determine that the Condition Continues to Constitute an Emergency (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)

(1) Received an update on the security improvements at the McCarthy Ranch Sewer Lift Station; and (2) Determined that the condition continues to constitute an emergency.

7. Adopt a Resolution to Update City Event Celebration Flags and/or other Commemorative Flags at Cesar Chavez Plaza (Staff Contact: Renee Lorentzen, Director of Recreation and Community Services Director, 408-586-3409)

Adopted **Resolution No. 9383** to supersede Resolution No. 9309 updating City Event Celebration Flags and/or other Commemorative Flags at Cesar Chavez Plaza.

LEADERSHIP AND SUPPORT SERVICES

8. Receive a Report on the 2025 Citywide Community Engagement Survey (Staff Contact: Matt Cano, Assistant City Manager, 408-890-8065; and Charmaine Angelo, Public Information Officer, 408-586-3055)

Received a report on results of the 2025 Citywide Community Engagement Survey.

City Manager Thomas introduced the item. FM3 Consultant Kurt Below presented the report, and joined by Assistant City Manager Can, City Manager Thomas, and Finance Director Cofresí-Howe responded to questions from City Council.

Vice Mayor Barbadillo questioned the purpose of the survey. City Manager Thomas noted that the survey is used in the budgeting process and as a reference for year-round policy discussion. The Vice Mayor cited the increase in resident engagement coinciding with a slight decline in overall satisfaction

ratings, as a more informed public tends to scrutinize government actions more closely and pointed out that resident feedback on community and cultural programs suggested a need for expanded initiatives. Vice Mayor Barbadillo stressed that clear outliers, such as dissatisfaction with road conditions and affordable housing policies, warranted greater attention.

Councilmember Chua raised the issue of housing communication, emphasizing the importance of informing residents about ongoing efforts such as Accessory Dwelling Units (ADUs) incorporated into new developments.

Councilmembers Lam and Lien questioned the sample size of the survey. Councilmember Lien expressed concerns about its accuracy. FM3 Consultant Below responded to these concerns by explaining the statistical methodology, noting that survey research often uses similar sample sizes for statewide surveys, and that the margin of error remains consistent regardless of total population size.

Councilmember Lien also raised concerns about the usage of Milpitas SMART transit and questioned whether the program should be reevaluated. City Manager Thomas noted that SMART ridership has significantly increased and reported that the service is heavily utilized by seniors and students.

Councilmember Lam, acknowledging the diverse makeup of the City, asked after the languages included in the survey and the distribution of responses in various languages.

Mayor Montano concluded the discussion by summarizing the key takeaways from the survey. She voiced support for efforts to improve public awareness of city programs and ensure that survey results guide future policy decisions.

There were the following public speakers:

1. Voltaire Montemayor

9. Provide Feedback Regarding City of Milpitas Mayor and City Councilmember Salaries (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)

City Manager Thomas introduced the item. Mayor Montano cited additional areas still requiring additional research and asked the Council if they wished to defer or continue the discussion. After brief deliberation, Councilmembers Lam, Lien, and Chua supported continuing the discussion that evening.

Assistant City Manager Cano presented the report.

Councilmember Chua asked what steps were required to implement salary adjustments. Assistant City Manager Cano explained that the City Council would need to adopt an ordinance to update the Municipal Code.

Vice Mayor Barbadillo questioned the timing for an increase to go into effect. Acting City Attorney Creech confirmed that the requirement for council salary adjustments to take effect post-election is set in the government code.

Councilmember Chua observed that if the Council had taken action prior to the November 2024 election, an increase could have gone into effect sooner, but would now apply only after the 2026 election. She expressed concerns that an immediate increase could be made to the mayor's salary, questioning the fairness of that structure.

Mayor Montano concurred that any adjustment should be uniform for all Councilmembers including the mayor. She suggested setting the maximum \$1,900 per month salary for all Councilmembers, with no immediate increase for the mayor beyond that amount. Vice Mayor Barbadillo and Councilmember Chua supported this approach.

City Manager Thomas noted that staff would return with a draft ordinance for further discussion and approval.

There were the following public speakers:

1. Voltaire Montemayor

The Council concluded the discussion, directing staff to draft an ordinance reflecting their feedback and bring it back for future consideration.

10. Review the List of Agenda Item Requests From Individual Councilmembers and Provide Direction to Staff Through the Council-Approved Prioritization Process (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)

Assistant City Manager Cano presented the report, explaining that this review allows the Council to assess work items proposed over the past few months and determine which should move forward. He provided an overview of tracked work items, including those completed, ongoing, or requiring prioritization. The Council reviewed six new items, provided feedback, and voted to determine which projects staff should pursue.

CC01 - Analysis of the City's Permit Process

Councilmember Chua emphasized the need for ongoing evaluation to ensure the permitting process remains efficient and aligns with business and resident expectations. Vice Mayor Barbadillo supported the proposal but requested clear benchmarks to measure improvements. Councilmember Lien sought clarification on whether the 2019 study recommendations had been fully implemented. City Manager Thomas recommended an in-house survey and training improvements instead of hiring a consultant due to the recent 2019 permit study.

CC02 - Job Fair for City Careers

Councilmember Chua stressed the need to educate residents about the hiring process, particularly to dispel the misconception that city jobs are only filled internally. Vice Mayor Barbadillo asked for current job vacancy numbers and if a job fair would improve hiring. Human Resources Director Parmley report at any given time there are approximately 30 full-time vacancies, mostly in Public Works. She noted a job fair could help, but impact would be uncertain. Mayor Montano suggested partnering with nonprofits or local businesses to speed up implementation.

CC03 - Impact Fee for Car Transports

Mayor Montano withdrew the request.

CC04 - Explore Modernizing Business License Tax

Councilmember Chua emphasized the importance of updating business tax models, city nearby localities. Mayor Montano voiced concerns about discouraging business growth. Vice Mayor Barbadillo asked if small businesses with fewer than five employees would be impacted. Finance Director Cofresí-Howe confirmed the tax structure could be a tiered system. City staff confirmed a tax change would require voter approval and suggested targeting the November 2026 ballot.

CC05 - Review of Traffic Conditions at Edsel and Roswell

Mayor Montano raised concerns about increased traffic and safety risks at this intersection. Vice Mayor Barbadillo and Councilmember Chua agreed that a formal traffic study should be conducted before implementing changes.

CC06 - Pickleball Feasibility Study at Dixon Landing Park

Councilmember Chua questioned why a citywide pickleball strategy wasn't being considered instead of focusing on one park. Recreation and Community Services Director Lorentzen noted that the Parks

Master Plan includes pickleball, and a broader citywide study may be more cost-effective. The City Council agreed that while pickleball is growing in popularity, a larger strategic approach should be considered before spending \$50,000 on a single-location study.

Assistant City Manager Cano detailed the process for prioritizing selections by vote.

The Council voted to prioritize three work items for staff action:

CC01 - Analysis of the City's Permit Process

The Council agreed on prioritizing internal improvements over commissioning a new study. Staff was directed to enhance training for permit staff, gather stakeholder feedback, and explore customer service improvements to ensure a more efficient permit process.

CC02 - Job Fair for City Careers

The Council suggested moving forward with planning a government-focused job fair, ensuring it includes multiple agencies and provides application guidance. Staff was directed to develop a plan and return with recommendations on logistics and outreach strategies.

CC04 - Explore Modernizing Business License Tax

The City Council provided direction to explore updating the business license tax while ensuring small businesses are minimally impacted. Staff was directed to conduct further research and return with recommendations on a tiered tax structure that balances increased revenue generation with economic competitiveness.

After discussion, motion: to approve the list as prioritized..

Motion/Second: Councilmember Chua / Vice Mayor Barbadillo

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam,
Councilmember Lien

NOES: None

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

There were the following announcements:

- City Manager Thomas announced the Annual Lunar New Year celebration on Saturday.
- Mayor Montano thanked Milpitas firefighters assisting with fires in Los Angeles, expressed sympathy for Los Angeles County, and wished everyone a Happy Lunar New Year.
- Councilmember Chua expressed gratitude to Police Chief Hernandez and his team for their dedication in handling recent challenges.
- Mayor Montano thanked Vice Mayor Barbadillo for attending the meeting remotely while on vacation.

ADJOURNMENT

Mayor Montano adjourned the meeting at 10:19 PM.

Draft meeting minutes submitted by City Clerk, Suzanne Guzzetta

TENTATIVE CITY COUNCIL AGENDA ITEM LIST

as of 1/30/2025

February 18, 2025 – Regular Meeting (7:00 PM)

PRELIMINARY OPERATING BUDGET STUDY SESSION (4:00 PM at Milpitas Senior Center) (Tent.)

CLOSED SESSION

INVOCATION (Councilmember Lam)

PRESENTATION

- Rare Disease Day (Proclamation)

CONSENT CALENDAR

1. Receive City Council calendar for February and March 2025 (City Clerk)
2. Approve City Council meeting minutes of February 4, 2025 (City Clerk)
3. Preview list of items for March 4, 2025 (City Clerk)
4. Councilmember Request List (City Clerk)
5. Emergency Declaration Update - Main Sewer Lift Station Security Measures (Public Works)
6. 308 Sango Court – Stormwater O&M Agreement (Public Works / Engineering)

PUBLIC HEARINGS

7. Economic Development Incentive Agreement (Economic Development)
8. Update on Vacancies and Recruitment (Human Resources)

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

OPEN ITEMS				
Request No.	Topic	Submitted by:	Date Requested	STATUS and/or DATE scheduled on City Council meeting agenda:
None.				

ACTIVE ITEMS				
Request No.	Topic	Submitted by:	Date Requested	STATUS and/or DATE scheduled on City Council meeting agenda:
1	Staff organize a job fair for City job openings	Chua	11/19/2024	This item was approved to move forward at the 1/21/2025 City Council prioritization
2	Bring back a study or analysis of the permit process	Chua	11/19/2024	This item was approved to move forward at the 1/21/2025 City Council prioritization
3	Invite the HR Director to a future meeting to present on hiring processes and vacancies	Lien	10/1/2024	An update on this item is included in the quarterly prioritization update.
4	Explore updating the city's business tax rate schedule	Chua	10/1/2024	This item was approved to move forward at the 1/21/2025 City Council prioritization
5	Explore funding options for new signage following the decision to rename the Milpitas Library to the Milpitas Jose Esteves Library	Barbadillo	9/3/2024	An update on this item is included in the quarterly prioritization update.
6	Send a letter to Supervisory Otto Lee regarding the weeds on Montague Expressway	Montano	8/13/2024	An update on this item is included in the quarterly prioritization update.
7	Update the animal control ordinance to include other animals such as horses and cats	Chua	9/3/2024	An update on this item is included in the quarterly prioritization update.
8	Look into a property for sale on Main Street to investigate the cost and feasibility of creating a museum for downtown or Old Town Main Street as part of the revitalization efforts.	Montano	8/13/2024	An update on this item is included in the quarterly prioritization update.
9	Look into adopting an ordinance similar to San Jose allowing ADUs (Accessory Dwelling Units) to	Chua	8/13/2024	An update on this item is included in the quarterly prioritization update.
10	Conduct a traffic study on Escuela Parkway to address circulation concerns	Montano	5/7/2024	An update on this item is included in the quarterly prioritization update.
11	Explore the possibility of augmenting the Planning Commission stipend	Barbadillo	4/16/2024	An update on this item is included in the quarterly prioritization update.
12	Consideration of the 20% Low Income Below Market Rate Housing	Montano	12/5/2023	An update on this item is included in the quarterly prioritization update.
13	Bring back Bingo and the Tour at the Senior Center	Chua	11/7/2023	An update on this item is included in the quarterly prioritization update.
14	Referral for utility infrastructure cost on Main Street from Carlo to Corning Streets	Montano	10/17/2023	An update on this item is included in the quarterly prioritization update.
15	Main Street International Festival	Lien	10/3/2023	An update on this item is included in the quarterly prioritization update.
16	Pickleball Pilot Project	Chua	2/28/2023	An update on this item is included in the quarterly prioritization update.
17	Main Street Infrastructure Projects	Montano	2/28/2023	An update on this item is included in the quarterly prioritization update.
18	Main Street Flooding at Library	Chua	2/28/2023	An update on this item is included in the quarterly prioritization update.
19	Have the City look into the possibility of a Citywide Senior Discount	Barbadillo	2/7/2023	An update on this item is included in the quarterly prioritization update.
20	City Manager to look into defining either a standalone teen center or updating information to indicate the Senior Center also functions as a Teen Center	Chua	9/20/2022	An update on this item is included in the quarterly prioritization update.
21	City Manager look into implementing a workshop for small businesses on the bidding process for projects in the city	Chua	8/9/2022	An update on this item is included in the quarterly prioritization update.

NOTE: Deferred and Completed Items are not listed

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

ACTIVE ITEMS				
Request No.	Topic	Submitted by:	Date Requested	STATUS and/or DATE scheduled on City Council meeting agenda:
22	Quarterly or Monthly crime statistics on Homekey Project	Chua	6/7/2022	An update on this item is included in the quarterly prioritization update.
23	Memorial Plaque in honor of youth skateboarder that passed away	Montano	6/7/2022	An update on this item is included in the quarterly prioritization update.
24	Evaluate reopening the childcare center with a non-profit organization running the center	Montano	2/1/2022	An update on this item is included in the quarterly prioritization update.
25	Staff to look into mural Art on Great Mall Parkway on the VTA owned Light rail pillars	Montano	11/16/2021	An update on this item is included in the quarterly prioritization update.
26	Have a picture of Albert Vogel Sr. put up in the Senior Center	Montano	10/19/2021	An update on this item is included in the quarterly prioritization update.
27	Include a bust of Maria Lemire on the Mural in front of the Senior Center	Montano	8/17/2021	An update on this item is included in the quarterly prioritization update.
28	Consider Community Museum and Park on Main St.	Phan	8/20/2019	Discussions with the property owner of this site are ongoing.

NOTE: Deferred and Completed Items are not listed



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Consider Recommendations from Mayor Montano for Appointments to the Senior Advisory Commission (Contact: Mayor Montano, 408-586-3024)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	2/4/2025
Recommendation:	Receive Mayor Montano's recommendation and approve and confirm appointment to the Senior Advisory Commission.

Background:

The City of Milpitas has 13 Commissions, including the Measure F Oversight Committee, with members appointed by the Mayor and confirmed by the City Council. These Commissions provide guidance to elected officials on various community interests and policy matters.

Commissioner appointments and removals are governed by the California Government Code, the Milpitas Municipal Code, and the Milpitas Commissioner Handbook and By-Laws.

Residents interested in serving on a Commission must complete and submit a Commission Application to the City Clerk. Applications are forwarded to the Mayor for consideration. Under Government Code 40605, in a general law city where the Mayor is elected, the Mayor, with City Council approval, appoints all board, commission, and committee members unless otherwise specified by statute.

Analysis:

Appointments and removals are as follows:

Senior Advisory Commission:

1. Appoint Neelam Wadhwani as a full voting member with an unexpired term ending December 2025.

All recommended Commissioner appointments have been reviewed and confirmed by the City Clerk's office.

Fiscal Impact:

There is no fiscal impact associated with this item.

CEQA:

The action is continuing administrative or maintenance activity and is not a project pursuant to Cal. Code Regs., tit. 14, § 15378.

Recommendation:

Receive Mayor Montano's recommendation and approve and confirm appointment to the Senior Advisory Commission.

Attachments:

Commission Application

From: noreply@civicplus.com
To: [City Clerk](#)
Subject: Online Form Submittal: Commission Applications
Date: Monday, September 4, 2023 10:05:16 PM

CAUTION: EXTERNAL SENDER

This email originated from outside the organization. Do NOT click links or open attachments unless you recognize the sender and know the content is safe. [Report suspicious messages](#) to the [IT Helpdesk](#).

Commission Applications

Commission /
Committee Applying
for: Senior Advisory Commission

First Name Neelam

Last Name Wadhwani

Address Type Residence

Address

City Milpitas

State California

Zip Code 95035

Phone Number

Email Address

Present Employer Retired

Other Phone None

Business Address
(Optional) N/A

City *Field not completed.*

State *Field not completed.*

Zip Code *Field not completed.*

Occupation *Field not completed.*

Education: If Youth Masters in English Literature
Bachelors in psychology and philosophy

Advisory Commission
applicant, indicate your
grade / school:

College, Professional, Vocational, or other schools attended	Project Management Program Development
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Major Subject	<i>Field not completed.</i>
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Degree	<i>Field not completed.</i>
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List community organizations to which you belong or have belonged (additional
information may be attached).

Name of Organization	Research and Human Subjects Review Committee for SCCo Valley Medical Center
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Member	Member -2011 to 2016
--------	----------------------

Name of Organization	Data Evaluation Work Group Member Santa Clara County
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Member	Member -2013 to 2016
--------	----------------------

Name of Organization	Reentry Strategic Planning Workgroup member Santa Clara County
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Member	Member -2012 to 2016
--------	----------------------

If application is for Veterans Commission, indicate branch and service in any U.S.
military organization (retired or active duty).

Branch of Military	N/A
--------------------	-----

Officer	<i>Field not completed.</i>
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Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):	I advocated and worked with vulnerable and at-risk incarcerated populations in the County of Santa Clara for over 25 years. After retiring from the county as the manager of the Sheriffs' Rehabilitation Unit, I continued the advocacy, working with the homeless population for a local non-profit agency. As the director of emergency shelters, I managed and led eight shelters. Providing services and improving the quality of life of the seniors' facing homelessness was challenging and yet rewarding. I have the experience, education and knowledge of local resources and most importantly the drive to serve the seniors within our community.
--	--

Upload a File	<i>Field not completed.</i>
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Date	9/4/2023
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By submitting this form, I confirm I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Name

Neelam Wadhwani

Email not displaying correctly? [View it in your browser.](#)



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Set a Public Hearing for March 4, 2025 and Adopt a Resolution Declaring Weeds on Specific Properties to be a Public Nuisance (Staff Contact: Arthur Belton, Deputy Chief/Fire Marshal, 408-586-3384)
Category:	Consent Calendar- Public Safety
Meeting Date:	2/4/2025
Recommendation:	(1) Set a public hearing for March 4, 2025; and (2) Adopt a resolution declaring weeds on specific properties to be a public nuisance.

BACKGROUND:

On February 2, 1976, the County of Santa Clara (County), through its Consumer and Environmental Protection Agency – Weed Abatement Program, entered into an agreement for weed abatement services (Agreement) with the City of Milpitas (City). The purpose of this Agreement is to enhance the efficiency and cost-effectiveness of weed abatement operations and resource usage for both the City and County.

The initial Agreement was amended on the following dates: February 15, 1983; January 14, 1996; August 18, 1998; August 17, 1999; January 12, 2001; and December 21, 2011. The City Council authorized the City Manager to execute the most recent amended and restated Agreement on June 21, 2022.

The Agreement stipulates the major procedural functions to be performed by the County and/or City as follows:

I. County Responsibilities :

- A. Prepare and send a list of parcels needing weed abatement to the City for approval
- B. Draft and distribute abatement notices to respective parcel owners.
- C. Perform weed removal on authorized parcels.
- D. Provide an itemized cost assessment report for abatement services performed to the City for payment action.

II. City Responsibilities :

- A. Conduct public hearings on proposed weed removal resolutions presented by the City Fire Marshal.
- B. Declare weeds as a nuisance and authorize abatement on specific parcels via City Council resolution.
- C. Submit the finalized cost assessment report to the County Assessor's Office for inclusion in the subsequent assessment roll, as mandated by California Health and Safety Code 14915, to assess these costs as liens on the properties through special assessments on tax bills.
- D. Reimburse the County for costs related to weed abatement services on City-owned parcels within 60 days of receiving the invoice. The charges will include the actual service costs from the weed abatement contractor plus an additional 20% of those costs for County program administrative expense.

ANALYSIS:

The County has notified the City of Milpitas that it is commencing its Hazardous Vegetation Abatement (weed abatement) Program for the 2025 season. The County submitted this list of properties that were previously identified as hazardous based on inspections, complaints confirmed as valid, and/or previous history of hazardous conditions. Property owners have been notified of their placement on the list by the County. For the County to proceed with its annual abatement process on behalf of the City, the City must adopt a resolution declaring weeds to be a public nuisance and to schedule a public hearing to hear objections to the proposed destruction and/or removal of weeds. The Milpitas City Council public hearing is scheduled for March 4, 2025.

POLICY ALTERNATIVE(S):

Alternative: Not pass a resolution

Pros: None

Cons: This would reverse a long-standing agreement with Santa Clara County to provide weed abatement service within the City of Milpitas.

Reason for Not Recommending: Without a resolution, property owners will not be notified and weed abatement will not be conducted. Weeds covered under this program, classified as “light flashy fuels” are prone to easy ignition and contribute significantly to rapid fire growth. Left unmitigated, these weeds pose a significant public safety issue in terms of fire potential.

FISCAL IMPACT:

There are no City-owned parcels listed (Attachment [b]) for weed abatement services. If the money collected from property owners in Santa Clara County for weed abatement services is not enough to cover the County's fixed costs, the County can request the City to pay its fair share of the deficit by September 1. The City deficit share is determined by the percentage of parcels in the City that received weed abatement services compared to the total number of parcels serviced by the County. The County's payment request would include details about the total shortfall, any available program revenues to offset it, and the City's calculated share of the shortfall.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action being considered has no potential for causing a significant effect on the environment and is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3).

RECOMMENDATION:

- (1) Set a public hearing for March 4, 2025.
- (2) Adopt a resolution declaring weeds on specific properties to be a public nuisance.

ATTACHMENT(S):

- (a) Resolution
- (b) 2025 Milpitas Commencement Report (Exhibit A)

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS DECLARING
CERTAIN PROPERTIES TO CONSTITUTE A PUBLIC NUISANCE DUE TO THE OVERGROWTH OF
WEEDS AND/OR ACCUMULATION OF RUBBISH, REFUSE OR DIRT AND FIXING THE TIME AND
PLACE FOR OBJECTIONS TO ABATEMENT**

WHEREAS, the County of Santa Clara Consumer and Environmental Protection Agency - Weed Abatement Program has compiled its annual list of properties which constitute a public nuisance due to an overgrowth of weeds and/or the accumulation of rubbish, refuse or dirt; and

WHEREAS, it is requested that the County of Santa Clara Consumer and Environmental Protection Agency - Weed Abatement Program will individually notify the owners of those properties of its intent to abate said public nuisance and assess the cost as a special assessment against said properties if the owners do not abate the nuisance themselves; and

WHEREAS, the purpose of this Resolution is to fix a time and place where the said property owners can object to the proposed abatement.

NOW, THEREFORE, the City Council hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council declares that there is reason to believe the properties listed on the annual list of properties, attached hereto as **Exhibit A**, constitute a public nuisance due to an overgrowth of weeds and/or the accumulation of rubbish, refuse or dirt.
3. March 4, 2025 at 7:00 p.m., in the Council Chambers at City Hall, Milpitas, California, shall be the time and place set aside for all owners of property listed on Exhibit A or any other person having any objections to the proposed removal of the weeds, rubbish, refuse and dirt to voice any objections they may have to the proposed nuisance abatement by the County of Santa Clara Consumer and Environmental Protection Agency - Weed Abatement Program.
4. The City Clerk is hereby authorized to cause notice of this Resolution be given to the County of Santa Clara Consumer and Environmental Protection Agency - Weed Abatement Program.
5. The City Council requests that the County of Santa Clara Consumer and Environmental Protection Agency - Weed Abatement Program notify the owners of those properties included on Exhibit A in accordance with Milpitas Municipal Code, Title V, Chapter 202, of its intent to abate said nuisance and assess the cost as a special assessment against said properties unless such weeds, rubbish, refuse or dirt are removed by the owner.

PASSED AND ADOPTED this 4th day of February 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Suzanne Guzzetta, City Clerk

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney

APPROVED:

Carmen Montano, Mayor

2025 WEED ABATEMENT PROGRAM
COMMENCEMENT REPORT
CITY OF MILPITAS

EXHIBIT A

Situs				APN
634	N	ABEL	ST	022-06-010
7280		MARYLINN	DR	022-07-007
99	S	MAIN	ST	022-24-017
111	S.	Main	ST	022-24-040
		VALLEY	WY	022-28-026
1735		CALIFORNIA	CR	022-37-002
1301		CALIFORNIA	CIR	022-38-002
81		DIXON	RD	026-05-021
		DIXON	RD	026-05-023
1878	N	MILPITAS	BLVD	026-05-024
51		DIXON	RD	026-05-053
		DIXON	RD	026-06-012
1720		ARIZONA	AVE	026-07-016
1840		ARIZONA	AVE	026-07-051
1640		ARIZONA	AVE	026-11-067
		BOTHELO	LN	028-23-017
		RAILROAD	AVE	028-24-006
1390		EL CAMINO HIGURA		029-02-007
1327		CALLE ORIENTE		029-05-010
880		EVANS	RD	029-06-003
666		EVANS	RD	029-06-008
826		CALAVERAS RIDGE	DR	029-06-031
322	N	PARK VICTORIA	DR	029-16-006
1220		COUNTRY CLUB	DR	029-52-014
1039		CAMARILLO	CT	029-52-015
673		QUINCE	LN	029-59-014
517		VISTA RIDGE	DR	042-30-009
519		VISTA RIDGE	DR	042-30-010
529		VISTA RIDGE	DR	042-30-015
410		VISTA RIDGE	DR	042-30-024
350		VISTA RIDGE	DR	042-30-025
531		VISTA RIDGE	DR	042-30-029
		SERRA	WY	083-06-006
		MAIN	ST	083-06-008
	S	MAIN	ST	083-07-015
540	S	ABEL	ST	083-13-013
91		MONTAGUE	EXPY	083-42-002
		HAMMOND	WAY	086-25-018
	S	MAIN	ST	086-25-028

		HAMMOND	WAY	086-25-030
		HAMMOND	WY	086-25-032
		BOTHELO	AVE	086-26-039
		HAMMOND	WY	086-26-040
		HAMMOND	WY	086-26-042
		MILPITAS	BLVD	086-28-006
		VISTA	WAY	086-29-005
		WRIGLEY	WAY	086-29-036
		YOSEMITE	DR	086-29-047
876		YOSEMITE	DR	086-30-047
		YOSEMITE	DR	086-30-048
		AMES	AVE	086-30-060
		SINCLAIR FRONTAGE	RD	086-31-003
		MILPITAS	BLVD	086-32-084
1646		CENTRE POINT	DR	086-33-110
		COSTA	ST	086-41-014
1001	S	MILPITAS	BLVD	086-42-033
		GARDEN	ST	086-94-014
375		DEMPSEY	RD	088-01-002
	S	PARK VICTORIA	DR	088-04-062
		DEMPSEY	RD	088-04-076
534	S	PARK VICTORIA	DR	088-06-039
1459		CANTON	DR	088-09-039
1496		JUPITER	CT	088-09-089
2013		YOSEMITE	DR	088-20-023
575		CARLSBAD	ST	088-20-102
632		CARLSBAD	ST	088-20-125
1791		ROCKY MOUNTAIN	AV	088-23-075
1966		YOSEMITE	DR	088-26-149
		OLD PIEDMONT	RD	092-34-008
1250		PIEDMONT	RD	092-34-014
2235		URIDIAS RANCH	RD	092-37-050



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Expressing Support for the City's 2016 Measure B Grant Application to the Santa Clara Valley Transportation Authority to Continue Operating Milpitas SMART (Staff Contact: Jay Lee, Planning Director, 408-586-3077)
Category:	Community Development
Meeting Date:	2/4/2025
Recommendation:	Adopt a resolution expressing support for the City's 2016 Measure B grant application to the Santa Clara Valley Transportation Authority to continue operating Milpitas SMART, including support for a 20% local match to be identified as part of the upcoming Fiscal Year 2025-2026 Operating Budget process.

BACKGROUND:

In November 2016, Santa Clara County voters approved the 2016 Measure B ballot measure, a 30-year half-cent countywide sales tax to enhance transit, highways, expressways and active transportation programs for bicycles and pedestrians. The Santa Clara Valley Transportation Authority (VTA) established the 2016 Measure B Innovative Transit Service Models Program to provide funding to eligible cities through a competitive grant application process.

City staff in partnership with RideCo, a transportation consulting firm that provides on-demand transit solutions, submitted a grant application for funding through the Innovative Transit Service Models Program to develop and implement Milpitas SMART, a 12-month pilot program to provide a flexible, convenient first/last-mile transit solution with convenient connections to VTA light rail and the Milpitas Transit Center. On March 4th, the VTA Board of Directors approved the recommended projects, including Milpitas SMART, and authorized the General Manager to execute the necessary agreements. The City of Milpitas was awarded the full amount of the grant request in the amount of \$1,084,732. On April 5, 2022, the City Council authorized the City Manager to execute a funding agreement with VTA to receive this funding and a subscription and services agreement with RideCo in a not-to-exceed amount of \$1,355,916 for consultant services to operate Milpitas SMART.

Milpitas SMART launched on September 12, 2022 and initially provided first/last-mile connections to or from four key hubs in the City of Milpitas: (1) Milpitas City Hall, (2) Milpitas Transit Center, (3) Great Mall, and (4) VTA Alder Station. Riders could book trips from any one of nearly a hundred virtual stops across the City to any of these four hubs and vice versa. Despite the City's extensive marketing and outreach efforts, ridership for the service remained low through February at approximately 5 passengers per weekday. Furthermore, staff received significant community feedback requesting direct access to key destinations outside the hubs including the Milpitas Library and Milpitas High School.

To meet this demand and increase ridership, City staff requested and received VTA approval to transition Milpitas SMART from a hub-and-spoke to a point-to-point service model. In February 2023, the City implemented this service change. On August 8, 2023, the City Council approved amendments to the funding agreement with VTA and subscription and services agreement with RideCo and authorized the City Manager to execute the amended agreements to reflect this service change. On September 5, 2023, the City Council accepted an allocation of \$1,600,000 in State funding for the SMART Program, approved a budget appropriation of the same amount into Capital Improvement Program (CIP) Project No. 3493 (Milpitas SMART), and provided direction to City staff on proposed program modifications, including expanded service hours, fleet conversion, and fare promotions.

On June 11, 2024, the City amended the subscription and services agreement with RideCo to update the not-to-exceed amount to reflect the \$1.6 million in State funding. On September 3, 2024, the City amended the agreement to reflect various program updates related to the service provider, subscription and services fee, vehicle fleet, and driver requirements.

ANALYSIS:

Program and Ridership Update

Since launching Milpitas SMART in September 2022, the City in partnership with RideCo have implemented the following program updates to continuously improve service and meet the needs of the Milpitas community:

1. Transitioned from a hub-and-spoke to a point-to-point service model, which has resulted in exponential increases in ridership;
2. Transitioned to a new service provider, SilverRide to maintain and improve operational efficiency and customer service levels;
3. Expanded the services hours from 7am-7pm to 6am-9pm on weekdays and added Saturday service (7am-7pm); and
4. Converted the vehicle fleet from traditional to hybrid vehicles.

Through these updates, ridership has increased tremendously since the program was launched. SMART achieved its highest monthly ridership of 4,681 in December 2024. The monthly ridership is on pace for over 5,000 rides in January 2024. City staff expects ridership to continue increasing due to the improved efficiency and service resulting from the transition to a new service provider in SilverRide.

Although the 2024 Milpitas Community Survey results show that 75 percent of survey respondents have never used SMART, 14 percent of the respondents indicated that they have used SMART a few or many times, which compares favorably to other transit services. Furthermore, SMART has become an important transportation option for Milpitas' disadvantaged and transit-dependent populations. In December 2024, of the 4,681 rides completed, 1,480 were by youth, 943 by seniors, 755 by low-income persons, and 14 were by disabled persons. In other words, 3,192 of 4,681 rides (68 percent) were for disadvantaged and transit-dependent populations.

The 2024 Milpitas Community Survey results also indicate that 44 percent of respondents are either not too familiar or not at all familiar with SMART. Therefore, City staff believes that there is still untapped potential for increased ridership as the City continues to market and promote the service in new ways.

2016 Measure B Innovative Transit Service Models Competitive Grant Program Cycle 2

On December 16, 2024, VTA announced the 2016 Measure B Innovative Transit Service Models Competitive Grant Program Cycle 2 call-for-projects. The program is intended to support new innovative transit service models to address first/last-mile connections. The total funding available for this cycle is \$6,946,187 and the maximum each applicant can request is 50 percent of this amount. Eligible activities include: 1) purchase of equipment for the deployment, implementation, and use of transit services; and 2) operation and maintenance of first/last-mile connections to public transit services, gap filling services, flexible and innovative services like shuttles and vanpools, marketing efforts, and software integration related to trip planning or fare payment. However, funds cannot be used for planning/feasibility studies or purchase of vehicles.

While much of the scoring criteria from the previous cycle remains (innovative service/business model, first/last mile connections, equity considerations, community engagement, environmental considerations, and non-2016 Measure B contribution), eligible projects now include the continuation or expansion of existing programs. Grant applications are due February 24, 2025. Please refer to the attached VTA memorandum and grant criteria for this program for additional details.

Proposed Program Upgrades

Following VTA's call-for-projects announcement, City staff and RideCo have been preparing an application for the 2016 Measure B Innovative Transit Service Models Competitive Grant Program. As part of the application,

staff is proposing the following changes to SMART to improve service and the competitiveness of the City's application according to VTA's scoring criteria.

Integrated Trip Planning

If awarded grant funding, SMART will incorporate multimodal trip planning into the mobile app, which would provide various trip options for users from their origin to destination. The trip options will incorporate not only VTA but also other transit agency services to allow users to see how they can complete their entire trip through a combination of SMART and public transit. Adding this feature to the app will make it easier for SMART users to connect to transit to reach destinations within the City and other jurisdictions and ensure that SMART continues to operate as an innovative, first/last-mile solution that encourages transit ridership.

Autonomous Vehicles

The City is also likely proposing to add multiple autonomous (i.e., self-driving) vehicles (AVs) to the current fleet to increase service capacity and reduce operational costs over time. AVs use artificial intelligence (AI) technology to replace the human driver partially or entirely in navigating a vehicle. AV technology is rapidly improving and increasingly being incorporated in vehicles at varying levels of autonomy. Waymo, a leader in AV technology, currently operates a fully autonomous ride-hailing service in San Francisco, Phoenix, Los Angeles, and Austin. AVs can be incorporated into SMART to either serve a specific geographical area or route. One benefit of incorporating AVs include increased service capacity through additional vehicles to supplement the existing fleet in servicing high-demand pick-up-drop-off spots or areas, thereby lowering wait times. Another benefit includes reduced costs over time as drivers will no longer be needed to operate the vehicles.

Funding Considerations

SMART is currently through August 2025. As part of the grant application, the City is requesting approximately \$2,004,605 from VTA to continue operating SMART for an additional 18 months, once current funding is expended. The local match requirement for the 2016 Measure B Innovative Transit Service Models Competitive Grant Program is a minimum of 10 percent of the grant award. However, applications will be awarded 1 point for each 1 percent of local match beyond the minimum 10 percent requirement, up to a maximum of 10 points. Therefore, staff recommends providing a local match of 20 percent (\$400,921) to achieve the maximum 10 points in this scoring category. The local match can be achieved through a combination of cash funds and in-kind staff time. The estimated in-kind staff time to operate SMART is approximately \$205,526 over 18 months. Therefore, staff requests the Council's support for setting aside a \$195,395 cash contribution to supplement the in-kind staff time and meet the 20 percent local match.

Without this funding, the City's application would meet the minimum 10 percent local match requirement but miss out on all the points in this scoring category. Without another round of funding from Measure B, the City would have to use general fund money to cover the full cost of operation beyond August 2025 or end the program at that time.

Next Steps

If the Council supports the City's 2016 Measure B grant application, City staff will partner with RideCo to prepare and submit application by the call for projects deadline of February 24, 2025. If awarded the grant, the City will amend the funding agreement with VTA and professional services agreement with RideCo according to the scope of work in the grant application and subsequently implement the program updates.

POLICY ALTERNATIVE(S):

Alternative 1: Do not support the City's 2016 Measure B grant application to the Santa Clara Valley Transportation Authority to continue operating Milpitas SMART.

Pros: The City would not submit a grant application and thereby save the staff resources required to prepare the application and continue operating Milpitas SMART beyond the estimated funding expiration timeframe of August 2025. The City would also not have to commit to the local match amount required to receive 2016 Measure B funds from VTA. These funds could be used for the City's other services.

Cons: In not submitting a grant application, the City would be unable to continue operating Milpitas SMART beyond August 2025. The City would miss out on the opportunity to secure external funding to continue operating an important transportation service, which many of Milpitas' disadvantaged and transit-dependent population rely on, at minimal cost to the City.

Reason not recommended: Applying for VTA's 2016 Measure B grant would provide an opportunity for the City to continue operating Milpitas SMART, which provides a valuable and much-needed service to Milpitas' residents, employees, and visitors. Furthermore, the General Plan includes several policies to promote alternative modes of transportation, first/last-mile solutions, and public transit improvements to support the City's circulation goals. The continuation of Milpitas SMART supports these General Plan policies and goals.

