



09/19/2025

CITY OF GILROY

Consolidated Annual Performance and Evaluation Report (CAPER)

Program Year 2024

JULY 1, 2024 – JUNE 30, 2025



CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

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

In May 2024, the City of Gilroy submitted its Program Year (PY) 24 Annual Action Plan (AAP), for the period July 1, 2024, through June 30, 2025, to the federal U.S. Department of Housing and Urban Development (HUD). This AAP served as the fifth and final year of the City's 2020-2025 Consolidated Plan, and outlined the goals and objectives for the use of Community Development Block Grant (CDBG) awarded by HUD.

At the conclusion of each program year, the City of Gilroy must submit a Consolidated Annual Performance and Evaluation Report (CAPER) to HUD by September 28. This report explains how well the City carried out the activities and goals in the PY 24 Annual Action Plan. It reviews the City's accomplishments, compares them to the goals that were set, shows how funds were spent, and, if some goals were not met, explains why.

During PY 24, the City successfully expended its full CDBG allocation, requesting \$488,799.76 in reimbursements from HUD.

The funds helped provide public services through the following subrecipients/programs:

- Community Agency for Resources, Advocacy and Services (C.A.R.A.S.): RYSE UP (**R**eaching our **Y**oung people to **S**ucceed and **E**mpower with **U**nlimited **P**otential) Program
- City of Gilroy Recreation Division: Gilroy Summer Day Camp
- Live Oak Adult Day Services: Adult Day Care Program
- Sourcewise: Transit Services
- The Health Trust: Meals on Wheels Program
- South County Compassion Center: Outreach for the Unhoused

Public service funds are always in high demand. To make sure the process was fair, the City carefully reviewed and ranked all proposals submitted through its request for proposals. The City implemented a 1-year funding cycle for its subrecipients. . In total, \$58,421.24 in public service funds were spent, which was 15% of the total allocation -- the maximum allowed for public service activities.

CDBG Administration funds were utilized for Fair Housing efforts by Project Sentinel.

The City also utilized CDBG funds for its rehabilitation activity provided by the following subrecipient:

-Rebuilding Together Silicon Valley: Repair and Accessibility Modification Program for Low-Income Homeowners

The Program addressed health, and safety, accessibility, and code corrections issues citywide. A total of \$179,942.32 was spent on the housing rehabilitation program, which provided assistance to 15 unique households.

On May 7, 2025, during Affordable Housing Month, the City of Gilroy and Rebuilding Together provided a bilingual English and Spanish workshop at the Gilroy Senior Center on the free home safety repairs and modifications available through their CDBG funded program.

Lastly, the City invested \$172,516 in CDBG funds for a safety enhancement project that designed and constructed curb ramps, improving accessibility throughout several primarily low- to moderate-income neighborhoods. The project was successfully completed on time and came in \$7,427.33 under the budgeted amount of \$179,943.33.

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

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

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Fair Housing Support	Affordable Housing	Housing Trust Fund: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	2195	0	0.00%			
Install safety and enhanced public improvements	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	7500	7500	100.00%	2885	2885	100.00%
Neighborhood Revitalization	Code Enforcement	CDBG: \$	Housing Code Enforcement/Foreclosed Property Care	Household Housing Unit	300	0	0.00%			
Planning and Administration	Affordable Housing Homeless Non-Homeless Special Needs Non-Housing Community Development	CDBG: \$	Other	Other	1	0	0.00%	2	0	0.00%
Preserve affordable housing	Affordable Housing	CDBG: \$	Rental units constructed	Household Housing Unit	1	0	0.00%			

Preserve affordable housing	Affordable Housing	CDBG: \$	Rental units rehabilitated	Household Housing Unit	10	0	0.00%			
Preserve affordable housing	Affordable Housing	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	100	15	15.00%	15	15	100.00%
Support small business expansion	Non-Housing Community Development	CDBG: \$	Businesses assisted	Businesses Assisted	5	0	0.00%			
Supportive services for homeless populations	Non-Housing Community Development	CDBG: \$ / Housing Trust Fund: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1000	0	0.00%			
Supportive services for homeless populations	Non-Housing Community Development	CDBG: \$ / Housing Trust Fund: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	50	0	0.00%			
Supportive services for special needs populations	Non-Homeless Special Needs	CDBG: \$ / Housing Trust Fund: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	8588	1277	14.87%	421	1277	303.33%
Supportive services for special needs populations	Non-Homeless Special Needs	CDBG: \$ / Housing Trust Fund: \$	Homeless Person Overnight Shelter	Persons Assisted	0	0		0	0	

