



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: February 7, 2007

Approved

Ray Winer

Date

2/12/07

COUNCIL DISTRICT: Citywide
SNI AREA: N/A

SUBJECT: ADOPTION OF A RESOLUTION AUTHORIZING THE DIRECTOR OF HOUSING TO SUBMIT A GRANT APPLICATION TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD) FOR THE WORKFORCE HOUSING REWARD PROGRAM (WFH), TO EXECUTE ALL DOCUMENTS RELATED TO THE APPLICATION, AND TO ACCEPT THE GRANT IF AWARDED

RECOMMENDATION

It is recommended that the City Council adopt a resolution authorizing the Director of Housing to:

1. Apply for and accept Workforce Housing Reward (WFH) Program grants in the estimated amount of \$834,750 from the California Department of Housing and Community Development (HCD); and
2. Negotiate and execute the grant agreements and any amendments or other documents necessary to implement the programs funded by the Workforce Housing Reward Program.

OUTCOME

Approval of the recommendations will enable the City to receive approximately \$834,750 from HCD for the described capital improvements. Nonsupport of the recommendation would result in the loss of funds for a SNI area mobilehome demonstration project, permanent supportive housing grants laid out in the 10-Year Homeless Strategy, and capital improvements to the Blackford Neighborhood.

HONORABLE MAYOR AND CITY COUNCIL

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BACKGROUND

In November 2002, California voters passed the Housing and Emergency Shelter Trust Fund Act, Proposition 46, a \$2.1 billion General Obligation bond funding a number of HCD programs including the Workforce Housing Reward Program (WFH). The WFH program is designed to encourage cities and counties to develop new affordable housing by rewarding those jurisdictions that approve housing for low-income households and comply with State housing element law. The Program provides funds for projects that benefit and add to a community's quality of life. Awards are made to jurisdictions based on the number of building permits issued for affordable housing during the preceding calendar year. The Program does not use a competitive process to award funds; all cities and counties that apply and meet the eligibility requirements are funded. The award amounts increase with larger bedroom sizes and deeper affordability levels. Additionally, the WFH program provides a bonus award to jurisdictions that meet the Regional Housing Needs Allocation as determined by the regional Council of Governments.

ANALYSIS

Milestones

WFH grant applications are due to HCD on March 21, 2007. A copy of the resolution made by the City Council authorizing the Director of Housing to apply for and accept this grant is required at the time of application. Funds will be awarded in June 2007 and made available to jurisdictions for expenditure in late Fall 2007.

Anticipated Award

During 2006, the City of San José issued building permits for the construction of 237 affordable housing units. Based on the WFH award formula, the City is eligible for an estimated \$715,500 in WFH funds. Additionally, San José has made significant progress toward meeting its Regional Housing Needs Allocation as determined by the Association of Bay Area Governments. If HCD determines that San José qualifies for the bonus, it is estimated that it will receive an additional \$119,250, for a total award of \$834,750.

Use of Funds

The Housing Department proposes to use WFH grant funds for the following public improvements:

- 1) SNI Mobilehome Demonstration Project** – Funds will be used for the replacement or repair of infrastructure in an aging SNI mobilehome park (the specific park is still to be determined). Examples of potential work include improvements to the park's

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fencing, landscaping, parking, and common areas. Approximately \$300,000 will be set aside for this use.

- 2) **Permanent Supportive Housing Grants** – In 2003, the City of San Jose made a commitment to end chronic homelessness in ten years. The 10-Year Homeless Strategy lays out a four-pronged strategy to eliminate chronic homelessness by providing prevention, rapid re-housing, wraparound services, and other proactive efforts through what is known as a Housing First approach. In order to implement these strategies, the City must help create opportunities to provide permanent supportive housing affordable to extremely-low income households. Approximately \$284,750 of WFH funds will be set aside for affordable housing developments that target permanent housing for the homeless, including those who are disabled.

- 3) **Blackford Neighborhood Improvement Plan** – Funds will be used on priority projects in the Blackford neighborhood’s Underwood and Colonial Gardens Apartment complexes including: landscaping, repairing street and parking areas, exterior painting, roofing, alleyway security lighting, and stair and rail improvements. The priority projects were developed as a partnership between residents, businesses, and the City of San Jose as part of the Strong Neighborhood Initiative (SNI). Approximately \$250,000 will be set aside for this project and will cover the items in the Council-approved SNI plan.

FISCAL IMPACT

The appropriation of the grant funds generated from this application will be reflected in the Multi-Use Housing Fund (448) during the upcoming FY 2007-08 budget process.

POLICY ALTERNATIVES

In reaching the recommendation spelled out above, the following alternative was also considered:

<i>Alternative #1: Use the funds for different capital improvements projects.</i>	
Pros:	May result in the development of other capital project improvements.
Cons:	The proposed projects may not come to fruition due to a lack of funding.
Reason for not recommending:	The recommended projects are priorities of the City.

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PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item was agendized and discussed at the January 11, 2007, Housing and Community Development Advisory Commission (HCDC). The HCDC members unanimously supported the Housing Department's recommendation.

COORDINATION

This memorandum was coordinated with the Office of the City Attorney and the City Manager's Budget Office.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	Adopted Budget Page	Last Budget Action (Date, Ord. No.)
448	3359	Workforce Housing Program	\$3,256,308	\$834,750	XI-62	10/17/06

CEQA

Not a project.


LESLEY KRUTKO
Director of Housing

For questions please contact Jessica Scheiner, Development Office at (408) 975-4417.



Memorandum

TO: Rules Committee

FROM: Councilmember Sam Liccardo

SUBJECT: Authorization to Travel

DATE: February 7, 2007

Approved

Date

2-8-07

Authorization for: Councilmember Sam Liccardo

Location: Seattle, WA

Meeting Dates: February 23, 2007

Source of Funds: Valley Transportation Authority

Purpose: Observe a tunnel boring operation. Sound Transit in Seattle, WA, is currently in the midst of a project involving tunnel work in a crowded urban environment, similar to District Three.

cc: Lee Price, City Clerk