

City of Gilroy DRAFT Annual Action Plan

For the Second Year of the Five-Year Consolidated Plan
Program Year (PY) 2026 - 2027
(*July 1, 2026 – June 30, 2027*)



Community Development Department
Housing and Community Services
7351 Rosanna Street
Gilroy, CA 95020

Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The City of Gilroy (City) receives Community Development Block Grant (CDBG) funds each year from the U.S. Department of Housing and Urban Development (HUD) for housing, economic development, and community development activities. These funds are intended to meet priority needs locally identified by the City that primarily benefit persons with extremely low-, very low-, and low-incomes (incomes of 80 percent or less of area median income).

To receive federal funds, every five years, the City must submit a five-year strategic plan to HUD —the Consolidated Plan (Con Plan), as well as an Annual Action Plan (AAP) for each program year that identifies local needs, and how these needs will be addressed. The AAP must also demonstrate how the City will meet national goals set by the U.S. Congress to develop viable communities by providing decent housing, a suitable living environment, and economic opportunities.

The Con Plan and each AAP embody and reflect three overall goals, which relate to the major commitments and priorities of HUD, including:

- To provide decent housing by preserving the affordable housing stock, increasing the availability of affordable housing, reducing discriminatory barriers, increasing the supply of supportive housing for those with special needs, and transitioning homeless persons and families into housing.
- To provide a suitable living environment through safer, more livable neighborhoods, greater integration of lower-income residents, increased housing opportunities, and reinvestment in deteriorating neighborhoods.
- To expand economic opportunities, through more jobs paying self-sufficiency wages, homeownership opportunities, development activities that promote long-term community viability, and the empowerment of lower-income persons to achieve self-sufficiency.

The Program Year (PY) 2026-2027 AAP marks the second year of the five-year Con Plan period, which runs from 2025-2030. The AAP describes to the public and HUD how the City will specifically utilize CDBG funds in the coming program year (July 1, 2026 - June 30, 2027). A complete listing of specific projects/programs that will receive funding can be found in section AP-35 of this document.

Any minor changes (i.e. typos, minor edits, changes that do not affect the essence of the document) to this Plan will be completed through a minor amendment process that will not require further citizen

participation or City Council approval. Substantial amendments (i.e. funding changes, re-allocation of project monies, etc.) will follow the City's Citizen Participation Plan (CPP), and require a public hearing and Council approval.

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.

HUD has established a set of outcomes and objectives that entitlement jurisdictions need to address. The outcomes and objectives are noted within each of the Goals included in the Strategic Plan (SP-45) section of the Con Plan. In summary, they are as follows:

Outcomes: Availability/Accessibility; Affordability; Sustainability

Objectives: Create Suitable Living Environments; Provide Decent Affordable Housing; Create Economic Opportunities

The goals identified in this AAP are taken from the Con Plan's Strategic Plan which describes how federal funds and other resources will be deployed and what other actions will be taken to address community development and affordable housing needs over the next five years. The following goals were made available in the Notice of Funding Availability (NOFA) published by the City on January 30, 2026.

Support and Preserve Affordable Housing

Prevent and Reduce Homelessness

Increase Supportive/Public Services for Special Populations

Invest in Community Development and Neighborhood Revitalization

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

During Program Year 2024-2025, year five of the 2020-2025 Con Plan, the City successfully expended its allocation, with a total of \$488,799.76 in CDBG funds requested for payment/drawn down from HUD. Every year, the City reports, in detail, on its CDBG performance in the Consolidated Annual

Performance and Evaluation Report (CAPER) which is due to HUD within 90 days upon completion of the program year.

The City utilized CDBG funds for public service activities provided by the following subrecipients/programs in PY 2024-2025:

- Community Agency for Resources, Advocacy and Services (C.A.R.A.S.): RYSE UP II (Reaching our Young people to Succeed and Empower with Unlimited Potential) Program
- Live Oak Adult Day Services: Adult Day Care Program
- Project Sentinel: Tenant-Landlord Counseling and Dispute Resolution Program
- Sourcewise: Transit Services Program
- The Health Trust: Meals on Wheels Program Program
- South County Compassion Center: Outreach for the Unhoused Program

Public service funds are always highly sought after; City staff went through a rigorous application review process to evaluate applications submitted in response to the NOFA. All organizations were able to fully expend their Gilroy grant allocations within PY 2024-2025, except for CARAS, which had a remaining balance of \$18.89. A total of \$58,421.24 in public service funds were spent, which was 15% of the allocation amount, and met the 15% public service cap.

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

-Rebuilding Together Silicon Valley: Repair and Accessibility Modification Program for Low-Income Homeowners. The Program aimed to address health/safety issues, code corrections, and accessibility issues.

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 Silicon Valley 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.

Another regulatory limitation on the use of CDBG funds is that no more than 20 percent of each program year's grant allocation may be used for planning and administrative costs. The City has remained in compliance with this requirement since 2016.

The City utilized \$56,432.73 in program administration funding to administer its CDBG program and \$21,487.47 in program administration funding to fund the following program:

-Project Sentinel Fair Housing

The total amount of program administration funding was \$77,920.20, which was 20% of the allocation amount, and met the 20% program administration cap.

The City continues to meet HUD's timeliness requirement each May by maintaining a balance of less than 1.5 times its annual CDBG grant amount in HUD's Line of Credit Control System (LOCCS).

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The City followed the requirements for citizen participation outlined in the City of Gilroy CPP. To facilitate this process, the City releases a NOFA for each funding cycle that allows interested parties to directly apply for these funds. The NOFA for PY 2026-2027 was published on January 30, 2026, and emailed to local organizations, nonprofits, and City departments that may be interested in applying for CDBG funds for the upcoming program year (July 1, 2026 – June 30, 2027). The following is a list of key components implemented to ensure the highest citizen participation was captured during the development of this plan:

- Public Notices in English and Spanish were published in the Gilroy Dispatch newspaper, on the City's website Newsflash, CDBG webpage, city hall, library, and social media postings on January 30, 2026, noting the NOFA and CAPER results, virtual public hearing date, and application packet release date. This notice was also directly distributed to the following organizations: the South County Collaborative, South County Youth Task Force, Nueva Vida Community, organizations on the interest list, and every currently funded CDBG organization.
- The application packet was released on the City's CDBG webpage on February 6, 2026

- The Public Hearing was held on February 17, 2026, at staff level, to review NOFA, provide overview of prior year CDBG Program accomplishments, answer questions from the general public, and receive public comments.
- The 30-day public comment period for the draft AAP and draft CPP was held from March 13, 2026 – April 13, 2026.
- The Public Meeting was held at City Council meeting on April 6, 2026, to review potential grant funding allocation options to be included in the AAP.
- A Public Hearing will be held at City Council meeting, on May 4, 2026, to review the draft AAP, including grant allocations, and the draft CPP, and to accept any public comments prior to adoption of both Plan approvals.

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.

TBD

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

TBD

7. Summary

See above

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

1. Agency/entity responsible for preparing/administering the Consolidated Plan

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

Agency Role	Name	Department/Agency
CDBG Administrator	GILROY	Community Development Department

Table 1 – Responsible Agencies

Narrative

The City of Gilroy (City is the lead and responsible agency for the United States Department of Housing and Urban Development’s (HUD) entitlement programs in Gilroy. The Community Development Department (CDD) is responsible for administering the City’s CDBG program. Entitlement jurisdictions receive entitlement funding (i.e., non-competitive, formula funds) from HUD. By federal law, the City is required to submit a five-year Con Plan and AAP to HUD listing priorities and strategies for the use of its federal funds.

The PY 2026-2027 AAP marks the second program year of the City's 5-year 2025-2030 Con Plan.