Supportive services for special needs populations	Non-Homeless Special Needs	CDBG: \$ / Housing Trust Fund: \$	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	0	0		0	0	
Workforce development	Non-Housing Community Development	Housing Trust Fund: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	25	0	0.00%			

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

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

The City of Gilroy uses its annual Community Development Block Grant (CDBG) funding to address the community’s highest priorities, including housing and supportive services for residents with special needs. These priorities were identified through a public engagement process in which community members helped shape both service and development goals for the city. The input gathered guided the 2020-2025 Five-Year Consolidated Plan and each of the City’s five Annual Action Plans, with this CAPER reporting on the final program year of that cycle.

In PY 24, the City was proud to dedicate most of its funding to projects that directly address the community’s top priorities. These efforts included helping preserve affordable housing through the rehabilitation program, providing supportive services for residents with needs, and making public improvements to increase pedestrian safety. These priorities were outlined in the Action Plan, and the results are shown in the table above.

CR-10 - Racial and Ethnic composition of families assisted

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

91.520(a)

	CDBG
White	488
Black or African American	81
Asian	27
American Indian or American Native	56
Native Hawaiian or Other Pacific Islander	26
Total	678
Hispanic	349
Not Hispanic	329

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

Narrative

We collect race and ethnicity information from all organizations that use CDBG funding to provide direct services to low- and moderate-income residents. The numbers above show who was served through CDBG-funded programs, giving a snapshot of the community members reached.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	public - federal	496,246	488,800
Housing Trust Fund	public - local	0	

Table 3 - Resources Made Available

Narrative

The "resources made available" amount includes PY 24 CDBG grant funds received from HUD, along with any unspent prior years' resources. Overall, the City is very pleased to have used its CDBG program funds efficiently and on time, successfully meeting this year's timeliness requirements.

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
CDBG Target Area			
Citywide	100	100	Citywide

Table 4 – Identify the geographic distribution and location of investments

Narrative

The HUD Neighborhood Revitalization Strategy Area NRSA designation expired at the end of the previous five-year Consolidated Plan cycle and has not been renewed. Although the area no longer meets HUD's regulatory requirements for an NRSA, the City continued to focus on this area locally due to the persistent high poverty levels, the need for improved public facilities, and ongoing neighborhood deterioration. During PY 24, the City continued providing home repairs and modifications citywide through its Repair and Accessibility Modification Program for Low-Income Homeowners. While the program no longer gives preference to residents of the former NRSA, it still requires that all beneficiaries be low- and moderate-income. Because Gilroy's NRSA designation is no longer recognized by HUD, the CDBG Target Area in the above table is left blank.

Leveraging

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

The City's CDBG funding helped local agencies run important programs, but it only funded a portion of the costs. Agencies were able to use this funding as a match or proof of support when applying for other grants, potentially helping them qualify for additional resources to do even more for the community.

No publicly owned land or property was used to address the needs identified in the Plan.

Gilroy receives a Permanent Local Housing Allocation from the State of California SB 2 funding. This funding is allocated to the City of Gilroy but administered by the Santa Clara County Office of Supportive Housing. This funding helped address the needs identified in the Plan, by providing some services targeted to persons experiencing homelessness and families, including programming targeted toward persons experiencing homelessness with special needs and residents chronically experiencing homelessness. The following program provided basic needs services with the help of PLHA funds during PY 24:

South County Compassion Center (SCCC) – \$118,000 – Basic Needs - Provided access to the services that persons experiencing homelessness need to survive, become stable, and lead self-sufficient lives. SCCC continues to meet our unhoused neighbors right where they live, providing essential needs and support with compassion and consistency.