FISCAL IMPACT:

As with almost all public transit, Milpitas SMART is heavily subsidized and not dependent on rider fares. The average monthly fare collections since the beginning of FY 2023-2024 is approximately \$3,866. If the City is awarded funding from VTA through the 2016 Measure B Innovative Transit Service Models Program, the City would have to commit to a local match of up to 20 percent of the total grant award. The local match requirement can be satisfied through a cash match, in-kind service, or a combination of both. The estimated match is approximately \$400,921, to be comprised of \$205,526 in-kind staff time and a cash contribution of \$195,395. If the VTA funding is granted, the proposed sources for cash contributions to match the funding will be detailed when the grant is presented for acceptance to the City Council.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The proposed activity of applying for a grant is not a project pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15378(b). The fiscal management of Milpitas SMART is an ongoing administrative fiscal activity and is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3). Appropriate environmental review consistent with the requirements of CEQA will be completed prior to Commitment to a specific project action.

RECOMMENDATION:

Adopt a resolution expressing support for the City's 2016 Measure B grant application to the Santa Clara Valley Transportation Authority to continue operating Milpitas SMART, including support for a 20% local match to be identified as part of the upcoming Fiscal Year 2025-2026 Operating Budget process.

ATTACHMENT(S):

- a) Resolution
- b) VTA Memorandum
- c) Innovative Transit Service Models Competitive Grant Program Criteria

RESOLUTION NO. 25-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
EXPRESSING SUPPORT FOR THE CITY'S 2016 MEASURE B GRANT
APPLICATION TO THE SANTA CLARA VALLEY TRANSPORTATION
AUTHORITY TO CONTINUE OPERATING MILPITAS SMART, INCLUDING
SUPPORT FOR A 20% LOCAL MATCH TO BE IDENTIFIED AS PART OF THE
UPCOMING FISCAL YEAR 2025-2026 OPERATING BUDGET PROCESS**

WHEREAS, the City of Milpitas, California (the "City") is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, in November 2016, Santa Clara County voters approved the 2016 Measure B ballot measure, a 30-year half-cent countywide sales tax to enhance transit, highways, expressways and active transportation programs for bicycles and pedestrians; and

WHEREAS, the Valley Transportation Authority (VTA) established the 2016 Measure B Program and adopted Program categories and guidelines for Innovative Transit Service Models; and

WHEREAS, the goal of the Innovative Transit Service Models Program is to support affordable new innovative transit service models to address first/last-mile connections to transit, serving the vulnerable, underserved, and transit-dependent population; and

WHEREAS, the Innovative Transit Service Models Program provides funding to eligible cities through a competitive grant application process; and

WHEREAS, City staff focused on partnering with a transportation consulting firm that could deliver a transit service model that meets the grant program guidelines and requirements for an innovative service model; and

WHEREAS, City staff, in partnership with RideCo, Inc. ("RideCo"), a transportation consulting firm that provides on-demand transit solutions, submitted a grant application for funding through the Innovative Transit Service Models Program to develop and implement Milpitas OnDemand, an 18-month pilot program to provide a flexible, convenient first/last-mile transit solution with connections to VTA light rail and the Milpitas Transit Center; and

WHEREAS, on March 4th, 2021, the VTA Board of Directors approved the recommended projects, including Milpitas OnDemand, and authorized the General Manager to execute the necessary agreements; and

WHEREAS, on April 5, 2022, the City Council authorized the City Manager to execute a funding agreement with VTA for the 2016 Measure B Innovative Transit Service Models Program and a professional services agreement with RideCo for consultant services related to Milpitas SMART; and

WHEREAS, Milpitas SMART has been an important service for the Milpitas community, especially for youth, seniors, and low-income persons; and

WHEREAS, the ridership for Milpitas SMART has continued to increase since program launch; and

WHEREAS, on December 16, 2024, VTA announced the Call-for-Projects for the 2016 Measure B Innovative Transit Service Models Competitive Grant Program for the funding cycle fiscal year 2025; and

WHEREAS, City staff intends on submitting an application to VTA for the 2016 Measure B Innovative Transit Service Models Competitive Grant Program by the February 24, 2025 deadline; and

WHEREAS, Milpitas SMART implements the following 2040 General Plan policies and actions:

- **Policy CIR 1-4:** Coordinate development of safe, inclusive and health-promoting transportation infrastructure with local, county, regional, and state agencies to optimize efficiency of the transportation network for all users, and increase opportunities for physical activity for all types of users.
- **Policy CIR 3-2:** Coordinate transit planning and provision of transit-supportive infrastructure with Caltrans, VTA, BART, and other service providers to provide seamless service for users across transit modes and to facilitate transfers.
- **Action CIR-3c:** Coordinate with transit agencies and local stakeholders to pursue development of feeder services and/or a local circulator to carry commuters to transit stations, such as shuttle connections from businesses, residences, attractions, and schools to bus and rail services.
- **Policy CIR 4-3:** Encourage walking, biking and transit use by prioritizing and implementing “first-mile/last mile” improvements, wayfinding and educational efforts in the vicinity of the Great mall transit center, light rail stations, the BART station, and heavily used bus stops.
- **Policy CIR 5-3:** Encourage existing employers to adopt strategies to implement programs to reduce employee vehicle trips, including purchasing passes through VTA’s annual transit pass program; providing facilities such as secure bike parking, lockers, changing rooms, and showers; telework, and flexible work schedules.
- **Policy CIR 6-2:** Support development of healthier communities through the use of lower- or non-polluting modes of transportation to reduce GHG vehicle emissions and local air pollution levels.
- **Policy CIR 6-4:** Prioritize transportation improvements in part based on consideration of benefits to disadvantaged communities.
- **Policy CIR 7-1:** Proactively position the City to be competitive in pursuing grant funding for planning, design, and construction of transportation improvements.
- **Policy CIR 7-3:** Seek opportunities to develop public/private partnerships to provide transportation infrastructure services.
- **Policy CIR 7-5:** Monitor the development of new and emerging transportation technologies – such as autonomous vehicles – to enable the City to prepare for their incorporation into the transportation system if safe and appropriate.
- **Action CIR-7f:** Actively pursue grant funds for planning, design, and construction of transportation-related capital improvement projects.
- **Policy LU 3-1:** Support regional efforts that promote higher densities near major transit and travel facilities and reduce regional vehicle miles traveled by supporting active modes of transportation including walking, biking, and public transit. Support local and regional land use decisions that promote safe access to and the use of alternatives to auto transit.
- **Policy CON 7-12:** Encourage and prioritize infrastructure investments and improvements that promote safe walking, bicycling and increased transit ridership.
- **Policy UCS 8-22:** Encourage services and programs that meet the unique needs of seniors within Milpitas, including the establishment of medical facilities, transportation options for seniors and people with mobility disabilities, senior centers, and programs that provide for in-home care and aging-in-place.

WHEREAS, on February 4, 2023, the City Council held a duly noticed public hearing on the City's 2016 Measure B grant application, at which time all those in attendance were given the opportunity to speak on the grant applications; and

WHEREAS, the City Council has considered all the written and oral testimony presented at the public hearing in making its decision.

NOW THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

SECTION 1. Recitals.

The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. City Council Approval

The City Council of the City of Milpitas hereby adopts Resolution No. 25-___ expressing support for the City's 2016 Measure B grant application to the Santa Clara Valley Transportation Authority to continue operating Milpitas SMART, including support for a 20% local match to be identified as part of the upcoming Fiscal Year 2025-2026 Operating Budget process.

PASSED AND ADOPTED this 4th day of February 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Suzanne Guzzetta, City Clerk

Carmen Montano Mayor

APPROVED AS TO FORM:

Cristopher Creech, Acting City Attorney

MEMORANDUM

TO: Planning Directors
Public Works Directors
Technical Advisory Committee Members
Policy Advisory Committee Members
Capital Improvement Program Working Group Members

FROM: Jane Shinn, 2016 Measure B Program Manager



DATE: December 16, 2024

SUBJECT: 2016 Measure B Innovative Transit Service Models Competitive Grant Program
Call-for-Projects FY25 Cycle

This memorandum serves as the Call-for-Projects for the 2016 Measure B Innovative Transit Service Models Competitive Grant Program for the funding cycle FY25. The available award for this Call-for-Projects includes allocations from the 2020 through 2025 fiscal years.

As part of the 2016 Measure B Transit Operations program, the Innovative Transit Service Models program supports affordable new innovative transit service models to address first/last mile connections to transit, serving vulnerable, underserved and transit dependent populations.

PROJECT APPLICATIONS DUE:

Date: **Monday, February 24th, 2025**
Time: 4:00 PM
Email only: 2016MeasureB@vta.org

Funds Available

Total: \$6,946,187

- FY20-FY21 remaining balance: \$186,187
- FY22-FY23 allocation: \$3,190,000
- FY24-FY25 allocation: \$3,570,000
- Maximum request: 50% of the total available funds for this call for projects' cycle.

- Minimum request: \$250,000 per call for projects cycle.

The maximum grant award per sponsoring agency can be no more than 50% of the total available funds per call for projects per cycle, unless the cycle is undersubscribed. Any project cost estimate should be in 2025 dollars.

Criteria

Project applications will be scored on the criteria adopted by the VTA Board of Directors on December 5, 2024:

- New Project
- Innovative Service/Business Model
- First/Last Mile Connections
- Equity Considerations
- Community Engagement
- Environmental Considerations
- Non-2016 Measure B Contribution

Please refer to the adopted program criteria for descriptions and specific point values: [Innovative Transit Service Models Competitive Grant Program Criteria](#). The 2016 Measure B Program Office will answer clarification questions regarding the application until Friday, January 17, 2025.

Application

Please follow these steps:

- Step 1: Read through the program criteria and program process.
- Step 2: Complete the [online application form](#) by 4:00PM on Monday, February 24th, 2025.
- Step 3: Email 2016MeasureB@vta.org to confirm receipt of the online form.

Program Schedule

Call for Projects Released	December 16, 2024
Application Deadline	February 24, 2025
Scoring Committee Reviews Proposals	March/April 2025
Advisory & Standing Committee Approval – Projects	May 2025
VTA Board Approval – Project Lists	June 2025

Links

1. [2016 Measure B Transit Operations Program Guideline](#)
2. 2016 Measure B Innovative Transit Service Models Competitive Grant Program Documents:
 - a. [Competitive Grant Program Criteria](#)
 - b. [Application \(Jotform\)](#)
 - c. [Application Guideline](#)

Innovative Transit Service Models Competitive Grant Program Criteria

FY24-FY25 Cycle Update

Purpose of the Program and Structure:

- To deliver projects as intended by the language of the 2016 Measure B Ballot, to support new innovative transit service models to address first/last mile connections.
- The program serves as (1) seed money for member agencies to launch a new/pilot transportation service or service model **OR** (2) continuation or expansion of an existing innovative transportation project/emerging mobility solution.
 - **"New"** means the proposed project **does not currently exist or has not existed** within the last three years within the jurisdiction, including service pilots.
 - If the proposed new project duplicates the service of a discontinued prior service pilot (VTA funded or not), Project Sponsor must explain why the prior service was discontinued and how the new service differs.
 - **"Existing"** refers to a **currently operating service** for which funds are being sought to continue operations. This includes any expansion efforts, such as expanding/adding service area(s) or expanding service hours within the jurisdiction.
 - If a project does not meet the definition of "new", it is considered "existing".
 - Expansion(s) of current projects, such as expanded service area or hours, is considered "existing".
- Projects must meet screening criteria to be considered.

Funds Available for the FY24-FY25 Cycle:

Total: \$6,946,187

- FY20-FY21 remaining balance: \$186,187
- FY22-FY23 allocation: \$3,190,000
- FY24-FY25 allocation: \$3,570,000
- Maximum request: 50% of the total available funds for this call for projects cycle.
- Minimum request: \$250,000 per call for projects cycle.
- Funds are for operations and implementation only, as described below.

Program Eligibility:

- Recipients: Public Agencies
- Eligible Activities:
 - Capital
 - Equipment for the deployment, implementation, and use of transit services – e.g. obtaining/acquiring software and hardware, communication equipment, fare collection equipment, etc.
 - Operations and Maintenance
 - First/last mile connections to public transit services;
 - Gap Filling services, including low-density service and off-peak service;
 - Community shuttles, on-demand services, deviated fixed route, subscription shuttles, vanpools, dynamic carpool, partnerships with on-demand service providers, or other forms of flexible and innovative transit services;
 - Marketing and promotion efforts related to service schedules, marketing materials such as flyers and brochures, and community outreach; and

- Software integration of trip planning and payment systems.
- Ineligible Activities:
 - Planning, feasibility, or service continuation studies; and
 - Purchase of vehicles.

Project Screening Criteria:

- Eligible projects are transportation services and/or models that provide first/last-mile connections to public transit or improve existing connections/increase users through innovative technologies and/or models;
- Project must be deployed within Santa Clara County. In the case of a cross/multi-county project, 2016 Measure B will only fund the delivery of the project within Santa Clara County;
- Project delivery schedule must be included;
- Projects must begin service within one year of execution of funding agreement;
- The project does not duplicate existing services provided by VTA, jurisdictions within Santa Clara County, or any other transit provider¹;
- The project is open to all members of the public;
 - Project Sponsor must detail how accessibility for users will be addressed and list specific examples; and
 - The project service may be targeted and limited to specific demographics (e.g. school children, seniors, people with disabilities, etc.) to the extent not prohibited by applicable law.
- If a new transit service, the following must be included:
 - Pricing structure;
 - Ridership projections with a quantifiable and defensible methodology; and
 - The application includes a service continuation plan that does not include 2016 Measure B or VTA Transit funds. VTA will provide a template of the service continuation plan to be included in the application.
- If an existing transit service, the following must be included:
 - Cumulative data from previous year(s) of service, such as the average cost per trip, average cost per ride, etc.;
 - Demonstrated need to continue the service; and
 - The application includes a service continuation plan that does not include 2016 Measure B or VTA Transit funds. VTA will provide a template of the service continuation plan to be included in the application.

Projects that are unable to meet the screening criteria above are ineligible to apply for this grant. Contact the 2016 Measure B Program Office if needed.

Scoring Matrix:

Project **must achieve at least 70 points to be considered for funding.** Criteria will require both quantitative and narrative answers.

If two or more projects receive the same final score:

¹ Expansion to an existing service is not considered duplication.

- Project selection will be determined by:
 - Highest score received on Criterion #4, Equity Considerations.
 - If this results in another tie:
 - Project selection will be determined by:
 - Highest score on Criterion #2, Innovative Service/Business Model.

Criteria	Max Points
1. New Project	5
2. Innovative Service/Business Model	25
3. First/last mile connections	20
4. Equity Considerations	25
5. Community Engagement	10
6. Environmental Considerations	5
7. Non-2016 Measure B contribution	10
TOTAL	100

Criterion #1 – New Project (5 points)

A project that meets the definition of “new” will receive 3 points. “New” means the proposed project does not currently exist or has not existed within the last three years within the jurisdiction, including service pilots.

- A full 5 points will be awarded to projects that are considered “first of its kind” or where no comparable solution exists.
- Three points will be awarded to projects who meet the definition of “new”.

Points	Project’s “New” Designation per Definition
5 points	Project is the “first of its kind” and no comparable solution currently exists within Santa Clara County.
3 points	Project does not currently exist or has not existed within the last three years within the jurisdiction.
0 points	Similar projects currently or have recently existed within the last three years within the jurisdiction.

Criterion #2 - Innovative Service/Business Model (Max. 25 points)

Does the project present an innovative aspect in its delivery?

- Points awarded if the project provides qualitative and quantitative description about any innovation. Recommended innovations include:
 - Unique partnership and funding arrangements:
 - Trip planning partnership
 - Fare Integration partnership
 - Data sharing partnership – such as data sharing with navigation

- Alternative service models:
 - Flexible transit service models
 - Community ride services
- Technical capabilities:
 - integrated payment systems
 - incentives for traveler choices
 - mobile applications
 - on-demand software
 - real-time transit data
- Innovative data sharing arrangements and/or data collection methods:
 - open data platform
 - crowdsourcing information
 - incentive-based participation in data collection
- Point Distribution:
 - A project can achieve a maximum of 25 points. The Project Sponsor will be required to identify at least one innovative aspect of the project and describe how it is innovative. Project Sponsors who can effectively demonstrate more aspects of innovation will be awarded points accordingly.
- Questions recommended for consideration:
 - What are the unique partnerships?
 - Does the project creatively address mobility challenge(s)?
 - How does it differ from existing fixed-route or micro-transit services? Does it introduce new technologies and/or strategies to address first/last mile connectivity?
 - If an existing project/service, how has it effectively demonstrated innovative aspects in its performance?

To receive full points, a project must demonstrate the four mentioned innovative aspects (Unique partnership and funding arrangements; Alternative service models; Technical capabilities; Innovative data sharing arrangements and/or data collection methods) **and** additional innovative aspects; OR at least five innovative aspects of the project.

For points within the 1 to 20 range, projects may demonstrate other innovative aspects in lieu of any the four recommended aspects for points. For example, if the project addresses 3 of the listed innovative aspects, they may present a different innovative aspect and still receive up to 20 points.

Points	Applicant's Ability to Demonstrate Project's Innovative Aspects
21-25 points	The applicant clearly and convincingly demonstrates the innovative aspects of the project, supported by data and/or statistics directly from the project or similar projects deployed in other areas. Project sponsors are able to clearly and convincingly demonstrate how the project presents innovative solutions to an existing issue and addresses all of the aforementioned innovative aspects and additional aspects, or five other unique innovative aspects.
16-20	The applicant clearly demonstrates the innovative aspects of the project, supported by data and/or statistics directly from the project or similar projects deployed in other areas. Project sponsors are able to demonstrate how the project presents innovative solutions to an existing issue and addresses all of the aforementioned innovative aspects, or other innovative aspects.

11-15 points	The applicant demonstrates the innovative aspects of the project, supported by data and/or statistics directly from the project or similar projects deployed in other areas. Project sponsors are able to demonstrate how the project presents innovative solutions to an existing issue and addresses at least three of the aforementioned innovative aspects, or other innovative aspects.
6-10 points	The applicant somewhat demonstrates the innovative aspects of the project, supported by data and/or statistics directly from the project or similar projects deployed in other areas. Project sponsors are able to demonstrate how the project presents innovative solutions to an existing issue and addresses at least two of the aforementioned innovative aspects, or other innovative aspects.
1-5 points	The applicant minimally demonstrates the innovative aspects of the project, but without support by data and/or statistics directly from the project or similar projects deployed in other areas. Project sponsors are able to demonstrate how the project presents innovative solutions to an existing issue and addresses only one of the aforementioned innovative aspects, or other innovative aspect.
0	The applicant does not demonstrate any innovative aspects of the project.

Criterion #3 - First/Last Mile Connections (Max. 20 points)

Does the project provide first/last mile connections to transit routes?

- Points awarded if the project provides a more direct multi-modal connection, increases the average travel speed, and/or improves an existing first/last mile connection between frequent transit stations/stops, major residential areas, employment areas, or major activity centers.
- Point Distribution:
 - Points awarded if the project provides qualitative and quantitative descriptions addressing barriers to first/last mile connections, including but not limited to:
 - Connectivity
 - How seamlessly does the project/service connect to mass transit?
 - What major transit hubs, frequent transit routes, employment centers, community resources, etc. will the project/service improve connectivity to?
 - Safety
 - How does the project/service address potential safety concerns and encourage mode-shift?
 - Time and Distance of Access/Trip
 - How does the project reduce wait time and travel time for users?

The project should identify:

- Any marketing effort/surveys to date on targeting users, especially transit users. The project should reflect demand.
- How does it integrate with existing transit/bike/pedestrian networks?
 - If the service is going to connect to an existing transit service, what is the current travel mode to that transit stop/station or the project proximity?
- How does the project improve first/last mile connections?
 - Project Sponsor is encouraged to provide existing data/survey data that shows potential behavior change.

- How does the project reduce wait time and travel time for users?
- How many trips are connected to transit services? Before project launch, explain how the project specifically improves first/last mile connections.

Any other project attributes that improve first/last mile connections not mentioned above can be considered and awarded points at the Scoring Committee's discretion, however, the points are capped at a maximum of 20 points.

Aspects of First/Last Mile Connections	Points
Connectivity	10 pts
Safety	5 pts
Time and Distance of Access/Trip	5 pts

Notes:

- First/last mile definition: An individual may use different modes of transport to complete a trip; they may walk, drive, ride a bicycle, take a train, or in many cases, they combine a number of modes. "Public transportation agencies typically provide bus and rail services that may frame the core of such trips, but users must complete the first and last portion on their own; they must first walk, drive or roll themselves to the nearest station. This is referred to as the first and last mile of the user's trip, or first/last mile for short, even though actual distances vary by users."
 - Refer to LA Metro's First/Last Mile Strategic Plan: https://media.metro.net/docs/First_Last_Mile_Strategic_Plan.pdf
- Transit is defined as: 'Transportation by a conveyance that provides regular and continuing general or special transportation to the public, but does not include school bus, charter, or sightseeing transportation.'
 - FTA: <https://www.transit.dot.gov/faq/region-9/there-fta-dictionary>
- Frequent transit route as defined by VTA:
 - 15 minute or better frequency from 6:30a to 6:30p, M through F

Criterion #4 – Equity Considerations (Max. 25 points)

Does the project ensure equal access for individuals with disabilities, low incomes, and/or dependent on transit?

- Points awarded if the project provides safe and fair access to individuals who are dependent on transit, have disabilities, low incomes, or other barriers in its geographic area.
- Points distribution:
 - The Project Sponsor must identify and quantify the groups of vulnerable/transit-dependent populations within the catchment area of the project service, articulate the benefits to these populations and provide descriptive justification to serve their needs.
 - Does the new project fill any transit service gap or serve any underserved market?
 - Does the project target new markets currently not served, such as specific commute patterns and/or early morning/late night service?
 - Does the project provide affordable service to vulnerable/transit-dependent customers?

Any other equity considerations that are not mentioned above can be considered and awarded points at the Scoring Committee's discretion, however, the points are capped at a maximum of 25 points.

Points	Project's Equity Considerations Demonstration
20–25 points	The application clearly and convincingly : • Explains how the project addresses an important need specific to the intended communities, AND • Illustrates how the project was requested or supported by the intended communities, AND • Explains how the intended community will be included throughout the project duration
15–19 points	The application generally : • Explains how the project addresses an important need specific to the intended communities, AND • Illustrates how the project was requested or supported by the intended communities, AND • Explains how the intended community will be included throughout the project duration
10–14 points	The application somewhat : • Explains how the project addresses an important need specific to the intended communities, AND/OR • Illustrates how the project was requested or supported by the intended communities, AND/OR • Explains how the intended community will be included throughout the project duration
5–9 points	The application minimally : • Explains how the project addresses an important need specific to the intended communities, AND/OR • Illustrates how the project was requested or supported by the intended communities, AND/OR • Explains how the intended community will be included throughout the project duration

1-4 points	The application minimally does only one of the following: • Explains how the project addresses an important need specific to the intended communities, OR • Illustrates how the project was requested or supported by the intended communities, OR • Explains how the intended community will be included throughout the project duration
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Notes:

- Vulnerable/transit-dependent population includes:
 - Individuals with disabilities;
 - Individuals with low-income;
 - Individuals with no personal vehicles; and
 - Youth as defined for VTA's fare structure.
- An underserved market is a geographic area that currently has infrequent or no frequent transit service.
- The project must include ridership projections for transit services.

Criterion #5 – Community Engagement (Max. 10 points)

What community engagement efforts has/will the project perform, specifically to the groups identified in Criterion #4?

- Project Sponsor must identify the intended communities for project outreach.
- Project Sponsor must submit a community engagement plan, detail marketing efforts, or provide data.
- Points awarded if the project demonstrates meaningful community engagement. This may include, but is not limited to:
 - Variety of community engagement/marketing efforts used (mailers, community workshops, online ads, promotional videos, etc.)
 - Level of detail and effort in the provided community engagement plan, such as type, location, and date of outreach efforts. For existing projects, past and current efforts will be evaluated.
 - Questions recommended for consideration are:
 - Was this project identified as a need by the community? If so, please provide documentation such as a demand assessment survey from potential users.
 - How was/is the outreach planned within the communities intended?
 - How feedback was/will be incorporated? How will opportunities for continued feedback be offered through the life of the project?
 - What does each effort achieve: informing, consulting, involving, collaborating, and/or empowering the community intended?
 - How do the community engagement/marketing efforts help to address the identified need(s) described in Criterion #4?
 - For existing projects: For previous outreach efforts, please describe in detail the process underwent and the results achieved.
 - For expansion efforts: What communities/new user groups did you reach out to for this expansion?

- If community engagement has not yet occurred, Project Sponsor must include a community engagement plan or, at minimum, a communications plan.
- Points distribution:
 - The Scoring Committee will be provided with the IAP2's "[Spectrum of Public Participation](#)" as an evaluation guide for this criteria.

Any other community engagement activities that are not mentioned above can be considered and awarded points at the Scoring Committee's discretion, however, the points are capped at a maximum of 10 points.

Points	Project's Community Engagement Demonstration
8 – 10 points	The applicant provides a thorough and inclusive description of the community that will be/has been engaged for this project, and provides a clear explanation as to why engaging the identified communities is key. The applicant clearly and convincingly demonstrates an outreach/communication process with specific details such as the ones listed and recommended above.
4-7 points	The applicant provides a general description of the community that will be/has been engaged for this project, and provides a clear explanation as to why engaging the identified communities is key. The applicant generally demonstrates an outreach/communication process with specific details such as the ones listed and recommended above.
1-3 points	The applicant provides vague description of the community that will be/has been engaged for this project, and provides a clear explanation as to why engaging the identified communities is key. The applicant somewhat demonstrates an outreach/communication process with specific details such as the ones listed and recommended above.

Criterion #6- Environmental Considerations (Max. 5 points)

Does the project/service reduce GHG emissions or other potential climate and environmental impacts?

- Points awarded if:
 - Project demonstrates alignment with a climate action plan (or similar plan) that has been adopted by the agency.
 - Questions for consideration:
 - How does the project encourage a mode shift away from single-occupancy vehicle trips?
 - How does the project reduce GHG emissions?

- How does the project address climate change impacts, such as extreme heat or rainfall, or other major environmental concerns as identified in adopted plans?
 - Does your project encourage transit-oriented development?
 - Does your project utilize ZEV/clean energy technology?
- For agencies without an adopted climate action plan, or similar plan, they may use VTA's Climate Action and Adaption Plan (<https://www.vta.org/climateplan>) to demonstrate the project's environmental considerations.
- Point Distribution:
 - The project can receive a maximum of 5 points.
 - Up to 4 points awarded for demonstrated alignment with an adopted climate action plan, or similar plan.
 - 1 point awarded if the project utilizes ZEV/Clean Energy Technology.

Criterion #7 - Non-2016 Measure B Contribution (Max. 10 points)

How much non-2016 Measure B contribution is the Project Sponsor providing?

- Points awarded if:
 - The Project Sponsor pledges/provides more than the required 10% non-2016 Measure B contribution.
 - Project Sponsors identifies what activities will be paid by each fund source, as applicable.
- Point Distribution:
 - The project can receive a maximum of 10 points.
 - 10 points: Provides $\geq$ 20% non-2016 Measure B contribution;
 - 1 point for every additional 1% non-2016 Measure B contribution beyond the minimum 10% requirement);
 - 0 point: Provides the minimum 10% non-2016 Measure B contribution.

Points	Non-2016 Measure B Contribution
10 points	20% or more of match provided.
9 points	19% match provided.
8 points	18% match provided.
7 points	17% match provided.
6 points	16% match provided.
5 points	15% match provided.
4 points	14% match provided.
3 points	13% match provided.
2 points	12% match provided.
1 point	11% match provided.
0 points	10% match provided.

Notes:

- Only the whole number of the match provided will be used for point distribution (a 12.99% match will be considered a 12% match).
- If the Project Sponsor states that they will provide a higher percentage of matching funds, they will be required to provide the matching percentage.

- If project costs increase and are anticipated to be over budget, 2016 Measure B funds will not be increased. The Project Sponsor is responsible for cost overruns.
- If the project is anticipated to be delivered under budget, 2016 Measure B funds will be reduced in proportion to the Project Sponsor's contribution.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Accept the Report on the 2025 Solid Waste Rate Adjustment (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Elaine Marshall, Deputy Public Works Director, 408-586-2603)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	2/4/2025
Recommendation:	(1) Accept the report on the Milpitas Sanitation Rate Cost Based Rate Review for Rate Year 8 and; (2) Find that the methodology used conforms with the Solid Waste Franchise Agreement.

BACKGROUND:

Milpitas Sanitation Inc. (MSI) holds the exclusive Franchise Agreement (Agreement) for collection of Solid Waste and collection and processing of recyclable materials and organic materials (Franchise) for the City of Milpitas. The term of the Agreement is from September 2017 through August 31, 2032, with options for extension. MSI was purchased by Waste Connections Inc. and, as provided under the Agreement, City Council approved the assignment of the Franchise to Waste Connections on June 21, 2022, along with a 4th Amendment to the Agreement that included negotiated service enhancements.

Under the Agreement, MSI provides for solid waste, recyclables and organics collection, and processing and disposal for all service sectors in Milpitas, as well as handling all billing and revenue collection. The Agreement includes provisions allowing for annual rate reviews and adjustments and contains a detailed methodology by which these rate reviews are to be calculated. Most years the rate adjustment is "Index-Based" and the methodology specifies which indices are considered and applied to MSI operating costs. For the fourth, eighth, and twelfth rate years, the rate adjustment is "Cost-Based." The methodology for the Cost-Based adjustment involves a review of MSI's actual costs and projection of costs for the coming year including a review of MSI's actual cost of operations and operational statistics (staffing levels, routes, route hours, customers and service levels) to determine the Actual Allowable Total Costs of Operations and to forecast Total Contractor's Compensation for the coming Rate Period. The difference between these is the Rate Adjustment Factor.

ANALYSIS:

MSI submitted a rate adjustment application including supporting cost-based information to the City for review that showed an initial rate adjustment calculation of 12.24%. The City's rate review consultant (R3 Consulting Group) completed a thorough review of the rate application including MSI's operating costs, operational statistics, and service levels. All unallowable costs were removed and some costs were adjusted based on most recent full year actuals instead of forecast costs. Some of the key calculation revisions included:

- Correlating labor-related costs to Rate Year 6 actual costs rather than Rate Year 7 forecasted costs
- Tying vehicle and container costs to the supporting documentation
- Capping corporate overhead expenses at a figure agreed upon prior to Waste Connections acquisition of MSI
- Amending the performance bond figure
- Tying "Other Costs" cost category to the supporting documentation and capped travel costs
- Correcting the calculation of Franchise Fees (City Fees) and the Solid Waste Compliance Fee
- Adjusting solid waste tipping fees to align with approved Waste Management application
- Correcting Direct Depreciation and Allocated Costs figures to match approved Rate Year 7 application figures

The review and revisions identified by R3, resulted in a revised Rate Adjustment calculation of 9.19%.

The rate adjustment would apply to all service categories (residential, multi-family, commercial, and debris box services provided by MSI). The calculated adjustment will impact on residential rates is shown below:

	Curbside Quarterly	Curbside Monthly	Curbside Monthly Rate +9.19%	Monthly Increase (Dollars)	Quarterly Increase (Dollars)
19-gal SW/19-gal FS	\$114.84	\$38.28	\$41.80	\$3.52	\$10.55
26-gal SW/19-gal FS	\$124.81	\$41.60	\$45.43	\$3.82	\$11.47
45-gal SW/19-gal FS	\$146.81	\$48.94	\$53.43	\$4.50	\$13.49
67-gal SW/19-gal FS	\$168.64	\$56.21	\$61.38	\$5.17	\$15.50
Senior Rates*					
19-gal SW/19-gal FS	\$57.42	\$19.14	\$20.90	\$1.76	\$5.28
26-gal SW/19-gal FS	\$62.41	\$20.80	\$22.72	\$1.91	\$5.74

*Senior rate is available to account holders aged 62 or older that reside at the premises. Applications are accepted throughout the year and eligibility may be reviewed every three years.

Solid Waste Rates Comparison Table

City	Hauler	Effective Date	20 Gallon	30-35 Gallon	60-64 Gallon	90-96 Gallon
Milpitas \$ difference compared to Average			\$4.04	-\$3.14	-\$25.54	-\$52.04
Milpitas % difference compared to Average			10.69%	-6.46%	-32.34%	-45.89%
Sunnyvale	Specialty	7/1/2022	Not Offered	\$40.00	\$46.43	\$54.56
Milpitas Current	MSI	1/1/2024	\$38.28	\$41.60	\$48.94	\$56.21
Fremont	Republic	1/1/2024	\$45.93	\$46.84	\$51.02	\$73.42
Milpitas Proposed 2025			\$41.80 \$20.90 (Sr)	\$45.42 \$22.72 (Sr)	\$53.44	\$61.38
Redwood City	Recology	2/1/2024	\$30.87	\$45.86	\$74.20	\$102.31
Santa Clara**	MTWS/Recology	7/1/2024	\$43.61	\$51.51	\$75.83	\$100.05
Newark	Republic	1/1/2024	\$38.75	\$43.05	\$76.25	\$109.44
Hayward	WM	3/1/2024	\$30.26	\$44.22	\$78.87	\$113.47
RESIDENTIAL AVERAGE			\$37.76	\$48.56	\$78.97	\$113.42
San Ramon	ACI	1/1/2024	\$41.55	\$50.77	\$83.61	\$133.17
Castro Valley Sanitary District	ACI	7/1/2024	\$35.80	\$55.49	\$96.38	\$137.24
Palo Alto	Green Waste	7/1/2017	\$27.81	\$50.07	\$100.15	\$150.22
San José	Multiple*	7/1/2024	Not Offered	\$53.45	\$106.90	\$160.35

The Franchise Agreement sets forth the methodology for calculating the rate that can be charged each year of the contract. If that methodology results in an increase less than or equal to 5% from the previous year's rate, the calculation is approved by the City Contract Manager. If the increase is over 5%, the calculation is submitted to the City Council for approval."

While the Agreement includes a provision that allows the franchise owner to “roll-over” dollars exceeding the 5% rate to apply to a future increase, MSI has stated a desire that the full adjustment be presented to City Council.

During a review of the Agreement in 2022, the City and Waste Connections/MSI negotiated service enhancements which were to be provided at no cost to the rate payers until the Rate Year 8 Cost Based rate adjustment occurred. These service enhancements included:

- Six neighborhood cleanup events per year (up to 12 if participation warrants)
- Increase in number of items per Bulky Item Collection (from 1 to 3 per appointment) and ability to set out in garbage bags
- Voucher program for disposal self-haul
- Collection of flattened cardboard set aside recycling cart
- Dedicated garbage cart service option
- Realignment of street sweeping mileage
- Additional compost giveaways (i.e., up to 100 bags of additional compost monthly)

Had these service enhancements not been requested of the hauler, the rate adjustment would likely have been below the 5% rate increase cap. The rate adjustment process is late this year due to discrepancies with MSI's revenue estimates that required more time for the consultant to verify as well as a change in MSI's accounting system. The table below shows the historic rate adjustments under the Agreement:

Rate Year	Effective Date	MSI Application (Rate Adjustment %)	City Approved (Rate Adjustment %)
2	1/1/2019	5.53	4.26
3	1/1/2020	3.27 / 6.07	1.442
4	1/1/2021	3.13	-1.22
5	1/1/2022	0.71	-
(5.5)	8/1/2022	-	2
6	1/1/2023	4.02	4.9
7	1/1/2024	5.28	4.98
8		12.24	9.19

FISCAL IMPACT:

The action has no fiscal or budget impact on the City.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, §21065 and Cal. Code Regs., tit. 14, §15378. This action is organizational, administrative, or fiscal activity of the City government that does not require commitment to any specific project that may result in a potentially significant impact on the environment and therefore is not a project pursuant to Cal. Code of Regs., tit. 14, § 15378.

RECOMMENDATION:

(1) Accept the report on the Milpitas Sanitation Rate Cost Based Rate Review for Rate Year 8 and; (2) find that the methodology used conforms with the Solid Waste Franchise Agreement.

ATTACHMENT(S):

(a) R3 Consulting Group Cost Based Rate Review for Rate Year 8 Final Report

FINAL REPORT

City of Milpitas

Cost-Based Rate Review for Rate Year 8

Submitted electronically: January 16, 2025



January 16, 2024

Elaine Marshall, Deputy Public Works Director
Myvan Khuu-Seeman, Sr. Administrative Analyst
City of Milpitas
455 E Calaveras Blvd
Milpitas, CA 95035
submitted via email

SUBJECT: Final Report – Cost-Based Rate Review for Rate Year 8

Dear Ms. Marshall and Ms. Khuu-Seeman,

R3 Consulting Group (R3) is pleased to submit this Draft Report to the City of Milpitas (City) detailing our findings from the review of Milpitas Sanitation, Inc.'s (MSI) Cost-Based Rate Application for Rate Year 8 for the City of Milpitas (City).

The objectives of the project were to:

- » Verify the calculations in MSI's rate application are complete, correct and aligned with the methodology outlined in Exhibit D-2 of the Agreement, and relevant amendments.
- » Make adjustments and recommendations as necessary to ensure that the rates presented in the final application are comparable in compensating the services MSI provides to the City.