Con Plan Public Contact Information

Sharon Goei, Community Development Director
7351 Rosanna Street
Gilroy, CA 95020
408.846.0467

sharon.goei@cityofgilroy.org

AP-10 Consultation – 24 CFR 91.100, 91.200(b), 91.215(I)

1. Introduction

The Con Plan outreach effort is a regional collaborative effort between the County of Santa Clara and seven entitlement jurisdiction cities.

Community engagement is key for helping the County and cities to identify needs, priorities, goals, strategies, and activities for future housing and community development activities over the period of the five-year regional plan. Engagement activities included a community survey, public outreach, stakeholder consultations (or meetings), focus groups, and pop-up events.

As a part of the stakeholder consultation process, the City consulted with a variety of stakeholders, including City departments, human service agencies, local and regional community-based organizations, housing providers and advocates, and the Santa Clara County Housing Authority (SCCHA). Social service providers were also consulted, including those that provide services to the elderly, persons with disabilities, unhoused persons, and other lower-income individuals and at-risk populations.

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)).

The City worked in coordination with many agencies, boards, and governmental entities, with the intent of enhancing access to services, learning best practices of activities that would aid the City in developing strategies to meet established goals of providing decent and affordable housing, providing a suitable living environment, and expanding economic opportunities. The City’s citizen participation efforts included the following efforts during the preparation of the Cond Plan and AAP:

- CDBG/Housing Regional Coordinators Meetings – City staff and staff from the other CDBG entitlement cities in Santa Clara County, the County of Santa Clara Office of Supportive Housing, and the SCCHA participate. Meetings discuss data resources and strive to coordinate requests for information to both public and private countywide agencies. HUD staff meets with this group to clarify issues and assist in providing ongoing programmatic technical information. The email listserv for this group enables members to share information and provide technical assistance to one another, thus promoting and creating an environment of cooperation and understanding of differing needs, concerns, and issues among the group. This expansion of knowledge of regional issues and sharing of information benefits each individual jurisdiction represented in the group.

- South County Collaborative – City staff partners with the collaborative, which consists of providers of services to low-income and special needs residents of Gilroy, San Martin, and Morgan Hill. Collaborative members share information through an active listserv and receive notices of public comment periods on the AAP and CAPER, CPP, Con Plan, public hearings, and substantial amendments.
- Unhoused Service Providers Network (USPN) – Monthly meetings are hosted by City staff, that include representatives from the Gilroy Police Department, Quality-of Life Officer Team, staff from County of Santa Clara, staff from various nonprofit agencies and shelter providers, health workers, the Santa Clara Valley Water District, and faith-based organizations. The focus is to increase collaboration and partnership among the service providers and the City, to connect the unhoused with services. The sharing of information also has as a goal of coordinating resources and services for unhoused clients.
- A Community Plan Implementation Team, which includes members of the Continuum of Care (CoC) and other community stakeholders, meets quarterly to evaluate progress toward the Community’s Plan to End Homelessness.
- CoC Participation – Meets monthly with a group comprising governmental agencies, homeless service and shelter providers, homeless persons, housing advocates, affordable housing developers, and various private parties, including businesses and foundations, to identify gaps in homeless services, establish funding priorities, and pursue a systematic approach to addressing homelessness.
- During the development of its Plans and as a general practice, the City coordinated with a variety of housing agencies, public and mental health agencies, and service providers to discuss community needs. These discussions provided an opportunity for these entities to network and learn more about one another’s services and programs.

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 (OSH) is the administrator of the regional CoC. The City continuously coordinates with the CoC in its efforts to end and prevent homelessness in the city and county. CoC is a group comprised of countywide stakeholders, including governmental agencies, homeless service and shelter providers, persons experiencing homelessness, housing advocates, affordable housing developers, and various private parties, including businesses and foundations.

Regional efforts of the CoC include the development of the Community Plan to End Homelessness, which identifies strategies to address the needs of persons experiencing homelessness in the county, including individuals experiencing long-term/chronic homelessness and families, families with children, veterans, and unaccompanied youth. The plan also addresses the needs of people experiencing housing

instability. The CoC is collaborating with all Santa Clara County cities to update a new plan for the next five years. Gilroy staff has participated in monthly coordination and data sharing meetings.

Service providers and organizations that provide services to persons experiencing homelessness and persons experiencing housing instability were also contacted by the City to attend most recent Con Plan engagement meetings. This included Destination Home, the policy group who works on housing stabilization and permanent housing solutions; and Eden Housing, a nonprofit affordable housing developer and operator that provides permanent supportive housing in the city.

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 is not an Emergency Solutions Grant (ESG) entitlement jurisdiction and therefore does not receive ESG funds. However, the City does administer federal grant programs that aid unhoused and low-income families in Santa Clara County. The City also helps conduct the Point-in-Time (PIT) count; the biennial regional collaborative effort to count and survey persons experiencing homelessness. The latest count and survey were conducted in January of 2025. The data from the PIT count is used to plan, fund, and implement actions for reducing chronic homelessness and circumstances that bring about homelessness.

The CoC takes the role of Homeless Management Information System (HMIS) administration. The County, and its consultant Bitfocus, work jointly to operate and oversee HMIS. Both software and HMIS system administration are now provided by Bitfocus. Funding for HMIS in Santa Clara County comes from HUD, the County of Santa Clara, and the City of San Jose. The County's HMIS is used by many city service providers across the region to record information and report outcomes. The software meets and exceeds HUD's requirements for the implementation and compliance of HMIS Standards. The project has a rich array of service provider participation and is utilized to capture information and report on special programming, such as Housing 1000, the County VTA free bus pass program, and prevention service delivery.

The City partners and the entire county use the HMIS system to support housing availability alongside the coordinated entry system to support transitional, shelter, as well as permanent housing needs. In Santa Clara County's coordinated entry system, all unhoused people complete a standard assessment tool (the Vulnerability Index-Service Prioritization Decision Assistance Tool or VI-SPDAT) that considers the individual's situation and identifies the best type of housing intervention to address their situation. A community queue of eligible households is generated from the standard assessment. The community queue is used to fill spaces in the permanent housing programs, including permanent supportive

housing, and rapid rehousing, in the county. This coordinated process reduces the need for people to traverse the county seeking assistance from every service provider separately.

2. Agencies, groups, organizations and others who participated in the process and consultations

DRAFT

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	Santa Clara County County Office of Supportive Housing (OSH)
	Agency/Group/Organization Type	Other Government - County
	What section of the Plan was addressed by Consultation?	Needs Assessment Homeless Strategy Housing Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	The City continues to utilize the OSH as a partner in addressing the needs of the City.
2	Agency/Group/Organization	Project Sentinel
	Agency/Group/Organization Type	Service-Fair 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?	Participated in the NOFA process - may work as a subrecipient.
3	Agency/Group/Organization	Sourcewise
	Agency/Group/Organization Type	Services-Elderly Persons Services-Persons with Disabilities
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy

	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in the NOFA process - may work as a subrecipient.
6	Agency/Group/Organization	Silicon Valley Independent Living Center
	Agency/Group/Organization Type	Services-Persons with Disabilities Services-Health
	What section of the Plan was addressed by Consultation?	Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in the NOFA process - may work as a subrecipient.
7	Agency/Group/Organization	Rebuilding Together Silicon Valley
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Anti-poverty Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in the NOFA process- may work as a subrecipient.