CR-20 - Affordable Housing 91.520(b)

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

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	0	0
Number of Non-Homeless households to be provided affordable housing units	0	0
Number of Special-Needs households to be provided affordable housing units	0	0
Total	0	0

Table 5 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	0	0
Number of households supported through Rehab of Existing Units	15	15
Number of households supported through Acquisition of Existing Units	0	0
Total	15	15

Table 6 – Number of Households Supported

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

In the past year, the City's housing rehabilitation home repair, and accessibility modification program for low-income homeowners assisted 15 households, achieving the City's annual unduplicated household goal. The program also met its goal of providing 45 minor repair/maintenance individual repairs. Two outcome performance measures were exceeded, with over 80% of households reporting improved safety conditions, improved accessibility, and mobility in their homes, as measured by a questionnaire. The Although the program fell short of its goal of completing 15 larger rehabilitation

repairs – completing 7 instead – this was due to the unpredictable nature of homeowners’ individual repair needs. In total, the program completed 52 repairs, including 16 miscellaneous repairs that did not fall into the minor repair/maintenance or large categories, allowing the program to accomplish 68 repairs (for 15 households total) for the year.

The program enabled residents to make essential repairs and modifications that enhanced safety, accessibility, and overall livability, while helping families maintain affordable homes. The City is proud of the meaningful difference these improvements have made in the community.

Discuss how these outcomes will impact future annual action plans.

The City developed a strong, collaborative partnership with Rebuilding Together Silicon Valley (RTSV) to implement its home repair, accessibility, and rehabilitation program, and plans to continue providing this valuable service to the community. Given the limited CDBG funding available and the high costs of development in the city, it is unlikely the City will be able to undertake any large-scale affordable housing projects using CDBG funds in the near future. Instead, the City will continue to focus on supporting home repair, accessibility, and housing rehabilitation initiatives in the 2025-2030 Con Plan cycle. The City and RTSV agreed to increase project cost limits for this program, allowing homeowners to address larger-scale repairs when feasible, while still ensuring that small repairs benefiting a greater number of residents remain a priority.

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

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	10	0
Low-income	4	0
Moderate-income	1	0
Total	15	0

Table 7 – Number of Households Served

Narrative Information

- Our New Place (ONP):** Operated by St. Joseph’s Family Center & Community Solutions, ONP merged with Gilroy Place in July 2024, consolidating 26 units for unhoused survivors of domestic violence (shifted from 13 for chronically unhoused). In PY 24, ONP offered 27 units, serving 61 people, with plans to expand. **Supportive Housing Apartments:** *Sobrato Family Apartments* –40 units (referral only) *Gilroy Studios* – 25 studios (referral only) *Monterey Gateway* – 37 senior units **Section 8 Housing Choice Voucher (HCV) Program:** Supported 980 Gilroy households; ~50% included seniors or persons with disabilities. Families apply through an interest list lottery and must update accounts annually. **Project-Based Vouchers (part of the 980 HCV above):** 185 units

supported across the following: Sobrato (36), Monterey Gateway (37), Monticelli (23), Connell (5), Sunset Gardens (74), Wheeler Manor (10). **Below Market Rate Preservation Program:** In partnership with the SCC Office of Supportive Housing, the City purchased, repaired, and will resell a BMR home to a low-income household with a new 30-year deed restriction. **Affordable Housing Month 2025 Events (all meetings presented in English with Spanish translation unless noted):** *CalHFA Workshop* – down payment aid for first-time buyers *Housing Rights Workshops* – tenant protections, source of income, & fair housing (1 Spanish/1 English) *Manufactured Home Purchase Program* – support for low-income mobile home buyers. *Destination:HOME Forum* – community discussion on homelessness causes, data, and solutions with local leaders and community members. Gilroy’s efforts reflect a strong commitment to expanding affordable housing, protecting vulnerable residents, and promoting long-term housing stability.

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

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

Santa Clara County Homeless Census and Survey Reports (Point-in-Time Count – PIT) - Every two years, during the last ten days of January, communities across the United States conduct Point-in-Time (PIT) Counts to measure the number of people experiencing homelessness. These counts provide estimates of the prevalence of homelessness in each community. Homelessness remains the most pressing social issue in the City of Gilroy. The most recent count was in January 2025. Results from the count have not yet been published.

Santa Clara County Community Plan to End Homelessness - In 2020, Santa Clara County (SCC) adopted the *2020-2025 Community Plan to End Homelessness*, a framework developed in partnership with community-based organizations, local government, philanthropy, businesses, healthcare providers, and individuals with lived experience of homelessness. The five-year plan centers on three core strategies:

1. Addressing the root causes of homelessness through system and policy change.
2. Expanding homeless prevention and housing programs to meet community needs.
3. Improving quality of life for unsheltered individuals while creating healthy neighborhoods for all.