MSI's original application was for a rate adjustment of 12.24%. After our review and adjustments, the rate adjustment is 9.19%. A summary of our findings and recommendations are provided in the following pages.

* * * * *

We appreciate the opportunity to continue to be of service to the City. Should you have any questions on our Draft Report, please don't hesitate to reach out directly.

Sincerely,



Rose Radford | Director
R3 Consulting Group, Inc.
415.347.9536 | rradford@r3cgi.com



Libby Costello | Associate Consultant
R3 Consulting Group, Inc.
917.557.9293 | lcostello@r3cgi.com

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1. EXECUTIVE SUMMARY

R3 Consulting Group, Inc. (R3) is pleased to submit this report detailing the results of our review of Milpitas Sanitation, Inc.'s (MSI) Cost-Based Rate Application for Rate Year 8 for the City of Milpitas (City). MSI's application was submitted according to Exhibit D-2 of the Agreement between the City of Milpitas and Milpitas Sanitation, Inc. for Collection of Solid Waste and Collection and Processing of Source-Separated Recyclable Materials and Organic Materials (Agreement). MSI submitted a cost-based rate application this year, the second such review that has been completed under this contract. This rate-setting process is for Rate Year (RY) 8. This review is the first cost-based review to occur since Waste Connections purchased MSI in 2022.

Background

MSI submitted a rate adjustment application for a 12.24% rate increase to its solid waste rates, effective January 1, 2025. R3 was engaged by the City to conduct a detailed review of the application, which included a thorough assessment of relevant documents for completeness and compliance with the procedures agreed upon by MSI and the City in the Agreement, and verification of the mathematical accuracy and logical consistency of the supporting documents.

Findings

Based on our initial review of MSI's application, R3 has found that the magnitude of MSI's rate increase request was primarily driven by the following factors:

- Prior to the acquisition of MSI to Waste Connections, MSI was operating with rates that did not generate enough revenue to cover the service demands. MSI has since increased the breadth of their services enough to justify the significant rate increase that exceeds the CPI.
- MSI's accounting infrastructure has significantly changed since the RY4 cost-based review, in part due to its being acquired by Waste Connections. This impacted cost category allocations and therefore, R3 relied heavily on GL records rather than escalated RY 7 figures for most line items.

We have reviewed our findings with MSI and the City. MSI provided several additional adjustments, which were incorporated in our final analysis. Both parties agree with the adjustments proposed by R3 in the review process.

R3 has made the following adjustments to MSI's initial rate application in accordance with Exhibit D-2 of the Agreement, described in more detail in Section 3 of the report below:

1. Correlate labor-related costs to Rate Year 6 actual costs rather than Rate Year 7 forecasted costs
2. Tie vehicle and container costs to the supporting documentation
3. Cap corporate overhead expenses at a figure agreed upon prior to the Waste Connections acquisition of MSI
4. Amend the performance bond figure
5. Tie "Other Costs" cost category to the supporting documentation and capped travel costs
6. Correct the calculation of Franchise Fees (City Fees) and Solid Waste Compliance Fee
7. Adjust solid waste tipping fee to align with approved Waste Management application
8. Escalate CPI indices
9. Correct Direct Depreciation and Allocated Costs figures to match approved Rate Year 7 application figures
10. MSI Draft Review Adjustments provided after R3's initial findings

The adjustments result in a calculated rate increase of 9.19%, which is 3.05% lower than the proposed 12.24% rate increase.

Exhibit D-2 allows MSI to "roll over" a rate increase that exceeds 5% to future years. R3 recommends that the company consider doing so.

2. RATE REVIEW APPROACH

RY 8 Application

MSI submitted a rate adjustment application for a 12.24% rate increase to its solid waste rates, to be effective January 1, 2025. The application is for a cost-based adjustment, which involves review of MSI's actual cost of operations and operational statistics (staffing levels, routes, route hours, customers and their service levels, etc.). Per the Agreement, the intent of performing the cost-based adjustment is to examine the actual impact of changes in inflation or deflation, the number of customers, and the service level of customers.

In projecting 2025 costs, MSI included the direct costs for the City's garbage, organics and recycling collection, costs for transfer, processing and disposal of garbage, organics and recycling; as well as the direct costs for labor- and vehicle-related costs. MSI's costs do include some allocations for costs shared with Garden City Sanitation (serving San Jose). These costs are limited to facility/shop maintenance and other related activities, and the costs are allocated proportionately to the number of routes served by each company.

Scope of Review

The City engaged R3 to perform a review of the application in accordance with Exhibit D-2 to the Agreement. These procedures included the following activities:

- Reviewing the rate application to determine its compliance with the terms and conditions of the Agreement, mathematical accuracy and logical consistency.
- Comparing MSI's reported expenses to MSI's General Ledger (GL) of actual expenses based on its 2023 Audited Financials.
- Reviewing the appropriateness of MSI's classification of expenses into the various expense categories, and analyzing costs for reasonableness and alignment with industry standards.
- Verifying accuracy of calculated pass-throughs against base documentation, including a detailed review of tonnage reporting.
- Reviewing MSI's projection of 2025 expenses and performing a historical review comparing calculated expenses from 2024 and reported actuals for 2023.
- Reviewing MSI's rate components for compliance with Exhibit D-2, Cost-Based Rate Setting Methodology, including but not limited to:
 - Total Annual Cost of Operations
 - Labor-related costs
 - Vehicle-related costs (excluding fuel and depreciation)
 - Fuel costs
 - Recyclable Materials Processing Revenues
 - Yard Trimmings Materials Processing Costs
 - Food Scraps Materials Processing Costs
 - C&D Materials Processing Costs
 - On-Call Materials Processing Costs
 - Other costs
 - Direct depreciation costs
 - Actual allocated costs (labor, vehicle, general and administrative, and other costs)
 - Actual allocated costs (depreciation and start-up)
 - Profit
 - Pass-Through Costs
 - Disposal Cost
 - Interest Expense
 - Direct Lease Costs
 - Allocated Lease Costs
 - Cost of Rate Adjustment Process

-
- City Fees
 - “Roll-Over” of Dollars Exceeding Rate Cap
 - Reviewing MSI’s projection of rate revenue based upon billed revenues for 2024 year-to-date and actual revenues for on-call services such as debris box service for the most recently completed 12-month period, ending June 2024
 - Verifying the rate adjustment factor using the total required revenue and actual revenue to determine the appropriate 2025 rate adjustment; and
 - Preparing this report that documents findings and recommendations.

Limitations

Our conclusions are based in part on the review of MSI’s projections of its financial results of operations, and our reading and interpretation of Exhibit D-2 and relevant amendments. Actual results of operations will usually differ as projections are forward estimates and subject to unforeseeable events, and the difference may be significant.

Findings below are based upon the procedures described above. Procedures are intended to meet the City’s objectives at a minimum cost. However, they do not constitute an audit in accordance with auditing standards. If additional procedures were performed, other matters may have altered our findings, and those changes may have been material.

This report is intended solely for the use of the City of Milpitas and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

3. ADJUSTMENTS

Summary of Adjustments

The adjustments identified by R3 are outlined in the table below. Each adjustment is numbered. A description of the associated adjustments is provided on the following pages.

Table 1: Summary of Adjustments

Adjustment Number	Cost Categories)	MSI Rate Application	Adjustment \$)	% Change
	Original Application	\$26,371,481		12.24%
	Tonnage Adjustment	\$26,269,846	\$(101,635)	-0.03%
1	Labor-Related Costs	\$24,971,427	\$(1,298,419)	-5.55%
2	Reconciliation of Allocated Actuals	\$24,977,075	\$5,649	0.02%
3	Corporate Overhead Cap	\$24,069,059	\$(908,016)	-3.88%
4	Performance Bond	\$23,897,619	\$(171,440)	-0.73%
5	Other Costs	\$23,892,038	\$(5,581)	-0.02%
6	Solid Waste Compliance Fee	\$24,546,356	\$654,318	2.79%
7	Solid Waste Tipping Fee	\$24,568,920	\$22,564	0.10%
8	Indices Escalation	\$25,502,395	\$933,475	3.99%
9	Direct Depreciation, Start-Up Costs, Interest	\$25,501,228	\$(1,167)	0.00%
10	MSI Adjustments	\$25,560,862	\$59,634	0.25%
	Total Impact of Adjustments	\$(810,619)		9.19%

Adjustment #1: Labor-Related Costs

In MSI's original application, all Labor-Related Costs (Regular Wages, Overtime Wages, Holiday Wages, Vacation Wages, Sick Leave Wages, Workers Compensation Insurance Premiums, Workers Compensation Claims, Health & Welfare, Pension/Retirement Benefits, Payroll Taxes, Other), were tied to Rate Year (RY) 7 projected figures. MSI projected RY7 totals by applying the respective CPI index to RY6 forecast numbers. However, as stated in Exhibit D-2 of the Agreement, the cost-based adjustment involves review of the Contractor's actual cost of operations and operational statistics (staffing levels, routes, route hours, Customers and their service levels, etc.) to determine the Total Annual Cost of Operations for the most-recently completed Rate Period and to forecast the Total Contractor's Compensation for the coming Rate Period. In accordance with the Agreement, R3 tied all Labor-Related Costs to RY6 Actuals rather than RY7 Totals. RY6 is the most recent, complete rate year with audited financials. The effect of this adjustment was a decrease of \$1,298,420, or -5.55%, from the original application.

Adjustment #2: Reconciliation of Allocated Actuals

In MSI's rate application, expenses were allocated according to the allocation basis provided in the RY4 application. Due to changes in MSI's finance and accounting structure since RY4 application period, allocation methodologies differed from prior practices requiring R3 to adjust all Labor-Related Costs that did not match to historical practice, including the addition of missing or incorrectly reported financial information. We also corrected the fuel index value used to project future fuel costing. The effect of these adjustments was a net increase of \$5,649, or 0.02%.

Adjustment #3: Corporate Overhead Cap

MSI' allocated \$667,014 to Corporate Overhead. R3 capped Corporate Overhead at RY6 forecasted rather than the reported MSI actuals, adjusting it from \$667,014 to \$103,481. During the assignment of

Adjustments

the Agreement to Waste Connections, the City did not agree to passing on materially higher corporate overhead costs. The effect of this adjustment was a decrease of \$908,016, or 3.88%.

Adjustment #4: Performance Bond

R3 disallowed the performance bond expense, which was not included as a line-item in prior years' rate applications. In MSI's original rate application, the Performance Bond line item of \$50,112.72 is listed as a sum in the General and Administrative portion, as well as piecewise through respective sub-portions of the application, effectively double counting the figure. Ultimately, a Performance Bond line item was added back in (see Adjustment #10) in the amount of \$22,823.76 because Exhibit N contains it as an allowable.

Adjustment #5: Other Costs

MSI's original application recorded General and Administrative "Other Costs" at \$539,638.89, allowing \$451,043.12 based on the RY7 forecasted total. This figure did not tie to the general ledger, which totaled the cost category to \$463,071.15. However, travel costs, which are included in the "Other Costs" category, summed to \$21,155.74. Exhibit D-2 Section 2c. of the Agreement states, "Travel expenses and entertainment (above five thousand dollars (\$5,000) annually in total) expenses, unless authorized in advance by the City" are considered non-allowable costs and shall be deducted from the Contractor's actual costs when determining the Actual Allowable Total Annual Cost of Operations. Therefore, R3 capped travel expenses at \$5,000, deducted the disallowed \$16,155 figure from the "Other Costs" total in the general ledger, and also adjusted the original \$539,638 figure with the corrected amount of \$446,915.41. The effect of this adjustment was a decrease of \$5,581, or 0.02%.

Adjustment #6: Solid Waste Compliance Fee

MSI's application contained a calculation of the Franchise Fee that was added to Total Expenses before City Fees. However, as stated in Exhibit D-2 Section 2.E.1 of the Agreement, the Franchise Fees for the coming Rate Period shall equal fourteen and one-seventeenths (14.17%) of Contractor's Total Calculated Costs, including City Fees. R3 adjusted the calculation. Additionally, R3 separated the RY7 Solid Waste Compliance Fee apart from the City Fee calculation, and escalated the Compliance Fee appropriately via a one-time CPI index application. The effect of this adjustment was an increase of \$654,318, or 2.79%.

Adjustment #7: Solid Waste Tipping Fee

MSI had estimated the solid waste tipping fee to be \$47.54. R3 corrected this figure with the approved tipping fee of \$47.98, in accordance with the Waste Management application which was also reviewed for accuracy. The effect of this adjustment was an increase of \$22,564, or 0.10%.

Adjustment #8: Indices Escalation

R3 escalated all indices for labor-related, vehicle-related, and fuel cost figures tied to RY6 Actuals in accordance with the methodology outlined in Exhibit D-2 for Forecasted cost categories.

MSI's rate adjustment request included the CPI increase (calculated correctly), applied one time to actual costs in 2023 (RY6). According to Exhibit D-2, the 2023 actual costs (adjusted for non-allowables) are to be increased twice, once to project into 2024 costs, and the second time to project into 2025 costs (for rates effective January 1, 2025). R3 has added the additional CPI increase adjustment into the calculation, resulting in an increase of \$933,475, or 3.99%, in the RY8 forecasted costs.

Adjustment #9: Direct Depreciation, Start-Up Costs, and Interest Expense Reconciliation

R3 corrected the Direct Depreciation and Allocated Costs (Depreciation and Start-Up Costs) from a base of RY7 Actuals to the figures in the RY7 approved rate application.

These changes align with Exhibit D-2, as follows:

2.A.3.g. Direct depreciation expense is a fixed cost and is not subject to inflation.

Adjustments

2.A.9. The Allocated Depreciation and Start-Up Costs shall be \$77,731 per year for Rate Period Two through Ten, and are not annually adjusted. These costs shall be zero for all subsequent Rate Periods unless Parties mutually agree to a different amount.

Exhibit D-1.C.2 of the Agreement sets a flat Interest Expense of \$603,927 for Rate Period Two through Ten. Consistent with Exhibit N, in the RY 4 application, MSI proposed a flat figure of \$565,591, which is not subject to annual adjustment. MSI had explained that this discrepancy is due to the switch to delivering disposal tonnage to Kirby Canyon. R3 implemented this change in the RY 8 application.

The combined effect of these adjustments was a decrease of \$1,167, or 0.00%.

Adjustment #10: MSI Draft Review Adjustment

After completing the analysis process, R3 shared a draft report of findings with MSI, and the two parties collaborated on final adjustment figures. A Performance Bond line item was added at the current rate of \$22,823.76 because it is listed in Exhibit N.

A number of the Vehicle-Related Costs reflected negative figures that were inaccurately summed in the RY8 Forecasted figures. These costs were adjusted to reflect amount captured in the General Ledger, and the RY8 Forecasted increased. The Direct Depreciation was adjusted to \$1,178,985 in accordance with Section 3. A. of the Third Amendment to the Agreement.

MSI requested to change the rates for the tonnage pass-throughs to current rates; however, Exhibit D-2 states that the per-ton rates should be the prior year's rate increased by CPI, and that change was rolled out through each of the rates.

The combined effect of these edits resulted in a final increase of \$61,607, or 0.26%. Therefore, the final rate increase rate is 9.19%.

Other Findings Not Resulting in Adjustments

R3 completed analysis on payments to related party entities, other expense increases, interest expense, allocated costs (depreciation and start-up), labor costs, and escalation factors that did not result in adjustments to MSI's initial rate adjustment request. More detail is provided in the dedicated sections below.

Revenue

MSI provided an initial estimate of 2024 revenues based upon their billed revenues year-to-date, and annualized for the remaining months of the year. This estimate was further supported by an export of customer subscription and a reconciliation accounting for on-call debris box revenue. R3 further investigated the billed revenue projection by taking the following actions:

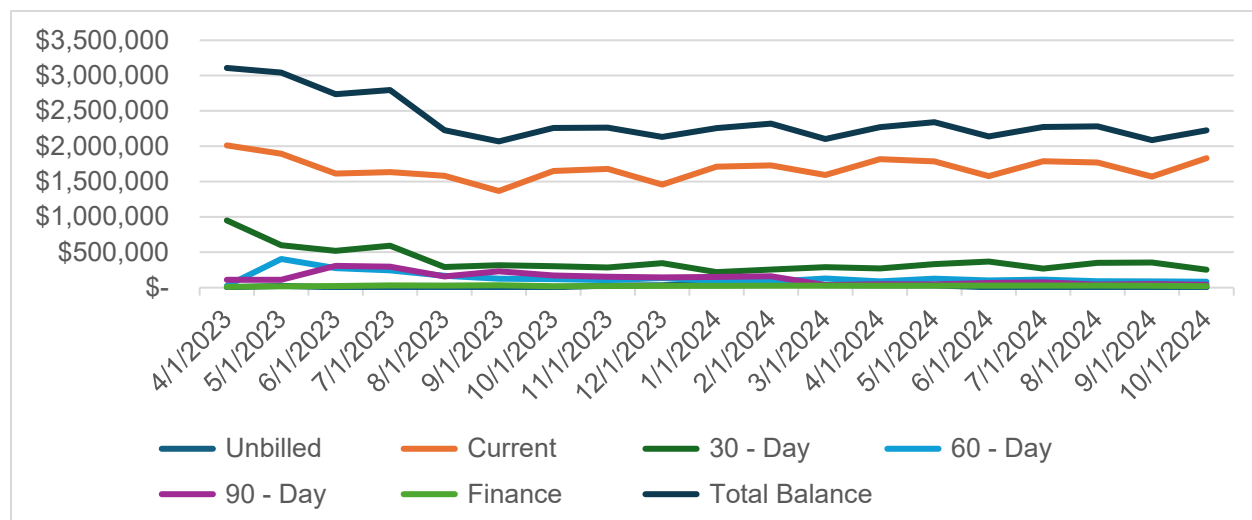
- Compared the billed revenue to receipts for 2024 and 2023. Receipts were approximately \$2M higher than billings in 2023; the gap has since shrunk.
- Conducted an analysis of Accounts Receivable aging compared to cash receipts from April 2023 to October 2024. The analysis noted a material improvement in delinquent cash collections and similar fashion a reduction in time between billed revenue and cash collections.

There is a timing difference between cash receipts and revenue recognition. MSI stated that in early 2023 there were difficulties in collecting outstanding invoices due to poor collection practices in the past. MSI has steadily improved collection practices as noted in the chart on the next page (Chart 1 MSI Accounts Receivable Analysis).

The 30-, 60-, and 90-day outstanding balances in 2023 noticeably began in August 2023 and continued through October 2024. Current balances also trended downward as the overall outstanding balance of \$3.1 million in April 2023 declined to \$2.2 million in October 2024 for an overall reduction of 28.5%.

Adjustments

Chart 1 MSI Accounts Receivable Analysis



Single family/residential customers are billed on a quarterly basis. This results in customers paying for services not yet received for the second and third month of each quarterly billing cycle. Generally Accepted Accounting Principles (GAAP) require MSI to recognize revenue in the month earned: one-third of the total bill is recognized as revenue in each of the three months. Once the next quarter billing cycle occurs, the process repeats.

Since Franchise Fees are paid on cash receipts and not revenue, on average, there will be a timing difference of approximately \$500K between when cash is received and when revenue is recognized. The City is incurring no losses based on this timing difference.

No adjustment was made.

Related Party Entities

Since the change in ownership from MSI to Waste Connections, related-party entity transactions were limited to the allocated expenses for maintenance between Garden City Sanitation and MSI.

Tonnages

Minor discrepancies between the reported tonnages and the back-up tonnages were discovered early in our review process. MSI corrected these discrepancies and re-submitted its application, reducing the total rate increase request by \$101,635, or 0.3%.

Total Allocated Costs - Depreciation and Start-Up Costs

The Third Amendment to the Agreement sets a flat Allocated Depreciation and Start-Up Costs expense of \$77,151.

Indices

R3 found that MSI correctly calculated and applied the appropriate escalation factors. Details on each indexed rate adjustment basis is provided below:

Other Costs - CPI-U (Consumer Price Index – All Urban Consumers): The Agreement specifies use of Series ID: CUURA422SA0 from the US Bureau of Labor Statistics (BLS) to determine CPI-U. Since the establishment of this requirement, BLS has changed the Series ID and re-named the area of reference. In keeping with the intention of the Agreement, MSI has

Adjustments

appropriately used the updated index Series ID: CUURS49BSA0 with the updated area of reference re-named "San Francisco - Oakland - Hayward, CA". This index can be located at the following web address: <https://data.bls.gov/cgi-bin/srgate>

Labor-Related Costs - ECI (Employment Cost Index): The Agreement specifies use of Series ID: CIU201S000300000I from the BLS to determine ECI.

Vehicle-Related Costs - CPI-Motor Vehicle Maintenance and Repair: The Agreement specifies the use of the Consumer Price Index, All Urban Consumers, Motor Vehicle Maintenance and Repair, not seasonally adjusted U.S. city average, compiled and published by the U.S. Department of Labor, Bureau of Labor Statistics.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive an Update on the Security Improvements at the McCarthy Ranch Sewer Lift Station (Main Lift) and Determine that the Condition Continues to Constitute an Emergency (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	2/4/2025
Recommendation:	(1) Receive an update on the security improvements at the McCarthy Ranch Sewer Lift Station; and (2) Determine by a four-fifths vote that the condition continues to constitute an emergency.

BACKGROUND:

Pursuant to Public Contract Code section 22050 and the attached Council Resolution No. 9134, the Director of Public Works, in the case of emergency, may authorize a repair of a public facility and procure the work without giving notice for bids. An emergency is defined as “a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.” Additionally, State law requires the Public Works Director, as the City official with delegated authority to take emergency action, to report any emergency authorization and the reason(s) for the authorization to the City Council not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action. Further, the Public Works Director is required to report why the emergency would not permit a delay resulting from a competitive solicitation for bids and the City Council is required to review the emergency action at every regularly scheduled meeting thereafter until the emergency repair is completed. The City Council shall continue to review the emergency action at every regularly scheduled meeting thereafter until the action is terminated. At each review, the City Council shall determine, by a four-fifths vote, whether there is a need to continue the action.

Consistent with applicable State law and Council Resolution, on July 30, 2024, the Public Works Director declared an emergency and authorized the City to contract with Trofholz Technologies and Diamond Fencing to implement various security and access control improvements to the McCarthy Ranch Sewer Lift Station (Main Lift). Further, within the required timeframe the Public Works Director informed the City Council via [Information Memorandum](#) on July 31, 2024, regarding the emergency authorization, the reasons for the authorization, and the cost for repair in a not to exceed amount of \$700,000.

PROJECT/STATUS UPDATE:

On January 25, 2025, the Main Lift station experienced another burglary resulting in additional property damage and theft of City vehicles. Three Ford-F250 heavy-duty pickup trucks were stolen and at least one of them was used to forcibly drive through the wrought-iron gate. The vehicles have since been recovered, although staff is assessing the full extent of the damage. Property damage to Main Lift was limited to the two wrought-iron gates. The affected gates are located at the main entry gate into the Main Lift station, and between the Main Lift station and Corporation Yard. The newly installed fence was not affected by this incident. Staff is working with Diamond Fence to determine if they can replace the two gates damaged in this incident, which were not part of the original project scope. This change order will extend the project completion for the fence installation by 4-6 weeks. The budgeted project contingency should be sufficient to cover the replacement of the damaged gates, but has not yet been confirmed given the recency of the incident.

The installation of security enhancements by Trofholz Technologies, Inc. were also not compromised. Information Technology staff is working on establishing the network connectivity to operate the security cameras, card readers, and motion sensors at the Main Lift facility.

FISCAL IMPACT:

Funding for these repairs is available in the City's Capital Improvement Program (CIP) budget. CIP Project 6124 – Sewer Pump Station Rehabilitation Project will fund the installation of security cameras, card readers, and motion sensors. The funding source of this CIP project is Sewer Infrastructure Fund. The available balance as of 01/27/2025 is \$1,277,987.

CIP 6130 – Main Lift Odor Emission Control Project will fund the removal and replacement of the perimeter fencing. The funding source of this CIP Project are Sewer Infrastructure Fund, and Sewer Treatment Fund. The available balance as of 01/27/2025 is \$9,487.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The emergency repair work is exempt from CEQA, per CEQA Guidelines Section 15301, Existing Facilities and 15302, Replacement or Reconstruction.

RECOMMENDATION:

- 1) Receive an update on the security improvements at the McCarthy Ranch Sewer Lift Station.
- 2) Determine by a four-fifths vote that the condition continues to constitute an emergency.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Accept the Workplan for the Street Resurfacing Project 2024, CIP No. 4305 and Street Resurfacing Project 2025, CIP No. 4300 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	2/4/2025
Recommendation:	Accept the workplan update for the Street Resurfacing Project 2024, CIP No. 4305 and Street Resurfacing Project 2025, CIP No. 4300.

BACKGROUND:

The Traffic and Transportation section of the Public Works Department is responsible for planning and managing the Citywide Street Resurfacing Program. The streets identified annually for the repair, rehabilitation, and/or reconstruction are based on the Pavement Technical Assessment Program (P-TAP) report developed by the Metropolitan Transportation Commission (MTC) which provides agencies recommendations to optimize the pavement condition rating and use of funding. According to the 2024 P-TAP report, the City Pavement Condition Index (PCI) stands at 71, classified as "Good Condition" and above the Bay Area's average of 67. The City goal is to maintain a minimum of a PCI rating of 70.

City Council approved the improvement of streets along Great Mall Parkway from I-880 to McCandless Drive and Thompson Street and Court through the Street Resurfacing Project 2024, CIP No. 4305 (GMP Phase 1) and Great Mall Parkway from McCandless Drive to Montague Expressway; Adler Dr. from Tasman Dr. to Barber Ln.; and Tasman Dr. from Alder Dr. to I-880 through the Street Resurfacing Project 2025, CIP No. 4300 (GMP Phase 2) as part of the adopted 2024-2028 and 2025-2029 Capital Improvement Programs, respectively. GMP Phase 1 was successfully completed under budget this past fall and GMP Phase 2 was scheduled to be constructed in 2025.

On October 24, 2024, staff provided a workplan update on the City's Street Resurfacing Program to the Transportation Subcommittee and recommended that GMP Phase 2 be postponed until 2026 to allow staff to pursue grant opportunities while conducting a preventive maintenance street sealing project in 2025 with the available funding. The Subcommittee expressed support of staff's efforts and the workplan update.

ANALYSIS:

After a deliberate review of the P-TAP report and weighing the revenue for the Program, staff recommended to postpone the GMP Phase 2 project until 2026 as it is an ideal candidate for grant opportunities. Staff submitted a grant application in the amount of \$3.4 million through the California Transportation Commission 2024 Local Partnership Competitive Program (CTC grant) on November 20, 2024. GMP Phase 2 meets the core requirements of this grant which are a street resurfacing initiative; located within a development area where the City assesses impact fees; construction documents have been prepared; and the street is designated as an arterial (high-capacity urban road). Grant awards are anticipated to be announced in June 2025. The other potential grant opportunity is Metropolitan Transportation Commission's One Bay Area Program Cycle 4 (OBAG 4). GMP Phase 2 is anticipated to be an ideal candidate based on the requirements of the OBAG 3 grant in 2023 which funded street resurfacing projects focused on complete streets components. The guidelines for OBAG 4 are anticipated to be released in February 2025; staff will confirm the alignment of this grant with the GMP Phase 2 project upon its release.

Should the GMP Phase 2 not receive any grant funding, then staff will likely recommend proceeding with construction in 2026, as the project is fully funded through the adopted 2025-2029 Capital Improvement Program.

In addition, thanks to a \$1.5 million OBAG 2 grant award in 2021, coupled with lower-than-expected bid prices for the past few street resurfacing project cycles, the Street Resurfacing Program has a balance of approximately \$2.2 million. This funding is sufficient to perform a much-needed preventive maintenance street sealing project in 2025. Staff is recommending using this funding to improve the pavement condition of the following streets (blue area of the map below):

- E. Calaveras Boulevard from I-680 to Evans Road, excluding the portion of the road that was improved by the MUSD Innovation Campus project;
- North Park Victoria from Jacklin Road to East Calaveras Blvd.;
- North and South neighborhoods of Mt. Shasta Avenue including Courtland Court and Avenue, Jungfrau Court, Bee Court, Matterhorn Court, Big Bear Court, and Chewpon Avenue.;
- Temple Avenue from East Calaveras Blvd. to Wylie Drive

Staff will also be soliciting bid alternates to include Lawton Drive, Beacon Drive, Canton Drive (from Roswell Drive and Bixby Drive), Bixby Drive (from Burley Drive to Wylie Drive), Burley Drive (from Lawton Drive to Bixby Drive), Wylie Drive (from S. Temple Drive to Bixby Drive), and Sepulveda Court, (yellow area of the map below). Based on bid prices, staff will assess whether sufficient funding is available to award one or multiple alternate bids with the base scope.



The work to be performed this summer will primarily involve asphalt improvement consisting of cape, crack and slurry seal and spot repairs; minor concrete repairs to curb and sidewalk and curb ramp upgrades per ADA; signage and striping; and pedestrian push button improvements on the adjacent traffic signals. The selected street segments have low PCI ratings between the 40s and 50s which are anticipated to rise to the 80s and 90s while helping to extend the pavement life by up to ten years.

POLICY ALTERNATIVE(S):

Alternative 1: Not Accepting the Workplan Update for the Street Resurfacing Project 2024, CIP No. 4305 and Street Resurfacing Project 2025, CIP No. 4300.

Pros: Staff will proceed with Street Resurfacing Project 2025, CIP No. 4305 as scheduled on Great Mall Parkway to start construction in the summer 2025 as approved in the adopted 2025-2029 Capital Improvement Program.

Cons: As the Project is an ideal candidate for CTC and OBAG 4 grants, the City would miss an opportunity and forfeit any grant funding if the construction started prior to executing a funding agreement which would be anticipated to be completed by spring of 2026, if selected. In addition, the preventive maintenance street sealing project will be postponed to either 2026 or 2027, pending available resources, which may impact the City goal to maintain a minimum PCI rating of 70.

Reason for Not Recommending: If the City is selected to receive grant funding, portion of the approved funding of the Street Resurfacing Project 2025, CIP No. 4300 as approved in the adopted 2025-2029 Capital Improvement Program will be reallocated to expedite planned resurfacing projects in the coming years which will help the City meet its goal of maintaining a minimum PCI rating of 70.

FISCAL IMPACT:

There is sufficient available budget of \$4,597,000 to proceed with Street Resurfacing Project 2025, CIP No. 4300 without receiving grant funding which estimated at \$4.5 million. There is sufficient available budget of \$3,622,000 in Street Resurfacing Project 2024, CIP No. 4305 to perform a preventive maintenance street sealing project with a project budget of approximately \$2.2 million. Approximately \$1.0 to 1.4 million in funding from this project is designated for the street resurfacing of Dempsey Road after the Waterline Replacement Project, CIP No. 7118 is completed.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Both projects are exempt under Section 15301 (Existing Facilities) of the CEQA guidelines. A Notice of Exemption (NOE) will be filed with the County of Santa Clara upon the City Council acceptance of the workplan update.

RECOMMENDATION:

Accept the workplan update for the Street Resurfacing Project 2024, CIP No. 4305 and Street Resurfacing Project 2025, CIP No. 4300.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Approving the FY 2024-25 Development and Storm Impact Fee Schedule for the Transit Area Specific Plan (TASP) Impact Fee, Calaveras Boulevard Widening Traffic Impact Fee, and Storm Drain Fee (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111)
Category:	Leadership and Support Services
Meeting Date:	2/4/2025
Recommendation:	Adopt a resolution approving the FY 2024-25 Development and Storm Impact Fee Schedule for the Transit Area Specific Plan (TASP) Impact Fee, Calaveras Boulevard Widening Traffic Impact Fee, and Storm Drain Fee.

BACKGROUND:

Consistent with the State of California Mitigation Fee Act (Government Code §§66000 et seq.) and City of Milpitas (City) Municipal Code, the City is authorized to impose, collect, and expend mitigation fees to offset the impacts of development within the City. Pursuant to these granted authorities, the City Council established, adopted, and imposed a Transit Area Specific Plan (TASP) Impact Fee, a Calaveras Boulevard Traffic Impact Fee, and a Storm Drain Fee (collectively, the “Fees”).

ANALYSIS:

Per City of Milpitas Municipal Code Chapter 4 – *Fees for New Development*, Section VIII-4-2.02 - *Fee Adjustment by the City*, the City reserves the right to update and adjust each development impact fee from time to time in accordance with the Mitigation Fee Act, with those adjustments in the amount of the estimated construction costs of providing the specified public facilities based upon adjustments in accordance with the inflation index. As such, staff recommends the Fees be increased by the most recent annual change available at the time of review for the *Engineering News Record* Construction Cost Index (CCI) for San Francisco. That respective CCI change is 3.59%, as demonstrated below.

Escalation Factor	Year to Year	Construction Cost Index	Variance #	Variance %
<i>Engineering News Record</i>	December 2022	14,977.94		
City Cost Index San Francisco	December 2023	15,515.00	537.06	3.59%

The discrete adjustments for each of the Fees are exhibited in Attachment A - FY 2024-25 Development Impact Fee Schedule.

POLICY ALTERNATIVE(S):

As the Fees adjustments proposed are consistent with the State of California Mitigation Fee Act (Government Code §§66000 et seq.) and City of Milpitas Municipal Code regarding development impact fees and the manner of adjusting those fees, no policy alternatives are recommended.

FISCAL IMPACT:

Collection of the Fees relies entirely on development activity, which varies and is outside of City control. Staff cannot accurately predict any additional revenues or related expenditures resulting from the proposed increase in Fees. Consequently, no fiscal impact has been anticipated.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The Fees authorized by this resolution are not a project under California Environmental Quality Act (CEQA) and are therefore statutorily exempt from environmental review pursuant to CEQA Guidelines Section 15378 (b)(4).

RECOMMENDATION:

Adopt a resolution approving the FY 2024-25 Development and Storm Impact Fee Schedule for the Transit Area Specific Plan (TASP) Impact Fee, Calaveras Boulevard Widening Traffic Impact Fee, and Storm Drain Fee.