8	Agency/Group/Organization	Bay Area Community Health
	Agency/Group/Organization Type	Services-Health Health Agency Regional Organization Services-Elderly Persons Services-Persons with Disabilities
	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?	Participated in NOFA process - may work as a subrecipient.
9	Agency/Group/Organization	City of Gilroy
	Agency/Group/Organization Type	Other government - Local Grantee Public Works Department
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Services-Persons with Disabilities
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in the NOFA Process - may work as a subrecipient.
10	Agency/Group/Organization	South County Collaborative
	Agency/Group/Organization Type	Local Service Provider Organization Group

	What section of the Plan was addressed by Consultation?	Needs Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in monthly south county service provider meetings on topics affecting low-income residents and receive feedback on community needs. Announce CDBG related public comment periods/meetings/public hearings at in-person meetings and through the listserv.
11	Agency/Group/Organization	Unhoused Service Providers Network (USPN)
	Agency/Group/Organization Type	Local Service Provider Organization Group
	What section of the Plan was addressed by Consultation?	Needs Assessment
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in monthly virtual south county USPN meetings hosted by the City Staff to discuss local resources for persons experiencing homelessness in Gilroy and receive feedback from providers on the challenges impacting the provision of services. Announce CDBG related public comment periods/meetings/public hearings at in-person meetings and through the listserv.
12	Agency/Group/Organization	Housing CDBG Coordinators' Meeting
	Agency/Group/Organization Type	Santa Clara County Regional jurisdictional monthly CDBG Coordinators Meeting
	What section of the Plan was addressed by Consultation?	Needs Assessment Homeless Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	Participated in monthly virtual meeting along with other Santa Clara County CDBG grant recipients to discuss all things CDBG, including the coordination of the Annual Action Plan and Consolidated Plan. In addition to CDBG coordination, OSH provides legislative, funding updates, and other program updates.

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

Not applicable

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	Continuum of Care Council	Identifies housing inventory count to facilitate the provision of housing services to those experiencing homelessness.
General Plan / Housing Element	City of Gilroy	Determines physical conditions of housing that affect habitability. Identifies the number of affordable units that need to be allocated to households with different income levels.

Table 3 - Other local / regional / federal planning efforts

Narrative

City, other entitlement jurisdictions, and the County, with assistance from consultants, worked to involve housing, social services, and other agencies in the community engagement process, including direct solicitation for these agencies to participate in the community survey, stakeholder meetings, and focus groups for the Con Plan, which drives subsequent Action Plans.

Stakeholder participants were asked questions and provided feedback on priorities, issues, and solutions in relation to CDBG-eligible activities such as housing, neighborhood revitalization, and low- to moderate-income household issues. They were asked about their top priorities, neighborhood revitalization, housing problems and their solutions, local organization support, families vulnerable to crisis, broadband internet issues, and how the jurisdiction should spend CDBG funding.

The responses were very helpful for the Needs Assessment and Strategic Plan of the Consolidated Plan, to analyze alongside data from the

census and HUD, especially for topics pertaining to housing needs, the needs of those experiencing homelessness, services for housed individuals with disabilities, and community development needs.

In preparation for the PY 2026-2027 Annual Action Plan, City staff consulted with new grant applicants or returning applicants with a new program who were interested in applying for CDBG funding to discuss their proposed activity and whether it met a Gilroy priority need, HUD national objective, if it was an eligible CDBG activity, and to answer any grant related questions. The NOFA and CAPER results public hearing slide presentation was made available to the public on the City's CDBG webpage www.cityofgilroy.org/cdbg

In addition, City staff is continually assessing community needs through its monthly collaboration with the South County Collaborative, Unhoused Service Providers Network, Housing CDBG Coordinators' meeting, as well as from quarterly programmatic information received from the CDBG grant recipients to ensure that the priority needs and goals identified in the 2025-2030 Consolidated Plan continue to accurately represent the needs of low-income Gilroy residents each program year.

AP-12 Participation - 91.401, 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

Outreach is essential to the City's ability to create an accurate and effective plan, and to allocate resources appropriately. The City, in partnership with the County, made extensive efforts to solicit citizen participation during the Consolidated Plan process which in turn drives each year's Annual Action Plan. Below is a summary of the steps taken for the Consolidated Plan, along with the efforts made for PY 2026-2027.

First, the City attempted to reach as many residents as possible, primarily low-income persons/families, disabled persons, elderly persons, and families with minor children. Receiving feedback directly from residents who may potentially receive assistance from grant funds is crucial for the CDBG program's effectiveness. Second, the City reached out to practitioners, agencies, leaders, organizations, and companies who may have the specialized knowledge, experience, resources, and capacity to discuss needs, opportunities, solutions, investments, and how community improvements can be made. Third, the City encouraged all residents to weigh in on community needs and opportunities for improvements through resident participation opportunities.

The City offered several opportunities and various methods for participation and public comment throughout the development of the Consolidated Plan, the 2026 - 2027 Annual Action Plan (AAP) and the Citizen Participation Plan (CPP), including:

1. Regional Needs Survey
2. Pop-Up Events
3. Regional Forums
4. Focus Groups
5. Joint Community Meetings on Consolidated Plan Process and Assessment of Fair Housing
6. Stakeholder Consultations
7. Public Hearings and a Comment Period for Draft Documents for current AAP

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	Non-targeted/broad community	<p>Publicly noticed in the Gilroy Dispatch on 1/30/26, emailed to nonprofit agencies, posted on City website, social media, city hall, and library.</p> <p>Application packet available 2-6-26.</p> <p>2-17-26 virtual public hearing. 12 agencies attended the public hearing on the PY 2026-2027 NOFA and PY 2024-2025 CAPER results.</p>	<p>Agencies asked questions related to the NOFA. See AP-05, section 5 for a summary of the public comment received at public hearing.</p>	<p>All questions were welcomed, and one comment was accepted and noted.</p>	<p>Cityofgilroy.org/cdbg</p>

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)
2	Newspaper Ad	Non-English Speaking - Specify other language: Spanish	Publicly noticed in the Gilroy Dispatch on 1/30/26, emailed to nonprofit agencies, posted on City website, social media, city hall, and library. Application packet available 2-6-26. 2-17-26 virtual public hearing. 12 agencies attended the public hearing on the PY 2026-2027 NOFA and PY 2024-2025 CAPER results	Agencies asked questions related to the NOFA. See AP-05, section 5 for a summary of the public comment received at public hearing.	All questions were welcomed, and one comment was accepted and noted.	Cityofgilroy.org/cdbg

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	Virtual Public Hearing	Non-targeted/broad community	<p>Publicly noticed in the Gilroy Dispatch on 1/30/26, emailed to nonprofit agencies, posted on City website, social media, city hall, and library.</p> <p>Application packet available 2-6-26.</p> <p>2-17-26 virtual public hearing. 12 agencies attended the public hearing on the PY 2026-2027 NOFA and PY 2024-2025 CAPER results</p>	<p>Agencies asked questions related to the NOFA. See AP-05, section 5 for a summary of the public comment received at public hearing.</p>	<p>All questions were welcomed, and one comment was accepted and noted.</p>	<p>Cityofgilroy.org/cdbg</p>

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)
4	Newspaper Ad	Non-targeted/broad community	<p>Publicly noticed the following on 3/13/26, in the Gilroy Dispatch:</p> <p>City Council Public meeting 4/6/26, to receive public comments and Council direction on CDBG funding allocations.</p> <p>City Council public hearing 5/4/26, to announce 30-day public comment period from 3/13/26 to 4/13/26, for the draft AAP, funding allocations, and draft Citizen Participation Plan. Public</p>	TBD	TBD	Cityofgilroy.org/cdbg

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)
5	Newspaper Ad	Non-English Speaking - Specify other language: Spanish	Publicly noticed the following on 3/13/26, in the Gilroy Dispatch: City Council Public meeting 4/6/26, to receive public comments and Council direction on CDBG funding allocations. City Council public hearing 5/4/26, to announce 30-day public comment period from 3/13/26 to 4/13/26, for the draft AAP, funding allocations, and draft updated Citizen Participation Plan.	TBD	TBD	Cityofgilroy.org/cdbg

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)
6	Public Meeting	Non-targeted/broad community/Language interpretation via Wordly.	Public meeting 4/6/26 to receive direction from City Council on CDBG funding allocations and public comment.	TBD	TBD	
7	Public Hearing	Non-targeted/broad community/Language interpretation via Wordly.	Public hearing 5-4-26 to receive final input on draft Citizen Participation Plan, funding allocations, and the draft AAP, for Council's consideration and adoption.	TBD	TBD	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

For PY 2026-2027, the City of Gilroy anticipates CDBG funding as detailed below, including \$906.74 in prior year resources from PY 2024-2025 and \$21,211.01 from PY 2025-2026, to be reallocated to non-public service activities, minus a PY 2024-2025 \$513 public works project expenditure that was originally considered as a prior year resource.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Remainder of Con Plan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	400,000.00	0.00	21,604.75	421,604.75	1,200,000.	