For more information, the 2024 Year-End Progress Report is available [here](#).

Santa Clara County Coordinated Entry System - Santa Clara County (SCC) uses a Coordinated Entry System, which provides a single, consistent way to connect people experiencing homelessness with the services and housing options that best fit their situation.

The City of Gilroy continues to dedicate time and resources to identify and implement measures that assist the unhoused in Gilroy, including:

- **The Housing and Community Services Division (HCS)**
- **Quality-of-Life Officers**
- **City of Gilroy Unhoused Service Providers Network (USPN)**
- **City of Gilroy “Unhoused Resources & Efforts” webpage**
- **Cold Weather Shelter**
- **City of Gilroy Housing Element Goals**

Homelessness Education – including the following: **Affordable Housing Month Event** – On May 14, 2025, the City of Gilroy hosted Destination:HOME’s community conversation on Housing Affordability &

Homelessness in Gilroy: The Facts, Challenges & Solutions at the Gilroy Library. The public and a panel of local leaders, which included a person with lived experience, were invited to discuss the realities of homelessness and how to create lasting solutions. The group explored the latest data, root causes driving homelessness, the critical role affordable housing plays in ending homelessness, and highlighted the power of cross-sector partnerships and provided tools to advocate for real, long-term solutions.

Addressing the emergency shelter and transitional housing needs of homeless persons

Four facilities offered emergency shelter in Gilroy during the PY 24:

The Gilroy Shelter is a year-round, 24/7 emergency shelter operated by HomeFirst and funded by Santa Clara County. Staffing included a Shelter Manager, who oversaw daily operations, and a Community Engagement Coordinator, who built community support and secured donations. The shelter required a referral for entry, was pet-friendly, and offered communal areas, mobile laundry, restrooms, and showers. Case management services were provided through the South County Compassion Center.

Arturo Ochoa Winter Shelter is a seasonal short-term family shelter, formerly operated by St. Joseph's Family Center (SJFC), serving up to 35 unhoused families (140 beds total). Each household was required to have at least one dependent under the age of 18 and to reside in Morgan Hill, San Martin, or Gilroy. The shelter operated from mid-December through mid-March. Referrals were accepted beginning in mid-November, with priority given to referrals from partner agencies. SJFC managed shelter operations, coordinated the referral process, provided basic needs services, and offered case management. SJFC contracted with EAH Housing for the day-to-day property management and on-site security. Additional services, including medical care, medical social work, employment workshops, benefits enrollment, and other supports, were provided by community organizations, church groups, volunteers, and other agencies.

Individuals seeking shelter at either the Gilroy Shelter or the Arturo Ochoa Winter Shelter were invited to call the "Here4You" housing/shelter Call Center at (408) 385-2400 and specify if they prefer placement at a Gilroy shelter. The Call Center coordinated emergency sheltering, temporary housing, and referrals to community resources based on client needs. During inclement weather, the shelter capacity increased to accommodate emergency sheltering at various warming locations throughout the county. The Call Center was open from 9:00 AM to 7:00 PM, seven days a week.

La Isla Pacifica Women's Shelter - Community Solutions operated **La Isla Pacifica Women's Shelter**, serving survivors of intimate partner violence and their children. For eligibility inquiries, residents could call (408) 779-2113 during business hours and the crisis hotline (877) 363-7238 after hours.

City of Gilroy Inclement Cold Weather Shelter - Upon the National Weather Service and Santa Clara County declaring an inclement cold weather event, the City of Gilroy activated the Gilroy Senior Center as a warming shelter. The shelter was activated from

November to March and open for overnight sheltering from 9 PM to 7 AM. Walk-ins were welcome.

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

The primary barrier to funding such a program is the limited availability of funds and the need to address the community's established priorities. If additional resources become available, the City will explore opportunities to partner with other public agencies or local nonprofits to support such a program.