ATTACHMENT(S):

- (a) FY 2024-25 Development and Storm Impact Fee Schedule
- (b) Resolution



FY 2024-25 Development Impact Fee Schedule

TRANSIT AREA SPECIFIC PLAN (TASP) DEVELOPMENT IMPACT FEE^a

Activity Description	FY 23/24 Fee	FY 24/25 Fee	Unit
1 Residential	\$ 50,056.00	\$ 51,850.84	per unit
2 Commercial	\$ 32.75	\$ 33.92	per square foot
3 Office	\$ 56.28	\$ 58.30	per square foot
4 Hotel	\$ -	\$ -	per room
5 Other Uses	To Be Determined	To Be Determined	

^a Fee applies Citywide except TASP Fees for Calaveras Boulevard Widening

CALAVERAS BOULEVARD WIDENING TRAFFIC IMPACT FEE

Activity Description	FY 23/24 Fee	FY 24/25 Fee	Unit
1 Residential 5 or More Units	\$ 278.00	\$ 287.97	per unit
2 Retail Development of 1,000 or more Square Feet	\$ 1,184.00	\$ 1,226.45	per square foot
3 Office Development of 1,000 or more Square Feet	\$ 588.00	\$ 609.08	per square foot
4 Other Uses	To Be Determined	To Be Determined	

STORM DRAIN IMPACT FEE

Activity Description	Parcel Size	FY 23/24 Fee	FY 24/25 Fee	Unit
1 Single-Family Medium Density	Equal or Smaller than 8,710 square feet	\$ 1,100.00	\$ 1,139.44	per parcel
2 Single-Family Low Density	Between 8,711 and 43,560 square feet	\$ 1,916.00	\$ 1,984.70	per parcel
3 Single-Family	Between 1 acre and 4 acres	\$ 3,594.00	\$ 3,722.87	per parcel
4 Single-Family	Between 4 acres and 9 acres	\$ 4,792.00	\$ 4,963.83	per parcel
5 Single-Family	Greater than 9 acres	\$ 6,469.00	\$ 6,700.96	per parcel
6 Multiple Family		\$ 16,771.00	\$ 17,372.35	per acre
7 Commercial, Industrial, Institutional, or Mixed-Use Sites		\$ 21,562.00	\$ 22,335.14	per acre
8 Schools with Athletic Fields		\$ 7,187.00	\$ 7,444.70	per acre
9 Parks		\$ 4,792.00	\$ 4,963.83	per park

Escalation Factor	Year to Year	Construction Cost Index	Variance #	Variance %
Engineering News Record	Dec-22	14,977.94		
City Cost Index	Dec-23	15,515.00	537.06	3.59%
San Francisco				
December to December				

PUB20250204

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS APPROVING
THE DEVELOPMENT AND STORM IMPACT FEE SCHEDULE FOR THE TRANSIT
AREA SPECIFIC PLAN (TASP) IMPACT FEE, THE CALAVERAS BOULEVARD
WIDENING TRAFFIC IMPACT FEE, AND THE STORM DRAIN FEE FOR FISCAL
YEAR 2024-25**

WHEREAS, the Mitigation Fee Act, Government Code Section 66000 et seq., authorizes the City of Milpitas (“City”) to impose, collect, and expend mitigation fees to offset the impacts of development within the City; and

WHEREAS, pursuant to its authority under the Mitigation Fee Act (Government Code §§ 66000 et seq.) the City Council established, adopted, and imposed a Calaveras Boulevard Traffic Impact Fee, a Transit Area Specific Plan (“TASP”) Impact Fee and a Storm Drain Fee (collectively, the “Fees”); and

WHEREAS, per City of Milpitas Municipal Code Chapter 4 – *Fees for New Development*, Section VIII-4-2.02 – *Fee Adjustment by the City*, the City reserves the right to update and adjust each development impact fee from time to time in accordance with the Mitigation Fee Act; and

WHEREAS, per City of Milpitas Municipal Code Chapter 4 – *Fees for New Development*, Section VIII-4-2.02 – *Fee Adjustment by the City*, those adjustments are calculated in the amount of the estimated construction costs of providing the specified public facilities based upon adjustments in accordance with an inflation index; and

WHEREAS, inflationary adjustments will be based the most recent annual change available at the time of review for the *Engineering News Record* Construction Cost Index for San Francisco; and

WHEREAS, the Fees as amended are supported by a previously adopted Nexus Studies and Capital Improvement Plans, which are incorporated by this reference and which the City Council finds and determines remain sufficient and justified with the currently contemplated amendment to these Fees; and

WHEREAS, the Nexus Studies continue to substantiate a methodology that will charge each new development project only for the costs necessary to mitigate the impacts expected to be caused by that development project; and

WHEREAS, the Fees will not be levied, collected or imposed for general revenue purposes, but are levied specifically to fund facilities of the types set forth in the Nexus Studies; and

WHEREAS, the Nexus Studies establish proposed amounts and provide an evaluation of the need for Fees and establishes the nexus between the imposition of the Fees, as amended, and the estimated reasonable costs of providing the services for which the Fees are charged; and

WHEREAS, the Nexus Studies includes information that supports the City’s actions, as required by subdivision (a) of Section 66001 of the Government Code; and

WHEREAS, there is a reasonable relationship between the Fees as amended and the development projects on which the Fees will be imposed because the Fees will only fund costs necessitated by each new development; and

WHEREAS, the Fees as amended will not exceed the estimated reasonable cost of providing the land and facilities for which the Fees are imposed; and

WHEREAS, the City desires to update the Fees to ensure that new development contributes its fair share to public facilities in the City consistent with the City's standards, including by continuing to ensure those Fees continue to track the increasing costs for the construction of public facilities; and

WHEREAS, the City Council now wishes to approve the FY 2024-25 Development and Storm Impact Fee Schedule set forth in Exhibit 1 hereto; and

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The Recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The Fees authorized by this Resolution are not a project under California Environmental Quality Act (CEQA) and are therefore statutorily exempt from environmental review pursuant to CEQA Guidelines Section 15378 (b)(4).
3. The City Council finds that all prerequisites for the adoption of the Fees as amended have been met, including publication and notice of all information required by the Mitigation Fee Act, state, and local law.
4. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Based upon such consideration, the City Council finds and determines that:
 - (a) The Fees established by this Resolution:
 - (1) are imposed for a specific government service provided directly to the payor, or for reasonable regulatory costs of the City for issuing licenses and permits, performing investigations, inspections, and administrative enforcements of the City's Municipal Code or other rules or ordinances;
 - (2) are no more than necessary to cover the reasonable costs of the governmental activity for which the Fees are imposed; and
 - (3) the manner in which those Fees are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity for which the Fees are imposed.
 - (b) The Fees are not "special" taxes within the meaning of California Constitution Article XIII C, Section 1(e).
5. The City Council hereby approves the FY 2024-25 Development and Storm Impact Fee Schedule included herewith as **Exhibit 1**. The fees adopted pursuant to this Resolution shall supersede any prior fees, charges or other exactions imposed by resolution or otherwise by the City Council, to the extent such prior fees, charges, or other exactions conflict with the Fees set forth in Exhibit 1 hereto.
6. The FY 2024-25 Development and Storm Impact Fee Schedule will become effective sixty (60) days after adoption.

PASSED AND ADOPTED this ___ day of ____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Suzanne Guzzetta, City Clerk

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney

Exhibit 1



**Notice of Public Hearing for the
Proposed 2024-25 Development Impact Fee Schedule**

NOTICE IS HEREBY GIVEN that the Milpitas City Council will hold a public hearing at its regular City Council meeting in person at Milpitas City Hall, 455 E. Calaveras Blvd. and via Zoom webinar scheduled on **Tuesday, February 4, 2025**, starting at **7:00 p.m.** to review, revise and/or adopt the proposed Fiscal Year (FY) 2024-25 Development Impact Fee Schedule for the City of Milpitas. The proposed FY 2024-25 Development Impact Fee Schedule will be available at least ten (10) days prior to the required public hearing, as provided for in City of Milpitas Municipal Code IV3-6.00, no later than **January 24, 2025** for public inspection on the City website www.milpitas.gov.

INTERESTED PERSONS MAY provide public comments during the public hearing in-person by following the instructions listed on the City Council meeting agenda or submit written comments prior to the hearing by emailing the City Clerk at CityClerk@milpitas.gov. Please be advised that written comments will not be read during the meeting. Written comments will be digitally distributed to the City Council if received on the public hearing date by 5:00 p.m. and will be part of this meeting's public record.

Suzanne Guzzetta
City Clerk
Publication Date: January **24**, 2025



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Consider Substantial Amendments to the 2022-2025 Consolidated Plan and 2024-2025 Annual Action Plan, and Review Applications for the 2025-2026 Annual Action Plan and 2025-2030 Consolidated Plan Development Update (Staff Contact: Robert Musallam, Housing Official, 408-586-3275)
Category:	Public Hearings-Community Development
Meeting Date:	2/4/2025
Recommendation:	(1) Conduct the public hearing; (2) Provide direction to staff on CDBG priority areas or specific applications to the City Council seeks to fund, (3) Approve a substantial amendment to the FY 2022-25 Consolidated Plan and FY 2024-2025 Annual Action Plan; (4) Authorize the City Manager, or designee, to make any necessary changes to the approved FY 2022-25 Consolidated Plan and FY 2024-2025 Annual Action Plan; and (5) Authorize the City Manager, or designee, to sunset the Home Rehab Program and to reallocate any future program income earned from the Revolving Loan Fund towards Economic Development activities.

BACKGROUND:

The U.S. Department of Housing and Urban Development (HUD) provides annual grants through the Community Development Block Grant (CDBG) program to local entitlement cities and counties. The CDBG program provides resources to the most vulnerable low- and moderate-income communities to address community development needs through investment in capital projects and public services.

In accordance with the federal regulations outlined in 24 CFR Part 91, the City of Milpitas is required to prepare and submit its Consolidated Plan or its Housing and Community Development Entitlement Program to HUD. The Consolidated Plan serves as a strategic document that outlines the City housing and non-housing community development needs and priorities for the next five years.

The City estimates it will receive \$3,000,000 in Community Development Block Grant (CDBG) funds over the next five years. The Consolidated Plan demonstrates to HUD how Milpitas intends to allocate the estimated \$3,000,000 in CDBG funding over those five years. The last section of the Consolidated Plan is the first year FY 2025-26 Annual Action Plan. For FY 2025-26, the City expects to receive approximately \$600,000 in CDBG funds. The specific amount of funds Milpitas receives each fiscal year is determined by a formula based on population and other factors and will be finalized once the budget process concludes at the federal level. As of this writing, the City has not received its entitlement amount for FY 2025-26.

On October 18, 2024, the City announced the opening of the FY 2025-26 CDBG application period. The application period opened on November 1, 2024, and remained available through December 6, 2024. The announcement was made via a Notice for Availability of Funding. The public notice was distributed to current CDBG subgrantees, the CDBG interest email list, and other community members. Additionally, the public notice was physically available at the City Hall Permit Center and the Milpitas Library for the public. Lastly, the public notice was published in the Milpitas Post on October 18, 2024. The application guidelines were accessible via our [Federal Program webpage](#).

Applications were submitted via the [City Data Services](#) online portal. A total of nineteen (19) applications were received during the application period. The total dollar amount of grant requests received during the application period totaled \$1,137,456. A full breakdown of these applications is provided in the Analysis section below.

Per the City's Citizen Participation Plan, the City must hold two public hearings to allow the community to participate in an advisory role in the planning, implementation, and assessment of the programs and

projects. The City Council’s role during the first public hearing is to provide staff with direction on CDBG priority areas the City Council seeks to fund. Specific funding amounts, services, or projects to be funded will not be determined until the second public hearing.

Eligible and Ineligible Uses

HUD sets restrictions on how CDBG can be used. CDBG activities must be on HUD’s list of eligible uses. A summary of eligible and ineligible activities is included in Attachment 1.

Meeting National Objectives

CDBG activities must meet one of the following National Objectives:

1. Provides a benefit to low- and moderate-income persons;
2. Eliminates or prevents slum or blight; or
3. Meets other community development needs having an urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available to meet such needs, often referred to as “urgent need.”

The City of Milpitas has historically used its CDBG allocation to benefit low- and moderate-income persons. To meet the slum or blight National Objective, the City would have to identify areas that meet the definition of a slum, blighted, deteriorated, or deteriorating area under state or local law. Milpitas has not identified significantly blighted conditions within its boundaries. As such, CDBG formula funds must benefit low- and moderate-income persons.

The table below displays the FY 2024 income limits determined by HUD to be low- and moderate-income for Santa Clara County. FY 2025 income limits have not been released but will be used to determine eligibility once available.

Person(s)	1	2	3	4	5	6	7	8
(50% AMI)*	\$64,550	\$73,750	\$82,950	\$92,150	\$99,550	\$106,900	\$114,300	\$121,650
(80% AMI)*	\$102,300	\$116,900	\$131,500	\$146,100	\$157,800	\$169,500	\$181,200	\$192,900

*HUD Definition of low income is 50% Area Medium Income (AMI); moderate income is 80% AMI

Substantial Amendment to the Consolidated Plan and Annual Action Plan

Substantial amendments to the Consolidated Plan include: 1) changes in the allocation priorities or the method of distribution of funds, 2) changes that carry out an activity, using funds from any program covered by the Consolidated Plan (including program income) not previously described in the Action Plan, and 3) changes to the purpose, scope, location, or beneficiaries of any activity. Any amendment listed above shall be determined to be substantial if a change totals 25% or more of the city grant allocation.

The City will be requesting to convert its entire revolving loan fund balance to program income. This will allow the City to distribute the remaining revolving loan funds as a grant to specific activities. Since the requested modification will revise more than 25% of the City’s grant allocation, the modification is considered substantial and requires an enhanced public process as well as City Council approval. These proposed changes in the Consolidated Plan would then be incorporated in changes to the City’s Annual Action Plans.

ANALYSIS:

The purpose of the Public Hearing is to obtain City Council direction on priorities and activities desired to fund in the upcoming Consolidated Plan and Annual Action Plan as well as to request approval to substantially amend the existing Consolidated Plan and Annual Action Plan. Each purpose will be described in more details below.

Consolidated Plan

The Consolidated Plan is a three to five-year document that demonstrates a jurisdiction plan to allocate CDBG funding to benefit low- and moderate-income individuals over that period. Each year, the City submits an Annual Action Plan to HUD which represents the City's one-year plan of action within the five-year Consolidated Plan. As a part of the proposed FY 2025-30 Consolidated Plan is the FY 2025-26 Annual Action Plan. The City will pursue a five-year Consolidated Plan to align with the County's timeline.

The Consolidated Plan requires maximum citizen participation through public outreach meetings, community engagement, and surveys. The Consolidated Plan process serves as the framework for a community-wide dialogue to identify housing and community development priority needs. The Consolidated Plan requires a summary of citizen participation, housing, and non-housing community development needs assessment. The Consolidated Plan outlines the community's priority needs, goals that address the priority needs, and strategies for CDBG funding and activity allocations that best meet those community needs and serve the City's low- and moderate-income residents.

The City is developing the Fiscal Year (FY) 2025-30 Consolidated Plan in collaboration with Root Policy Research, the Consolidated Plan consultants selected by the County of Santa Clara through Request for Proposal (RFP) processes. Root Policy Research is also working as the Consolidated Plan consultants for other entities, including the Cities of Cupertino, Gilroy, Mountain View, Palo Alto, Santa Clara, Sunnyvale, and the Urban County. This regional approach allows all participating entities to share costs and resources effectively.

Root Policy Research will be providing an update on the Consolidated Plan's development and community outreach efforts and findings. A summary of Root Policy Research's outreach efforts and findings is included in Attachment 2.

Available Funds

The City projects the FY 2025-26 formula grant from HUD to be approximately \$600,000. The calculations below are based on this projected amount and are subject to change upon receipt of entitlement allocation from HUD. The final allocation amount will become public shortly after the federal budget is approved. The timing of the approval varies each year; however, we expect to know our funding allocation by the Consolidated Plan's June 2025 deadline.

HUD allows a maximum of:

- 15% of total funds for public services
- 20% of total funds for planning and administration
- Capital and economic development activities do not apply to any of the program caps

Additionally, entitlement grantees may also obligate 15% of the program income received during the prior year for public services. Similarly, entitlement grantees may obligate 20% of the program income received in the current program year.

Based on the projected allocation of \$600,000, the maximum funding allowed in each category is as follows:

Allocation	Public Services (15%)	Capital Projects/Economic Development (65%)	Program Administration (20%)
\$600,000.00	\$90,000.00	\$390,000.00	\$120,000.00

Nineteen (19) applications were received during the application period. Two (2) of the applicants are new organizations that have not been funded by the City in recent years. The combined total of all requests is \$1,137,456, with the breakdown of the applications as follows:

- Public Service Requests = \$320,456.00
- Capital Improvement Requests = \$466,000.00
- Economic Development Requests = \$330,000.00
- Program Administration Request = \$21,000.00

	Approximate Total Allocation	Public Services	Capital Projects/Economic Development	Program Administration
CDBG Funds Available	\$600,000.00	\$90,000.00	\$390,000.00	\$120,000.00
Total Application Requests*	\$1,137,456.00	\$320,456.00	\$796,000.00	\$21,000.00

*Capital and economic development activities do not apply to any of the program caps.

As noted in the table above, there are more applicant requests for funding in certain categories than funding available. As such, some applicants will not receive an allocation in the amount requested or any funding at all.

A total of \$81,085.24 in program income was earned in FY 2024-25 for a home rehabilitation loan repayment. HUD permits, 20% of program income received could be used for program administration in the current year and 15% of program income received could be used for public services in the subsequent year. These funds will be added to the available funds for FY 2025-2026. Please refer to the Substantial Amendment to the Annual Action Plan section below for more details.

Applications

A full list of the applicants, their proposed activity, requested amount, and proposed residents served is displayed below.

	Organization Name	Project Description	CDBG Fund Request	Proposed Residents Served
Public Services	Catholic Charities of Santa Clara County	The mission of the Long-Term Care Ombudsman Program is to seek the resolution of problems and advocate for the rights and well-being of senior residents of long-term care facilities.	\$11,000	8
	Child Advocates of Silicon Valley	Child Advocates' mission is to be there for every foster child in Santa Clara County who has experienced abuse, neglect and/or abandonment. They accomplish this by operating the Court Appointed Special Advocates (CASA) program in Santa Clara County. CASAs are trained community volunteers who are appointed by a judge's order to advocate for the best interests of foster children.	\$15,000	4
	Hope for the Unhoused	Hope for the Unhoused aims to provide unhoused populations in Milpitas with necessities such as food, water, hygiene kits, etc.	\$10,000	80
	*Hope for the Unhoused	Hope for the Unhoused aims to create and distribute a survey to identify households at risk of homelessness among targeted Milpitas residents. The goal is to provide resources to these families before they become unhoused.	\$5,000	5,000
	LifeMoves	The LifeMoves Emergency Assistance Network (EAN) program provides a variety of services to prevent homelessness, utility, disconnections, and hunger. Services include one-time rent and mortgage payments assistance, move-in costs for	\$125,000	100

	rental deposits, one-time utility assistance, on-site information and referrals for services such as Medi-Cal and CalFresh. The program goal is to stabilize individuals and families during times of trouble and help them to return to self-sufficiency.		
Lighthouse of Hope	Provide counseling, psychological support, and education to the Milpitas community.	\$5,000	20
Next Door Solutions to Domestic Violence (NDS)	Next Door Solutions provides Milpitas residents who self-identify as victims of domestic violence with comprehensive, Survivor-Defined services.	\$25,000	48
Project Sentinel	Project Sentinel will assist Milpitas Residents with tenant/landlord disputes through counseling sessions and comprehensive education.	\$42,000	125
Sleeping Bags for the Homeless (SB4TH)**	SB4TH aims to provide immediate relief to unhoused populations in Milpitas by offering essentials such as food, water, tents, etc.	\$15,000	250
Senior Adults Legal Assistance (SALA)	SALA will provide free Legal Services to Milpitas seniors 62 or older with appointments at Barbara Lee Senior Center, at other SALA intake sites, and by phone, targeting clients that are low-income and at-risk.	\$12,500	20
Silicon Valley Independent Living Center (SVILC)	SVILC will provide education, resources, and advocacy about affordable, accessible housing to Milpitas residents with disabilities, older adults with chronic health conditions, and local landlords.	\$16,048	48
Sourcewise	Sourcewise will serve 60 unduplicated Milpitas seniors aged 60 and older, who qualify for nutritious home-delivered meals. Clients receive 14 meals delivered once a week to their homes at no cost to the seniors.	\$25,000	60
YWCA Golden Gate Silicon Valley	YWCA Golden Gate Silicon Valley will provide 30 Milpitas residents with a multiservice continuum of crisis response and prevention services for survivors of domestic violence.	\$13,908	30
Subtotal		\$320,456	5,793

* Ineligible activity **Subgrantee withdrew application

Capital Projects

Organization Name	Project Description	CDBG Fund Request	Proposed Residents Served
Rebuilding Together Silicon Valley (RTSV)	Rebuilding Together Silicon Valley's mission is repairing homes, revitalizing communities, rebuilding lives, and our vision is safe homes and communities for every person. RTSV preserves affordable housing by providing critical home repairs and accessibility modifications for low-income residents, at no cost to the recipient.	\$216,000	30
Terrace Gardens Senior Housing	The roofs of the "A", "B", "C", and "D" Buildings need repair. Terrace Gardens is requesting funds to replace the roofs.	\$250,000	184
City of Milpitas	The City requests funding to assist local microenterprises, specifically those on Main Street. A grant program designed to assist Main Street microenterprise will help economic vitality and keep businesses thriving in the downtown.	\$120,000	50
CityTeam	Elevate the Neighborhood is City Team's microenterprise and career development arm in the communities it serves. In the City of Milpitas, we aim to launch a pilot program to help low-income Spanish speaking women gain microenterprise knowledge and experience through language development, technology skills, financial literacy, and business development classes.	\$50,000	21
Upwards	Upwards' BOOST Program provides specialized business support and technical assistance to in-home childcare providers serving children ages 0-5, as well as before- and after-school care for children up to age 13	\$160,000	20
Subtotal		\$796,000	305

Economic Development

Program Administration

Organization Name	Project Description	CDBG Fund Request	Proposed Residents Served
Project Sentinel	Milpitas residents and prospective residents will receive robust protection of their civil rights through a comprehensive suite of fair housing services.	\$21,000	20
Program Administration	Staff time in administering the program, including all public noticing, and publishing.	TBD	N/A
Subtotal		\$21,000	20
	Total of proposed funded applications	\$1,137,456	6,118

Home Rehab Loan Program

For over 20 years, the City has offered a Home Rehab Loan program to its residents. The program provides low-interest rate loans to very low and low-income property owners. To secure the City's loans, a lien is placed on the property where the rehabilitation occurs. This ensures that if the property is sold, the City's loan will be repaid.

The City has an established revolving loan fund with HUD that is separate from the CDBG formula funding it receives on an annual basis. The revolving loan fund has an authorized specific use for these rehab loans which can only be changed with City Council approval. Payments made to repay a loan must be deposited into the revolving loan fund and, per HUD guidelines, must be reallocated as soon as possible. These payments are known as program income. If the program income is not expended in a timely manner the City risks receiving a reduction in funding.

Most of the City's current loans do not require any ongoing loan payments from the loan recipient. As such, payments are generally made in full when a property is sold. Recently, repayments have generated program income of \$594,882.86. The program income generated affects the City's ability for timely expenditure of federal funds. These funds must be expended to comply with HUD's performance requirements or risk corrective actions.

On May 2, 2023, the City Council approved the relaunch of the Home Rehab Loan Program. A substantial amendment was made to the FY 2022-25 Consolidated to include verbiage that reflects the additional \$594,882.86 for the Home Rehab Loan Program.

On August 28, 2024, the City released a Home Rehab Loan Program flyer with information on how to get on an interest list. Staff promoted the launch of the program on the Office of Housing's webpage, on the City's social media pages, physically at the Permit Center front desk at City Hall and emailed to CDBG subrecipients and community members. The interest list remained open to the public until November 30, 2024. Despite staff's effort to promote the program, only three residents expressed interest in the program.

During this time, one additional Home Rehab Loan was repaid in full in the amount of \$81,085.24, increasing the balance available to \$675,968.10. Due to limited interest in the Home Rehab Loan Program and the need for timely expenditure of funds, staff proposes to amend the Consolidated Plan to add economic development

activities as a part of the allowable uses of revolving loan funds. Staff is further requesting Council amend the existing Annual Action Plan to reappropriate \$148,000 to each Rebuilding Together Silicon Valley (RTSV) and the City's Microenterprise Assistance Program (MEAP) from the revolving loan fund.

Lastly, staff are proposing to permanently sunset the Home Rehab Loan Program due to inactivity and lack of interest and reallocate all remaining revolving loan funds after the reallocation listed above and any future Home Rehab Loan repayments to support Economic Development activities. If Council elects to keep the revolving loan funding allocated towards the Home Rehab Program, staff believes the City would be at continual risk of not meeting timeliness. By reallocating the funds towards Economic Development activities, staff believe the City will be in a better position to spend revolving loan funds in a timely manner in accordance with HUD guidelines.

CONSIDERATIONS:

Staff have identified the following potential considerations for the City Council to assist in choosing areas to fund.

Strategic Plan

In the Consolidated Plan, grantees must establish priorities among different activities and needs. The City of Milpitas is tasked with identifying which priority needs will be addressed in the FY 2025-30 Consolidated Plan. Staff is seeking feedback from the City Council and the public on the following areas:

- Affordable Housing
 - Rental assistance
 - Production of new units
 - Rehabilitation of existing units
 - Acquisition of existing units
- Homelessness
 - Outreach
 - Emergency shelter and transitional housing
 - Rapid rehousing
 - Prevention
- Non-housing Community Development
 - Public facilities
 - Public improvements
 - Public services
 - Economic development

The following priority areas are addressed in the current Consolidated Plan:

- Affordable Housing
 - Rehabilitation of existing units
 - Production of new units
- Non-housing Community Development
 - Public facilities
 - Public improvements
 - Public services
 - Economic development

Staff recommends adding homelessness as a priority area in the FY 2025-30 Consolidated Plan.

Applicant Grant Experience, Eligibility, and Funds Requested

There are four applicants with limited or no prior history with the City of Milpitas' CDBG program: CityTeam, Hope for the Unhoused, Sleeping Bags for the Homeless and Upwards. Both Sleeping Bags for the Homeless and Upwards are new applicants this year. To be eligible, an applicant must demonstrate they have the

systems in place to capture the HUD-required data to prove their activity meets a national objective as well as meeting the minimum insurance requirements to enter into a professional services agreement with the City. Upon further discussion, Sleeping Bags for the Homeless chose to withdraw its application.

Activity Eligibility

To determine eligibility for activities, the City must verify that a national objective is being met. All proposed activities in these applications but one are eligible and meet a national objective, with the exception of the "at-risk survey assessment" activity by Hope for the Unhoused. An activity must comply with the regulations outlined in 24 CFR 570.201-570.207. In this case, the at-risk survey does not meet any national objective, nor does it serve any low-income individuals. While the survey may help identify community needs, CDBG funds cannot be utilized since no services are being provided with those funds.

Funds Requested

All applications are subject to the HUD-imposed cap guidelines. Typically, most of the applications received are for Public Services. Given this year's projected public service cap is 15% or \$90,000, a single CDBG applicant could exhaust the available funding. The City must be judicious in selecting applicants that request a fair amount for the services rendered, while not reducing the funding request significantly resulting in the applicant rejecting the allocation. Due to HUD's stringent reporting requirements, it may not be worth the agency's resources to accept a lower amount of funding. City staff's objective is to select a wide range of service providers who offer residents the most beneficial services per the Consolidated Plan and City Council goals.

Next Steps

Council is not required to decide on allocation amounts at this meeting. Council may provide feedback and guidance on Consolidated Plan Strategic Plan goals and other areas where Council feels CDBG funding should be allocated.

Staff will invite the applicants to the Community Housing Commission meeting on April 2, 2025, to provide public comment on their application as well as to solicit the Commission's feedback as the advisory body to the City Council. The Commission's feedback will be summarized and presented as part of the final presentation to Council during the second public hearing.

The date of the second public hearing is tentatively scheduled for May 2025, with the final date to be confirmed once the final allocation amounts are made public.

Substantial Amendment to the Annual Action Plan

Staff proposes reappropriating \$148,000 in current Home Rehab Loan Program revolving loan monies to each Rebuilding Together Silicon Valley (RTSV) and the City's Microenterprise Assistance Program (MEAP), and sunseting the Home Rehab Loan Program.

If this proposal is approved, RTSV will undertake critical home repairs for an additional 10 households in FY 2024-25, in addition to the 15 households already planned. The three residents who expressed interest in the Home Rehab Loan Program will receive consultations from RTSV to determine their eligibility and the scope of necessary work. If they are deemed eligible, RTSV will carry out the critical home repairs at no cost to the residents.

If approved, eligible microenterprises located on Main Street will receive \$12,500 grant awards (up to 14 grant awards total). Microenterprises located outside of Main Street will receive grant award amounts of at least \$7,500. The final award amounts will depend on the number of eligible applicants. FORWARD will continue to serve as the grant administrator on behalf of the Office of Economic Development.

Since these additional funds exceed the 25% threshold, a substantial amendment is required.

Additionally, staff proposes allocating 20% of the program income received in the current year (\$16,217.05) for FY 2024-25 CDBG program administration and 15% of the program income received (\$12,162.79) to be allocated to public services for FY 2025-26.

Lastly, if this proposal is approved, the Home Rehab Loan Program will be permanently sunset and all the remaining revolving loan funds after the reallocation listed above, and any future Home Rehab Loan repayments will be used to support Economic Development activities.

Draft reports of the FY 2022-25 Consolidated Plan and FY 2024-25 Annual Action Plan are in Attachment 3 and Attachment 4.

FISCAL IMPACT:

At this time, there is no fiscal impact associated with this item to conduct a public hearing to discuss and provide input beyond staff time.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The actions being considered have no potential for causing a significant effect on the environment and are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3). Further, this action does not meet the definition of a project under CEQA Guideline 15378 as it is a government fiscal activity which does not commit to any project that would result in a potentially significant impact on the environment.

RECOMMENDATION:

- (1) Conduct the public hearing.
- (2) Provide direction to staff on CDBG priority areas or specific applications the City Council seeks to fund.
- (3) Approve a substantial amendment to the FY 2022-25 Consolidated Plan and FY 2024-2025 Annual Action Plan.
- (4) Authorize the City Manager, or designee, to make any necessary changes to the approved FY 2022-25 Consolidated Plan and FY 2024-2025 Annual Action Plan.
- (5) Authorize the City Manager, or designee, to sunset the Home Rehab Program and to reallocate any future program income earned from the Revolving Loan Fund towards Economic Development activities.

ATTACHMENT(S):

- (a) Eligible and Ineligible CDBG Activities
- (b) Root Policy Research Outreach Efforts Summary
- (c) FY 2022-25 Consolidated Plan Amendments
- (d) FY 2024-25 Annual Action Plan Amendments

Eligible and Ineligible CDBG Activities

Eligible CDBG Activities

1. Acquisition of Real Property
2. Disposition
3. Public Facilities and Improvements
4. Clearance and Remediation
5. Public Services
6. Interim Assistance
7. Relocation
8. Loss of Rental Income
9. Housing Services
10. Privately-Owned Utilities
11. Rehabilitation and preservation
12. Construction of Housing
13. Code Enforcement
14. Special Economic Development Activities
15. Microenterprise Assistance
16. Special Activities by Community-Based Development Organizations
17. Homeownership Assistance
18. Planning and Capacity Building
19. Program Administration Costs
20. Miscellaneous Other Activities

Ineligible CDBG Activities

1. **Buildings or portions thereof, used for the general conduct of government may not be assisted with CDBG funds.** This does not include, however, the removal of architectural barriers involving any such building, which may be assisted under the category of Public Facilities and Improvements.
2. **General government expenses.** Expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part.
3. **Political activities.** CDBG funds may not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.
4. **Purchase of equipment.** The purchase of equipment with CDBG funds is generally ineligible – construction equipment, fire protection equipment, furnishings and personal property.
5. **Operating and maintenance expenses.** The general rule is that any expense associated with repairing, operating, or maintaining public facilities, improvements, and services is ineligible.
6. **New housing construction.**
7. **Income payments.** The general rule is that CDBG funds may not be used for income payments.

Adapted from HUD booklet, Community Development Block Grant Program; A guide to National Objectives & Eligible Activities for Entitlement Communities.

Root Policy Research Community Outreach Findings

The process of updating Milpitas' 2025-2030 Consolidated Plan is underway and is being coordinated with jurisdictional partners in Santa Clara County. The City anticipates its five-year plan will be available for draft review in March 2025, around the time when the amount of funding for the 2025 program year (PY25) will be known.

Priority needs are based on the research that has been conducted through year-end 2024:

- 1) Three countywide workshops with stakeholders working in the areas of housing and community and economic development.
- 2) Two public virtual open houses with opportunities for residents and stakeholders to complete activities and engage in discussions on priority needs.
- 3) A housing market analysis.
- 4) Preliminary results from a community survey.

Primary findings from that research includes:

- Milpitas households have some of the highest incomes in the county. The median household income is \$179,727, compared with \$154,954 for the county overall and \$95,521 for California. Both owners (median \$240,892) and renters (median \$145,437) have median incomes higher than the county overall.
- 54% of Milpitas households have 2 or more workers, with 12% having 3+ workers. Milpitas has the highest share of households with 2+ workers of all jurisdictions in Santa Clara County. Milpitas also has a high share of residents who commute outside of the city or county for work: 67% work outside of the city and 16% work outside of the county.
- Milpitas has been a leader in housing production compared to other jurisdictions in the county: housing units grew by 22% between 2013 and 2023 compared to just 10% for the county overall. Milpitas also has greater diversity of housing stock compared to other jurisdictions with just 44% of housing stock comprised of single family detached homes.
- The median rent in Milpitas was \$3,000 per month in 2023, higher than the county overall (\$2,781) but lower than Cupertino, Mountain View, Palo Alto. Half of the city's renters cannot afford the median rent.
- Milpitas' median home value is \$1.4 million—unaffordable to the majority of renters.
- In sum, Milpitas' market caters to very high income households rather than essential workforce. The city's focus on housing production and diversity in housing stock helps to temper the effects of high price and rent growth. The city should continue to prioritize production of affordable housing to respond to the shortage of workforce housing and unmet demand.
- Stakeholders who engaged through workshops and interviews identified priority needs in Milpitas as:

- Support for home-based, microenterprise childcare, which is a huge need in the city and significantly underfunded.
- Supportive services in general; most services are concentrated in San Jose and there is no easy way to access, no reliable transportation, for Milpitas residents.
- Rental and utility assistance and housing navigation services, especially for seniors who have limited skills to search online.
- Supportive services and transitional/safehouse beds for residents fleeing domestic violence.

Recommended priority activities to respond to needs include:

- 1) Assisting very low income households with supportive services, including childcare and rental assistance to help maintain housing stability.
- 2) Supporting the creation of new affordable rental housing, including transitional housing for residents experiencing or at-risk of homelessness and those fleeing domestic violence.
- 3) Supporting the preservation of affordable rental housing.

Helping renters achieve homeownership is a lower priority due to the very high cost of ownership housing relative to the incomes of low and moderate income renters.



City of Milpitas

DRAFT CONSOLIDATED PLAN

2022-2025



Draft for February 4, 2025

FY2022-25 Consolidated Plan

Executive Summary

ES-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Milpitas is located in Santa Clara County and is the fifth largest city within the County with a population of 71,533. Milpitas encompasses an area of approximately 18 square miles and is the home to numerous high-tech companies located in the heart of Silicon Valley. As of 2022, Santa Clara County has one of the highest median incomes in the nation at \$151,300 for a family of four. However, many low- and moderate-income residents within the County and City of Milpitas cannot afford the high cost of living required within San Francisco Bay Area.

Every three to five years as required by Department of Housing and Urban Development (HUD), the City of Milpitas must prepare a Consolidated Plan outlining the strategies used to meet a variety of housing and non-housing community needs. The preparation of Milpitas three-Year Consolidated Plan provides the analysis and financial resources to address the housing and non-housing community services of those residents that require assistance in housing and a variety of public services to fit their specific needs.

The Consolidated Plan covers a three-year period, which included maximum citizen participation through public consultation meetings, request for statistical data, research and information to be incorporated into the plan. Notices were provided in the local Milpitas Post and City's Website. Presently, City of Milpitas only receives Community Development Block Grant (CDBG) funds from the Department of Housing and Urban Development. The Consolidated Plan links identified needs in the community to the federal and local resources available to address those needs.

The City of Milpitas' Building Safety and Housing department is the lead agency responsible for the preparation of the Consolidated Plan. The Consolidated Plan was prepared with the cooperation and consultation from numerous agencies, organizations, social service providers, housing providers, non-profit groups and members of the general public.

2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview

The objectives and outcomes identified in this Consolidated Plan address the housing and community development needs in Milpitas. The objectives address these priority needs:

- **Need: Affordable Housing Development and Preservation**
 - Maintain and Preserve Existing Housing
 - New Affordable Housing
 - Affordable Housing Rental Rehabilitation
- **Need: Community Services**
 - Community funding/public services
 - Public services for special needs populations
 - Public services for low- and moderate-income residents at risk of eviction.
 - Fair Housing
 - Public services for Children and Youth
 - Public services for Seniors
 - Public service for Domestic Violence Support
- **Need: Community, Public, and Neighborhood Sustainability**
 - Public improvements including accessibility and improving public facilities.
- **Need: Economic Development**
 - Assist Microenterprises and Small Businesses
 - Explore the use of HUD Section 108 Loan Guarantee Program

3. Evaluation of past performance

The City is responsible for ensuring compliance with all rules and regulations associated with the CDBG entitlement grant program. The City's Annual Action Plans and Consolidated Annual Performance and Evaluation Reports (CAPER) have provided many details about the goals, projects and programs completed by the City over the past five years. A review of past consolidated annual performance and evaluation reports reveals a strong record of performance in the use of CDBG funds.

The City will meet or exceed the quantitative goals and objectives of its previous Consolidated Plan. The process implemented by the City has been effective with an annual evaluation of funding allocation and a bi-annual review of funding priorities. The City recognizes that the evaluation of past performance is important to ensure the City is implementing activities effectively.

4. Summary of citizen participation process and consultation process

The City initiated the citizen participation process in November 2021 by distributing a Consolidated Plan Community Survey to residents in Milpitas. In December, at the Community Advisory Commission (CAC) meeting, the City invited residents and potential CDBG stakeholders to attend and provide public comment on how they feel CDBG funds should be prioritized in the upcoming FY 22-25 Consolidated Plan.

Over 80 different agencies, organizations, social service providers, housing providers, non-profits groups, and members of the general public were contacted to participate in the public meetings to receive input and feedback on the preparation of the three-Year Consolidated Plan. The city held public meetings on December 1, 2021, and March 3, 2022, and public hearings on April 5 and June 14, 2022.

The City held a public meeting with the Community Advisory Commission (CAC) on March 2, 2022 to review applications and hear applicant presentations. The CAC made their recommendations for funding to the City Council. Nineteen (19) public comments were heard from prospective applicants summarizing their proposed activities and how their activities would benefit Milpitas residents.

On March 4, 2022, the City placed an advertisement in the Milpitas post for the April 5 and May 3, 2022 City Council meetings. The notice of public hearing is to review funding applications for the FY22-25 Consolidated Plan and FY22-23 CDBG funding year.

On April 1, 2022, the City posted the draft FY22-25 Consolidated Plan and draft FY22-23 Annual Action Plan on its website to provide opportunities for public comment. The documents were posted at this url: <http://www.ci.milpitas.ca.gov/milpitas/departments/federalprogram-community-development-block-grant-cdbg/>.

On April 5, 2022, the City Council conducted a Public Hearing to Discuss the FY2022-25 Consolidated Plan goals and funding allocations for FY2022-23 Community Development Block Grant and corresponding Annual Action Plan. Twelve (12) public comments were heard from prospective applicants summarizing their proposed activities and how their activities would benefit Milpitas residents.