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

HUD allocations are critical to overcoming barriers; however, they are not sufficient to address all the needs of LMI households. Therefore, the City will continue to leverage other funding sources, including Permanent Local Housing Allocation (PLHA) from the state of California, to provide services to populations in need.

If appropriate, describe publicly owned land or property located within the jurisdiction that

may be used to address the needs identified in the plan

The City's 2023-2031 Housing Element identified two publicly owned property sites with potential for development:

- **8th and Alexander:** The City is partnering with the Santa Clara County Office of Supportive Housing regarding the development of affordable housing at the publicly owned (County owned land) property at 8th and Alexander.
- **880 Sunrise Drive:** This 1.98-acre site is partially occupied by a City of Gilroy fire station, with the remainder being vacant. The site is zoned PF (Park/Public Facilities District), which permits City or other governmental agency facilities. The realistic capacity for this site is 21 lower-income units on the vacant land and parking lot portions, while retaining the fire station. This site is included in the RHNA sites inventory as an opportunity site and is publicly owned.

The City of Gilroy is actively considering and utilizing its publicly owned land for affordable housing development and is committed to complying with regulations regarding surplus lands. Currently the city is working with California Housing and Community Development to complete the process of declaring four properties as surplus sites. In May of 2025, city staff met with developers and discussed affordable housing opportunities, housing element goals, and opportunity sites. This meeting will continue annually.

Discussion

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

The funding allocations listed below are tentative pending City Council direction.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase Supportive/Public Services for Special Populations	2026	2027	Non-Homeless Special Needs	Citywide	Public Services for Vulnerable Populations	CDBG: \$50,000.00	Public service activities other than Low/Moderate Income Housing Benefit:60
2	Invest in Community Development and Neighborhood Revitalization	2026	2027	Non-Housing Community Development	Citywide	Community Development and Public Facilities	CDBG: \$187,736.50	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit - TBD
3	Support and Preserve Affordable Housing	2026	2027	Affordable Housing	Citywide	Affordable Housing	CDBG: \$93,868.25	Homeowner Housing Rehabilitated: 18
4	Prevent and Reduce Homelessness	2026	2027	Homelessness	Citywide	Homelessness Response and Prevention	CDBG: 10,000.00	25

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Support and Preserve Affordable Housing
	Goal Description	<ul style="list-style-type: none"> - Permanent affordable rental housing with services - Home rehabilitation for lower-income residents for safety and accessibility improvements
2	Goal Name	Prevent and Reduce Homelessness
	Goal Description	Homelessness
3	Goal Name	Increase Supportive /Public Services for Special Populations
	Goal Description	<ul style="list-style-type: none"> - A resource/navigation center to connect people with resources, including migrant/agricultural/seasonal workers - Youth activities, especially out of school time (after school, summer) - More staffing for consistent programming and resources at the senior center - Affordable childcare - Mental health services- Services for foster youth, seniors, and people with disabilities
4	Goal Name	Invest in Community Development and Neighborhood Revitalization
	Goal Description	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit will occur in a LMI qualifying area.

AP-35 Projects - 91.420, 91.220(d)

Introduction

For PY 2026-2027, the City expects to be allocated \$400,000 in CDBG entitlement funds.

PY 2026-2027 will be a one-year funding cycle for the proposed activities and represents the second year of the City's 2025-2030 Consolidated Plan.

#	Project Name
1	Public Services- Peer to Peer Support for Unhoused Residents
2	Public Services- Fair Housing
3	Public Services- Young Mothers Support Services
4	Public Services- Transit Services
5	Public Services- Housing and Emergency Services for Persons with Disabilities

#	Project Name
6	Public Services- Tenant-Landlord Services
7	Housing Rehabilitation and Accessibility Modification
8	Gilroy Clinic Improvements Expanding Access for the Elderly
9	Sidewalk Improvements

Table 7 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

One of the greatest challenges in meeting the underserved needs of low- and moderate-income persons is having limited financial resources. Public service funds are always in high demand, but with limited funding, it is difficult to fund these programs to their fullest potential while staying within HUD parameters. The City continues to utilize its CDBG funding to the greatest extent possible to serve as many underserved needs as they are able in each program year.

Allocation priorities are determined based on the needs identified by analyzing data from HUD, American Community Survey, and other sources and soliciting feedback from community members and local stakeholders. The City awards CDBG funds to organizations to provide public services and housing for low-income and special needs households, as well as for public facilities and improvements that will primarily benefit low-income persons.

HUD requires that 70 percent of all CDBG funds be spent on activities benefiting low- and moderate-income (LMI) persons, with incomes at or below 80% of the AMI, adjusted for household size.

AP-38 Project Summary

Project Summary Information

The funding allocations listed below are tentative pending City Council direction.

DRAFT

1	Project Name	Public Services- Peer to Peer Support for Unhoused Residents
	Target Area	Citywide
	Goals Supported	Prevent and Reduce Homelessness
	Needs Addressed	Homelessness
	Funding	CDBG: \$10,000.00
	Description	Carry the Vision's Peer to Peer Support for Unhoused Residents Program will provide a lived experience, peer led public service initiative focused on stabilization and consistent engagement with individuals experiencing homelessness in Gilroy, through ongoing relationship-based outreach that strengthens trust, reduces isolation, and supports emotional and day-to-day stability. HUD Matrix Code: 03T / National Objective: LMC (presumed benefit)
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	25 persons experiencing homelessness will receive support from peers.
	Location Description	7365 Montrey Rd., Ste. 203 Gilroy, CA 95020
	Planned Activities	The Peer-to-Peer Support for Unhoused Residents Program will work with individuals experiencing homelessness in collaboration with local outreach teams, service providers, Quality of Life Officers, City staff and community partners to complement existing homelessness response efforts and strengthen coordination in Gilroy, resulting in increased stabilization, trust, and consistent engagement.
2	Project Name	Public Services- Fair Housing
	Target Area	Citywide
	Goals Supported	Support and Preserve Affordable Housing Increase Supportive/Public Services for Special Populations
	Needs Addressed	Affordable Housing

	Funding	CDBG: \$10,000.00
	Description	Project Sentinel’s Fair Housing Program will address illegal housing discrimination by investigating complaints, administering audits, conducting community outreach and education, and pursuing appropriate remedies when federal and state fair housing laws are violated. HUD Matrix Code: 05J / National Objective: LMC (income verification required)
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Low/mod income households will receive fair housing services
	Location Description	8339 Church St., Ste. 104 Gilroy, CA 95020
	Planned Activities	The Fair Housing Program will address illegal housing discrimination by investigating complaints, administering audits, conducting community outreach and education, and pursuing appropriate remedies when federal and state fair housing laws are violated.
3	Project Name	Public Services- Young Mothers Support Services
	Target Area	Citywide
	Goals Supported	Increase Services for Special Populations
	Needs Addressed	Supportive Services
	Funding	CDBG: \$10,000.00
	Description	Shine Together’s Young Mother’s Support Services Program will provide educational navigation and advocacy, parenting education, and social-emotional learning to 10 young Gilroy mothers and their children at San Ysidro Park. The program began in Gilroy in 2025 to address the growing unmet need in south county. HUD Matrix Code: 05D / National Objective: LMC
	Target Date	6/30/2027

	Estimate the number and type of families that will benefit from the proposed activities	10 low-income mothers and their children
	Location Description	San Ysidro Park 7700 Murray Ave. Gilroy, CA 95020
	Planned Activities	The Young Mothers Support Services Program will provide young low-income mothers between the ages of 13-25 with expanded access to education, essential resources, and supportive relationships to families facing poverty, school disruption, housing instability, and mental health stress, in collaboration with South County Heals, South County Youth Task Force, and the Neighborhood Safety Unit.
4	Project Name	Public Services- Transit Services
	Target Area	Citywide
	Goals Supported	Increase Services for Special Populations
	Needs Addressed	Supportive Services
	Funding	CDBG: \$10,000.00
	Description	Sourcewise's Transit Services Program will provide timely, free transit rides to 20 low-income 60+ and/or disabled adults to local medical/dental appointments, pharmacies, grocery stores, and to socialize at the Senior Center. HUD Matrix Code: 05E / National Objective: LMC (presumed benefit)
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	20 low/mod income Gilroy residents
	Location Description	16340 Montrey Rd. Morgan Hill, CA 95037
	Planned Activities	The Transit Services Program will provide free transit rides to Gilroy seniors and/or disabled adults to local medical appointments, pharmacies, grocery stores, and to socialize at the Senior Center.