The following Gilroy organizations provide some of the services listed above:

- **Community Solutions Forensic Assertive Outreach & Engagement (FACT)** - Serves adults (18+) who have had a difficult time engaging in treatment due to varying degrees of involvement with the criminal justice system and experience with co-occurring mental health, substance use and/or physical health disorders that are often under-managed. **Jail Diversion** serves adults (18+) with severe mental illness and/or substance use disorders who may be homeless and involved with the criminal justice system. **Crisis Residential** program serves adults (ages 18-59) experiencing mental health crisis and at risk of hospitalization, homelessness or incarceration.
- **The South County Reentry Resource Center** - Assists residents exiting institutional settings <https://reentry.santaclaracounty.gov/home>.
- **The Salvation Army Gilroy Corps** – Refers Gilroy residents to the Salvation Army Adult Rehabilitation Center – https://sanjosearc.salvationarmy.org/san_jose_adult_rehabilitation_center
- **Carry The Vision** - Provides healing circles and system navigation for adults exiting incarceration - <https://www.carrythevision.org/>.
- **Catholic Charities** - Catholic Charities in Gilroy can refer residents to a variety of available programs. Contact Sharon Miller at smiller@catholiccharitiesscc.org.

Santa Clara County (SCC) - At the countywide level, particularly for people experiencing chronic homelessness, the preferred approach is to provide intensive case management rather than limited information and referral services. Case managers play a critical role in helping unhoused individuals secure housing, connect with resources, and access the support needed to remain stably housed. This model is person-centered rather than shelter-based, with the primary goal of rapid rehousing.

However, progress is challenged by the limited availability of Permanent Supportive Housing units. As

outlined in the Santa Clara County Community Plan to End Homelessness, one of the five-year goals is to create 6,000 new housing opportunities for people experiencing homelessness. Equally important, each of these 6,000 tenants is intended to have access to the supportive services necessary to sustain their housing. The County is steadily advancing toward these goals. Because of the plan efforts, as of the end of 2024, more than 5,800 homes are open, under construction, or in the pipeline, 17,485 people have been connected to stable housing, 23,228 people have been placed in temporary housing and shelter, and 33,193 people have received homelessness prevention assistance.

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

Through City PLHA funding, the following program supported efforts to connect unhoused individuals to housing and resources, and to prevent residents from experiencing homelessness:

- **The South County Compassion Center (SCCC) – Outreach for the Unhoused Program** – This program provided comprehensive services to meet the basic needs of Gilroy residents experiencing homelessness, while connecting them to resources that can help them secure permanent housing.

Santa Clara County funded the following program, which provided assistance in connecting unhoused individuals to housing:

Abode Services – In Gilroy, Abode Services conducted weekly outreach to the unhoused funded by Santa Clara County (SCC), with additional outreach provided during the cold weather season from November through April. Additional outreach services were conducted during the cold weather season from November to April. Abode also partnered with SCC on Project Welcome Home, California’s first “Pay for Success” initiative. This program combined permanent supportive housing with community-based clinical services to assist the most vulnerable and at-risk members of the South Bay community. The goal of Project Welcome Home has been to rehouse up to 200 chronically homeless individuals who are frequent users of emergency rooms, jails, and acute mental health facilities.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

The City of Gilroy does not have any public housing units, nor are there plans to develop such housing units in the future.

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

The City of Gilroy does not have any public housing units, nor are there plans to develop such housing units in the future.

Actions taken to provide assistance to troubled PHAs

The City of Gilroy does not have any public housing units, nor are there plans to develop such housing units in the future.

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

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

As required by the State of California, the City is required to complete a Housing Element. The Housing Element outlines the City's goals, policies, and implementation for the preservation, conservation, improvement, and production of housing for the 2023-2031 planning period. The 2023-2031 Housing Element identifies the specific actions the City will take to address existing and future housing needs. Some example program actions include:

1. **Inclusionary Housing Policy**: Develop an affordable housing policy to establish inclusionary housing requirements so that specified new developments reserve a percentage of the total units for lower- and moderate-income households or pay an in-lieu of housing fee for projects below the threshold for inclusionary housing.
2. **ADU Pre-Designed Plans**: The City will develop an ADU program that includes pre-designed “model” plans for ADUs that meet zoning and building, and fire codes. This program made available in January of 2025.
3. **Facilitate Missing Middle / Middle Income Housing**: Amend the City Code to allow triplexes, and fourplexes to be approved ministerially on corner lots with a minimum 8,000 sf lot size in the R1 and R2 zones (approximately 449 lots) so long as the project complies with objective design standards and the lot was created prior to May 1, 2023.
4. **Surplus Lands/Affordable Housing on City-Owned Sites**: Implement the Surplus Lands Act and proactively advertise surplus land opportunities for affordable housing. Report any City-owned surplus land in the Annual Progress Report, and consider adding City owned parcels to the No Net Loss Inventory, as needed. The Goal has been implemented and continues annually.
5. **Zoning Ordinance Update**: Changes will include streamlining permit processes and making them more transparent, ensuring General Plan densities are achievable, and revising development standards to be objective. Consistent with state law, the zoning ordinance will also allow by-right approval of emergency housing, supportive housing, low-barrier navigation centers, and housing for agricultural employees in specified zones where residential uses are allowed. The City will develop a process to allow 100% residential projects in the Downtown Expansion District and create a process that allows flexibility in the type of non-residential uses allowed in the new First Street Mixed-Use Corridor for projects that include residential units with affordable rents for extremely low-income households, farmworkers, persons with disabilities, or other special needs households. The goal was implemented in May 2024.