The CDBG allocations were published on May 13, 2022. After the CDBG allocations were published, the City notified its residents and active CDBG community that the second public hearing to discuss the FY2022-25 Consolidated Plan goals and funding allocations for FY2022-23 Community Development Block Grant and corresponding Annual Action Plan would be held on June 14, 2022.

On June 14, 2022, the City held the second public hearing. Nine (9) public comments were heard from prospective applicants summarizing their proposed activities and how their activities would benefit Milpitas residents.

5. Summary of public comments

At the December 1, 2021, Community Advisory Commission meeting, staff provided a brief presentation on the fiscal year 2022-2024 CDBG Consolidated Plan process, including an overview of the results of the Consolidated Plan Community Survey, and a timeline of events for the upcoming fiscal year. Seven consultants from various public and private agencies that provide housing, health services, and other social services provided comments to the Commission. One member of the community provided public comment to the Commission in support of the services discussed during the meeting.

On March 2, 2022, the CAC received a staff presentation on, as well an overview of, the 23 simplified applications received for CDBG funding. The Commission heard 19 comments from the applicants. Each Commissioner then provided their feedback on priorities and goals the Council should consider funding with CDBG funds.

On April 5, 2022, the City Council conducted a Public Hearing to Discuss the FY2022-25 Consolidated Plan goals and funding allocations for FY2022-23 Community Development Block Grant and corresponding Annual Action Plan. Twelve (12) public comments were heard from prospective applicants summarizing their proposed activities and how their activities would benefit Milpitas residents.

On June 14, 2022, the City held the second public hearing. Nine (9) public comments were heard from prospective applicants summarizing their proposed activities and how their activities would benefit Milpitas residents.

Summary of comments or views not accepted and the reasons for not accepting them

All comments were accepted. Please see Exhibit C for comments.

7. Summary

It is the City's intent that the FY22-25 Consolidated Plan will help improve the quality of life for the residents in the City of Milpitas. By providing residents and stakeholders with the ability to communicate how the CDBG funds should be allocated and prioritized, we believe the CDBG funds will be allocated in the best interest of the City's low- and moderate-income residents.

The Process

PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

1. Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	MILPITAS	Building Safety & Housing

Table 1 – Responsible Agencies

Narrative

The Building Safety and Housing Department serves as the lead agency in the preparation of the Consolidated Plan as well as the administration of the CDBG program. Per federal law, the preparation of the Consolidated Plan and Annual Action Plan is required by the Department of Housing and Urban Development (HUD). Both the Consolidate Plan and the first-year annual action plan must delineate the priorities and strategies for the use of federal funds.

Every three to five years, as required by HUD, the City of Milpitas must prepare a Consolidated Plan outlining the strategies used to meet a variety of housing and non-housing community needs. It has come to the City's attention that every other jurisdiction in the region is on the same Consolidated Plan timeline, except Milpitas. Therefore, Milpitas will be submitting a three-year Consolidated Plan in order to align our Consolidated Plan timeline with the rest of region. The preparation of Milpitas three-year Consolidated Plan provides the analysis and financial resources to address the housing and non-housing community services of those residents that require assistance in housing and a variety of public services to fit their specific needs.

Consolidated Plan Public Contact Information

Robert Musallam
Housing and Neighborhood Services Administrator
City of Milpitas
455 E. Calaveras Blvd.
Milpitas, CA 95035

PR-10 Consultation – 91.100, 91.110, 91.200(b), 91.300(b), 91.215(I) and 91.315(I)

1. Introduction

The City of Milpitas requested a number of consultations with a multitude of local non-profit organizations, various jurisdictions, and other stakeholders in the development of the Consolidated Plan.

Milpitas conducted four (4) separate public meetings to obtain public input and comments on the preparation of the Consolidated Plan. meetings were conducted in different areas of the City in different times of the day. The City of Milpitas has reached out to the Santa Clara County Housing Authority and the Office of Supportive Housing, as well as surrounding jurisdictions for their input to the City's CDBG program. Milpitas also consulted with a wide variety of social service agencies that provide housing and support services to special needs groups in an effort to update data and information for the needs section of the Consolidated Plan. Finally, Milpitas along with the County of Santa Clara and other local jurisdictions held weekly meetings during the past three years to work together on sections of the Consolidated Plan which deal with regional issues such as fair housing and homelessness.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I)).

As mentioned, the City participates in a weekly meeting with all local jurisdictions to discuss general housing, homelessness, and CDBG related issues. These issues are core to the consultation required by the Consolidated Plan.

City staff continues to maintain dialogue with all service providers, public and private, to ascertain if there are any areas in which the City can partner with the organization to enhance services or if the City can connect service providers for better coordination of service deliveries.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

The Santa Clara County Continuum of Care (CoC) is a multi-sector group of stakeholders guiding the implementation of the County's housing and service system to meet the need and prevent homelessness in the county with the ultimate goal to end homelessness.

The Continuum of Care strategy includes permanent housing, emergency shelter with outreach and assessment services, transitional housing with support services, and prevention services. These services exist in Santa Clara County, but not in sufficient numbers to address the need. The County of Santa Clara, in collaboration with the entitlement jurisdictions, believe that strengthening the Continuum of Care on a regional basis will effectively address the needs of homeless people in individual cities and avoiding duplication of services, and increase the cost effectiveness.

In October 2020, the City of Milpitas participated in the preparation of the Community Plan to End Homelessness in Santa Clara County. The Plan identifies strategies to address the needs of homeless persons in the county, including chronically homeless individuals and families, families with children, veterans, and unaccompanied youth. Additionally, it also intended to address the needs of person at risk of homelessness.

In December 2020, the City Council directed staff to proceed with a pilot program to provide weekly hot shower and laundry services to the unhoused residents of Milpitas. The City will be using a nonprofit service provider, WeHOPE, to operate the Dignity on Wheels program, which includes mobile shower, mobile laundry, and connecting unhoused residents with resources.

In November 2020, the City Council authorized a revenue agreement with the County of Santa Clara in the amount of \$200,000 per year for the County to provide street outreach, assessment, and case management services for unhoused residents in Milpitas via their Homeless Engagement and Assessment Team (HEAT). The HEAT team focuses first on connecting clients with mental health service providers to stabilize them before assisting with a housing plan

In December 2020, the City Council directed staff to proceed with a pilot program to provide weekly hot shower and laundry services to the unhoused residents of Milpitas. The City will be using a nonprofit service provider, WeHOPE, to operate the Dignity on Wheels program, which includes mobile shower, mobile laundry, and connecting unhoused residents with resources.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards and evaluate outcomes, and develop funding, policies and procedures for the administration of HMIS

The City of Milpitas does not receive Emergency Shelter Grant (ESG) funding however the City participates with the CoC to address homeless issues.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdictions consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

Agency/Group/Organization	Rebuilding Together Silicon Valley
Agency/Group/Organization Type	Services-Persons with disabilities Services-Elderly Persons
What section of the Plan was addressed by Consultation	Housing needs Assessment Non-Homeless Special Needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum where staff solicited input for community needs and priorities.
Agency/Group/Organization	Project Sentinel
Agency/Group/Organization Type	Services-Fair Housing
What section of the Plan was addressed by Consultation	Non-Homeless Special Needs Homeless Needs-Families with Children
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Forum where staff solicited input for community needs and priorities. Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	Housing Authority of County of Santa Clara
Agency/Group/Organization Type	Housing PHA
What section of the Plan was addressed by Consultation	Housing Needs Assessment Public Housing Needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Staff consulted with a representative of the Housing Authority to discuss Housing Authority challenges, trends in housing concerns from the Housing Authority's perspective and determine potential areas where the City can partner with the Housing Authority.
Agency/Group/Organization	Catholic Charities
Agency/Group/Organization Type	Services-Elderly persons Services-Housing
What section of the Plan was addressed by Consultation	Non-Homeless Special Needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	Child Advocates of Silicon Valley
Agency/Group/Organization Type	Services-Victims Services-Health Services- Children
What section of the Plan was addressed by Consultation	Non-Homeless Special needs

How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	City of Milpitas Recreation and Community Services
Agency/Group/Organization Type	Services-children Services-Elderly Persons Services-Narrowing the Digital Divide
What section of the Plan was addressed by Consultation	Non-Homeless Special Needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	LifeMoves
Agency/Group/Organization Type	Services-Homeless
What section of the Plan was addressed by Consultation	Homeless Needs-Chronically homeless Homeless Needs-Families with Children Homelessness-Veterans Homelessness-Unaccompanied Youth Homelessness Strategy
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	Pragnya
Agency/Group/Organization Type	Services-Children Services-Elderly Person Services-Persons with Disabilities
What section of the Plan was addressed by Consultation	Non-Homeless Special Needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	Milpitas Unified School District
Agency/Group/Organization Type	Services-Children
What section of the Plan was addressed by Consultation	Non-Homeless Special Needs

How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	Next Door Solutions to Domestic Violence
Agency/Group/Organization Type	Service-Victims of Domestic Violence
What section of the Plan was addressed by Consultation	Non-Homeless Special Needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	Senior Adults Legal Assistance (SALA)
Agency/Group/Organization Type	Service-Elderly Person
What section of the Plan was addressed by Consultation	Non-Homeless Special Needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	Silicon Valley Independent Living Center
Agency/Group/Organization Type	Service-Elderly Person Service-Persons with disabilities
What section of the Plan was addressed by Consultation	Non-homeless Special Needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	The Health Trust
Agency/Group/Organization Type	Service-Elderly Persons Service-Persons with Disabilities
What section of the Plan was addressed by Consultation	Non-Homeless Special needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	YWCA Silicon Valley

Agency/Group/Organization Type	Housing Services-Children Services-Victims of Domestic Violence Services-Health
What section of the Plan was addressed by Consultation	Homeless Needs – Families with Children Non-Homeless Special Needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.
Agency/Group/Organization	Terrace Gardens
Agency/Group/Organization Type	Emergency Management
What section of the Plan was addressed by Consultation	Non-homeless Special Needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Housing staff conducted a one-on-one meeting with the City's Emergency Management Coordinator. The coordinator expressed a desire to more regularly attend community meetings to provide guidance on various issues regarding community emergency response.
Agency/Group/Organization	City of Milpitas – Emergency Management Coordinator
Agency/Group/Organization Type	Housing Services-Elderly Persons
What section of the Plan was addressed by Consultation	Housing Needs Assessment Non-homeless Special Needs
How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?	Agency attended Community Advisory Commission meeting for community input for the Consolidated Plan Update and CDBG input. The organization provided input and prioritizing needs within the community.

Identify any Agency Types not consulted and provide rationale for not consulting

The City did not speak with the County of Santa Clara Office of Emergency Management and Santa Clara Valley Water District. The primary rationale was the lack of staff resources. The City of Milpitas had only one full time employee in the entire housing division from October 2021 – April 2022. The City's primary reason for producing a three-year Consolidated Plan was to align our Consolidated Plan start and end dates with the other cities in our region. Further, we'd ensure that any future Consolidated Plan would be created in collaboration with those regional partners and as those partners allocate resources to hire consultants that produce a Consolidated Plan, Milpitas would similarly contribute.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Regional Continuum of Care Council	The CoC works to alleviate the impact of homelessness in the community through the cooperation and collaboration of social service providers. This effort aligns with the Strategic Plan's goal to support activities to end homelessness.
City of Milpitas Housing Element	City of Milpitas	Housing Element serves as a policy guide to help the City meet its existing and future housing needs. This effort aligns with the Strategic Plan's goal to assist in the creation and preservation of affordable housing.

Table 3 – Other local / regional / federal planning efforts**Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(l))**

The City meets weekly with our regional partners on a Housing CDBG Coordinator's meeting. The purpose of these meetings is to receive updates on local initiatives and to receive timely guidance on any CDBG/Housing related issues we're experiencing.

Narrative (optional):

Santa Clara County Association of Planning Officials (SCAPPO) is a regional meeting for local planning officials to attend, cooperate, and coordinate with one another on regional issues. Items related to the consolidated plan are commonly discussed.

PR-15 Citizen Participation – 91.105, 91.115, 91.200(c) and 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal setting

The City initiated the citizen participation process in November 2021 by distributing a Consolidated Plan Community Survey to residents in Milpitas. In December, at the Community Advisory Commission (CAC) meeting, the City invited residents and potential CDBG stakeholders to attend and provide public comment on how they feel CDBG funds should be prioritized in the upcoming FY 22-25 Consolidated Plan.

Over 80 different agencies, organizations, social service providers, housing providers, non-profits groups, and members of the general public were contacted to participate in the public meetings to receive input and feedback on the preparation of the three-Year Consolidated Plan. The City held public meetings on December 1, 2021 and March 3, 2022 and public hearings on April 5 and June 14, 2022.

The CAC is a publicly noticed meeting that the community can attend. Seven organizations and one resident attended and provided input.

The City did not publish the notices of public hearings in any alternate languages to accommodate residents with limited English proficiency. The City is planning to begin publishing the notices in alternate languages during the program year.

The City published notifications of upcoming public meetings for the amended FY22-25 Consolidated Plan and the draft FY22-23 Annual Action Plan on March 31, 2023 to reprogram two activities from PY 20 to PY 22.

Per the City's adopted Citizen Participation Plan, the City is to allow a 30-day public review and comment period for the Annual Action Plan. The City has published notifications of upcoming public hearings and the 30-day public review comment period in the local newspaper, on its CDBG webpage, and via email blasts to stakeholders. The City held two advertised public hearings on April 18, 2023, and May 2, 2023. The Action Plan 30-day public review comment period occurred from March 31, 2023, through May 2, 2023.

On April 18, 2023, the City Council conducted a Public Hearing to Discuss the substantial amendment to the FY2022-25 Consolidated Plan goals and funding allocations for FY2023-24 Community Development Block Grant and corresponding Annual Action Plan. Six (6) public comments were heard from prospective applicants summarizing their proposed activities and how their activities would benefit Milpitas residents.

A schedule of meetings for the development, input review and recommendations that created the Consolidated Plan are as follows:

The City published notifications of the upcoming public hearing meeting to discuss a substantial amendment to the FY22-25 Consolidated Plan goals and funding allocations for the FY24-25 Annual Action Plan on December 6, 2024. The public comment period is from December 6, 2024- February 3, 2025, abiding by our Citizen's Participation Plan. The public hearing will take place February 4, 2025 to consider a substantial amendment.

Date	Organization	Action
December 1, 2021	Community Advisory Commission	Public Meeting/Presentation
March 3, 2022	Community Advisory Commission	Public Meeting/Presentation
April 5, 2022	Milpitas City Council	Public Hearing/Presentation
June 14, 2022	Milpitas City Council	Public Hearing/Presentation

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	News-paper ad	Non-targeted/broad community	Opening the application period	No comments were received	n/a	
2	Internet/Social Media Outreach	Broad community	32 responses	The City created a Consolidated Plan community survey to obtain citizen and stakeholder input and comments for the development of the Consolidated Plan. A total of 32 responses were received.	n/a	https://www.ci.milpitas.ca.gov/wp-content/uploads/2021/12/2022-2024-community-development-block-grant_results.pdf

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Meeting (CAC)	Non-targeted/broad community	20 Attendees	Seven consultants from various public and private agencies that provide housing, health services, and other social services provided comments to the Commission. One member of the community provided public comment to the Commission in support of the services discussed during the meeting.	n/a	https://www.milpitas.gov/_pdfs/Commissions/cac/2021/120121/minutes.pdf
4	Public Meeting (CAC)	Non-targeted/broad community	10 Attendees	No comments were received	n/a	https://www.milpitas.gov/_pdfs/Commissions/cac/2022/020222/minutes.pdf
5	Public Meeting (CAC)	Non-targeted/broad community	30 Attendees	The Commission heard 19 comments from the applicants. Each Commissioner then provided their feedback on priorities and goals the Council should consider funding with CDBG funds. One public comment requested consideration for disabled individuals when considering upgrades to the City's parks.	n/a	https://www.milpitas.gov/_pdfs/Commissions/cac/2022/030222/minutes.pdf
6	News-paper ad/website	Non-targeted/broad community	Public Hearing Notice for City Council Meetings	No comments were received	n/a	https://www.milpitas.gov/milpitas/departments/federal-program-community-development-block-grant-cdbg/
7	City Council Meeting Public Hearing	Non-targeted/broad community	50 attendees	The Commission heard 12 comments from the applicants. Each Commissioner then provided their feedback on priorities and goals the Council should consider funding with CDBG funds.	n/a	https://www.milpitas.gov/_pdfs/council/2022/040522/Minutes.pdf

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
8	Website	Non-targeted/Broad community	Draft AAP	No comments were received	n/a	https://www.milpitas.gov/milpitas/departments/federal-program-community-development-block-grant-cdbg/
9	City Council Meeting Public Hearing	Non-targeted/broad community	50 attendees	The Commission heard 9 comments from the applicants. Each Commissioner then provided their feedback on priorities and goals the Council should consider funding with CDBG funds.	n/a	

Table 4 – Citizen Participation Outreach

Will update after February 4, 2025 Public Hearing

Needs Assessment

NA-05 Overview

Needs Assessment Overview

Located at the southern end of the San Francisco Bay, the City of Milpitas has become an integral part of high-tech Silicon Valley since becoming incorporated in 1954. Per available 2020 census data, Milpitas has an estimated population of 80,273¹. The City is a strong employment center with a diverse population, quality schools, conveniently located neighborhood parks, and a variety of retail options. Milpitas is often called the “Crossroads of Silicon Valley” with most of its 13.6 square miles of land situated between two major freeways (I-880 and I-680), state route 237, and a county expressway. The City is served by Valley Transportation Authority (VTA) light rail and a BART extension that opened in 2020.

With the resurgence of the Silicon Valley economy, real estate has experienced dramatic price increase, with Milpitas being no exception. Milpitas has experienced a massive surge in residential building activity in recent years, with a considerable increase in residential permit applications, development entitlements, and new construction. In large part, these changes have been brought on by the adoption of two Specific Plans for areas adjacent to an existing VTA station and the City’s BART station. The increased development potential that was made possible by these Specific Plans has prompted the conversion of areas once dominated by vacant and underutilized land and aging and obsolete industrial space into high-density transit-oriented development to meet the heightened demand for housing.

Methodology

The majority of data utilized is provided by HUD for the purpose of preparing the Consolidated Plan. HUD periodically receives custom tabulations of data from the U.S. Census Bureau that are largely not available through standard Census products. Known as the Comprehensive Housing Affordability Strategy (CHAS) data, it demonstrates the extent of housing problems and housing needs, particularly for low income households. The CHAS data is used by local governments to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds.

When CHAS data is not available or appropriate, other data is utilized, including 2010 and 2020 U.S. Census data and American Community Survey (ACS) 2013-2017 five-year estimates. While

¹ <https://www.census.gov/quickfacts/fact/table/milpitascitycalifornia/POP010210#POP010210>

ACS one-year estimates provide the most current data, this report utilizes five-year estimates as they reflect a larger sample size and are considered more reliable and precise.

Federal funds provided under the Community Development Block Grant (CDBG) entitlement program are primarily concerned with activities that benefit low-and moderate-income (LMI) households whose incomes do not exceed 80 percent of the area median family income (AMI), as established by HUD, with adjustments for smaller or larger families. HUD utilizes three income levels to define LMI households:

- Extremely low income: Households earning 30 percent or less than the AMI (subject to specified adjustments for areas with unusually high or low incomes)
- Very low income: Households earning 50 percent or less than the AMI (subject to specified adjustments for areas with unusually high or low incomes)
- Low and moderate income: Households earning 80 percent or less than the AMI (subject to adjustments for areas with unusually high or low incomes or housing costs)

NA-10 Housing Needs Assessment

Of the total 21,919 households in Milpitas, approximately 35 percent of City's households are LMI, with incomes ranging from 0-80% AMI:

- Thirteen percent of households (2,940) have incomes between 0-30% AMI
- Ten percent of households (2,175) have incomes between 30-50% AMI
- Twelve percent of households (2,550) have incomes between 50-80% AMI

NA-15 Disproportionately Greater Need: Housing Problems

NA-20 Disproportionately Greater Need: Severe Housing Problems

NA-25 Disproportionately Greater Need: Housing Cost Burden

NA-35 Public Housing

NA-40 Homeless Needs Assessment

NA-45 Non-Homeless Special Needs Assessment

NA-50 Non-Housing Community Development Needs

NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)

Summary of Housing Needs

Demographics	Base Year: 2009	Most Recent Year: 2017	% Change
Population	65,371	75,500	15%
Households	18,379	21,920	19%
Median Income	\$92,205.00	\$110,752.00	20%

Table 5 - Housing Needs Assessment Demographics

Data Source: 2000 Census (Base Year), 2013-2017 ACS (Most Recent Year)

Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	2,940	2,175	2,550	2,314	11,940
Small Family Households	960	1,075	1,395	1,319	7,785
Large Family Households	250	290	530	490	1,525
Household contains at least one person 62-74 years of age	684	635	570	555	2,050
Household contains at least one person age 75 or older	700	360	430	260	535
Households with one or more children 6 years old or younger	385	365	524	434	2,174

Table 6 - Total Households Table

Data Source: 2013-2017 CHAS

Housing Needs Summary Tables

1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total
NUMBER OF HOUSEHOLDS										
Substandard Housing - Lacking complete plumbing or kitchen facilities	20	10	15	10	55	10	10	0	0	20
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	30	35	100	30	195	0	20	10	10	40
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	265	170	295	180	910	20	50	90	210	370
Housing cost burden greater than 50% of income (and none of the above problems)	825	400	45	0	1,270	720	295	215	65	1,295

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Housing cost burden greater than 30% of income (and none of the above problems)	120	320	570	265	1,275	180	245	360	470	1,255
Zero/negative Income (and none of the above problems)	210	0	0	0	210	94	0	0	0	94

Table 7 – Housing Problems Table

Data 2013-2017 CHAS
Source:

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Having 1 or more of four housing problems	1,135	615	450	220	2,420	750	375	315	285	1,725
Having none of four housing problems	265	460	875	650	2,250	475	730	910	1,159	3,274
Household has negative income, but none of the other housing problems	210	0	0	0	210	94	0	0	0	94

Table 8 – Housing Problems 2

Data 2013-2017 CHAS
Source:

3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	470	600	490	1,560	275	265	270	810
Large Related	175	195	155	525	70	65	115	250
Elderly	390	59	25	474	410	215	150	775
Other	160	75	145	380	165	35	95	295
Total need by income	1,195	929	815	2,939	920	580	630	2,130

Table 9 – Cost Burden > 30%

Data 2013-2017 CHAS
Source:

4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	420	305	40	765	245	125	60	430
Large Related	120	85	10	215	60	15	10	85
Elderly	300	30	0	330	280	150	115	545
Other	150	35	10	195	150	15	45	210
Total need by income	990	455	60	1,505	735	305	230	1,270

Table 10 – Cost Burden > 50%

Data 2013-2017 CHAS
Source:

5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	219	125	320	170	834	20	50	45	115	230

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Multiple, unrelated family households	25	80	75	25	205	0	20	55	105	180
Other, non-family households	50	0	10	15	75	0	0	0	0	0
Total need by income	294	205	405	210	1,114	20	70	100	220	410

Table 11 – Crowding Information – 1/2

Data 2013-2017 CHAS
Source:

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present								

Table 12 – Crowding Information – 2/2

Describe the number and type of single person households in need of housing assistance.

Elderly and/or disabled populations tend to experience greater hardships with regard to housing. Per the provided data, 1,889 households between 0-80% AMI contain at least one person years 62-74 years of age. This represents 8.6% of the total households in Milpitas. Of the 8.6%, 36.2% (684 households) have incomes between 0-30% AMI, 33.6% (635 households) have incomes between 30-50% AMI, and 30.1% (570 households) have incomes between 50-80% AMI.

Elderly populations are often on fixed incomes, such as social security, that are (a) generally provide an insufficient amount of income to adequately cover both housing and general life expenses and (b) do not increase proportionately to the rise in the cost of living to keep up with inflation. This creates a desperate need for affordable housing. The lack of affordable housing in general, but specifically for seniors, will continue to be the greatest barrier to assisting this population.

The disabled population draws parallels to the senior community. While employment opportunities may be available to some, in some cases, there may no ability to secure employment. As such, this community is reliant on social security and/or disability in order to

cover their living expenses. And similar to senior community, the income provided is not sufficient to adequately cover their expenses. The lack of available housing resources for the disabled community also represents one of the greatest challenges for this population.

The data above does not distinguish between whether the household is a renter or owner. Additional considerations should be made for elderly/disabled homeowners. As the cost of goods and services increase, these individuals may be homeowners whose properties have appreciated significantly, but they lack the resources to secure loan products that would grant them access to their equity. These individuals are considered house rich and cash poor. These homes, without proper maintenance and repair, often fall into disrepair and sometimes into uninhabitable situations. More resources should be available to these homeowners to ensure they age gracefully in a safe and habitable living environment.

Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.

The data does not provide a true number and types of families in need of housing assistance for those who are disabled or victims of domestic violence. From FY18-22, the period of time covering the last consolidated plan, the City Council has allocated \$199,666 towards activities that directly benefit the victims of domestic violence. With these resources, various non-profit organizations such as YWCA Silicon Valley and Next Door Solutions to Domestic Violence have assisted over 1000 residents in Milpitas. Many of these individuals do not have access to the safe, affordable housing that is needed to more permanently remove themselves from domestic violence situations.

What are the most common housing problems?

Housing cost burden greater than 50% of income represents the greatest of housing problems. Of the eligible households, 825 renter occupied households who have incomes between 0-30% AMI experience a housing cost burden greater than 50% of their current income. A further 400 households who have incomes between 30-50% AMI also experience a housing cost burden greater than 50% of their current income. These number will only grow as affordability wanes.

Are any populations/household types more affected than others by these problems?

Low- to moderate-income renter households are more likely to experience at least one housing problem. Of the renters surveyed who had at least one housing problem, ninety-one percent (2,200) of them were LMI. LMI renter households are also severely cost burdened while extremely low and low income owner households are severely cost burdened.

LMI renter households are also more likely to be overcrowded. Households receiving incomes between 0-30% AMI are more heavily affected.

Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance

The main characteristics are these families tend to be on the lower end of the income spectrum and are living in overcrowded households. In order to afford the high rent Milpitas commands, families must either live in a smaller (more affordable) unit or share space in a larger unit with another family.

As of this writing, we are approaching the end of year 2 of the COVID-19 pandemic. The City Council has allocated over \$800,000 in rent relief funds to assist families that are at imminent risk of eviction. The state of California has allocated over \$2B in rental assistance to prevent a mass wave of evictions. The economy continues to recover and these individuals, who predominantly work service level jobs, are now starting to go back to work. However, the costs of goods and services has increased tremendously with inflation reaching its highest year over year mark in decades (projected to be 7.5% in 2022)². Wages has not kept pace with inflation and as a result, these household's live paycheck to paycheck often teetering on the line between housed and unhoused.

If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:

We don't have an estimate. To date our rent relief program has provided assistance to over 120 households and 300 Milpitas residents. Our best attempt to collect this data relies on the data collected when a household applies for rental assistance through our program. For an operational definition of at risk, we believe that any household that is unable to pay or is struggling to afford their monthly rental obligation in our jurisdiction, they are considered an at-risk population.

Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness

² <https://tradingeconomics.com/united-states/inflation-cpi#:~:text=US%20Inflation%20Rate%20Accelerates%20to,coupled%20with%20strong%20demand%20weigh.>

Severe cost burden is the greatest link between instability and an increased risk of homelessness. More affordable housing or better public/private options are needed to ensure at risk individuals do not experience homelessness.

Discussion

See above.

NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

Per HUD definition, disproportionate housing needs is defined as “significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups or the total population experiencing that category of housing need in the applicable geographic area” (24 CFR § 5.152).

Specifically, a disproportionately greater need exists when the members of a racial/ethnic group at a given income level experience housing problems at a greater rate (10 percentage points or more) than the jurisdiction as a whole at that income level.

0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	2,195	440	304
White	410	135	40
Black / African American	94	0	15
Asian	1,095	250	179
American Indian, Alaska Native	0	0	0
Pacific Islander	25	0	0
Hispanic	540	40	60

Table 13 - Disproportionally Greater Need 0 - 30% AMI

Data 2013-2017 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,555	625	0
White	224	180	0

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Black / African American	90	25	0
Asian	939	290	0
American Indian, Alaska Native	0	10	0
Pacific Islander	0	0	0
Hispanic	260	120	0

Table 14 - Disproportionally Greater Need 30 - 50% AMI

Data 2013-2017 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,695	855	0
White	115	180	0
Black / African American	10	34	0
Asian	1,195	425	0
American Indian, Alaska Native	0	0	0
Pacific Islander	40	0	0
Hispanic	310	190	0

Table 15 - Disproportionally Greater Need 50 - 80% AMI

Data 2013-2017 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,240	1,074	0
White	145	84	0
Black / African American	25	50	0
Asian	900	684	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	100	215	0

Table 16 - Disproportionally Greater Need 80 - 100% AMI

Data 2013-2017 CHAS
Source:

*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

Discussion

Seventy-five percent of households with 0%-30% AMI experience at least one housing problem.

- 86% of Black households with 0%-30% AMI experience at least one housing problem.
- 70% of White households with 0%-30% AMI experience at least one housing problem.
- 72% of Asian households with 0%-30% AMI experience at least one housing problem.
- 84% of Hispanic households with 0%-30% AMI experience at least one housing problem.

Seventy-one percent of households with 30%-50% AMI experience at least one housing problem.

- 93% of Black households with 30%-50% AMI experience at least one housing problem.
- 55% of White households with 30%-50% AMI experience at least one housing problem.
- 76% of Asian households with 30%-50% AMI experience at least one housing problem.
- 68% of Hispanic households with 30%-50% AMI experience at least one housing problem.

Sixty-six percent of households with 50%-80% AMI experience at least one housing problem.

- 23% of Black households with 50%-80% AMI experience at least one housing problem.
- 39% of White households with 50%-80% AMI experience at least one housing problem.
- 74% of Asian households with 50%-80% AMI experience at least one housing problem.
- 62% of Hispanic households with 50%-80% AMI experience at least one housing problem.

Fifty-four percent of households with 80%-100% AMI experience at least one housing problem.

- 33% of Black households with 80%-100% AMI experience at least one housing problem.
- 63% of White households with 80%-100% AMI experience at least one housing problem.
- 57% of Asian households with 80%-100% AMI experience at least one housing problem.
- 32% of Hispanic households with 80%-100% AMI experience at least one housing problem.

The groups disproportionately affected by housing problems include:

- Black households in 0-30% AMI and 30-50% AMI; and
- White households in 80-100% AMI; and
- Asian households in 50%-80% AMI; and

In summary, lower income Black and Asian households are disproportionately affected by housing problems within the city. White moderate households are affected by housing problems.

NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction

Per HUD definition, disproportionate housing needs is defined as “significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups or the total population experiencing that category of housing need in the applicable geographic area” (24 CFR § 5.152).

A household is considered severely overcrowded when there are more than 1.5 persons per room and severely cost burdened when paying more than 50 percent of household income toward housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.

0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	1,885	740	304
White	330	215	40
Black / African American	94	0	15
Asian	910	435	179
American Indian, Alaska Native	0	0	0
Pacific Islander	25	0	0
Hispanic	505	75	60

Table 17 – Severe Housing Problems 0 - 30% AMI

Data 2013-2017 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

30%-50% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	990	1,190	0
White	149	255	0
Black / African American	25	90	0
Asian	624	605	0
American Indian, Alaska Native	0	10	0
Pacific Islander	0	0	0
Hispanic	155	220	0

Table 18 – Severe Housing Problems 30 - 50% AMI

Data 2013-2017 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

50%-80% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	765	1,785	0
White	70	225	0
Black / African American	10	34	0
Asian	540	1,075	0
American Indian, Alaska Native	0	0	0
Pacific Islander	40	0	0
Hispanic	80	420	0

Table 19 – Severe Housing Problems 50 - 80% AMI

Data 2013-2017 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

80%-100% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	505	1,809	0
White	10	225	0
Black / African American	10	65	0
Asian	395	1,189	0
American Indian, Alaska Native	0	0	0
Pacific Islander	0	0	0
Hispanic	80	235	0

Table 20 – Severe Housing Problems 80 - 100% AMI

Data 2013-2017 CHAS
Source:

*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

Discussion

Sixty-four percent of households with 0%-30% AMI experience at least one severe housing problem.

- 86% of Black households with 0%-30% AMI experience at least one severe housing problem.
- 56% of White households with 0%-30% AMI experience at least one severe housing problem.
- 60% of Asian households with 0%-30% AMI experience at least one severe housing problem.
- 79% of Hispanic households with 0%-30% AMI experience at least one severe housing problem.
- 100% of Pacific Islander households with 0%-30% AMI experience at least one severe housing problem.

Forty-five percent of households with 30%-50% AMI experience at least one severe housing problem.

- 22% of Black households with 30%-50% AMI experience at least one severe housing problem.
- 37% of White households with 30%-50% AMI experience at least one severe housing problem.
- 51% of Asian households with 30%-50% AMI experience at one severe housing problem.

- 41% of Hispanic households with 30%-50% AMI experience at least one severe housing problem.

Thirty percent of households with 50%-80% AMI experience at least one severe housing problem.

- 23% of Black households with 50%-80% AMI experience at least one severe housing problem.
- 24% of White households with 50%-80% AMI experience at least one severe housing problem.
- 33% of Asian households with 50%-80% AMI experience at least one severe housing problem.
- 16% of Hispanic households with 50%-80% AMI experience at least one severe housing problem.
- 100% of Pacific Islander households with 0%-30% AMI experience at least one severe housing problem.

Twenty-two percent of households with 80%-100% AMI experience at least one severe housing problem

- 13% of Black households with 80%-100% AMI experience at one severe housing problem.
- 4% of White households with 80%-100% AMI experience at least one severe housing problem.
- 25% of Asian households with 80%-100% AMI experience at least one severe housing problem.
- 25% of Hispanic households with 80%-100% AMI experience at least one severe housing problem.

The groups disproportionately affected by severe housing problems include:

- Black households between 0-30% AMI; and
- Hispanic households between 0-30% AMI; and
- Pacific Islander households with 0-30% AMI and 50-80% AMI

In summary, extremely low-income households are disproportionately affected by severe housing problems.

NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

Introduction:

Per HUD definition, disproportionate housing needs is defined as “significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups or the total population experiencing that category of housing need in the applicable geographic area” (24 CFR § 5.152).

A household is considered cost burdened if they pay more than 30 percent of their household income toward housing costs.

Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	14,474	4,170	2,925	359
White	2,374	555	564	40
Black / African American	330	110	140	15
Asian	10,115	2,769	1,524	229
American Indian, Alaska Native	40	0	0	0
Pacific Islander	75	69	0	0
Hispanic	1,285	545	610	60

Table 21 – Greater Need: Housing Cost Burdens AMI

Data Source: 2013-2017 CHAS

Discussion:

As a whole, 32 percent of households are cost burdened and, of that percentage, 13 percent are severely cost burdened. Approximately 32% of White, 42% of Black, 29% of Asian, 48% of Pacific Islander, and 46 percent of Hispanic households are cost burdened. Of these percentages, both Black and Hispanic households contain more severe housing burdened households than not. Based on the data, we can conclude that Black, Pacific Islander, and Hispanic households are disproportionately severely cost burdened.

NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)

Are there any income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?

Among the lowest income categories, we see disparities in Black households experiencing a greater percentage of housing problems compared to other race/ethnicities. From the sections NA-15 and NA-20 above, we see only one commonality amongst the racial and ethnic groups.

The groups disproportionately affected by housing problems include:

- Black households in 0-30% AMI and 30-50% AMI; and
- White households in 80-100% AMI; and
- Asian households in 50%-80% AMI; and

The groups disproportionately affected by severe housing problems include:

- Black households between 0-30% AMI; and
- Hispanic households between 0-30% AMI; and
- Pacific Islander households with 0-30% AMI and 50-80% AMI

Lower income Black households are disproportionately affected by severe housing problems. This data is also striking because of the relative lack of Black households in Milpitas. Per the latest census data, a mere 2% of the population in Milpitas identifies as Black.

If they have needs not identified above, what are those needs?

Any discussion on the experience of Black households experiencing a disproportionately greater housing need would be incomplete without at least an acknowledgement of systemic racism and housing discrimination. This is a topic that will not be covered in great detail here, but it bares noting that Black households have historically experienced the housing market very poorly. Discriminatory practices such as segregation and redlining have created generational inequities that cannot be undone easily.

The needs for this community are expressed in a more equitable way to navigate the housing market. Providing affordable housing, providing access to housing opportunities that can create wealth, such as homeownership. But most importantly, establishing that fair housing is truly fair to all and not just those who have the resources.

Generally speaking, more housing assistance resources are needed. Whether that comes as an increase in Section 8 funding or an increase in rental assistance funding to help tenants secure units and/or pay for some of the costs to move in. These resources are needed to help cure the imbalance felt by lower income tenants who spend 50% or more of their income on rent.