5	Project Name	Public Services- Housing and Emergency Services for Persons with Disabilities
	Target Area	Citywide
	Goals Supported	Increase Services for Special Populations and Prevent and Reduce Homelessness
	Needs Addressed	Supportive Services
	Funding	CDBG: \$10,000.00
	Description	Silicon Valley Independent Living Center's Housing and Emergency Services for Persons with Disabilities Program will provide counseling, support and assistance to low-income Gilroy residents who have a disability or chronic health condition to assist in their transition from homelessness, health care facilities, or unstable or temporary housing into permanent, affordable, accessible, integrated housing. HUD Matrix Code: 05X / National Objective: LMC (presumed benefit and persons requiring income verification)
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	60 low-income Gilroy residents with disabilities.
	Location Description	7881 Church St., Ste. C Gilroy, CA 95020
	Planned Activities	The Housing and Emergency Services for Persons with Disabilities Program will serve Gilroy residents with disabilities or a chronic health condition in their transition from homelessness, health care facilities, or unstable or temporary housing into permanent affordable, accessible, integrated housing, and will provide emergency housing assistance, as funding is available, including security deposits and first month's rent, assistive technology information & referral, home accessibility modification referrals, supplemental food, and referrals to organizations that provide assistance to ensure long-term sustainability of their independent living environment.
	Project Name	Public Services- Tenant-Landlord Services

6	Target Area	Citywide
	Goals Supported	Support and Preserve Affordable Housing and Increase Supportive/Public Services for Special Populations
	Needs Addressed	Supportive Services
	Funding	CDBG: \$10,000.00
	Description	Project Sentinel's Tenant-Landlord Services Program will provide tenant-landlord counseling services to Gilroy residents to prevent eviction and housing instability through information and referral, case management, dispute resolution through conciliation or mediation, and community education. HUD Matrix Code: 05K / National Objective: LMC (income verification required)
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	20 low/mod income individuals
	Location Description	8339 Church St., Ste. 104 Gilroy, CA 95020
	Planned Activities	The Tenant-Landlord Services Program will provide counseling services to prevent eviction and housing instability, including information and referral, case management, dispute resolution through conciliation or mediation, and community education. Staff will educate tenants and housing providers on their rights and responsibilities and assists in resolving disputes related to terminations, rent increases, habitability, deposits, and other rental concerns.
7	Project Name	Housing Rehabilitation and Accessibility Modification
	Target Area	Citywide
	Goals Supported	Support and Preserve Affordable Housing
	Needs Addressed	Affordable Housing
	Funding	CDBG: \$93,868.25

	Description	Rebuilding Together Silicon Valley’s Housing Rehabilitation and Accessibility Modification Program will provide low-income homeowners with free critical health and safety repairs, accessibility improvements, and limited rehabilitation for mobile homes, condominiums, and single-family homes to address urgent needs and help the beneficiaries safely age in place. HUD Matrix Code: 14A / National Objective: LMH
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	18 low/mod households
	Location Description	1701 S. 7th St.#10 San Jose, CA 95112-6000
	Planned Activities	The Housing Rehabilitation and Accessibility Modification Program will provide low-income homeowners with free critical health and safety repairs, accessibility improvements, and limited rehabilitation for mobile homes, condominiums, and single-family homes to address urgent needs. Examples of proposed work include improvements such as grab bars and ramps, limited rehabilitation for mobile homes, condos, and single-family homes. These repairs address housing instability, prevent displacement and enable older adults and individuals with disabilities to safely age in place. Their team has over 21 years of experience administering publicly funded home repair programs across Santa Clara County, securing 26.3 million in CDBG funding and completing more than 5,900 projects, and has established systems for eligibility verification, construction management, contractor oversight, and compliance reporting to ensure timely and responsible use of funds.
8	Project Name	Gilroy Clinic Improvements Expanding Access for the Elderly
	Target Area	Citywide
	Goals Supported	Invest in Community Development and Neighborhood Revitalization
	Needs Addressed	Community Development and Public Improvements
	Funding	CDBG: \$93,868.25

	Description	Bay Area Community Health’s (BACH) Gilroy Clinic Improvements Expanding Access for the Elderly Project will utilize CDBG funding to build out its Gilroy Clinic into a Program of All-Inclusive Care for the Elderly (PACE) Center, expanding access to supportive services for low-income older adults, enabling those needing nursing-home-level care to remain in their communities, and can reduce hospital stays, improve quality of life, and lower mortality rates (AARP, 2023). None of the 3 current PACE locations in Santa Clara County are accessible to Gilroy residents. HUD Matrix Code: 03A Public Facilities/ National Objective: LMC
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	120-150 low/mod income older adults 55+, once the center reaches full operating capacity.
	Location Description	9460 No Name Uno Gilroy, CA 95020
	Planned Activities	The Gilroy Clinic Improvements Expanding Access for the Elderly Project will utilize CDBG funding to build out its Gilroy Clinic into a Program of All-Inclusive Care for the Elderly (PACE) Center. This project will expand access for LMI older adults in Santa Clara County to supportive public services to overcome barriers to care isolation, cultural stigma, limited awareness of the importance of healthcare, lack of healthcare coverage, and inadequate transportation options. BACH has successfully implemented capital building projects across its clinics, including the purchase of two clinics, ADA compliant upgrades, HVAC and ventilation system installations, exam room and reception area renovations. BACH has a demonstrated track record of success in managing CDBG grants, will maintain documented control of the build-out and is prepared to provide timely information to complete the required environmental review. The scope and timeline are consistent with CDBG requirements, and requested funds are proportional to the project’s overall cost, with other project funds already secured.
9	Project Name	Sidewalk Improvements
	Target Area	Citywide
	Goals Supported	Invest in Community Development

	Needs Addressed	Community Development and Public Improvements
	Funding	CDBG: \$93,868.25
	Description	City of Gilroy Public Works' Sidewalk Improvements Project provides much needed accessibility improvements at San Ysidro Park and downtown Gilroy on 7th Street, including ADA-compliant concrete path, curb ramps, sidewalk, curb, gutter, and other incidental items within two low-income census tracts, to meet accessibility compliance and create safe pedestrian pathways. HUD Matrix Code: 03L: Sidewalk Improvements / National Objective: LMA
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	3,452 low/mod income individuals
	Location Description	San Ysidro Park and downtown Gilroy on 7th Street
	Planned Activities	The Sidewalk Improvements Project will provide much needed accessibility improvements at San Ysidro Park and downtown Gilroy on 7th Street, including ADA-compliant concrete path, curb ramps, sidewalk, curb, gutter, and other incidental items within two low-income census tracts (5126.03 and 5126.04), to meet the accessibility needs of the community by providing vital upgrades. The work includes the furnishing of all labor, materials, incidentals necessary to perform the design and construction of public improvements.
10	Project Name	Program Administration
	Target Area	City Wide
	Goals Supported	Planning and Administration
	Needs Addressed	N/A
	Funding	CDBG: \$80,000.00

	Description	CDBG Funds will be used to pay for staff time and consultant time related to the overall management and administration of the CDBG Program. HUD Matrix Code: 21A General Program Administration
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	N/A
	Planned Activities	CDBG Funds will be used to pay for staff time and consultant time related to the overall management and administration of the CDBG Program.