6. **Revise Neighborhood District Policy:** Adopt standards related to affordability distribution, term/years of affordability, and other standards necessary for transparency and consistency in decision making.

7. **Developer Roundtable:** On May 13, 2025, as part of Affordable Housing Month, City of Gilroy staff, developers, and stakeholders participated in a developer roundtable to network and discuss the City's Affordable Housing Study, the goals of the General Plan and Housing Element, the upcoming Zoning Ordinance, and 2025 Building and Fire Code adoption. 28 developers joined the roundtable, driving collaboration, answering key questions, gathering insights, and building connections. City staff look forward to this annual event.

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

The City continues to prioritize its limited resources to address the most underserved needs in the community. All funded services targeted these needs, and accomplishments for each are noted in the previous sections of this CAPER. The City will continue exploring potential new funding sources to address the gaps that cannot be met with current resources. As additional funds become available, the City will evaluate how they can be used to further address underserved populations.

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

In PY 17, through the CDBG program, the City began funding the *Rebuilding Home Repair, Rehabilitation, and Accessibility Modification Program*, primarily a minor repair program administered by Rebuilding Together Silicon Valley (RTSV). This program has provided services to low-income homeowners needing health- and safety-related repairs. RTSV's staff provided all participants with the HUD-compliant Lead-Safe Certified "Renovate Right" pamphlet and follow HUD lead requirements. In PY 24, the program continued under the name *Repair and Accessibility Modification Program for Low-Income Homeowners*.

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

The City expects that community services funded with CDBG dollars help reduce the number of poverty-level families. While quantifiable data on this impact is not available, the City believes these services positively affected the quality of life for those served.

The City targets poverty reduction through programs available to low-and moderate-income (LMI) residents citywide. Specific projects focus on expanding economic opportunities for lower-income residents, with some also designed to provide additional indirect benefits in reducing poverty.

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

City staff, along with representatives from other CDBG entitlement and non-entitlement cities in Santa Clara County, the County Office of Supportive Housing, and the Housing Authority of Santa Clara County,

participate in monthly Housing CDBG Coordinators' Meetings. These meetings focus on sharing data, resources, coordinating information requests to public and private countywide agencies, and providing technical guidance. HUD staff periodically joins these meetings to clarify programmatic issues and offer technical assistance. An email listserv supports ongoing information sharing and collaboration among members. These meetings foster cooperation and a deeper understanding of regional issues, benefiting all jurisdictions involved.

City staff also participates in the South County Collaborative monthly meetings, which bring together providers serving low-income and special needs residents of Gilroy, San Martin, and Morgan Hill. As a nonprofit, the Collaborative can apply for funding to benefit the communities it serves. Members share information via a listserv and receive notices of public comment periods for the Annual Action Plan, Assessment of Fair Housing (AFH), Consolidated Plan (Con Plan), and Consolidated Annual Performance and Evaluation Report (CAPER).

During PY 24, the Unhoused Service Providers Network (USPN) continued monthly meetings facilitated by the Housing and Community Services Division. This network included representatives from the Gilroy Police Department (Quality-of-Life Officers), the County Office of Supportive Housing, nonprofit and community-based agencies, Gilroy Shelter staff, health workers, the Santa Clara Valley Water District, and faith-based organizations. The network focused on identifying resources and sharing strategies to support unhoused individuals and families in Gilroy, while also considering broader countywide issues. The Quality-of-Life Officers actively collaborated with outreach workers to connecting unhoused residents with resources, case management, and shelter options locally and across the county.