Further resources are needed to help manage the Landlord-Tenant power imbalance. Oftentimes, tenants will be threatened with eviction if they communicate any issues with their unit. Resources to create a safe space for these conversations to take place will go a long way to promoting equity and decreasing the housing cost burden on tenants.

Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?

No

NA-35 Public Housing – 91.205(b)

Introduction

Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers in use	0	48	20	10,212	692	9,267	212	0	36

Table 22 - Public Housing by Program Type

*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: PIC (PIH Information Center)

Characteristics of Residents

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	
Average Annual Income	0	20,067	16,342	15,882	13,333	16,112	14,199		0
Average length of stay	0	7	5	8	1	9	0		0
Average Household size	0	2	2	2	1	2	1		0
# Homeless at admission	0	0	1	15	4	4	0		0

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers				
				Total	Project-based	Tenant-based	Special Purpose Voucher	
							Veterans Affairs Supportive Housing	Family Unification Program
# of Elderly Program Participants (>62)	0	10	4	3,859	502	3,315	24	0
# of Disabled Families	0	10	6	1,784	69	1,610	85	0
# of Families requesting accessibility features	0	48	20	10,212	692	9,267	212	0
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

Table 23 – Characteristics of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Race of Residents

Race	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	33	11	4,885	332	4,420	117	0	14
Black/African American	0	3	3	1,358	46	1,223	80	0	7
Asian	0	11	5	3,698	303	3,375	5	0	14
American Indian/Alaska Native	0	1	1	145	7	134	3	0	1

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Pacific Islander	0	0	0	95	4	84	7	0	0
Other	0	0	0	31	0	31	0	0	0
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 24 – Race of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Ethnicity of Residents

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project-based	Tenant-based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	20	8	3,217	133	3,038	38	0	7
Not Hispanic	0	28	12	6,964	559	6,198	174	0	29
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 25 – Ethnicity of Public Housing Residents by Program Type

Data Source: PIC (PIH Information Center)

Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:

This data is not available for Milpitas.

Most immediate needs of residents of Public Housing and Housing Choice voucher holders

Finding landlords that will accept a voucher.

How do these needs compare to the housing needs of the population at large

This data is not available for Milpitas.

Discussion

See above

NA-40 Homeless Needs Assessment – 91.205(c)

Introduction:

The tables below provide demographic data on homelessness in Milpitas.

If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):

In December 2021, the City Council authorized staff to enter into a revenue agreement with the County of Santa Clara Office of Supportive Housing to employ the Homeless Engagement and Assessment Team (HEAT) throughout Milpitas. A review of the data from HEAT shows that of the 100+ requests sent to HEAT, 99% were for chronically homeless single adults. Twenty-six percent of those individuals were residing in a vehicle while the others were predominantly living outdoors.

For families with children, the City has been actively using rent relief funding for temporary motel stays. The City has assisted in over 15 such cases since 2019.

Nature and Extent of Homelessness: (Optional)

Data Source: County of Santa Clara Continuum of Care							
Jurisdiction	Unsheltered		Sheltered		Total		2017-2019 % Change
	2017	2019	2017	2019	2017	2019	
Total Incorporated	5,259	7,652	1,775	1,594	7,034	9,246	31%
City of Campbell	94	74	0	0	94	74	-21%
City of Cupertino	127	159	0	0	127	159	25%
City of Gilroy	295	345	427	359	722	704	-2%
City of Los Altos	6	76	0	0	6	76	*
City of Los Altos Hills	0	2	0	0	0	2	*
Town of Los Gatos	52	16	0	0	52	16	*
City of Milpitas	66	125	0	0	66	125	89%
City of Monte Sereno	0	0	0	0	0	0	*
City of Morgan Hill	388	114	0	0	388	114	-71%
City of Mountain View	411	574	5	32	416	606	46%
City of Palo Alto	256	299	20	14	276	313	13%
City of San Jose	3,231	5,117	1,119	980	4,350	6,097	41%
City of Santa Clara	199	264	73	62	272	326	20%
City of Saratoga	12	10	0	0	12	10	*
City of Sunnyvale	122	477	131	147	253	624	147%
Total Unincorporated	189	270	113	89	302	359	19%
Confidential Locations	NA	NA	58	101	58	101	74%
Total	5,448	7,922	1,946	1,784	7,394	9,706	31%

Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.

The City of Milpitas' Rent Relief Program provides various forms of financial assistance to Milpitas residents and families that have emergency housing needs. The funds are used to pay for rent and/or deposit assistance, emergency hardship relief, eviction protection, domestic violence relocation, and section 8 good faith deposits. These funds assist at-risk Milpitas residents from experiencing homelessness. To date, the program has assisted over 120 families and over 300 Milpitas residents, many of them families with children. It's likely that without these funds, many of these families would now be experiencing homelessness.

Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.

Data Source: County of Santa Clara Continuum of Care	
Race:	Percent of respondents
White	40%
Black or African American	18%
Asian	3%
Pacific Islander	1%
Multiple Races	29%
Ethnicity:	
Hispanic	41%
Not Hispanic	59%

These figures are provided by the 2019 Santa Clara County Homeless Census & Survey. They provide a regional view of the race and ethnicity data, as the City does not have local data to provide.

Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.

Data Source: County of Santa Clara Continuum of Care	
Current Living Arrangement	Percent of respondents
Outdoors	34%
Emergency/Transitional Shelter	22%

Vehicle	18%
Structure not meant for permanent habitation	14%
Motel/Hotel	9%
Other	3%

These figures are provided by the 2019 Santa Clara County Homeless Census & Survey. They provide a regional view of the unsheltered and sheltered data, as the City does not have local data to provide.

As noted above, the City's HEAT program has assessed over 100 homeless individuals in Milpitas. Of those assessed, approximately 26% were living in a vehicle with most of the remaining individuals living outdoors.

Discussion:

See above

NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)

Introduction:

The following section describes the needs of the following non-homeless populations:

Elderly households (defined as 60 years or older)
Persons with developmental, physical, and/or mental disabilities
Large households
Female-headed households
Persons living with HIV/AIDS and their families

Describe the characteristics of special needs populations in your community:

Elderly households account for over 11% of the Milpitas population. Many seniors live on fixed incomes, making affordability an issue. Some elderly residents own homes but are unable to afford the maintenance on them due to rising costs. These residents are considered house rich and cash poor where most of their retirement income and/or asset value is tied into the home itself, with few options to safely extract the value.

Persons with developmental, physical, and/or mental disabilities require affordable housing as well as special accommodations in terms of accessibility to ensure maximal independence. These individuals may also live on fixed incomes or with family who provide for them. Over 6% of the population in Milpitas identifies as disabled.

Large households may live in overcrowded environments. As affordability wanes in the region, many low-income families are choosing to live together in order to make rents more affordable.

Female headed households disproportionately pay a higher ratio of gross income as expenses. Rent and childcare costs create challenges for female headed households. Additionally, these households are more likely to overcrowd to share space, rent, and childcare to blunt costs. Affordable housing, childcare subsidy, and/or other financial assistance could benefit female headed households.

Milpitas does not currently have data and/or programs geared toward persons living with HIV/AIDS and their families.

What are the housing and supportive service needs of these populations and how are these needs determined?

The Consolidated Plan Community Survey respondents noted that creation of affordable housing is a significant need for this population. As generally the highest expense incurred, quality of life could be improved by reducing housing costs. Further assistance in terms of childcare, food/nutrition subsidy, and job improvement training could benefit these groups as well.

Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:

n/a

Discussion:

See above

NA-50 Non-Housing Community Development Needs – 91.215 (f)

Describe the jurisdiction's need for Public Facilities:

The City of Milpitas Recreation and Community Services Department manages the City's public facilities. Of the facilities discussed in the Consolidated Plan Community Survey, the two most widely discussed as needing additional funding were: (1) the Barbara Lee Senior Center and (2) the City's Parks.

How were these needs determined?

Milpitas' needs were consulted through extensive community engagement. Seventy-one percent of respondents stated that improving city facilities that provide public services was a high priority. Additionally, the Recreation and Community Services department submitted their budget for the upcoming fiscal year, an approximate \$4M in funding for upgrading the City parks was included.

Fifty-six percent of respondents indicated that more funding should go to improving city facilities that provide social services, such as the Barbara Lee Senior Center and the Milpitas Library.

Describe the jurisdiction's need for Public Improvements:

Milpitas' needs were consulted through extensive community engagement. Water, street, stormwater, accessibility, sidewalks and trails were among the areas of need for the City.

How were these needs determined?

Milpitas' needs were consulted through extensive community engagement. Fifty-six percent of respondents to the Consolidated Plan Community Survey noted the need for trail improvements, 53% requested accessibility improvements for people with disabilities, 69% requested water/sewer improvements, and 47% requested improvements to the sidewalks.

Describe the jurisdiction's need for Public Services:

Currently, the City contracts all of its public services to local or regional non-profits. Milpitas has a need to assist its growing homeless population, elderly households, victims of domestic violence, children and youth, and residents at-risk of eviction.

How were these needs determined?

Milpitas' needs were consulted through extensive community engagement. Fifty-six percent of respondents to the Consolidated Plan Community Survey responded they'd like to see improvements to non-profit community services, 59% responded that homeless services are very important and should receive more consideration for funding.

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

MA-10 Number of Housing Units – 91.210(a)&(b)(2)

Introduction

Milpitas is predominantly a single-family based community with 75% of the housing stock being single-family attached and detached homes. The remaining housing stock are multi-family units with 14 of the remaining 25% of those units being a property type of 20 or more units.

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	12,200	54%
1-unit, attached structure	4,814	21%
2-4 units	1,210	5%
5-19 units	1,035	5%
20 or more units	3,075	14%
Mobile Home, boat, RV, van, etc	440	2%
Total	22,774	100%

Table 26 – Residential Properties by Unit Number

Data Source: 2013-2017 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	75	1%	250	3%
1 bedroom	90	1%	1,425	18%
2 bedrooms	1,814	13%	3,075	39%
3 or more bedrooms	12,145	86%	3,045	39%
Total	14,124	101%	7,795	99%

Table 27 – Unit Size by Tenure

Data Source: 2013-2017 ACS

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

- Sunnyhills Apartments, a 171-unit apartment complex with 149 project based rental assistance units
- Terrace Gardens, a 149-unit apartment complex for seniors under 50% AMI

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

The Sunnyhills apartments project based rental assistance contract is set to expire in 2023. At this time the owner has not expressed an interest in renewing their contract with HUD. The Santa Clara County Housing Authority and the City have been in communication with the tenants to provide resources and information to the group to ensure they are aware of their rights and protections should the contract not be renewed.

City and Housing Authority staff has also been in communication with the ownership group to ensure they follow all applicable state and federal laws pertaining to the termination of an affordable unit or development to a market rate one.

Does the availability of housing units meet the needs of the population?

As noted during the citizen participation process, there is a significant lack of housing available to lower income populations. At this time, the demand for affordable housing is greater than the availability of the units.

Describe the need for specific types of housing:

Affordable rental housing is needed for all income levels but mostly for below 50% AMI. Additionally, housing units specifically geared toward seniors, people with disabilities, homeless individuals, and people at-risk of homelessness will assist in providing the most vulnerable with housing opportunities currently unafforded to them.

Discussion

See above

MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

Introduction

The City of Milpitas continues to see a sharp increase in the cost of housing, along with the region in general. From 2009 to 2017, the median contract rent in Milpitas increased 43%.

Cost of Housing

	Base Year: 2009	Most Recent Year: 2017	% Change
Median Home Value	619,600	704,300	14%
Median Contract Rent	1,405	2,016	43%

Table 28 – Cost of Housing

Data Source: 2000 Census (Base Year), 2013-2017 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500		
\$500-999		
\$1,000-1,499		
\$1,500-1,999		
\$2,000 or more		

Table 29 - Rent Paid

Data Source: 2013-2017 ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	400	No Data
50% HAMFI	1,000	240
80% HAMFI	2,705	413
100% HAMFI	No Data	847
Total	4,105	1,500

Table 30 – Housing Affordability

Data Source: 2013-2017 CHAS

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	2145	2418	2868	3687	4213
High HOME Rent	n/a	n/a	n/a	n/a	n/a
Low HOME Rent	n/a	n/a	n/a	n/a	n/a

Table 31 – Monthly Rent

Data Source: HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

The data presented above is limited but the narrative from our resident survey and our citizen participation continues to express that there is an insufficient amount of housing for households at all income levels.

How is affordability of housing likely to change considering changes to home values and/or rents?

Housing affordability will continue to decline as home values and/or rent costs increase. The State of California has implemented AB 1584, which limited rent increases on applicable units to 5% plus CPI. However, as noted above, Milpitas is 75% single-family homes, which are not applicable to AB 1584. The other thing to note is that the CPI the past two years will allow rent increases of 8+% each year. This compounding effect on the rent impacts lower income populations the greatest. But the lack of an effective control on rents on single-family homes also impacts larger households disproportionately since there's no limit on rent increases on those units.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

Fair market rents compare favorably to moderate income area median rent level. In order to achieve affordability at the 2BR rent level, a household must earn approximately \$115,000 per year. Presently, the need for extremely low, very low, and low-income housing is in high demand. The challenges to create these housing opportunities are multi-faceted. High land and development costs, ongoing maintenance and repairs, and the ability of a development to provide a positive return while collecting on the lower end rents. Without further subsidy, it makes deeply affordable developments very challenging to develop.

Discussion

See above

MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

Introduction

This section analyzes the condition of housing and the risks of lead based paint.

Definitions

HUD defines “condition” as: 1) Lack of complete plumbing; 2) Lack of kitchen facilities; 3) More than one person per room; and, 4) Housing cost burden greater than 30 percent.

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	4,375	31%	3,510	45%
With two selected Conditions	215	2%	690	9%
With three selected Conditions	0	0%	15	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	9,535	68%	3,580	46%
Total	14,125	101%	7,795	100%

Table 32 - Condition of Units

Data Source: 2013-2017 ACS

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	2,419	17%	2,160	28%
1980-1999	4,060	29%	2,805	36%
1950-1979	7,420	53%	2,720	35%
Before 1950	229	2%	115	1%
Total	14,128	101%	7,800	100%

Table 33 – Year Unit Built

Data Source: 2013-2017 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	7,649	54%	2,835	36%
Housing Units build before 1980 with children present	2,833	20%	1,428	18%

Table 34 – Risk of Lead-Based Paint

Data Source: 2013-2017 ACS (Total Units) 2013-2017 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units			
Abandoned Vacant Units			
REO Properties			
Abandoned REO Properties			

Table 35 - Vacant Units

Need for Owner and Rental Rehabilitation

Fifty-three percent of Milpitas owner occupied homes were built from 1950-1979. These homes are now 50-70+ years old and in need of deferred maintenance to ensure they maintain a standard of habitability. Long time owners of these homes are often house rich and cash poor. Meaning, the majority of their wealth is stored in the substantial increase in equity created from owning their home, but they do not currently earn large incomes to continue supporting the cost of owning a home.

Rebuilding Together Silicon Valley has been working with low-moderate income owners in Milpitas to homes in our community are safe and habitable. Milpitas currently supports their mission with CDBG funding.

Estimated Number of Housing Units Occupied by Low- or Moderate-Income Families with LBP Hazards

The data is not clear as to the number of units occupied by low- or moderate-income families with LBP hazards but again a predominant amount of owner and renter occupied households were built prior to 1979. Therefore, we can estimate that there are still homes in Milpitas that could have occupants at risk of LBP.

Discussion

See above

MA-25 Public and Assisted Housing – 91.210(b)

Introduction

The city current does not have any public housing developments.

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	0	48	20	10,635	815	9,820	1,964	0	465
# of accessible units									
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 36 – Total Number of Units by Program Type

Data PIC (PIH Information Center)
Source:

Describe the supply of public housing developments:

n/a

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

n/a

Public Housing Condition

Public Housing Development	Average Inspection Score

Table 37 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

n/a

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

n/a

Discussion:

n/a

MA-30 Homeless Facilities and Services – 91.210(c)

Introduction

This section discusses homeless facilities and services available for the homeless population.

Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)					
Households with Only Adults					
Chronically Homeless Households					
Veterans					
Unaccompanied Youth					

Table 38 - Facilities and Housing Targeted to Homeless Households

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

Mainstream services that complement services targeted to homeless persons include:

- The Valley Homeless Healthcare Program (VHHP) is part of the Santa Clara Valley Medical Center and provides medical services to homeless individuals, including primary care and urgent care. VHHP also manages a Medical Respite program for homeless individuals discharged from hospitals as well as a Backpack Homeless Health Care Program for those in encampments. 21
- The County Social Services Agency has expedited the review process of homeless household CalFresh applications so that they may receive benefits within three days.
- The County Behavioral Health Services Department (BHS) has multiple programs to connect homeless individuals with housing or shelter assistance. BHS also treats those going through behavioral health crises.
- The County Reentry Resource Center (RRC) provides services to those who have been previously incarcerated and to individuals who are homeless upon release. Services include referrals to drug treatment, housing assistance, food assistance, counseling, and other benefits.
- The County Office of Supportive Housing (OSH) mission is to increase the supply of housing and supportive housing that is affordable and available to extremely low income and /or special needs households. OSH supports the County mission of promoting a healthy, safe, and prosperous community by ending and preventing homelessness.
- Other mainstream services include:

- Non-Employment Income: Social Security, Social Security Disability, General Assistance, Cash Aid, CALWORKS, Veterans Benefits, Tribal TANF, and CAPI.
- Food Related Assistance: CalFresh, SNAP, and WIC.
- Legal Services: Bay Area Legal Aid and Law Foundation of Silicon Valley.
- Medical: Medicaid, Medicare, Covered California, and Valley Homeless Healthcare Program (VHHP).
- Employment Training Opportunities: Living Wage Employment Initiative. The area Continuum of Care provides a Living Wage Employment Initiative, which is a program that engages previously homeless program participants in job training, holds jobs fairs, and connects them with living-wage employment leading to careers in high growth industries.²²
- Transportation: CalWorks
- Childcare: Early Childhood Providers and CalWorks

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

There are currently no facilities that meet the needs of the homeless or chronically homeless in Milpitas.

The services provided to meet the needs of the homeless are:

- Project WeHope - Mobile shower and laundry services
- Homeless Engagement and Assessment Team – In partnership with the County, the County HEAT team contracts with ABODE Services to provide outreach and engagement with the homeless population, to provide VI-SPIDAT assessments and enter these individuals into the community queue for housing opportunities.

MA-35 Special Needs Facilities and Services – 91.210(d)

Introduction

This section describes facilities and services for the special needs communities

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

Elderly, Frail Elderly, and Persons with Disabilities

Elderly, frail elderly, and persons with disabilities have a range of housing needs, including maintaining affordability as rents continue to rise and fixed incomes do not keep pace. Another major factor will be retrofitting housing to accommodate their individual needs. Additional resources to combat social isolation, depression, and food insecurity are all areas of concern for these special needs communities.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

The City does not directly provide supportive housing services for persons returning from mental and physical health institutions. The City partners with the Santa Clara County Continuum of Care to implement these services. The Santa Clara County Community Plan to End Homelessness 2020-2024 details a three-part strategy to end homelessness in the County. Strategy 1, addressing the root causes of homelessness through system and policy change addresses the needs of the most vulnerable, including persons returning from mental and physical health institutions. Strategy 2, expanding homelessness prevention and housing programs to meet the need and strategy 3, improve the quality of life for unsheltered individuals and create healthy neighborhoods for all aim to expand the access to supporting housing services for very vulnerable residents.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

For FY2022-23, the City Council allocated \$150,000 to LifeMoves, a homeless shelter provider located in San Jose, CA who provides services and shelter space to Milpitas residents.

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

See above

MA-40 Barriers to Affordable Housing – 91.210(e)

Negative Effects of Public Policies on Affordable Housing and Residential Investment

- High cost of land and development of housing in general
- Lack of local, state, and federal resources to promote more affordable housing
- Lack of available, developable land throughout the city
- Lack of appetite for more affordable housing from key stakeholders
- General political opposition preventing affordable housing

MA-45 Non-Housing Community Development Assets – 91.215 (f)

Introduction

This section describes the non-housing community development assets that are unique to the city of Milpitas.

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	213	4	1	0	-1
Arts, Entertainment, Accommodations	3,583	5,383	10	11	1
Construction	1,353	3,052	4	6	3
Education and Health Care Services	5,603	4,179	15	8	-7
Finance, Insurance, and Real Estate	1,384	965	4	2	-2
Information	2,375	889	6	2	-5
Manufacturing	7,740	14,423	21	29	8
Other Services	1,079	1,595	3	3	0
Professional, Scientific, Management Services	6,445	8,931	17	18	1
Public Administration	0	0	0	0	0
Retail Trade	2,778	4,832	7	10	2
Transportation and Warehousing	712	776	2	2	0
Wholesale Trade	1,557	2,298	4	5	0
Total	34,822	47,327	--	--	--

Table 39 - Business Activity

Data 2013-2017 ACS (Workers), 2017 Longitudinal Employer-Household Dynamics (Jobs)
Source:

Labor Force

Total Population in the Civilian Labor Force	40,160
Civilian Employed Population 16 years and over	37,800
Unemployment Rate	5.90
Unemployment Rate for Ages 16-24	12.15
Unemployment Rate for Ages 25-65	4.34

Table 40 - Labor Force

Data Source: 2013-2017 ACS

Occupations by Sector	Number of People
Management, business and financial	14,225
Farming, fisheries and forestry occupations	1,830
Service	3,829
Sales and office	6,774
Construction, extraction, maintenance and repair	1,735
Production, transportation and material moving	2,460

Table 41 – Occupations by Sector

Data Source: 2013-2017 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	18,498	58%
30-59 Minutes	11,123	35%
60 or More Minutes	2,539	8%
Total	32,160	100%

Table 42 - Travel Time

Data Source: 2013-2017 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	2,000	210	1,905
High school graduate (includes equivalency)	5,180	330	1,615
Some college or Associate's degree	7,895	610	2,304
Bachelor's degree or higher	18,240	770	3,174

Table 43 - Educational Attainment by Employment Status

Data Source: 2013-2017 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	55	240	400	1,140	1,690

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
9th to 12th grade, no diploma	515	405	515	1,414	625
High school graduate, GED, or alternative	1,535	1,720	1,445	3,980	1,800
Some college, no degree	2,305	1,690	1,785	3,388	1,650
Associate's degree	250	880	1,040	2,020	684
Bachelor's degree	1,189	4,709	3,639	4,844	1,740
Graduate or professional degree	200	3,853	2,634	2,504	728

Table 44 - Educational Attainment by Age

Data Source: 2013-2017 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	
High school graduate (includes equivalency)	
Some college or Associate's degree	
Bachelor's degree	
Graduate or professional degree	

Table 45 – Median Earnings in the Past 12 Months

Data Source: 2013-2017 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

Milpitas is highly specialized in computer and electronics design and manufacturing. Milpitas has a unique strength in attracting and retaining Research and Development (R&D) and advanced manufacturing. These firms are at the forefront of new technological innovations.

Manufacturing. This is Milpitas' largest industry sector, accounting for 26 percent of all jobs. By comparison, manufacturing jobs make up 15 percent of jobs in Santa Clara County. Employment in the manufacturing sector was stable between 2009 and 2013, but increased by 8 percent between 2013 and 2018. Manufacturing jobs grew at a comparable rate of 10 percent in Santa Clara County during this same period. Businesses in the manufacturing sector tend to be nationally and globally connected, trading and exporting goods to outside communities. Most manufacturing jobs in Milpitas are in advanced and high-tech Manufacturing, with only a small share of "traditional" manufacturing (e.g. food, beverage, wood products).

Professional, Scientific, and Technical Services (PSTS). This is the second largest industry by employment in Milpitas, with 19 percent of all jobs in the City. From 2009 to 2018, PSTS jobs in Milpitas grew at a healthy pace, but not as fast as Santa Clara County overall. Cisco is Milpitas' largest employer and accounts for a large share of these PSTS jobs.

Accommodation and Food Services. This is the third largest sector in Milpitas, with 10 percent of all jobs. Jobs in this sector have increased since 2009, matching a national shift away from traditional retail toward dining and drinking. "Accommodation" jobs (hospitality and hotel) also increased in Milpitas, in conjunction with strong hotel performance (pre-pandemic).

Retail trade. Milpitas has many jobs in retail trade (9 percent), and a mix of regional-serving and local-serving retail. For example, the Great Mall is a major regional retail destination drawing customers from a wide trade area, and auto dealerships also tend to draw from a regional trade area. Milpitas also has smaller, more local-serving retail centers as well.

Health Care and Social Assistance. This sector is primarily household-serving. Jobs in this sector grew rapidly, increasing from approximately 1,800 jobs in 2009 to 3,800 jobs in 2018, as Milpitas' local population ages.

Describe the workforce and infrastructure needs of the business community:

Milpitas has a very diverse workforce, with occupations at a range of skill levels and wages. The top three occupations, which each have more than 1,500 workers, include software developers and programmers, retail salespersons, and electrical/electronic assemblers. Milpitas has many high skill/high wage computer, mathematical, and engineering occupations. This includes software developers and programmers, electrical and electronics engineers, industrial engineers, computer hardware engineers, and computer and information analysts.

There is also a concentration of various skilled trade production occupations in Milpitas—this is relatively unique within Silicon Valley. The largest production occupations in Milpitas include electrical and electronics assemblers, miscellaneous assemblers, fabricators, and production workers, semiconductor processors, machinists, and other assorted inspectors, testers, and samplers. These occupations are relatively concentrated in Milpitas compared to Santa Clara County. These tend to be middle-wage jobs with opportunities for upward mobility that, while requiring specialized skills and training, do not necessarily require very advanced degrees.

Many workers in Milpitas hold occupations in logistics. These include laborers and material

movers, truck drivers, and industrial truck/tractor operators. These are generally low to mid-wage jobs, that require mid or low skill levels. Milpitas also has a large number of service industry workers, especially in retail and restaurants. Some of these occupations, such as retail salespersons, fast food and counter workers, waiters and waitresses, cashiers, and cooks, tend to be lower skill, lower paying jobs. Such low wages make it difficult for workers to afford housing in Silicon Valley, especially given rapidly rising housing costs across the region. Workers may need to take on more than one job in order to make ends meet.

On average, employed residents of Milpitas have slightly higher educational attainment than Milpitas workers. Employed residents in Milpitas that have a bachelor's degree, or more is 37 percent, compared to 35 percent of workers in Milpitas.

With a net import of workers, Milpitas is a jobs-rich community. There are more outside workers commuting into Milpitas for work than there are Milpitas residents leaving Milpitas for work. Milpitas' jobs-to-employed-residents ratio is 1.47, which is considerably higher than other neighboring cities such as San José or Fremont. About 12 percent of Milpitas' working residents both work and live in Milpitas.

The Office of Economic Development currently has two workforce development initiatives underway:

- **COVID-19 Workforce Recovery** – The purpose of Milpitas MyPlan Career Accelerator Program is to increase access to career pathway programs and help Milpitas residents with barriers to employment enter the workforce in skilled occupations. The goal of this program is to provide customized workforce training workshops, assessments, career navigation and career counseling for Milpitas unemployed, underemployed workers, and young adult learners impacted by COVID-19. The Milpitas MyPlan Career Accelerator Program has hosted one cohort of 15 students in February 2022 and will launch the next cohort on April 4, 2022. Cohort members receive 21 hours of training over three weeks. Each participant will also have access to two hours of one-on-one career advising. To learn more, please visit the [program homepage](#).
- **American Rescue Plan Act (ARPA) Workforce Development Program** – On November 2, 2021, the City Council directed staff to explore various programming categories that include At-Risk Youth, Youth & Adult, Green/Clean/Sustainable Jobs, Childcare Workforce and to Partner with unhoused population on community beautification. On December 14, 2021, the City approved the following workforce development programs and funding:

- **Milpitas Youth Force** is a community service that will support low-income youth & develop a workforce pipeline to City careers and private industry (i.e., Tech & Advanced Mfg.). Milpitas Youth Force will also include wraparound services: professional attire stipend, transportation passes, career coaches, and industry mentorships. ARPA funding will be used to re-instate youth's salary over 8 weeks (12-15 hours/week) - \$40,000.
- **Evergreen Valley College (EVC)** will provide Amazon Web Services Cloud Practitioner Programming in a 4-class series consisting of cloud-based computing, emerging technologies, and clean tech. EVC will coordinate wraparound services: direct academic counselor, industry connection mentor, food assistance, emergency grant vouchers and laptop/textbook assistance. ARPA funding will assist 60 Milpitas residents to achieve an industry recognized certification for skills enhancement- \$50,000.
- **First 5 Santa Clara County** will develop a Pilot Early Childhood Education (ECE) Teacher Apprenticeship program to be launched Fall of 2022 for a 22-month program. ARPA grant funding will be employed to support residents with a portion of college tuition, textbooks/laptops, permitting fees, and transportation assistance related to the ECE Teacher Apprenticeship program - \$40,000.
- **Rising Sun Center for Opportunity Climate Careers** will develop a two-part program addressing climate change by employing local youth to provide energy efficiency services to residential households. ARPA funding will help expand an externship program that may be coordinated with the City's Climate Action Plan for 2-4 positions - \$10,000.
- **Build It Green** will implement a Certified Green Building Professional (CGBP) training program introduces participants to green building and construction concepts. It will include online courses which requires 80% minimum for passing grade. ARPA funding provides certification opportunity for up to 25 low-income Milpitas residents to access high-wage jobs - \$10,000.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period.

- Milpitas Transit Center opened in June 2020, which includes a multi-modal transit hub with BART, VTA Light Rail, bus system and future shuttle that connects Milpitas north, south and west.
- The Innovation District located around the Milpitas Transit Center may result in approximately 3M square feet of new office, research and development, industrial

space with a workforce of thousands located in a premier Silicon Valley location with over 7,000 new residential units as part of a complete district and neighborhood.

- Milpitas Metro Specific Plan addresses the urban district with a focus on the Great Mall, the Innovation District, and the remaining connections and sites that will make this emerging area into an attractive and convenient neighborhood surrounded by the Milpitas Transit Center over the next 20 years.
- Gateway/Main Street Specific Plan will focus on preservation areas, civic, historic, cultural, & educational facilities, catalytic redevelopment, low height/density maximums, large blocks, and inconsistent setbacks, opportunities for urban parks, plazas, & small open spaces (existing creeks & greenways), streetscape improvements, branding, etc.
- Milpitas General Plan 2040 establishes goals, policies, and actions to guide the future growth and development of the city. The General Plan is a comprehensive, long-term policy document used by City leaders, City staff, developers, and community members in making decisions about the City's physical and social development. There is an
- Economic Development Element as part of the General Plan 2040.
- Housing Element

Describe any needs for workforce development, business support or infrastructure these changes may create.

Before the pandemic Milpitas experienced a sub-3% unemployment similar to the rest of Santa Clara County for several years due to technology being the economic engine in Silicon Valley. In April 2020 the unemployment rate dramatically increased to 12.9% which had a devastating economic impact on local businesses and the community. We are now two years into the pandemic and the unemployment rate is 3.3% as of January 2022. While there have been improvements in local economic vitality, there is still a dire need on the workforce front. The City of Milpitas is strongly supporting the growth of employment lands and therefore, there is a need to ensure that Milpitas residents can compete for quality jobs since the cost of living continues to increase significantly.

Infrastructure and business support systems are needed for a successful Innovation District and complete neighborhood and Metro Specific Plan area.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

Given that Milpitas residents have a high education attainment rate (bachelor's degree or higher of 55.3%), median household income of \$140,124, home ownership rate of 63.7% and median age of 37.7 years, the future looks promising. However, during the pandemic, Milpitas

has experienced an increase in the unhoused population and vulnerable people needing more assistance due to the housing crisis and the increase in the Bay Area's cost of living. While the poverty rate in Milpitas is 6.7% compared to the state of California's at 12.6%, the Bay Area constantly ranks as the most expensive area to live within the United States.

While Milpitas ranks well in Computer, Engineering and Science occupations, only 26.6% of those working in these fields are female. There is a strong desire for equity and balance as well as pay and wages to match male counterparts.

Milpitas's occupational mix is diverse. Of the top occupations by number of employees, there are good quality jobs in Software Development, Programming, Electrical and Electronics Assembly and Engineering. It also consists of Retail Salespersons, Fast Food and Counter Workers, Servers, Cashiers and Cooks. The occupations in Professional, Scientific, and Technical Services (PSTS) generally pay well. For the workforce in the service industry, it is likely that some of these employees may be under resourced and spending more than 30% of their household income on housing and transportation expenses. The City of Milpitas is focused on ensuring that career pipelines are in place for increasing the quality of life for all residents and employees.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. See above.

Describe how these efforts will support the jurisdiction's Consolidated Plan.

The economic, workforce and community development programs outlined above will provide valuable resources and funding to assist individuals and families from low- to moderate-income households. The City of Milpitas is prioritizing programs and projects that address our most pressing economic, workforce and community development and housing needs.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)? Yes

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

The City of Milpitas approved the first Economic Development Strategy in 15 years on May 5, 2020 which takes into account all of the stated goals in CEDS as outlined below.

- **Goal 1 BUSINESS CLIMATE.** Develop policies to improve the business climate to retain and expand our strong economic base and culture of innovation.
- **Goal 2 WORKFORCE.** Improve workforce training and provide pathways to better jobs by improving the alignment between workforce skills, business and employer needs, and working conditions and earnings in low wage occupations.
- **Goal 3 HOUSING AND WORK PLACES.** House the labor force needed to fill the low, middle and high wage jobs required by our economy as well as the nonworking population, while providing flexibility for timely expansion of work places.
- **Goal 4 INFRASTRUCTURE.** Prioritize investments to address the growing strains on public services transportation, water, energy and communications.

Discussion

See above

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

There are currently no predominately low and moderate income census tracts in the city.

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

Minority concentration is defined as census tracts where the percentage of individuals of a particular racial or ethnic minority group is at least 20 percentage points higher than the citywide average. LMI concentration is defined as census tracts where the median household income is 80% or less than the jurisdiction as a whole.

Because of the high percentage of minorities in the city, there are no areas that meet the definition of concentration. As for LMI concentration, there are areas of LMI concentration. Those areas are primarily in Census Tract 5044.18 (the Selwyn Dr./Edsel Dr. neighborhood) and the Census Tract 5044.12 (E. Calaveras apartments).

What are the characteristics of the market in these areas/neighborhoods?

These areas are multi-family, generally higher density, residential neighborhoods.

Are there any community assets in these areas/neighborhoods?

n/a

Are there other strategic opportunities in any of these areas?

The city will continue to explore strategic opportunities for our lower income residents.

MA-60 Broadband Needs of Housing occupied by Low- and Moderate-Income Households - 91.210(a)(4), 91.310(a)(2)

Describe the need for broadband wiring and connections for households, including low- and moderate-income households and neighborhoods.

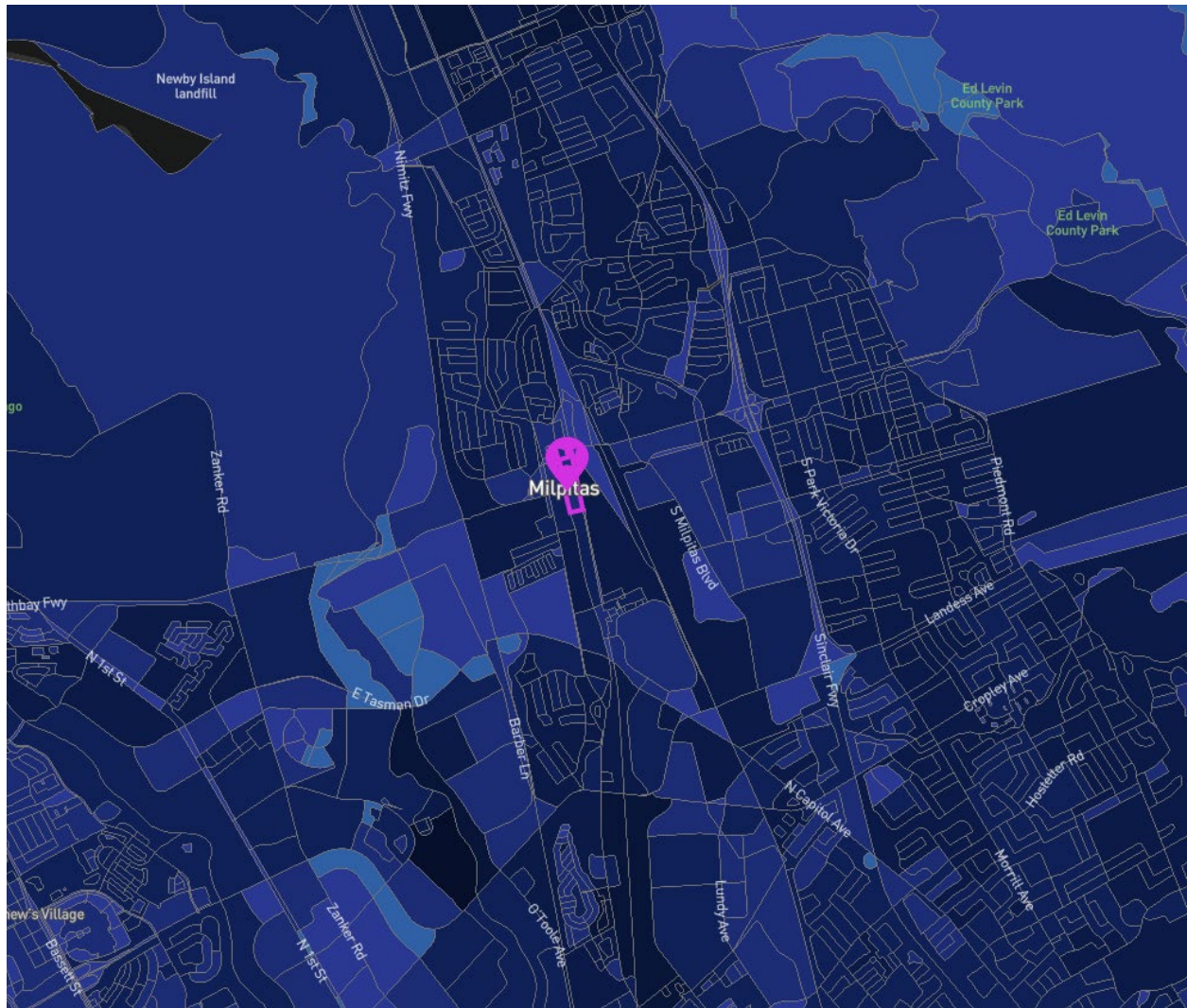
Access to technology is fundamental for low- and moderate-income households and neighborhoods. The need to adopt to modern technology is rooted in one's ability to be connected. Lack of broadband creates a distinct disadvantage in a world where every day tasks continue to be migrated online. These disparities are worsened in terms of access to health care, education, employment, civic participation, commerce, and inclusion in society.³

Describe the need for increased competition by having more than one broadband Internet service provider serve the jurisdiction.