DRAFT

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

The City will continue to utilize CDBG funding to support citywide efforts that primarily meet the needs of the low-income community through the funded non-public service and public service projects.

Geographic Distribution

Target Area	Percentage of Funds
Citywide	100

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

The city falls just under the citywide LMA (Low- and Moderate-Income Area) definition, with 51% of the population falling within the Low- and Moderate-Income category. All public services and housing activities will serve LMI persons, families, and households citywide.

Discussion

See above.

AP-75 Barriers to affordable housing -91.420, 91.220(j)

Introduction

The City is subject to the same barriers to affordable housing that exist across the Bay Area. These issues include the high cost of development, constraining the development of affordable housing units in favor of higher-end units, and the lack of developable land, which prevents housing development and increases the price of land.

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

In its 2023 - 2031 Housing Element, the City of Gilroy identified goals, policies, and programs to remove or ameliorate barriers to affordable housing, including:

Goals and Policies:

Goal 1. Housing Production. Provide adequate residential sites to accommodate projected housing needs and encourage the production of a variety of housing types.

- **Policy 1.1. The City shall encourage the provision of a variety of housing options for Gilroy residents.**
- **Policy 1.2. The City shall strive to ensure adequate land is available at a range of densities to meet Gilroy's existing and projected housing needs.**
- **Policy 1.3. The City shall encourage the provision of new affordable housing.**

Goal 2. Removal of Government Constraints. Remove or reduce governmental constraints to the development, improvement, and maintenance of housing where feasible and legally permissible.

- **Policy 2.1. The City shall periodically review City regulations, ordinances, permitting processes, and residential fees to ensure that they do**

not unreasonably constrain housing development and are consistent with state law.

- **Policy 2.2.** The City shall continue to provide individuals with disabilities reasonable accommodation through flexibility in the application of land use or zoning when necessary to eliminate barriers to housing opportunities.
- **Policy 2.3.** The City shall consider the development of single-room occupancy units, studio apartments, micro-units, and other similar unit types that are affordable to extremely low-income residents in higher-density areas of the city.

Programs updated with CY 2025 progress:

- **Program A-2. Surplus Lands/Affordable Housing on City-Owned Sites.** In Progress - Surplus lands are documented in the Annual Progress Report, which is presented to the City Council annually in March and subsequently provided to HCD annually on or before April 1st. City staff has submitted 4 properties to HCD that have been declared as surplus.
- **Program A-5. Revise Neighborhood District Policy.** In Progress - The City is participating in the Santa Clara County Planning Collaborative's Grand Nexus/Affordable Housing Study, which includes a Residential Feasibility Study, an Affordable Housing Analysis, a Residential Nexus Analysis (for small developments), and a Commercial Nexus Study and Feasibility Analysis. Upon completion of the study and implementation of prescribed affordable housing standards, the City will update the Neighborhood District policy to include relevant affordable housing standards adopted by the Council
- **Program A-10. Facilitate Missing Middle/Middle Income Housing.** Completed and Continuous - A Zoning Amendment implementing this program was adopted on June 3, 2024, Ordinance No. 2024-01. City staff members have been part of the Santa Clara County Planning Collaborative Missing Middle workgroup where cities have come together to share information and learn about opportunities for missing middle housing and to learn about the economics of missing middle housing. The City currently has two projects in the pipeline including a townhome development and an apartment complex, that may be an option for housing for middle income households. Accessory Dwelling Units are also a viable option for missing middle income households. Gilroy has permitted an average of 36 ADUs per year between 2023-2025. The Housing Trust Silicon Valley has a program for first time homebuyers called the "Homebuyer Empowerment Loan Program" (HELP) that missing middle income households can qualify for - links to this program can be found on the City's Housing and Community Services "Homebuyer Assistance" webpage. The City recently prepared a list of all corners lots in R1 and R2 zones that are greater than 8,000 sq ft with single family homes that could be eligible for SB 9. Information is being mailed to the homeowners at each lot to make them aware of the opportunity. Additional information

about these sites can be found on the City Senate Bill 9 webpage.

- **Program A-11. Inclusionary Housing Policy.** In Progress - The City originally hired a consultant who conducted an Inclusionary Housing Feasibility Analysis and recommended that a policy for both ownership and rental projects be future-tested and planned for improved economic conditions in the future. The City pivoted and joined the Santa Clara County Planning Collaborative's Grand Nexus/Affordable Housing study, which will encompass a Residential Feasibility Study, an Inclusionary Analysis, a Residential Nexus Analysis (for small developments), and a Commercial Nexus Study and Feasibility Analysis. The Grand Nexus study will include an in-lieu fee component
- **Program A-12. Incentives Beyond Density Bonus State Law.** In Progress - The City originally hired a consultant who conducted an Inclusionary Housing Feasibility Analysis and recommended that a policy for both ownership and rental projects be future-tested and planned for improved economic conditions in the future. The City pivoted and joined the Santa Clara County Planning Collaborative's Grand Nexus/Affordable Housing study, which will encompass a Residential Feasibility Study, an Inclusionary Analysis, a Residential Nexus Analysis (for small developments), and a Commercial Nexus Study and Feasibility Analysis. The Grand Nexus study will include an in-lieu fee component. The City has partnered with Santa Clara County Office of Supportive Housing and the Santa Clara County Housing Authority to move forward a 100% affordable housing project on a County-owned property that will focus on housing for agricultural workers, where the City has agreed to waive impact fees for this development. While this is not a standard City policy, it demonstrates the City's interest in supporting housing incentives for households with special housing needs.
- **Program B-1. Residential Development Ordinance (RDO) Removal.** In Progress – The RDO will be removed as part of the City's ongoing effort to implement the Housing Element through a comprehensive zoning ordinance update. Although the RDO has not been repealed from the code, SB 330 and SB 8 make the ordinance null and void. Additional information is available on the Senate Bill 330 (SB 330) webpage.
- **Program B-2. Zoning and General Plan Densities.** In Progress – The City is in the process of preparing a comprehensive zoning ordinance update to implement the Housing Element. All submitted projects will continue to be processed in compliance with applicable State law, both prior to and following adoption of the code amendment.
- **Program B-5. Permit Streamlining** - In Progress – The City is preparing a comprehensive zoning ordinance update that includes streamlining the development processes for historic structures and districts. The Building Division website includes example residential permits in compliance with AB 2234. The City has implemented streamlined permitting for all SB 9 applications and follows the zoning ordinance for determining whether an addition on a historic site creates a significant impact requiring a discretionary review.
- **Program B-6. Objective Standards** - In Progress - A draft zoning ordinance that includes objective development standards and findings of approval is in process. The City will also evaluate design guidelines per this program. Affordable housing project objective standards will be

updated upon adoption of an Affordable Housing Ordinance. The City has adopted Objective Design Standards for mixed-use residential and multi-family residential projects.