Santa Clara County Community Plan to End Homelessness - In 2020, SCC adopted the 2020-2025 *Community Plan to End Homelessness*, developed collaboratively by representatives from community-based organizations, local government, philanthropy, business, healthcare, and people with lived experience. The City of Gilroy formally adopted the plan by resolution on August 2, 2021, and continues to support citywide efforts to advance this regional initiative.

The Community Plan serves as SCC's roadmap for ending homelessness in SCC and is organized around three core strategies:

Strategy 1: **Address the root causes of homelessness** through system and policy changes.

Strategy 2: **Expand homelessness prevention and housing programs** to meet the needs.

Strategy 3: **Improve quality of life for unsheltered individuals** and create healthy neighborhoods for all.

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

As described above, the City actively participates in various groups and service provider collaboratives

that share information, raise awareness of needs and services, and develop solutions to address those needs. The City will continue its involvement in these efforts to bring additional resources to residents.

The Housing and Community Services Division has also cultivated relationships with local affordable housing property managers and resource coordinators. These partnerships facilitate the sharing of resources and connections to county agencies, helping to meet the needs of residents and support affordable housing developments

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

The City continues to take meaningful actions to address patterns of segregation, promote fair housing choice, eliminate disparities in opportunity, and foster inclusive communities free from discrimination, as outlined in the City's Housing Element. In PY 24, a portion of the City's CDBG allocation was used to fund *Project Sentinel*, which provided community outreach, educational presentations, complaint investigations, and other services to advance fair housing in the community. Project Sentinel's Fair Housing program was funded through program administration funds for one year, and in PY 25, the program will be funded again as a public service.

In PY 2024, the City's Housing Element outlined how Gilroy fulfills its state obligation to affirmatively further fair housing (AFFH). A federal Analysis of Impediments to Fair Housing Choice (AI) was not required at that time, as HUD was awaiting issuance of its Final Rule. Under the current administration, the prior Administration's 2021 Affirmatively Furthering Fair Housing (AFFH) rule was terminated and replaced with an Interim Final Rule (IFR). The IFR requires HUD grantees to self-attest to their commitment to fair housing. A locality's certification that it has affirmatively furthered fair housing, in accordance with the Fair Housing Act, is deemed sufficient. See [HUD News Release](#).

Staff continues to engage with the SCC Housing CDBG Coordinators' group to share and discuss the latest updates on federal fair housing requirements.

CR-40 - Monitoring 91.220 and 91.230

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

As a recipient of federal CDBG funds, the City of Gilroy is responsible for overseeing the day-to-day operations of all CDBG-funded activities and ensuring that funds are used in compliance with all applicable requirements. Monitoring serves as the primary tool to achieve this oversight.

Below is a summary of CDBG monitoring goals.

- **Compliance with federal regulations:** Ensure all CDBG-funded programs and activities follow HUD requirements and applicable laws.
- **Alignment with program objectives:** Verify that projects meet the goals and priorities outlined in the Consolidated Plan.
- **Financial accountability:** Monitor the proper expenditure of funds and accurate reporting to prevent misuse or mismanagement.
- **Performance evaluation:** Assess whether funded projects achieve intended outcomes and measurable community benefits.
- **Timely reporting and documentation:** Ensure grantees submit required reports, records, and documentation on schedule.
- **Risk management:** Identify and address potential risks, including operational, financial, and compliance issues.
- **Technical assistance:** Provide guidance and support to subrecipients to improve program effectiveness and compliance.

In PY 24, City staff conducted a desktop review of all subrecipients and grantees (City programs) along with on-site monitoring of newly funded agencies, those receiving \$15,000 or more in CDBG funds, or any subrecipients showing signs of concern. Desktop reviews indicating substandard performance were followed up with phone calls, emails, and, if necessary, on-site visits. These measures help ensure long-term compliance with program requirements.

For subrecipients or grantees not requiring on-site monitoring, City staff provided targeted technical assistance prior to agreement execution, covering benchmarks, reporting, and record-keeping requirements.