Per HUD guidance, all Consolidated Plan submitted after January 1, 2018, must address broadband needs within the jurisdiction. Below is a map outlining mobile and the region's access to providers offering broadband services. According to the Federal Communications Commission Fixed Broadband Deployment Map, 100% of the City of Milpitas residents have access to broadband.

The majority of the City of Milpitas has access to 3-5 internet service providers. Data was obtained from [the Federal Communications Commission's Fixed Broadband Deployment website](https://www.fcc.gov/sites/default/files/bdac-low-income-communities-approved-rec-12172020.pdf). See attached photos for reference.

³ <https://www.fcc.gov/sites/default/files/bdac-low-income-communities-approved-rec-12172020.pdf>



All Providers Reporting Service



Census block ID: 060855045044022

Number of Fixed Residential Broadband Providers



Broadband



Technology ADSL, Cable, Fiber, Fixed Wireless, Satellite, Other
Speed $\geq 25/3$ Mbps
Date Dec. 2020 (*latest public release*)

Provider	Tech	Down ▼ (Mbps)	Up (Mbps)
Comcast Corporation	Cable	1000	35
Sail Internet	Fixed Wireless	200	100
Etheric Networks, Inc.	Fixed Wireless	150	150
ViaSat, Inc.	Satellite	100	3
Hughes Network Systems, LLC	Satellite	25	3
AT&T Inc.	ADSL	18	1.5
Raw Bandwidth Telecom, Inc.	ADSL	15	1.5
VSAT Systems, LLC	Satellite	2	1.3

MA-65 Hazard Mitigation - 91.210(a)(5), 91.310(a)(3)

Describe the jurisdiction's increased natural hazard risks associated with climate change.

Per HUD guidance, all Consolidated Plan submitted after January 1, 2018, must assess risks of natural hazard associated with climate change to low-and moderate-income residents. As part of the 2017 [County of Santa Clara's Operational Area Hazard Mitigation Plan](#) – a county wide plan that identifies risks from natural and manmade disasters and how to minimize damage – the City of Milpitas has reviewed and evaluated a set of potential natural hazards to help identify the top hazards threatening the area. The table below summarizes the analysis.

Hazard Type (in order of risk)	Exposed Population	# of buildings exposed	Total Value Exposed
Earthquake	All	18,242	\$19,146,882,365
Flood (1% Annual Chance area)	17,998	4,373	\$3,326,581,303
Flood (.2% Annual Chance area)	45,594	11,241	\$15,779,588,420
Severe weather	N/A	N/A	\$19,146,882,365
Dam Fail (Anderson)	4,406	1,065	\$1,370,025,538
Dam Fail (Lexington)	0	0	\$0
High Risk Landslide Areas	N/A	N/A	\$376,962,365
Estimated Population Residing in Sea Level Rise Inundation Areas	2,691	635	\$854,962,309

Describe the vulnerability to these risks of housing occupied by low- and moderate-income households based on an analysis of data, findings, and methods.

Vulnerable populations such as the elderly and disabled communities are adversely affected by natural hazards. Low- and moderate-income populations are also disproportionately affected by natural disasters as, on average, they lack the resources to adequately deal with the financial burden a natural disaster may impose.

Strategic Plan

SP-05 Overview

Strategic Plan Overview

The Consolidated Plan for the City of Milpitas represents the needs of the community and goals to help address the needs which are outlined in the three-year Housing and Community Development Strategy. The list below will help allocate resources, identify strategies, and prioritize funding to implement the Consolidated Plan.

The following are the City's housing and community development goals:

1. Available resources to implement the proposed strategies
2. Affordable housing needs
3. Homeless needs and objectives
4. Other special groups needs
5. Anti-poverty strategy
6. Fair housing and services needs
7. Youth needs and services
8. Lead-Based paint reduction strategy
9. Institutional structure for implementing strategies
10. Reduction of barriers to affordable housing
11. Housing Authority
12. Community and economic development needs
13. Coordination among various agencies
14. Support activities that provide interim assistance to low- and moderate-income households at risk of being evicted due to a COVID-19-related hardship.
15. Support activities that provide loans to microenterprises experiencing hardships due to COVID-19.
Support activities that provide loans to small businesses experiencing hardships due to COVID-19.

The Milpitas Housing and Community Development Strategy Plan identify activities that will be funded with the Community Development Block Grant entitlement funds. Whenever appropriate, Milpitas will use other funding sources (local funds, housing authority funds, outside grants, housing trust fund, leveraging, etc.) to address the needs that will be discussed in this chapter to provide a comprehensive assessment of the City's overall housing and community development strategy.

SP-10 Geographic Priorities – 91.215 (a)(1)

Geographic Area

This is not applicable to the City of Milpitas. The City does not target specific geographic areas to focus CDBG funds. The City attempts to fund programs that target low to moderate income households only.

Table 46 - Geographic Priority Areas

General Allocation Priorities

The City receives only CDBG which is not geographically prioritized but the City does have funding priorities for its CDBG Public Service and Capital activities.

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA)

The city does not receive HOPWA funds. It does receive CDBG funds which are allocated to benefit low- and moderate-income persons throughout the city.

SP-25 Priority Needs - 91.215(a)(2)

Priority Needs

Table 47 – Priority Needs Summary

Order	Priority Need	Priority Level	Description	Population or Geographic Area	Goal	Basis for Relative Priority
	Affordable Housing Development and Preservation	High	Develop and preserve affordable housing and owner housing which includes rehabilitation and new construction.	Targeted towards low to moderate income persons. No geographic areas targeted.	New Affordable Housing Maintain and Preserve Existing Housing Affordable Housing Rental Rehabilitation	Priority needs based on current housing prices and conditions. Feedback from communitywide survey and public forums.
	Community Services	High	Greater provision of community services for those who are homeless or who have urgent housing instability.	Extremely low, very low, low- and moderate-income individuals, veterans, emancipated youth. No geographic areas targeted.	Community Funding/Public Services	Housing data has shown increasing rates of homelessness and increasing housing prices. Feedback from communitywide survey and public forums.
	Community Services	High	Greater provision of community social services low- and moderate-income families with children,	Low- and moderate-income families with children, youth, emancipated youth, and victims of	Public Services for Children and Youth	Feedback from COVID-19 focus groups.

			youth and emancipated youth	domestic violence, No geographic areas targeted		
	Community Services	High	Greater provision of community services for seniors	Low- and moderate-income seniors No geographic areas targeted.	Public Services for Seniors	Feedback from COVID-19 focus groups.
	Community Services	High	Greater provision of community services including fair housing, landlord/tenant mediation, and legal services	Low- and moderate-income renters and landlords. No geographic areas targeted.	Community Funding/Public Services Fair Housing	Feedback from public forum.
	Community, Public, and Neighborhood Sustainability	Low	Preservation, revitalizing, and maintenance of neighborhoods.	All geographic areas are targeted.	Public Improvements	The priority needs are based on feedback from communitywide survey and public forums.
	Economic Development	High	Create and retain jobs and encourage businesses etc. to provide educational and job readiness.	People of low to moderate income, microenterprises and small businesses	Community Funding/Public Services	The priority needs are based on feedback from communitywide survey and public forums and COVID-19 stakeholder meetings.

Narrative (Optional)

SP-30 Influence of Market Conditions – 91.215 (b)

Influence of Market Conditions

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Tenant Based Rental Assistance (TBRA)	As per the Needs Assessment, 12 percent of households in the city are severely cost burdened and pay more than 50 percent of their income toward housing costs.
TBRA for Non-Homeless Special Needs	Housing costs in the region continue to increase and be more burdensome for those with special needs. Housing affordability can help minimize the burden held by persons with special needs along with greater availability for supportive housing.
New Unit Production	The State of California’s Housing and Community Development Department has established the current Regional Housing Needs Assessment (RHNA) for the City of Milpitas for the years 2014-2023. The city was allocated 3,290 units, of which 1,004 units for very-low income households, 570 to low income, 565 units to moderate and 1,151 units to above moderate-income households. This number is expected to close to 10,000 units in the next RHNA cycle.
Rehabilitation	Over 60% of the housing stock in Milpitas was built before 1970, in which many will be due for repairs and rehabilitation work. The city’s CDBG funds will continue to fund organizations that complete repairs and rehabilitation for low and very low-income households.
Acquisition, including preservation	With a lack of vacant land and funding for new development, acquisition and preservation of the current housing stock is important to maintain the affordable housing stock.

Table 48 – Influence of Market Conditions

SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

Introduction

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation	Program Income	Prior Year Resources	Total		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$660,781	\$8,959	\$0	\$669,740	\$1,980,000	Resources in the amount of \$594,882.86 was received from past Rehab Loan that will be used in the second year of the Con Plan to start up Rehab Loan Program.

Table 49 - Anticipated Resources

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Not applicable, the City does not match federal funds.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

There are two parcels controlled by the City. One parcel, located at 1432 S. Main Street, is owned by Milpitas Housing Authority and is approximately 0.9 acres in size. Currently the parcel is occupied by commercial tenants, but the land is zoned as high-density multi-family residential. The other parcel, approximately 1.7 acres, is located adjacent to the Milpitas Housing Authority property and is owned by the City of Milpitas. That City parcel is also occupied by commercial business but is also zoned for multi-family residential use. In January 2022, the City Council directed staff to sell the parcel owned by the Milpitas Housing Authority with the intent that the buyer will develop affordable housing.

Discussion

See above

SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible	Role	Geographic
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Consolidated Plan

MILPITAS

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	Entity Type		Area Served
City of Milpitas	Government	Economic Development, Homelessness, Non-homeless, special needs, Ownership, Planning, Rental Neighborhood improvements, Public facilities, Public Services	Jurisdiction
County of Santa Clara Office of Supportive Housing	Continuum of Care	Homelessness, Non-homeless, Special Needs, Planning	Region
Project Sentinel	Non-profit	Planning, Rental	Region
SCCHA	PHA	Ownership, Public Housing Rental	Region
The Health Trust	Non-profit	Public Services	Region
SV Independ. Living Center	Non-profit	Public Services	Region
Catholic Charities	Non-profit	Public Services	Region
Rebuilding Together SV	Non-profit	Non-homeless, special needs	Region
Abode Services, Inc.	Non-profit	Homelessness	Region
Next Door Solutions to DV	Non-profit	Public Services	Region
YWCA	Non-profit	Public Services	Region

Assess of Strengths and Gaps in the Institutional Delivery System

The delivery structure is established to provide social services to the community. Current strengths of the system include its ability to reach seniors, children and youth, and victims of domestic violence. The system has gaps in assisting the homeless and those most at-risk of homelessness. Currently, there are no homeless shelters located within the City limits. The closest shelter is more than 10 miles away in downtown San Jose. The system also lacks in providing adequate resources for those most at risk of experiencing homelessness. While the city has made strides to enhance that section of the delivery system, a substantial investment must be made to prevent those most at risk of homelessness from experiencing homelessness.

Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
Homelessness Prevention Services			
Counseling/Advocacy	X	X	
Legal Assistance	X	X	
Mortgage Assistance			
Rental Assistance	X		
Utilities Assistance	X		
Street Outreach Services			
Law Enforcement	X	X	
Mobile Clinics	X	X	
Other Street Outreach Services	X	X	

Supportive Services			
Alcohol & Drug Abuse			
Child Care			
Education			
Employment and Employment Training			
Healthcare			
HIV/AIDS			
Life Skills			
Mental Health Counseling	X	X	
Transportation			
Other			
Other			

Table 50 - Homeless Prevention Services Summary

Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)

Currently, there are no homeless shelters located within the City limits. The closest shelter is more than 10 miles away in downtown San Jose. The system also lacks in providing adequate resources for those most at risk of experiencing homelessness. While the city has made strides to enhance that section of the delivery system, a substantial investment must be made to prevent those most at risk of homelessness from experiencing homelessness.

The City contracts with the County of Santa Clara's Office of Supportive Housing to secure services from its Homeless Engagement and Assessment Team (HEAT). HEAT focuses on providing direct outreach services to Milpitas' unhoused residents. The outreach results in the placement of our unhoused residents into the community queue for transitional housing opportunities in the long term and counseling, mental health, and other resources in the short term.

Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above

Current strengths of the system include its ability to reach seniors, children and youth, and victims of domestic violence. The system has gaps in assisting the homeless and those most at-risk of homelessness. Currently, there are no homeless shelters located within the City limits. The closest shelter is more than 10 miles away in downtown San Jose. The system also lacks in providing adequate resources for those most at risk of experiencing homelessness. While the city has made strides to enhance that section of the delivery system, a substantial investment must be made to prevent those most at risk of homelessness from experiencing homelessness.

Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs

The City endeavors to connect with new service providers that can aid in filling gaps in the delivery system. However, the greatest need is to provide affordable housing opportunities. These opportunities are very few and far between. The 2020 County plan to end homelessness addresses the region's strategy to house the unhoused population. As a regional approach, the County plan identifies a three part strategy: (1) Address the root causes of homelessness through system and policy change; (2) Expand homelessness prevention and housing programs to meet the need; and (3) Improve quality of life for unsheltered individuals and create healthy neighborhoods for all. With this strategy, the county estimates a 30% reduction in the annual inflow of people becoming homeless.

SP-45 Goals Summary – 91.215(a)(4)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Maintain and Preserve Existing Housing	2022	2024	Affordable Housing Non-Homeless Special Needs	Citywide	Affordable Housing Development and Preservation	\$700,000 \$1,294,882.86	450 Homeowner housing rehabilitated
2	New Affordable Housing	2022	2024	Affordable Housing	Citywide	Availability/Accessibility	\$50,000	50 Rental units constructed
3	Affordable Housing Rental Rehabilitation	2022	2024	Non-Housing Community Development	Citywide	Affordable Housing Development and Preservation	\$100,000	148 Homeowner housing rehabilitated
4	Community Funding/Public Services	2022	2024	Homeless Non-Homeless Special Needs	Citywide	Community Services	\$150,000	500 persons assisted - Public service activities other than LMI housing benefit
5	Public services for low- and moderate-income residents at risk of eviction	2022	2024	Homeless Non-Homeless Special Needs	Citywide	Community Services	\$50,000	20 households assisted - Public service activities for LMI housing benefit
6	Fair Housing	2022	2024	Affordable Housing Non-Homeless Special Needs	Citywide	Community Services	\$150,000	60 persons assisted - Public service activities other than LMI housing benefit

7	Public Services for Children and Youth	2022	2024	Non-Homeless Special Needs Non-Housing Community Development	Citywide	Community Services	\$45,000	50 persons assisted - Public service activities other than LMI housing benefit
8	Public Services for Seniors	2022	2024	Non-Homeless Special Needs Non-Housing Community Development	Citywide	Community Services	\$210,000	1250 persons assisted - Public service activities other than LMI housing benefit
9	Public Services for Domestic Violence support	2022	2024	Non-Homeless Special Needs	Citywide	Community Services	\$75,000	80 persons assisted - Public service activities other than LMI housing benefit
10	Public Improvements including accessibility and improving public facilities	2022	2024	Non-Housing Community Development	Citywide	Community Services	\$450,000	1000 persons assisted - Public facility or infrastructure activities for LMI housing benefit
11	Assist Microenterprises and Small Businesses	2022	2024	Non-Housing Community Development	Citywide	Economic Development	\$368 50,000	50 Businesses assisted
12	Explore the use of HUD Section 108 Loan Guarantee Program	2022	2024	Affordable Housing Non-Housing Community Development	Citywide	Community Services Economic Development	N/A	N/A

Table 51 – Goals Summary

Goal Descriptions

1	Goal Name	Maintain and Preserve Existing Housing
	Goal Description	Maintain and preserve existing housing for LMI Households
2	Goal Name	New Affordable Housing
	Goal Description	Create new affordable housing
3	Goal Name	Affordable Housing Rental Rehabilitation
	Goal Description	Affordable housing rehabilitation to benefit LMI households
4	Goal Name	Community Funding/Public Services

	Goal Description	Support public services activities to benefit members of the community
5	Goal Name	Public services for low- and moderate-income residents at risk of eviction
	Goal Description	Support public services activities to benefit members of the community at risk of eviction
6	Goal Name	Fair Housing
	Goal Description	Provide fair housing services to benefit LMI individuals
7	Goal Name	Public Services for Children and Youth
	Goal Description	Provide public services activities to LMI children
8	Goal Name	Public Services for Seniors
	Goal Description	Provide public services activities to LMI seniors
9	Goal Name	Public Services for Domestic Violence support
	Goal Description	Support public services activities to benefit LMI individuals
10	Goal Name	Public Improvements including accessibility and improving public facilities
	Goal Description	Provide accessibility and access to public facilities such as homeless and domestic violence shelters to benefit LMI individuals
11	Goal Name	Assist Microenterprises and Small Businesses
	Goal Description	Support activities that support microenterprises and small businesses to benefit LMI households
12	Goal Name	Explore the use of HUD Section 108 Loan Guarantee Program
	Goal Description	Support activities that assist in addressing the Affordable Housing Development and Preservation& Economic Development goals with the use of Section 108 funds.

Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)

The three-year Consolidated Plan estimates to provide affordable housing as defined by HOME to 148 renter households, 100 homeowner households, as well as assisting in the construction of 50 affordable rental units. That is a total of 298 households. The estimated breakdown of affordability will be as follows:

ELI: 180

LI: 80

MOD: 38

The City's goal is to assist the lowest income residents as these residents tend to experience housing insecurity more disproportionately.

SP-50 Public Housing Accessibility and Involvement – 91.215(c)

Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)

n/a

Activities to Increase Resident Involvements

n/a

Is the public housing agency designated as troubled under 24 CFR part 902?

no

Plan to remove the ‘troubled’ designation

n/a

SP-55 Barriers to affordable housing – 91.215(h)

Barriers to Affordable Housing

Along with other jurisdictions in Santa Clara County, the City of Milpitas is facing many obstacles in creating more affordable housing. The many constraints that the City is facing is the limited amount of developable land, government constraints, infrastructure and public facilities constraints, environmental, housing for persons with disabilities, and financing and construction costs.

Strategy to Remove or Ameliorate the Barriers to Affordable Housing

Resolution No. 8523

The City adopted Resolution No. 8523 on February 2, 2016, which recognizes homelessness as a crucial problem in the County and will help contribute to future affordable housing projects that will house homeless.

Affordable Housing Ordinance

On June 12, 2018, the City Council adopted Affordable Housing Ordinance No. 297 which requires that any new development with 10 or more units must include 15% of the units these units as affordable. The ordinance applies to both rental and ownership developments. In January 2022, Council approved changes to the Affordable Housing Ordinance to encourage more on-site affordable housing production. Council also adopted changes to add clarity and consistency throughout the ordinance.

Density Bonus Ordinance

To attract developers to build affordable units, the Density Bonus Ordinance will allow developers the ability to build above their permitted densities in permitted zoning districts in exchange for the construction of affordable units.

Below Market Rate Ownership

The City manages a Below Market Rate (BMR) Ownership program for first-time, income-qualified homebuyers. Once a unit from the current BMR housing stock becomes available, a qualified applicant from the waiting list will have the ability to purchase a home in Milpitas at one of the various developments throughout the City. For qualified households, the City also provides a loan of up to \$50,000.

Fair Housing

Milpitas provides CDBG funds to Project Sentinel. Project Sentinel is a reputable organization that provides expertise in fair housing and tenant-landlord dispute. Services include information, referrals,

community outreach and education in several languages other than English, investigation, and resolving fair housing complaints. In addition, they provide education and outreach to property owners, and property management to become proactive in their housing policies.

SP-60 Homelessness Strategy – 91.215(d)

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

In October 2020, the City Council endorsed the 2020-2024 Santa Clara County Plan to End Homelessness. On November 10, 2020, the City Council approved and authorized staff to enter into an agreement for homeless outreach, assessment, and street-based case management services with Santa Clara County. In December 2020, the City Council authorized staff to contract with Project WeHope to provide mobile shower and laundry services in Milpitas. The City Council also established a Homelessness Task Force, who will be responsible for providing low cost homeless response suggestions to the City Council. The City's Building Safety and Housing team will continue to explore resources that can further benefit the homeless population in Milpitas.

The Santa Clara Office of Supportive Housing surveys homeless individuals every two years and writes strategic plans every five years, which involves extensive community engagement.

Addressing the emergency and transitional housing needs of homeless persons

The City of Milpitas will address emergency shelter and transitional housing needs of homeless persons by continuing to coordinate services between the City's Police, Building Safety & Housing, and Public Works Departments and our local service providers, such as LifeMoves.

CDBG Funded

- **Next Door Solutions to Domestic Violence:** Next Door Solutions to Domestic Violence provides client-centered, community-based supportive services for victims of domestic violence and his/her children. The organization also provides undisclosed emergency shelter when requested and needed by the individual and/or family.
- **YWCA Silicon Valley (YWCA):** YWCA Silicon Valley empowers women and her children to end racism and violence through offering supportive services for self-improvement and undisclosed emergency shelter for short-term to a longer amount of time if needed. YWCA also provides clients referrals to permanent housing if possible, and available.

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.

On November 10, 2020, the City Council approved and authorized staff to enter into an agreement for

homeless outreach, assessment, and street-based case management services with Santa Clara County. The assessment will place our residents in the Santa Clara County community queue, which is the pathway towards being placed in rapid rehousing, transitional or permanent affordable housing. On March 16, 2022, the City Council approved allocating \$100,000 from the Federal American Rescue Plan Act funding to extend the homeless outreach, assessment, and street-based case management services contract for an additional year.

Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs

Milpitas does not currently have an institutional discharge policy. The City collaborates with the Santa Clara County CoC, who recently updated their Quality Assurance Standards to include a homeless discharge coordination policy.

The County CoC endeavors to provide guidance and resources to those released from institutions. The discharge policy includes access to reentry resource centers where, for example, an VI-SPIDAT could be administered. The VI-SPIDAT measures the acuity level of an individual and is used to inform what type of support or housing needs are required. It also serves as the entry point for access to other resources or supportive services, such as residential or outpatient treatment, transitional housing, or emergency shelter access.

CDBG and City Local Funds

- **Rent Relief Program:** The Silicon Valley Independent Living Center has been administering the City's Rent Relief Program, which offers low- and moderate-income residents no more than 3 months of rental assistance to prevent eviction, avoid community displacement, and to remain housed.
- **Child Advocates of Silicon Valley:** Child Advocates connect court appointed special advocates (CASAs) to foster children. These volunteers must make a commitment to the children for a long-term, many for his or her entire life. The consistent support of the CASA is often the only adult who has steadily remained with the child, providing crucial mentorship.
- **Seniors Adults Legal Assistance (SALA):** SALA is committed to providing free-legal services to seniors. Legal services that SALA provides ranges from: public benefits, long-term care, alternatives to institutionalization, elder abuse, long-term care insurance, incapacity planning, probate, simple wills and housing – related to Landlord-Tenant issues. Often, many seniors do not know his or her housing rights or sign over the will of their house without knowing, and with fixed income, many are unable to provide legal help. SALA provides legal help free of charge for

these low to extremely low-income seniors.

SP-65 Lead based paint Hazards – 91.215(i)

Actions to address LBP hazards and increase access to housing without LBP hazards

The County of Santa Clara has received funding from State's Department of Health Service and Federal Government for Center for Disease Control to implement a Childhood Lead Poisoning Prevention Program. The funded programs include community outreach screen, case management and public education to inform low-to-moderate income and older communities. The project will then follow up with environmental testing, lead-based education, blood-lead testing for children, hazard reduction grants and follow up with monitoring and testing.

Milpitas has adopted a Lead-Based Paint Management Plan which complies with HUD Based Paint regulations, which outlines the required states of abatement and remediation for rehabilitation projects. In addition, the City publicize and identifies lead-based hazards and older residential projects through its Code Enforcement Division and Building Department. In addition, projects undergoing rehabilitation, under the City's Rehabilitation, provides technical assistance and abatement of lead-based paints.

How are the actions listed above related to the extent of lead poisoning and hazards?

Fifty-five percent of owner-occupied homes in Milpitas were built prior to 1970, the period of time identified as using lead-based paint.

How are the actions listed above integrated into housing policies and procedures?

Milpitas has adopted a Lead-Based Paint Management Plan which complies with HUD Based Paint regulations, which outlines the required states of abatement and remediation for rehabilitation projects.

SP-70 Anti-Poverty Strategy – 91.215(j)

Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families

The City of Milpitas will follow these actions:

- Work with non-profit housing developers to fund and provide more affordable housing opportunities to address the homeless problem and needs of very low and low-income households.
- Provide funding and supportive services to prevent very low-income persons and families from becoming homeless and assist them in ending the cycle of homelessness.
- Address the employment and income needs of individuals and families who are economically disadvantaged, including persons who are homeless, who have disabilities, and those who are participating in the County of Santa Clara Welfare-to-Work Programs.
- Provide funding for a variety of services and referrals to assist people in obtaining access to public assistance to prevent poverty.
- Per Section 3, if there are HUD funded projects that can create direct economic opportunities must take every effort to recruit, target and directed towards low and very low-income residents and businesses.

How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan

Many of the organizations the City contracts with regionally work to reduce poverty within the City. Our respective plan and missions are very well aligned to confront poverty.

SP-80 Monitoring – 91.230

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

At this time, the city does not have a documented monitoring process or procedure. The City's goal is to create these detailed standards and procedures during program year 2022.

In general, the City enters into a subrecipient agreement with each subgrantee. The terms and conditions are in compliance with HUD regulations and approved by our City Attorney. Once per quarter, each subgrantee is to report their activities to the City. This has allowed the City to maintain a high integrity level with regards to monitoring our subgrantees and reporting our progress to HUD.



City of Milpitas

DRAFT ACTION PLAN

Fiscal Year 2024-2025



Draft for February 4, 2025

FY 2024-2025 Annual Action Plan

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The City of Milpitas (City) is an entitlement city that receives Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD).

CDBG funds address community and economic development needs for low- and moderate-income residents through public services and capital improvement projects. At least seventy percent (70%) of gross funding is to be utilized to serve low- and moderate-income individuals and households.

The City is required to develop a three to five-year Consolidated Plan outlining the strategies used to meet the variety of housing and non-housing community needs. For each of the three to five years covered by the Consolidated Plan, HUD requires the City to prepare a one-year Action Plan that identifies programs, projects, and CDBG funding levels undertaken any given year. This Annual Action Plan (AAP) covers the third and final program years covered by the City's 2022-25 Consolidated Plan which was adopted by the Milpitas City Council on June 14, 2022.

The City's AAP covers the period from July 1, 2024, to June 30, 2025 (HUD's Program Year 2024). The City's FY 2024-25 AAP reports on the status of needs and outcomes the City expects to achieve in the coming year. The activities mentioned in the Annual Action Plan are based on current priorities. The 2022-25 Consolidated Plan is supported by the AAP. **Staff will hold a public hearing on Tuesday, February 4, 2025, to discuss substantial amendments to the 2022-25 Consolidated Plan and the 2024-25 Annual Action Plan.**

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis, or the strategic plan.

The AAP provides a snapshot of how the City will utilize its CDBG allocation to meet the needs of the City's low- and moderate-income individuals and the most vulnerable populations.

The objectives and outcomes identified in the 2022-2025 Consolidated Plan are to be achieved with the activities and programs mentioned in the Annual Action Plan. The Annual Action Plan works towards accomplishing the following priorities to meet the housing and community development needs in Milpitas:

- Affordable Housing Rental Rehabilitation
- Assist Microenterprises and Small Businesses
- Community Funding/Public Services
- Fair Housing
- Maintain and Preserve Existing Housing
- New Affordable Housing
- Public Improvements including Accessibility and Improving Public Facilities
- Public Services for Children and Youth
- Public Services for Domestic Violence Support
- Public Services for Residents at Risk of Eviction
- Public Services for Seniors

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The Consolidated Annual Performance and Action Report (CAPER) reports on the success of the City's Annual Action Plan. The CAPER assists in assessing the annual performance of the AAP with meeting its overall three-to-five-year Consolidated Plan priorities.

The last CAPER submitted to HUD was for FY 2022-23 (HUD's Program Year 2022).

The following are the highlights of the accomplishments reported in support of the Consolidated Plan:

Affordable Housing Rental Rehabilitation: Terrace Gardens Senior Housing is an affordable housing rental apartment for seniors. Terrace Gardens met its goal of rehabilitating the existing community room wood trellis, assisting 148 housing units.

Community Funding/Public Services: A total of 174 individuals benefitted from a variety of public services provided by four non-profit organizations.

Maintain and Preserve Existing Housing: Rebuilding Together Silicon Valley (RTSV) preserves affordable housing by providing safety, energy efficiency, accessibility repairs, and improvements to qualified low-income homeowners and renters. RTSV made housing repairs for 27 Milpitas households (26 homeowners and 1 renter).

Public Services for Children and Youth: Child Advocates of Silicon Valley is the only agency in the County that provides court-appointed volunteers (CASA) to each foster child. Child Advocates of Silicon Valley served and connected 9 Milpitas foster children youth and children to CASAs.

Public Services for Domestic Violence Support: A total of 78 individuals benefitted from a variety of domestic violence survivor services provided by two non-profit organizations.

Public Services for Seniors: A total of 553 individuals benefitted from a variety of senior services provided by seven non-profit organizations.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City solicited input throughout the development process of the FY 2024-25 AAP. During the development of the FY 2024-25 AAP, two public hearings and a community meeting were held to solicit public comment to help identify community needs. The First Public Hearing was held during the drafting phase of the AAP. The Second/Final Public Hearing Meeting is took place June 18, 2024.

Public Hearing #1

The First Public Hearing was held on February 6, 2024, to solicit public comment on the applications submitted. A total of twelve (12) public comments were provided. Nine (9) public comments were from prospective applicants summarizing its proposed activities and how the activities would benefit Milpitas residents.

Community Meeting

On March 13, 2024, the Community Advisory Commission (CAC) held a public meeting to review the applications received, hear from the applicants, and rank priority areas. The commissioner's feedback was incorporated into the final allocation recommendations for the June 18, 2024, public hearing meeting. Eleven (11) public comments were heard from prospective applicants summarizing their proposed activities and impact.

Public Hearing #2

The Second/Final Public Hearing was held on June 18, 2024, to solicit public comment on the proposed funding allocations. A total of ten (10) public comments were provided. Nine (9) public comments were from prospective applicants emphasizing the importance of funding their activities.

Public Noticing

Per the City of Milpitas' adopted Citizen Participation Plan, the City held a 30-day public review comment period for the Annual Action Plan. The City published notifications of upcoming public

hearings and the 30-day public review comment period in a local newspaper of general circulation, copies at the front desk and local Library, on the City's CDBG webpage, and via email blasts to stakeholders. The City held two advertised public hearings on February 6, 2024, and June 18, 2024.

On December 8, 2023, the City announced the opening of the FY2024-2025 CDBG application period. The application period opened on December 8, 2023, and remained available through January 8, 2024. The announcement was made via a Notice of Funding Availability. The public notice was distributed to the current CDBG subgrantees, CDBG interest email list, and other community members. Additionally, the public notice and the application were physically available at City Hall's Permit Center and the Milpitas Library for the public. Lastly, the public notice was published in the Milpitas Post on December 8, 2023. The application was accessible via our Federal Program webpage.

On January 19, 2024, the City announced the First Public Hearing and made available the draft FY24-25 Annual Action Plan for the public review comment period in a local newspaper of general circulation, copies at the front desk and local Library, on the City's CDBG webpage, and via email blasts to stakeholders. The notice was published in the Milpitas Post on January 19, 2024, and the draft AAP was accessible via our Federal Program Webpage.

On May 17, 2024, the City announced the Second Public Hearing for the public review comment period in a local newspaper of general circulation, copies at the front desk and local Library, on the City's CDBG webpage, and via email blasts to stakeholders. The Annual Action Plan's 30-day public review period occurred from May 17, 2024, through June 17, 2024.

On December 6, 2024, the City announced a public hearing to consider a substantial amendment and made available the draft 2022-25 Consolidated Plan and the 2024-25 Annual Action Plan for public review comment period. The notice was in a local newspaper of general circulation, copies at the front desk and local Library, on the City's CDBG webpage, and via email blasts to stakeholders. The 30-day public review period occurred from December 6, 2024 through February 3, 2025.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

On February 6, 2024, the City Council conducted a Public Hearing to solicit public comment on the FY 2024-25 CDBG applications submitted. Twelve (12) public comments were heard from prospective applicants summarizing their proposed activities and how their activities would benefit Milpitas residents.

On March 13, 2024, staff held a public meeting to solicit community and CAC feedback on the proposed FY 2024-25 Annual Action Plan as well as the applicants applying for CDBG funding. Commissioners received comments from the prospective FY 2024-25 CDBG applicants. A total of eleven (11) comments were provided from applicant organizations describing their proposed

project and how it will benefit Milpitas residents. Each Commissioner then provided their feedback on priorities and goals the Council should consider funding with CDBG funds.

On June 18, 2024, the City Council conducted the second/final Public Hearing. Ten (10) public comments were heard from prospective applicants emphasizing the importance of funding their activities.

Will update after February 4, 2024, Public Hearing

6. Summary of comments or views not accepted and the reasons for not accepting them

Will update after February 4, 2024, Public Hearing

7. Summary

Following the Citizen Participation Plan requirements, the City held public hearings on February 6 and June 18, 2024.

On January 19, 2024, the City Posted the draft FY24-25 Annual Action Plan on its website to provide opportunities for public comment. The document is posted at this URL:

<https://www.milpitas.gov/922/CDBG-Plans-Reports>

Will update after February 4, 2024, Public Hearing

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

The City of Milpitas is the lead agency and administrator for CDBG entitlement funds.

Agency Role	Name	Department/Agency
CDBG Administrator	City of Milpitas	Housing

Table 1 – Responsible Agencies

Narrative (optional)

Consolidated Plan Public Contact Information

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Housing Division Manager
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Administrative Analyst II
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AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

1. Introduction

The FY 2024-25 AAP is a one-year plan that describes eligible projects and activities to be completed according to current priorities outlined in the 2022-25 Consolidated Plan. The AAP was prepared by Housing staff with input from a variety of local and regional stakeholders.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

The City will continue to work with organizations to provide programs and services for low- and moderate-income residents. The City participates in a monthly regional CDBG/ Housing Coordinators meeting with all local jurisdictions, which often includes the County Santa Clara Office of Supportive Housing (OSH), to discuss housing cooperation. City staff continues to maintain dialogue with all service providers, public and private to enhance services and connect with service providers for better coordination of service deliveries.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Santa Clara County Office of Supportive Housing is the administrator of the Santa Clara County Continuum of Care (CoC). The CoC is a multi-sector group of stakeholders guiding the implementation of the County's housing and service system to meet the needs and prevent and end homelessness. This includes: 1) permanent housing, 2) emergency shelter with outreach and assessment services, 3) transitional housing with support services, and 4) prevention services.

In 2020, the City of Milpitas participated in the preparation of the Community Plan to End Homelessness in Santa Clara County. The Plan identifies strategies to address the needs of homeless people in the county. On October 6, 2020, the City Council endorsed the 2020-2025 Santa Clara County Community Plan to End Homelessness.

The City is currently looking for a partner in homeless outreach. We plan to have a combined in-house and third-party approach to end homelessness. The City is projected to onboard a new homeless outreach provider prior to the start of the new fiscal year. In alignment with City Council priorities, our new outreach provider will be dedicated to overseeing the City's current unhoused response and adding capacity to further enhance unhoused and at-risk resident services.