- **Program B-7. Zoning Ordinance Update.** In Progress - The zoning amendment adopted by the City Council on June 3, 2024 (Ordinance No. 2024-01) includes a requirement for the replacement of demolished units on the Sites Inventory and a clarification regarding FAR in mixed-use projects. The remaining items will be considered within the comprehensive zoning ordinance update.
- **Program B-8. Entitlement Road Webpage. Completed** - Completed - Posted on City website
- **Program B-9. Building Department Webpage.** Completed - The Building Division website was updated in 2023 to include example residential permits in compliance with AB 2234. The website includes plan submittal checklists (for application completeness), and example permits that received a final building permit approval. The example permits include accessory dwelling units, duplexes, multifamily / mixed-use projects, townhomes, custom single-family home, and single-family tract home. The website continues to be updated as required by new legislation or zoning updates.
- **Program B-10. Zoning Code Annual Updates. In Progress** - Continuous - The City updated the Accessory Dwelling Unit Ordinance in 2023 and 2025, created a webpage with a list of properties that can be approved ministerially pursuant to Government Code Section 65583.2, and will be completing a comprehensive update of the entire Zoning Ordinance to implement other Housing Element programs.
- **Program C-1. Monitoring of Units At Risk of Converting to Market Rate** - Continuous - The City reviews affordable housing term expirations as part of its annual monitoring program. In 2025, the City collaborated with the County of Santa Clara Office of Supportive Housing to implement a Pilot Below-Market-Rate Preservation Program. During 2025, the City used a loan from the County to purchase a resale BMR senior home and resold to another low-income senior household. The City expects to process one City/County Pilot BMR Preservation program unit annually. The City is participating in the Santa Clara County Planning Collaborative comprehensive Grand Nexus/Affordable Housing Study, which will encompass a Residential Feasibility Study, an Affordable Housing Analysis, a Residential Nexus Analysis (focused on small developments), and a Commercial Nexus Study and Feasibility Analysis. The Grand Nexus study will include an in-lieu fee component.
- **Program C-2. Housing Rehabilitation.** Continuous - In FY 2022-23, Rebuilding Together Silicon Valley was awarded a CDBG grant for \$140,000. In FY 2023-24, Rebuilding Together Silicon Valley was awarded a CDBG grant for \$258,000. In FY 2024-25, Rebuilding Together was awarded a CDBG grant for \$179,942.32. In FY 2025-26, Rebuilding Together was awarded a CDBG grant for \$149,199.59. Program information is available on the City Block Grant Funds & Home Modification webpages. Annually, City staff and Rebuilding Together staff present the program at

the Senior Center. The City will facilitate TEFRA hearings, as needed.

- **Program C-4. Resale Control on Owner Occupied Below Market -Rate Units.** Continuous - Annually, the BMR Program Administrator conducts compliance monitoring for BMR portfolio homes. In 2024 and 2025, the City's BMR Administrator and City staff conducted a community meeting to answer questions and explain resale restriction agreements to current homeowners. In 2024 and 2025, the City's BMR Program Administrator conducted a compliance certification via mail to confirm that residents were complying with their resale agreement and restrictions. The City BMR Administrator Gilroy webpage also offers over 20 different "how-to" and "info" videos about the program, along with monthly FAQ virtual meetings where homeowners can ask questions. City staff has collaborated with the Santa Clara County Office of Supportive Housing to create a Pilot BMR Preservation Program - see C-1 above.
- **Program C-5 – Resale Control on Rental Below Market Rate Units.** Continuous - For renter-occupied units in 100% affordable developments, the BMR Program Administrator sends information to property owners regarding resale restrictions outlined in their Regulatory, Loan, or Density Bonus Agreements and conducts an annual compliance audit. In 2025, the City BMR Administrator completed outreach and administered the annual re-certification procedures for 100% affordable housing developments to confirm compliance with City and other regulatory agreements.
- **Program C-6 – Identification and Preservation of At-Risk Units.** Continuous - The City's BMR Program Administrator continues to update the City's inventory of BMR units. City staff have collaborated with the Santa Clara County Office of Supportive Housing to create a Pilot BMR Preservation Program (see C-1 above). This process provides an opportunity to purchase and to resell low-income BMR units to remain in the program for an additional 30 years. In 2025, one unit was purchased and resold to another low-income senior household. The low-income household utilized County and City down payment assistance to purchase the home. When units become available for resale, the new program will enable the City to purchase and maintain affordability for other low-income households.
- **Program D-2- Funding Sources to Assist Homeownership.** Continuous - The City's webpage provides information on homebuyer assistance, including the Santa Clara County Homebuyer Empowerment Loan Program (HELP), the California Housing Finance Agency (CalHFA) First Mortgage Programs and Down Payment Assistance Programs, and the CalHFA's Accessory Dwelling Unit (ADU) Grant Program. In 2025, the City conducted workshops in English and Spanish with over 232 attendees to inform the community of these resources. The City has BEGIN and CalHome ReUse Down Payment Assistance loans available for low-income households and used BEGIN funds for down payment assistance on the Pilot BMR Preservation Program resale unit - see C-1 above.
- **Program D-4 – Pursue Funding for Affordable Housing.** Continuous - Permanent Local Housing Allocation (PLHA) funding from the State through application and partnership with Santa Clara County is anticipated to occur in 2026. The City continues to receive annual CDBG funding and supports two 100% affordable developments with 0% interest rate CDBG loans, allowing them to refinance and rehabilitate the properties. City staff will apply for Federal Housing Trust Fund funding, if available, in 2026. The City is participating in the Santa Clara County Planning

Collaborative Grand Nexus/Affordable Housing Study, which may suggest housing in-lieu fees as part of a possible Affordable Housing Policy. The Grand Nexus study will include an in-lieu fee component. See A-11 above. The City has been working in collaboration with the Santa Clara County Office of Supportive Housing and the Santa Clara County Housing Authority to plan the affordable housing development at 8th and Alexander Streets in Gilroy. See A-14 above. There is one 100% affordable housing development expected to have building permits issued in 2026 - this development will contain 94 units. City has provided all necessary documentation for funding and entered into a Density Bonus Agreement for the project. City staff directs developers to the City's opportunity sites and hosted a Developer Roundtable in May of 2025, with plans to host annually.

- **Program E-1 – Priority Water and Sewer Service for Affordable Housing Developments** - Continuous - This policy is currently in place and used in standard practice. The City has not identified a need to update the Policy. The City of Gilroy provides sewer and water services to all residents. The 2023-2031 Housing Element has been posted on the City's website. The City's water and sewer service website also provides information on the Low-Income Household Water Assistance Program. The City also promotes City funded rental and utility assistance available to low-income residents via monthly utility bills and Utility website.
- **Program E-5 - Incentivize M-Units.** In Progress - A draft zoning ordinance amending regulations for efficiency units is under preparation and will be presented to the Planning Commission and City Council upon completion. In the meantime, all submitted projects are being processed in compliance with applicable State Law, both prior to and following adoption of the code amendment.
- **Program E-6 - Parking Requirements for Senior Housing.** In Progress - The City will conduct a study to determine if updated senior parking standards should be included in the Zoning Ordinance update. The implementation status will be updated in future years in accordance with this program. Preliminary data has been collected by City staff, and this will be included in the comprehensive zoning code update.
- **Program E-10 – Development and Rehabilitation of Housing for Persons with Disabilities.** In Progress - A Zoning Amendment including streamlining the permit process for residential care homes was adopted on June 3, 2024, Ordinance No. 2024-01. The modified reasonable accommodation findings will be part of the comprehensive zoning code update.
- **Program E-11 - Housing for Extremely Low Income and Special Needs Households.** Continuous - The City received Permanent Local Housing Allocation (PLHA) funding from the State through application and partnership with Santa Clara County. The City will apply for Federal Housing Trust Fund funding, if available, in 2026. The City is participating in the Santa Clara County Planning Collaborative Grand Nexus/Affordable Housing Study that may develop housing in-lieu fees as part of a possible Affordable Housing Ordinance. See A-11 above for update. City has been working in collaboration with Santa Clara County Office of Supportive Housing and the Santa Clara County Housing Authority to plan the potential affordable housing development at 8th and Alexander Streets in Gilroy. See A-14 above for further project updates. The fully entitled 100% affordable housing development on Monterey Street will provide at least 21 units restricted to households earning 50% AMI or less.