In PY 24, the following PY 23 CDBG grant funded programs were monitored by staff:

- Rebuilding Together Silicon Valley—Repair and Accessibility Modification Program for Low-Income Homeowners, PY 23, (\$258,000 grant) monitored on 6-18-25;

- City of Gilroy Recreation Division—Gilroy Summer Day Camp, PY 23, (\$37,312.61 grant) monitored on 5-28-25 and 5-30-25;
- Community Agency for Resources, Advocacy and Services – RYSE-UP, PY 23, (\$8,248.15 grant) monitored on 6-25-25;

The monitoring visits were conducted to assess whether each agency implemented and managed their program activities in accordance with City and federal requirements, as specified in their CDBG agreements. In most cases, staff reviewed the program as a whole and separately examined financial records for each program. These monitoring visits provide subrecipients and grantees with feedback on program administration and an opportunity for additional training if needed.

Overall, the visits were successful, with any concerns identified. Upon completion, detailed monitoring response letters are maintained in each agency’s project file within the City’s HCS Division.

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

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

English and Spanish public notices were placed in the public notice case at City Hall on August 28, 2025, and advertised in the local newspaper (Gilroy Dispatch), the City’s Email Express Newsletter, and other social media platforms on August 29, 2025, to inform the community about the public comment period from August 29 – September 15, 2025, and to share the link to the draft CAPER. Additionally, the draft CAPER was available at the following locations for the public to view:

- City of Gilroy Website: <https://www.cityofgilroy.org/cdbg>
- City Hall: 7351 Rosanna St., Gilroy, CA, Monday – Thursday from 8:30 AM to 4:30 PM
- Gilroy Library: 350 W. Sixth St., Gilroy, CA, During business hours

One comment was received and incorporated as part of the public record:

Citizen writes to urge the City of Gilroy to allocate a larger share of Community Development Block Grant (CDBG) funds toward economic development activities in downtown Gilroy, particularly in the two lowest- income census tracts. He emphasizes that, in addition to housing and infrastructure, HUD guidance allows and encourages economic development as an eligible use of CDBG funds.

He outlines four key benefits:

- Job creation and workforce access through small business assistance and micro-enterprise support.
- Neighborhood stabilization by attracting economic activity and preventing decline.
- A multiplier effect for low-income families through ongoing employment opportunities. Alignment with HUD’s national objectives of benefitting low- and moderate-income residents.

- He concludes by recommending that the City adopt a more balanced CDBG strategy that prioritizes economic development alongside housing and public services, to help Gilroy's most vulnerable residents thrive.

CR-45 - CDBG 91.520(c)

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

The City of Gilroy did not make any changes to the CDBG program objectives during the year. Since the City is still within the 2020-2025 Consolidated Plan cycle, it was considered best to maintain the goals and objectives already in place. Throughout the year, the City monitored CDBG fund expenditures to ensure that awarded projects and programs—both from the current year and prior periods --were completed and funds fully expended.

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

No

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

CR-45 - CDBG 91.520(c)

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

The City of Gilroy did not make any changes to the CDBG program objectives during the year. Since the City is still within the 2020-2025 Consolidated Plan cycle, it was considered best to maintain the goals and objectives already in place. Throughout the year, the City monitored CDBG fund expenditures to ensure that awarded projects and programs—both from the current year and prior periods --were completed and funds fully expended.

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

No

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

CR-58 – Section 3

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

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

Table 8 – Total Labor Hours

Qualitative Efforts - Number of Activities by Program	CDBG	HOME	ESG	HOPWA	HTF
Outreach efforts to generate job applicants who are Public Housing Targeted Workers	0				
Outreach efforts to generate job applicants who are Other Funding Targeted Workers.	0				
Direct, on-the job training (including apprenticeships).	0				
Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.	0				
Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).	0				
Outreach efforts to identify and secure bids from Section 3 business concerns.	0				
Technical assistance to help Section 3 business concerns understand and bid on contracts.	0				
Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.	0				
Provided or connected residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.	0				
Held one or more job fairs.	0				
Provided or connected residents with supportive services that can provide direct services or referrals.	0				
Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.	0				
Assisted residents with finding child care.	0				
Assisted residents to apply for, or attend community college or a four year educational institution.	0				
Assisted residents to apply for, or attend vocational/technical training.	0				
Assisted residents to obtain financial literacy training and/or coaching.	0				
Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.	0				
Provided or connected residents with training on computer use or online technologies.	0				
Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.	0				
Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.	0				
Other.	0				

Table 9 – Qualitative Efforts - Number of Activities by Program

Narrative

The City did not complete any projects that triggered Section 3 requirements.