Additionally, City Staff attend monthly regional CDBG/ Housing Coordinators meetings. Meetings serve the purpose of identifying gaps in homeless services and funding priorities to address homelessness

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The City of Milpitas does not receive Emergency Shelter Grant (ESG) funding however the City participates with the CoC to address homeless issues.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities

1	Agency/Group/Organization	Catholic Charities of Santa Clara County
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The surrounding organizations were contacted via email, Milpitas Post, and City's website. A staff member from Catholic Charities attended to voice the need for those living in long-term care.
2	Agency/Group/Organization	CityTeam
	Agency/Group/Organization Type	Services-Homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs- Chronically Homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The surrounding organizations were contacted via email, Milpitas Post, and City's website. A staff member from CityTeam attended to voice the need for the unhoused.
3	Agency/Group/Organization	Healthier Kids Foundation
	Agency/Group/Organization Type	Services-Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The surrounding organizations were contacted via email, Milpitas Post, and City's website. A staff member from the Healthier Kids Foundation attended to voice the need for the Refugee and Immigrant School Linked Services Manager for the Milpitas Unified School District (MUSD).
4	Agency/Group/Organization	Hope for the Unhoused

	Agency/Group/Organization Type	Services-Homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs- Chronically Homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The surrounding organizations were contacted via email, Milpitas Post, and City's website. A staff member from Hope for the Unhoused attended to voice the need for the unhoused.
5	Agency/Group/Organization	Knights of Columbus
	Agency/Group/Organization Type	Services-Homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs- Chronically Homeless
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The surrounding organizations were contacted via email, Milpitas Post, and City's website. A staff member from the Knights of Columbus attended to voice the need for the unhoused.
6	Agency/Group/Organization	Project Sentinel
	Agency/Group/Organization Type	Service-Fair Housing
	What section of the Plan was addressed by Consultation?	Other
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The surrounding organizations were contacted via email, Milpitas Post, and City's website. A staff member from Project Sentinel attended to voice the need for fair housing rights.
7	Agency/Group/Organization	Rebuilding Together Silicon Valley (RTSV)
	Agency/Group/Organization Type	Services-Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The surrounding organizations were contacted via email, Milpitas Post, and City's website. A staff member from Rebuilding Together Silicon Valley attended to voice the need for continued services for critical repairs and accessibility modifications for low-income homes.
8	Agency/Group/Organization	Senior Adult Legal Assistance (SALA)
	Agency/Group/Organization Type	Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The surrounding organizations were contacted via email, Milpitas Post, and City's website. A staff member from Senior Adult Legal Assistance attended to voice the need for continuing legal services for senior person(s).
9	Agency/Group/Organization	Terrace Gardens Senior Housing, Inc.
	Agency/Group/Organization Type	Housing Services - Housing Services-Elderly Persons
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The surrounding organizations were contacted via email, Milpitas Post, and City's website. A staff member from Terrace Gardens attended to voice the need for services for senior person(s).

Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

The City did not consult with nearby correctional facilities or child welfare entities. The organization has various partnerships with the County and the City works with those organizations indirectly through the several partnerships through the County and sub-recipients funded and outlined in this Action Plan.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Regional Continuum of Care Council	The Continuum of Care works to alleviate the impact of homelessness in the community through the cooperation and collaboration of social service providers. This effort aligns with the Strategic Plan's goal to support activities to prevent and end homelessness.
Housing Element	City of Milpitas	The Housing Element serves as a policy guide to help the City meet its existing and future housing needs. This effort aligns with the Strategic Plan's goal to assist in the creation and preservation of affordable housing. The California Department of Housing and Community Development (HCD) certified the City's 2023-2031 Housing Element on May 17, 2023.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The citizen participation process includes holding several public community meetings and workshops for maximum citizen participation. City staff worked closely with the City's Community Advisory Commission (CAC) to hold a public meeting for the Commission and community to understand and participate in the CDBG process. The CAC held a public meeting on March 13, 2024, to discuss the priorities, goals, and funding allocations for the FY 2024-25 Annual Action Plan.

The City conducted four publicly noticed meetings to discuss CDBG allocations, two of which were public hearings. Noticing for the public hearings was done per the Citizen Participation Plan.

Per the City's adopted Citizen Participation Plan, the City is to allow a 30-day public review and comment period for the Annual Action Plan. The City has published notifications of upcoming public hearings and the 30-day public review comment period in the local newspaper, at the City's front desk, Milpitas Library, on its CDBG webpage, and via email blasts to stakeholders. The City held two advertised public hearings on February 26, 2024, and June 18, 2024. The Annual Action Plan 30-day public review comment period occurred from May 17, 2024, through June 17, 2024.

On April 25, 2024, the City posted the draft FY 2024-25 Annual Action Plan on its website to provide opportunities for public comment. The documents were posted at this URL: <https://www.milpitas.gov/475/Federal-Program-Community-Development-Bl>

The City held a public meeting with the CAC on March 13, 2024, to review applications and hear applicant presentations. The Commissioners deliberated and made their recommendations to the City Council. Recommendations were synthesized into the staff's agenda report. This narrative and report were presented at the June 18th public hearing. Eleven (11) public comments were heard from prospective applicants summarizing their proposed activities and how their activities would benefit Milpitas residents.

On February 6, 2024, the City Council conducted a public hearing for the funding allocations for the FY 2024-25 Community Development Block Grant Annual Action Plan. Eleven (11) public comments were heard from prospective applicants summarizing their proposed activities and how their activities would benefit Milpitas residents. One (1) public comment was heard from a Milpitas resident.

Staff incorporated the first public hearing and CAC meeting feedback into the final allocation recommendations for the final public hearing meeting.

On June 18, 2024, the City held the second/final public hearing. Ten (10) public comments were heard from prospective applicants. Nine (9) public comments were from prospective applicants emphasizing the importance of funding their activities.

Staff noted the comments received at the final public hearing and will bring recommendations to a future City Council meeting.

Annual Action Plan

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Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad/Website	Non-targeted/broad community	Opening the application period	No comments were received	N/A	https://www.milpitas.gov/924/CDBG-Notices
2	Newspaper Ad/Website	Non-targeted/broad community	Public Hearing #1 Notice	No comments were received	N/A	https://www.milpitas.gov/924/CDBG-Notices
3	City Council Meeting City Public Hearing #1	Non-targeted/broad community	50 Attendees	The City Council heard 12 comments from the public/applicants	N/A	https://www.youtube.com/watch?v=BFIWKFaQFeI
4	Public Meeting (CAC)	Non-targeted/broad community	25 Attendees	The Community Advisory Commission (CAC) heard 11 comments from the applicants. The commissioners provided their feedback on priorities and goals the City Council should consider funding with CDBG funds.	N/A	https://milpitasca.portal.civicclerk.com/event/1604/files/agenda/3321
5	Newspaper Ad/Website	Non-targeted/broad community	Public Hearing #2 Notice	No comments were received	N/A	https://www.milpitas.gov/924/CDBG-Notices
6	City Council Meeting City Public Hearing #2	Non-targeted/broad community	50 Attendees	The City Council heard 10 comments from the public/applicants	N/A	https://www.milpitas.gov/924/CDBG-Notices

Table 4 – Citizen Participation Outreach

Will update after February 4, 2024, Public Hearing

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The City of Milpitas received an entitlement allocation amount of \$592,161. The City will allocate CDBG funds to eligible activities that address the needs identified in the Consolidated Plan. Prior Year resources in the amount of \$594,882.86 and current program income of \$81,085.24 from a revolving loan fund. Revolving loan funds will be re-allocated to continue the City's Microenterprise Assistance Grant Program and Rebuilding Together Silicon Valley and sunset the Home Rehabilitation Loan Program. Additional Prior Year resources in the amount of \$191,094.35 from unused entitlement funding from past years and recent repayments to HUD will be reallocated to new program year. 15% of the program income earned from RL in the current year (\$12,162.78/\$81,085.20) will be allocated to program administration.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public-Federal	Admin and Planning Economic Development Housing Public Improvements Public Services	\$592,161	\$0.00 81,085.24	\$819,050.96 901,410.96	\$1,411,211.96 1,574,657.20	\$0.00	Prior Year resources from revolving loan funds will be re-allocated to RTSV & MEAP and sunset the City's Home Rehabilitation Loan Program.

Table 5 - Expected Resources – Priority Table

Should the Program Income resources be higher than estimated, the excess funds shall be allocated to the Rehabilitation Loan Program.

Should the Program Income resources be lower than estimated, funds allocated for the Rehabilitation Loan Program will be reduced.

Should any agency refuse the allocation, excess funds will be reassigned accordingly based on community and City Council Priority.

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Not applicable, the City does not match federal funds.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

There are three parcels controlled by the City. One parcel, located at 1432 S. Main Street, is owned by Milpitas Housing Authority and is approximately 0.9 acres in size. Currently, the parcel is occupied by commercial tenants, but the land is zoned as high-density multi-family residential. In January 2022, City Council directed staff to sell the parcel owned by the Milpitas Housing Authority with the intent that the buyer will develop affordable housing. The sale of this parcel is expected by summer 2023.

The other two parcels, approximately 1.7 acres, are located adjacent to the Milpitas Housing Authority property and is owned by the City of Milpitas. That City parcels are also occupied by commercial businesses but is also zoned for multi-family residential use. Staff is awaiting City Council direction for this parcel.

Discussion

Please see the discussion above.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Maintain and Preserve Existing Housing	2022	2025	Affordable Housing	Citywide	Affordable Housing Development and Preservation	\$750,882.86	32 25 Homeowner housing rehabilitated
				Non-Homeless Special Needs				
2	Affordable Housing Rental Rehabilitation	2022	2025	Non-Housing Community Development	Citywide	Affordable Housing Development and Preservation	\$199,999.00	148 Homeowner housing rehabilitated
3	Community Funding/Public Services	2022	2025	Homeless	Citywide	Community Services	\$30,000.00	162 persons assisted - Public service activities other than LMI housing benefit
				Non-Homeless Special Needs				
4	Fair Housing	2022	2025	Affordable Housing	Citywide	Community Services	\$21,000.00	106 persons assisted - Public service activities other than LMI housing benefit
				Non-Homeless Special Needs				
5	Public Services for Children and Youth	2022	2025	Non-Homeless Special Needs	Citywide	Community Services	\$10,000.00	4 persons assisted - Public service activities other than LMI housing benefit
				Non-Housing Community Development				
6	Public Services for Seniors	2022	2025	Non-Homeless Special Needs	Citywide	Community Services	\$30,000.00	40 persons assisted - Public service activities other than LMI housing benefit
				Non-Housing Community Development				
7	Public Services for Domestic Violence Support	2022	2025	Non-Homeless Special Needs	Citywide	Community Services	\$18,824.15	52 persons assisted- Public service activities other than LMI housing benefit
8	Assist Microenterprises and Small Businesses	2022	2025	Non-Housing Community Development	Citywide	Economic Development	\$368 ,000.00	40 micro-enterprises assisted

Table 6 – Goals Summary

Annual Action Plan

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Goal Descriptions

1	Goal Name	Maintain and Preserve Existing Housing
	Goal Description	Homeowner Housing Rehabilitation
2	Goal Name	Affordable Housing Rental Rehabilitation
	Goal Description	Rental Units Rehabilitated
3	Goal Name	Community Funding/Public Services
	Goal Description	Public service activities other than Low/Moderate Income Housing Benefit
4	Goal Name	Fair Housing
	Goal Description	Public service activities other than Low/Moderate Income Housing Benefit
5	Goal Name	Public Services for Children and Youth
	Goal Description	Public service activities other than Low/Moderate Income Housing Benefit
6	Goal Name	Public Services for Seniors
	Goal Description	Public service activities other than Low/Moderate Income Housing Benefit
7	Goal Name	Public Services for Domestic Violence Support
	Goal Description	Public service activities other than Low/Moderate Income Housing Benefit
8	Goal Name	Public Improvements-Accessibility & Improving Public Facilities
	Goal Description	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit
9	Goal Name	Assist Microenterprises and Small Businesses
	Goal Description	Businesses Assisted

Projects

AP-35 Projects – 91.220(d)

Introduction

The Consolidated Plan goals represent high-priority needs for the City of Milpitas and serve as the basis for the strategic actions the City will use to meet these needs. The City of Milpitas only receives Community Development Block Grant (CDBG) funding. If available and recommended in certain circumstances, the City Council may also augment the funds and contributions from local funds, such as the Housing Authority Fund. All the funds mentioned, are in efforts to serve and improve the lives of low- and moderate-income persons in Milpitas.

Projects

#	Project Name
1	Catholic Charities of Santa Clara County
2	Child Advocates of Silicon Valley
3	CityTeam
4	City of Milpitas
5	Hope for the Unhoused
6	Next Door Solutions to Domestic Violence
7	Project Sentinel-Fair Housing
8	Project Sentinel-Tenant/Landlord
9	Rebuilding Together Silicon Valley
10	Senior Adults Legal Assistance
11	Silicon Valley Independent Living Center
12	Sourcewise
13	Terrace Gardens
14	YWCA Golden Gate Silicon Valley
15	Program Administration
16	Home Rehabilitation Loan Program

Table 7 - Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

Allocation priorities are derived through qualitative research such as surveys, public meetings, public hearings, and other avenues of resident input. The research has impacted the priority needs that address the most vulnerable population in our communities and the City Council has established the priorities to address those underserved needs. The main obstacle is the lack of available funding and lack of flexibility in CDBG funding. As only 15% of the grant is available for public service activities, this severely limits the use of funds on addressing high-priority needs.

AP-38 Project Summary

Project Summary Information

1	Project Name	Catholic Charities of Santa Clara County
	Target Area	Citywide
	Goals Supported	Public Services for Seniors
	Needs Addressed	Community Services
	Funding	CDBG: \$10,000
	Description	Investigate and resolve complaints for seniors and disabled adults in long-term care facilities.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	4
	Location Description	All long-term care facilities in Milpitas.
	Planned Activities	Site visits to long-term care facilities and nursing homes and provide case management for those clients with open cases.
2	Project Name	Child Advocates of Silicon Valley
	Target Area	Citywide
	Goals Supported	Public Services for Children and Youth
	Needs Addressed	Community Services
	Funding	CDBG: \$10,000
	Description	Provides court-appointed youths with volunteers to maintain life-long mentorship and guidance.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	4
	Location Description	Milpitas, CA
	Planned Activities	The organization will recruit, and train volunteers and provide essential mentors and guidance for youth.
3	Project Name	CityTeam
	Target Area	Citywide
	Goals Supported	Community Funding/Public Services
	Needs Addressed	Community Services
	Funding	CDBG: \$5,000

	Description	CityTeam's Hope on Wheels food truck provides a warm-cooked meal to unhoused individuals.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	50
	Location Description	Milpitas, CA
	Planned Activities	Food distribution to the unhoused.
4	Project Name	City of Milpitas
	Target Area	Citywide
	Goals Supported	Assist Microenterprises and Small Businesses
	Needs Addressed	Economic Development
	Funding	CDBG: \$ 220,000 -\$368,000
	Description	The Milpitas Microenterprise Assistance Grant Program will provide funding to microenterprise businesses.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	40
	Location Description	Milpitas, CA
5	Planned Activities	Support Milpitas microenterprises.
	Project Name	Hope for the Unhoused
	Target Area	Citywide
	Goals Supported	Community Funding/Public Services
	Needs Addressed	Community Services
	Funding	CDBG: \$5,000
	Description	This mobile service center would provide a weekly one stop shop for unhoused to get food, water, clothing, essentials (tents, sleeping bag), hygiene kit, device recharging, etc. It would also provide the unhoused the ability to get assessed (VI-SPDAT), request additional support such as medical issues (VHHP - Valley Med Backpack Team), request or get status on case management items (e.g., ID, Social Security, EBT, GA/VA)
	Target Date	6/30/2025

	Estimate the number and type of families that will benefit from the proposed activities	40
	Location Description	Milpitas, CA
	Planned Activities	Provide essentials to unhoused individuals.
6	Project Name	Next Door Solutions to Domestic Violence
	Target Area	Citywide
	Goals Supported	Public Services for Domestic Violence Support
	Needs Addressed	Community Services
	Funding	CDBG: \$9,412.08
	Description	Provide Support Services for survivors of domestic violence by providing emergency shelter, crisis counseling, safety strategies, community and systems advocacy, support groups, and case management.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	37
	Location Description	Milpitas, CA
	Planned Activities	Next Door Solutions provides peer counseling, advocacy, legal help, and support groups. Additionally, Next Door Solutions to Domestic Violence provides safe emergency shelter to victims of domestic violence and their children within a confidential and protected environment.
7	Project Name	Project Sentinel-Fair Housing
	Target Area	Citywide
	Goals Supported	Fair Housing
	Needs Addressed	Community Services
	Funding	CDBG: \$21,000
	Description	Milpitas residents and those seeking to reside in Milpitas will have their civil rights protected with fair housing education, counseling, investigation, and enforcement actions.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	106
	Location Description	Milpitas, CA
	Planned Activities	Handle Fair Housing cases, and provide public presentations and education.
8	Project Name	Project Sentinel-Tenant/Landlord
	Target Area	Citywide

	Goals Supported	Community Funding/Public Services
	Needs Addressed	Community Funding/Public Services
	Funding	CDBG: \$10,000
	Description	Through education and counseling, housing providers (owners and property managers) and tenants will understand their respective rights and obligations. Rental housing disputes will be resolved through mediation, conciliation, and empowerment.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	30
	Location Description	Milpitas, CA
	Planned Activities	Tenant/landlord dispute resolution through counseling and education.
9	Project Name	Rebuilding Together Silicon Valley
	Target Area	Citywide
	Goals Supported	Maintain and Preserve Existing Housing
	Needs Addressed	Affordable Housing Development and Preservation
	Funding	CDBG: \$156,000 \$304,000
	Description	Funding to provide critical home repairs, rehabilitation, accessibility, and mobility services work to low-income homeowners in Milpitas.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	25 units
	Location Description	Milpitas, CA
	Planned Activities	Rehabilitate very low-, low-low-income households at no cost.
10	Project Name	Senior Adults Legal Assistance
	Target Area	Citywide
	Goals Supported	Public Services for Seniors
	Needs Addressed	Community Services
	Funding	CDBG: \$10,000
	Description	Legal services in the form of advice/referrals, consultations/brief service, and legal representation will be provided to Milpitas elders in areas of law common to SALA's target population including, but not limited to, the following: Public Benefits; Housing; Elder Abuse/Domestic Violence; Nursing Homes/Alternatives; Planning for Incapacity; Consumer/Finance; and Personal Affairs.

	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	16
	Location Description	Barbara Lee Center, Phone, or San Jose Office
	Planned Activities	Legal assistance to seniors.
11	Project Name	Silicon Valley Independent Living Center
	Target Area	Citywide
	Goals Supported	Community Funding/Public Services
	Needs Addressed	Community Services
	Funding	CDBG: \$10,000
	Description	The Housing Service project will assist individuals with disabilities in acquiring the knowledge and skills needed to secure or maintain affordable, accessible housing.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	42
	Location Description	Barbara Lee Center, Phone, Central Office
	Planned Activities	Provide housing search assistance to LMC Milpitas residents with disabilities at risk of eviction.
12	Project Name	Sourcewise
	Target Area	Citywide
	Goals Supported	Public Services for Seniors
	Needs Addressed	Community Services
	Funding	CDBG: \$10,000
	Description	Ensure critical, ongoing meal services and wellness checks for Milpitas' older low-income adult residents.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	20
	Location Description	Milpitas, CA
	Planned Activities	Provide seniors with nutritious, home-delivered meals.
13	Project Name	Terrace Gardens Senior Housing – Capital
	Target Area	Citywide
	Goals Supported	Affordable Housing Rental Rehabilitation
	Needs Addressed	Affordable Housing Development and Preservation
	Funding	\$199,999.00
	Description	Replace "Community Building" and "E" & "F" buildings roofs.

	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	148
	Location Description	186 Beresford Court
	Planned Activities	Funding will be used to replace three roofs at Terrace Gardens.
14	Project Name	YWCA Golden Gate Silicon Valley
	Target Area	Citywide
	Goals Supported	Public Services for Domestic Violence Support
	Needs Addressed	Community Services
	Funding	CDBG: \$9,412.07
	Description	Provide residents with domestic violence supportive services.
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	15
	Location Description	Milpitas, CA
	Planned Activities	24-hour Support Line; emergency shelter; emergency response calls from law enforcement; crisis counseling, individual therapy, and support groups for adults and children; medical advocacy; transportation; criminal justice and social service advocacy; temporary restraining orders; court accompaniment; and children's programming.
15	Project Name	Program Administration
	Target Area	Citywide
	Goals Supported	Program Administration
	Needs Addressed	Program Administration
	Funding	CDBG: \$97,432.20 109,594.78
	Description	Program Administration
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	Program Administration
	Location Description	Milpitas, CA
	Planned Activities	Program Administration
16	Project Name	Home Rehabilitation Loan Program
	Target Area	Citywide
	Goals Supported	Maintain and Preserve Existing Housing
	Needs Addressed	Affordable Housing Development and Preservation

Annual Action Plan

	Funding	RL: \$594,882.86
	Description	Rehabilitate very low-, low- income households
	Target Date	6/30/2025
	Estimate the number and type of families that will benefit from the proposed activities	6
	Location Description	Milpitas, CA
	Planned Activities	Rehabilitate very low-, low- income households

AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Not applicable. The City of Milpitas does not set geographic concentration areas for assistance. No census tracts in the city limits identify any area as a slum. Instead, the City helps fund organizations that provide supportive services to low- and moderate-income residents.

Geographic Distribution

Target Area	Percentage of Funds
Milpitas	100%

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Not applicable.

Discussion

Not applicable.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

The City adopted an Affordable Housing Ordinance No. 297 on June 12, 2018. The Affordable Housing Ordinance requires that all new developments over 10 units must construct 15% of the total number of dwelling units to be affordable. For example, a developer wants to build an apartment complex with 20 units. A total of 3 units (15%) will need to be deemed affordable to comply with the City's Affordable Housing Ordinance. On March 5, 2019, the City established residential and non-residential affordable housing fees. On February 1, 2022, the City Council approved changes to the Affordable Housing Ordinance to encourage more on-site housing construction, to help the City meet its Regional Housing Needs Allocation (RHNA) goals, and to add clarity and consistency throughout the ordinance.

In addition to our Affordable Housing Ordinance, the City typically allocates funding resources to Rebuilding Together Silicon Valley Independent and Terrace Gardens. These organizations help support low-income homeowners and renters and seniors stay housed.

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	173
Special-Needs	0
Total	173

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	0
Rehab of Existing Units	173
Acquisition of Existing Units	0
Total	173

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

The City anticipates allocating resources to Rebuilding Together Silicon Valley and Terrace Gardens.

Rebuilding Together Silicon Valley assists low-income homeowners and renters with critical repairs. The resources allocated to Rebuilding Together would serve ~~43~~ 26 low-income homeowners and renters in Milpitas, a total of 25 units.

Terrace Gardens is a deed-restricted very-low- and low-income affordable housing seniors' rental development. The allocation would be for capital repairs to the common area which would benefit 148 affordable housing units.

The Home Rehabilitation Loan Program will assist low-income homeowners with critical repairs. The resources allocated to the Home Rehabilitation Loan Program would serve 6 low-income homeowners in Milpitas. Total benefit of these three activities would be ~~17380~~ units.

AP-60 Public Housing – 91.220(h)

Introduction

The City of Milpitas currently does not have any public housing. However, there is a project-based Section 8 property in the City, the Sunnyhills Apartments. The Sunnyhills Apartments is a 171-unit development in which 149 units receive project-based Section 8 vouchers. The project-based Section 8 vouchers subsidize assistance for each unit with the Department of Housing and Urban Development, establishing fair market rent for the area and what the tenant can afford to pay. The goal is to be competitive with the local market thus incentivizing the owner to rent to low-income households.

Actions planned during the next year to address the needs to public housing

Not applicable. There is no public housing within the city.

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

Not applicable. There is no public housing within the city.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable.

Discussion

Not applicable.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The County of Santa Clara and the City have designated homelessness as a critical issue. In Santa Clara County's 2023 Point-in-Time Census & Survey Comprehensive Report, the survey identified a total of 142 unsheltered homeless persons in Milpitas. Notably, there was a 48% decrease in unsheltered homeless persons in Milpitas. The decrease demonstrates that the homelessness crisis in the City is improving. With that being said, the City strives to solve and provide resources to individuals experiencing homelessness. Given the complexity of homelessness, interagency and interregional collaboration is crucial in solving the homeless issue.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

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

November 10, 2020, the City Council approved and authorized staff to enter into an agreement for homeless outreach, assessment, and street-based case management services with Santa Clara County. A new contract was executed in December 2022 to continue homeless outreach through December 2023. As of April 2024, the City is preparing to launch a Request for Proposal (RFP) to enter into a new contract for homeless outreach and assessments.

In December 2020, the City Council authorized staff to contract with WeHOPE to provide mobile shower and laundry services in Milpitas. In June 2023, the City Council approved to fund WeHOPE for an additional 3 years.

The City's Housing team will continue to explore resources that can further benefit the homeless population in Milpitas.

Addressing the emergency shelter and transitional housing needs of homeless persons

The City of Milpitas will address emergency shelter and transitional housing needs of homeless persons by continuing to coordinate services between the City's Police, Building Safety & Housing, and Public Works Departments and our local service providers, such as LifeMoves. The City's Rent and Mortgage Relief program does allow for emergency housing relief for foster children or homeless families with school age children experiencing temporary homelessness. Funds can be used for obtaining temporary,

secure housing (motel, hotel, etc.) followed by additional assistance for rent/deposit relief to move into more permanent housing.

CDBG Funded

- Next Door Solutions to Domestic Violence: Next Door Solutions to Domestic Violence provides client-centered, community-based supportive services for victims of domestic violence and his/her children. The organization also provides undisclosed emergency shelter when requested and needed by the individual and/or family.
- YWCA Silicon Valley (YWCA): YWCA Silicon Valley empowers women and her children to end racism and violence through offering supportive services for self-improvement and undisclosed emergency shelter for short-term to a longer amount of time if needed. YWCA also provides clients referrals to permanent housing if possible, and available.

Other Funded Programs

- The City of Milpitas has an Emergency Motel Stays Program which provides up to three nights of temporary shelter at a Milpitas hotel for unhoused individuals and families.
- The City's Rent and Mortgage Relief program eligible uses include:
 - Eviction Protection
 - Domestic Violence Relocation
 - Child and Family Homelessness Relief
 - Emergency housing relief for foster children or homeless families with school-age children experiencing temporary homelessness. Funds can be used for obtaining temporary, secure housing (motel, hotel, etc.) and then be used for rent/deposit relief to move into more permanent housing.

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 City's Rent and Mortgage Relief program allows for emergency housing relief for foster children or homeless families with school-age children experiencing temporary homelessness. Funds can be used for obtaining temporary, secure housing (motel, hotel, etc.) followed by additional assistance for rent/deposit relief to move into more permanent housing.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: 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); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

Milpitas does not currently have an institutional discharge policy. The City collaborates with the Santa Clara County CoC, who recently updated their Quality Assurance Standards to include a homeless discharge coordination policy.

The County CoC endeavors to provide guidance and resources to those released from institutions. The discharge policy includes access to reentry resource centers where, for example, an VI-SPIDAT could be administered. The VI-SPIDAT measures the acuity level of an individual and is used to inform what type of support or housing needs are required. It also serves as the entry point for access to other resources or supportive services, such as residential or outpatient treatment, transitional housing, or emergency shelter access.

CDBG and City Local Funds

- **Rent Relief Program:** The City's Rent Relief program began in 2019 and expanded to a Rent and Mortgage Relief program in 2021. The rent relief portion assists with rent/deposit relief, eviction protection, domestic violence relocation, child and family homelessness relief, and section 8 good faith deposits.
- **Workforce Housing Rental Assistance Program:** Through a California Housing and Community Development (HCD) grant known as the Permanent Local Housing Allocation (PLHA), the City of Milpitas will be funding 50 households at or below 30% of the Area Median Income with a rental subsidy of \$645 per month for 24 months.
- **Child Advocates of Silicon Valley:** Child Advocates connect court-appointed special advocates (CASAs) to foster children. These volunteers must make a commitment to the children for a long-term, many for his or her entire life. The consistent support of CASA is often the only adult who has steadily remained with the child, providing crucial mentorship.
- **Seniors Adults Legal Assistance (SALA):** SALA is committed to providing free legal services to seniors. Legal services that SALA provides range from public benefits, long-term care, alternatives to institutionalization, elder abuse, long-term care insurance, incapacity planning, probate, simple wills, and housing – related to Landlord-Tenant issues. Often, many seniors do not know his or her housing rights or sign over the will of their house without knowing, and with

fixed income, many are unable to provide legal help. SALA provides legal help free of charge for these low to extremely low-income seniors.

Discussion

Please see the discussion above.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

Along with other jurisdictions in Santa Clara County, the City of Milpitas is facing many obstacles in creating more affordable housing. The many constraints that the City is facing are the limited amount of developable land, government constraints, infrastructure and public facilities constraints, environmental, and financing and construction costs.

Actions it planned 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

Resolution No. 8523

The City adopted Resolution No. 8523 on February 2, 2016, which recognizes homelessness as a crucial problem in the County and will help contribute to future affordable housing projects that will house the homeless.

Affordable Housing Ordinance

On June 12, 2018, the City Council adopted Affordable Housing Ordinance No. 297 which requires that any new development with 10 or more units must include 15% of the units these units as affordable. The ordinance applies to both rental and ownership developments. In January 2022, the City Council approved changes to the Affordable Housing Ordinance to encourage more on-site affordable housing production.

Density Bonus Ordinance

To attract developers to build affordable units, the Density Bonus Ordinance will allow developers the ability to build above their permitted densities in permitted zoning districts in exchange for the construction of affordable units.

Below Market Rate Home Ownership

The City manages a Below Market Rate (BMR) Home Ownership program for first-time, income-qualified homebuyers. Once a unit from the current BMR housing stock becomes available, a qualified applicant procured by lottery will have the ability to purchase a home in Milpitas at one of the various developments throughout the City.

Fair Housing

Milpitas provides CDBG funds to Project Sentinel. Project Sentinel is a reputable organization that provides expertise in fair housing and tenant-landlord disputes. Services include information, referrals, community outreach and education in several languages other than English, investigation, and resolving

fair housing complaints. In addition, they provide education and outreach to property owners, and property management to become proactive in their housing policies.

Discussion:

The California Department of Housing and Community Development (HCD) certified the City's 2023-2031 Housing Element on May 17, 2023. The adopted 2023-2031 Housing Element states the following actions to remove or ameliorate barriers to affordable housing: build and approve accessory dwelling (ADU) units and expand incentives for ADU production, work with non-profits to rehabilitate mobile and single-family homes, landlord-tenant mediation services, fair housing enforcement, outreach, and education, preservation of at-risk housing, mobile home rent control, analyze impact fees, continue the production of below market rate units and more.

AP-85 Other Actions – 91.220(k)

Introduction:

This section discusses efforts in addressing the underserved needs, expanding and preserving affordable housing, reducing lead-based paint hazards, developing an institutional structure for delivering housing and community development activities, and planning to enhance coordination between public and private housing and social services agencies.

Actions planned to address obstacles to meeting underserved needs

The most significant obstacle to addressing the underserved needs for FY 2024-25 is the lack of sufficient federal, state, and local funds to carry out all the necessary programs, activities, and projects.

The City contributes to meeting underserved needs with other resources and funds, such as:

- The City of Milpitas Affordable Housing Fund is used primarily to increase the number of new affordable housing units. It is funded through fees collected from developers by Affordable Housing Ordinance 297. As an example, the City used these funds to initially fund the Pilot Rent Relief Program the City established in November 2019 and it currently uses these funds for the City's Emergency Motel Stay Program.
- The City provides loans on an ongoing, as-qualified basis for BMR applicants to qualify for purchasing an available BMR unit.
- Measure A Affordable Housing Bond was approved by voters in November 2016 approving 950 million dollars for the County to address housing needs for the most vulnerable residents, those in extremely low-income households.
- American Rescue Plan Act (ARPA) funds have been allocated to the Rent Relief Program which assists low-and moderate-income individuals with up to \$5,000.
- In February 2023, the City received its approval letter for its Permanent Local Housing Allocation (PLHA) entitlement. The grant will help cover the homeless outreach and assessment services for the next three years. PLHA will also allow the city to create a Workforce Housing Rental Assistance Program that would offset rent paid by the tenant for a period of greater than 6 months. To qualify, tenants must have a household income of 30% AMI or below.
- In September 2022, the City Council accepted Assemblymember Lee's one-time state funding request, including \$1,500,000 for homelessness prevention and unhoused services. While the allocation of the homeless prevention and unhoused programs will be funded, the original request included the continuation of the mobile shower and laundry services, additional rent relief funds, and the establishment of a Milpitas Resource Center.

Actions planned to foster and maintain affordable housing

The City has taken proactive steps to help decrease the barriers to affordable housing through the following resolutions/ordinances:

Resolution No. 8523

The City adopted Resolution No. 8523 on February 2, 2016, which recognizes homelessness as a crucial problem in the County and will consider contributing to future affordable housing projects that will house the homeless. The City is in discussion to create its first 100% permanent supporting housing project in Milpitas.

Affordable Housing Ordinance

On June 12, 2018, the City Council adopted Affordable Housing Ordinance No. 297 which requires that any new development with 10 or more units must include 15% of the units these units as affordable. The ordinance applies to both rental and ownership developments. In January 2022, the City Council approved changes to the Affordable Housing Ordinance to encourage more on-site affordable housing production. The City Council also adopted changes to add clarity and consistency throughout the ordinance.

Density Bonus Ordinance

To attract developers to build affordable units, the Density Bonus Ordinance will allow developers the ability to build above their permitted densities in permitted zoning districts in exchange for the provision of affordable units in the development.

Below Market Rate Ownership

The City manages a Below Market Rate (BMR) Home Ownership program for first-time, income-qualified homebuyers. Once a unit from the current BMR housing stock becomes available, the homebuyer will have the ability to purchase a home in Milpitas at one of the various developments throughout the City. For qualified households, the City also provides a loan of up to \$50,000.

Fair Housing

Milpitas provides CDBG funds to Project Sentinel. Project Sentinel is a reputable organization that provides expertise in fair housing and tenant-landlord disputes. Services include information, referrals, community outreach and education in several languages other than English, investigation, and resolving fair housing complaints. In addition, they provide education and outreach to property owners, and property management to become proactive in their housing policies.

Actions planned to reduce lead-based paint hazards

The County of Santa Clara has received funding from the State's Department of Health Service and the Federal Government for the Center for Disease Control to implement a Childhood Lead Poisoning Prevention Program. The funded programs include community outreach screens, case management, and public education to inform low-to-moderate income and older communities. The project will then follow

up with environmental testing, lead-based education, blood-lead testing for children, hazard reduction grants, and follow up with monitoring and testing.

Milpitas has adopted a Lead-Based Paint Management Plan which complies with HUD-Based Paint regulations, which outlines the required states of abatement and remediation for rehabilitation projects. In addition, the City publicizes and identifies lead-based hazards and older residential projects through its Code Enforcement Division and Building Department.

Home rehabilitation projects that are federally funded also require testing for lead-based paints. Residential structures not meeting lead-based paint regulations will go through the process of abatement and remediation of lead-based hazards.

Actions planned to reduce the number of poverty-level families

The City of Milpitas will follow these actions:

- Work with non-profit housing developers to fund and provide more affordable housing opportunities to address the housing crisis and needs of very low and low-income households.
- Provide funding and supportive services to prevent very low-income persons and families from becoming homeless and assist them in ending the cycle of homelessness. Programs such as the Rent Relief Program and the Workforce Housing Rental Assistance Program (WHRAP) help poverty-level families stay housed.
- Provide funding for a variety of services and referrals to assist people in obtaining access to public assistance to prevent poverty. This is typically done through funding various non-profit organizations.

Actions planned to develop institutional structure

The City is striving to improve intergovernmental and private sector cooperation to synergize efforts and resources and develop new revenues for community service needs and the production of affordable housing. Collaborative efforts include:

- Regular monthly meetings between entitlement jurisdictions at the CDBG Coordinators Meeting and Regional Housing Working Group
- Joint jurisdiction Request for Proposals and project review committees
- Coordination on project management for projects funded by multiple jurisdictions.

Actions planned to enhance coordination between public and private housing and social service agencies

The City benefits from a strong jurisdiction and region-wide network of housing and community development partners, such as the County and the CoC. To improve intergovernmental and private sector cooperation, the City will continue to participate with other local jurisdictions and developers in

sharing information and resources.

Discussion:

Please see the discussion above.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(l)(1,2,4)

Introduction:

The City of Milpitas returned \$149,337.74 to the line of credit. Funds will be reprogrammed in FY 2024-25.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(l)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	\$0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	\$0
3. The amount of surplus funds from urban renewal settlements	\$0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	\$149,337.74
5. The amount of income from float-funded activities	\$0
Total Program Income	\$149,337.74

Other CDBG Requirements

1. The amount of urgent need activities	\$0
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