Developer Roundtables are planned at a minimum annually each May, with the first one held in 2025. The Pilot BMR Preservation program provided housing for one new low-income senior household through acquisition and down payment assistance from both the County and the City. See C-1 above for Pilot BMR Preservation Program update. The City continues to provide community outreach regarding the Santa Clara County Manufactured Home Purchase program and to seek funding to rehabilitate local mobile home parks to add more units.

- **Program E-13- Permanent Supportive Housing** - Completed - A Zoning Amendment implementing this program was adopted on June 3, 2024, Ordinance No. 2024-01.
- **Program F-4 - Housing Mobility and Choice in Higher Opportunity Areas** - Continuous - An update on each of these programs is identified under their respective program number. See A-10, A-11, and A-12 above.
- **Program G-1 – Collaboration with Development Community** -. In Progress - City staff created a list of Gilroy developers over 2023 and 2024 while conducting outreach for CDBG Consolidated Plan, the Affordable Housing Feasibility Study, the Grand Nexus/Affordable Housing Study, and Station Area Visioning Study outreach, and through Planning and Building permit applications. The first annual Developer Roundtable was hosted in May of 2025.
- **Program G-3 - ADU Education. In progress** - In Progress - The City Building and Planning Divisions' ADU webpages were consolidated, with a link to pre-approved ADU plans gallery. City staff tracks ADU permit issuance and will collaborate to create an ADU marketing program and encourage residents to participate in the Santa Clara County ADU loan program with expected funding in late 2026.

Discussion

See above.

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

See below.

Actions planned to address obstacles to meeting underserved needs

The Needs Assessment and Market Analysis of the 2025-2030 Consolidated Plan helped develop the city's priority needs for LMI persons, persons experiencing homelessness, special needs populations, and community service needs.

Actions planned to foster and maintain affordable housing

Rebuilding Together Silicon Valley will provide minor home repair, accessibility, and rehabilitation projects for LMI homeowners. These rehabilitation projects are for homeowners who otherwise could not afford to make critical repairs in their homes, thus potentially resulting in health and safety issues that could cause a home to become uninhabitable and may lead to homelessness. Additionally, a home that lacks proper accessibility for its owner may lead to a serious accident that could cause an even larger physical and financial burden. In PY 2023-2024, Rebuilding Together Silicon Valley increased its allowable amounts/awards to homeowners with the aim of completing a few larger scale projects that will preserve affordable housing for these low-income homeowners. For PY 2025-2026, the City Council directed resources toward completing more small-scale projects to ensure broader public benefit and reach more residents rather than larger, costly projects.

Actions planned to reduce lead-based paint hazards

The City provides information about lead-based paint hazards at the Community Development counter for properties being rehabilitated or acquired for affordable housing.

Additionally, when applicable, any homeowner units that participate in Rebuilding Together Silicon Valley's affordable housing project will be assessed for possible lead-based paint prior to rehabilitation.

Actions planned to reduce the number of poverty-level families

The City works to reduce the number of poverty-level families through all projects by making the projects available to LMI households citywide. Some projects were created to address the need to expand economic opportunities for lower-income people, and others may offer additional benefits in reducing poverty, simply by way of design.

- Carry the Vision's Peer to Peer Support for Unhoused Residents Program will work with individuals experiencing homelessness in collaboration with local outreach teams, service

providers, Quality of Life Officers, City staff and community partners to complement existing homelessness response efforts and strengthen coordination in Gilroy, resulting in increased stabilization, trust, and consistent engagement.

- Shine Together’s Young Mothers Support Services Program will provide young low-income mothers between the ages of 13-25 with expanded access to education, essential resources, and supportive relationships to families facing poverty, school disruption, housing instability, and mental health stress, in collaboration with South County Heals, South County Youth Task Force, and the Neighborhood Safety Unit.
- Silicon Valley Independent Living Center’s Housing and Emergency Services for Persons with Disabilities Program will serve Gilroy residents with disabilities or a chronic health condition in their transition from homelessness, health care facilities, or unstable or temporary housing into permanent affordable, accessible, integrated housing, and also provides emergency housing assistance, as funding is available, including security deposits and first month’s rent, assistive technology information & referral, home accessibility modification referrals, supplemental food, and referrals to organizations that provide assistance to ensure long-term sustainability of their independent living environment. The project provides housing search services that benefit low- or extremely low-income persons with disabilities, of all ages, including seniors and youth.
- Sourcewise’s Transit Services Program will provide free transit rides to Gilroy seniors and/or disabled adults to local medical appointments, pharmacies, grocery stores, and to socialize at the Senior Center.
- Project Sentinel’s Tenant-Landlord Services Program will provide counseling services to prevent eviction and housing instability, including information and referral, case management, dispute resolution through conciliation or mediation, and community education. Staff will educate tenants and housing providers on their rights and responsibilities and assist in resolving disputes related to terminations, rent increases, habitability, deposits, and other rental concerns.
- Project Sentinel’s Fair Housing Program provides services to address the incidence of illegal housing discrimination by investigating complaints, administering systemic audits, conducting community outreach and education, and seeking redress for victims of such discrimination. The agency also educates housing providers in an effort to prevent fair housing complaints.

Actions planned to develop institutional structure

The City is financially constrained and cannot meet all the needs identified in the Needs Assessment; however, the City continues to enter into partnerships with nonprofits to strategically address some community needs, as well as seek additional funding to work to meet all needs identified in the Needs Assessment. An especially pressing issue is meeting the needs of the City’s growing unhoused population. The City will continue to provide a platform for collaboration and partnership between the City and service providers to connect unhoused individuals and families with services through the monthly USPN meetings. Additionally, the City provides resources and information for unhoused

individuals on its website at <https://www.cityofgilroy.org/unhoused>

Actions planned to enhance coordination between public and private housing and social service agencies

- In 2023, 2024, and 2025, City staff continued monthly meetings and collaboration with Santa Clara County Office of Supportive Housing (OSH) staff regarding the development of affordable housing at the County-owned property located at 8th and Alexander. After City and County staff drafted a Request for Offers (RFO) to be presented to affordable housing developers, the Santa Clara County Housing Authority approached the County about developing the property. During 2025, the Santa Clara County Housing Authority (SCCHA) contracted with FORA to begin creating a community outreach plan and to begin reaching out to local stakeholders. City staff connected FORA with local stakeholders and community members in 2025 to begin the community outreach process. Eight stakeholder meetings have been conducted, and the community outreach stakeholder process is expected to be complete in 2026. Public outreach is also expected to occur in 2026.
- The City has joined the Santa Clara County Office of Supportive Housing BMR Partnership Program, which has an ADU and JADU loan component. The program will allow borrowers to use the funding to purchase a home with an ADU or JADU, to construct a new ADU or JADU, or to repair, reconstruct, or rehabilitate an existing ADU or JADU, which may include converting existing space to add to an ADU or JADU. City staff will promote the County program in high resource areas in Gilroy. The County hopes to have funding for the ADU portion of the partnership during FY 2026.
- In 2025, the City collaborated with the County of Santa Clara Office of Supportive Housing to implement a Pilot Below-Market-Rate Preservation Program. During 2025, the City used a loan from the County to purchase a resale BMR senior home and resold to another low-income senior household. The City expects to process one City/County Pilot BMR Preservation program unit annually.

Discussion

Please see discussion above.

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

The City will continue to collect additional revenue to support the actions noted in the Annual Action Plan. Program Income is collected from various sources to include repayment of past rehabilitation loans. The City does not anticipate receiving any program income in PY 2026-2027.

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(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 | 0 |
| 5. The amount of income from float-funded activities | 0 |
| Total Program Income: | 0 |

Other CDBG Requirements

- | | |
|---|---------|
| 1. The amount of urgent need activities | 0 |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low- and moderate-income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low- and moderate-income. Specify the years covered that include this Annual Action Plan. | 100.00% |

Discussion

The City will strive to achieve an overall benefit of 100% for this Annual Action Plan, which will span one year. The overall benefit will be measured for PY 2026-2027.