



COUNCIL AGENDA: 03-25-08

ITEM: 4.2

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: March 3, 2008

Approved

Date

3-12-08

COUNCIL DISTRICT: Citywide

SNI Area: N/A

SUBJECT: PUBLIC HEARING ON THE CONSOLIDATED PLAN - ANNUAL ACTION PLAN FOR FY 2008-2009 AND OPENING OF THE PUBLIC HEARING

RECOMMENDATION

It is recommended that the City Council conduct a Public Hearing on the draft Consolidated Plan Annual Action Plan for FY 2008-2009, which is required by the Department of Housing and Urban Development in order to receive federal Housing and Community Development Funding, and announce that as of March 25, 2008, the draft Action Plan is available to the public for thirty-days for review and comment.

OUTCOME

The purpose of this item is for the Mayor and City Council to officially announce and open the 30-day public comment period and to let the public know that, as of March 25, 2008, they can request or pick up copies of the Consolidated Plan – Annual Action Plan 2008-2009 from the City's Housing Department. The meeting also allows the public an opportunity to comment about the need for housing and community development in San José.

BACKGROUND

In 1990, then President George H. Bush signed the National Affordable Housing Act of 1990 (the Act). The centerpiece of the Act is the Consolidated Plan, which outlines a community's plan for addressing its housing and community development needs. The federal government requires that cities annually combine the following federal documents into one Consolidated Plan submission:

1. **Emergency Shelter Grant Program** – This is a program that provides matching formula grants to help pay for the renovation of buildings used as emergency shelters, for shelter operating expenses and for other essential services to the homeless.
2. **HOME Investment Partnership Program** – This is a block grant program that provides financial assistance to help increase the supply of affordable rental and homeownership housing for low-income households through the acquisition, rehabilitation or construction of affordable housing and through the provision of tenant-based rental assistance.
3. **Housing Opportunities for People with HIV/AIDS (HOPWA) Program** – This program provides local jurisdictions and nonprofits with resources and incentives to devise long-term strategies for meeting the housing needs of individuals with HIV/AIDS and their families.
4. **Community Development Block Grant (CDBG) Program** – The CDBG program supports the development of viable urban communities by providing decent housing, encouraging a suitable living environment, and expanding economic opportunities, principally for lower-income households. The Final Statement provides the objectives and projected use of the CDBG funds over the program year.

ANALYSIS

In May 2005, the City adopted a Five-Year Consolidated Plan for the period 2005-2010. The Five-Year Consolidated Plan assesses the City's current housing market, analyzes demographic, ethnic and socio-economic conditions, and reports the City's greatest community and housing and homeless needs for various populations, including seniors, families, and persons with disabilities. The Five-Year plan defines the City's priority needs, strategies and objectives for reducing the most prevalent barriers to housing and services in our community. The Five-Year Consolidated Plan is the basis for the City's strategy in allocating federal CDBG, HOME, HOPWA, and ESG dollars.

The preparation of the Consolidated Plan is guided by the following three major commitments and priorities expressed by HUD:

- To provide decent housing by assisting the homeless in obtaining appropriate housing, by preserving the affordable housing stock, by increasing the availability of permanent housing that is affordable to lower-income households without discrimination, and by increasing the supply of supportive housing for those with special needs.
- To provide a suitable living environment by improving the safety and livability of neighborhoods, by reducing the isolation of income groups within an area through deconcentration of housing opportunities and revitalization of deteriorating neighborhoods, by restoring and preserving properties of architectural, historic or aesthetic value, and by conservation of energy resources.

- To expand economic opportunities by creating jobs accessible to lower-income persons, by providing access for lower-income households to mortgage financing and credit for development activities that promote long-term community viability, and by empowering lower-income persons to achieve self-sufficiency to reduce poverty in federally-assisted and public housing.

During the intervening years of the Five-Year Consolidated Plan, HUD requires entitlement jurisdictions to submit what is known as an "Annual Action Plan," which provides a one-year strategy for meeting the goals stipulated in the Five-Year Plan. This year, the City has drafted an Annual Action Plan, which will cover fiscal year 2008-2009.

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)**

The criteria above is not applicable as the item before the Mayor and City Council will only open up the 30-day public review period and provide an opportunity to the public for comment. When the Consolidated Plan – Annual Action Plan 2008-2009 comes before the Mayor and City Council on May 6, 2008, they will be taking action to adopt the recommendations by staff for the use of federal funds and approve the Annual Action Plan for FY 2008-2009.

The Department is taking several steps to prepare and provide public outreach for the development of the Consolidated Plan – Annual Action Plan 2008-2009. Under federal law, entitlement jurisdictions are required to hold at least two public hearings for the Consolidated Plan and Annual Action Plans – one hearing before the Plan is prepared in order to gather public comments on the community's needs and one after the Plan is published for citizen review. The federal government also requires a 30-day review period to receive public comments on the draft Plan. Finally, this information must be published in the newspaper with information about how the public can make comments, attend public hearings, and receive copies of the draft Plan.

The City of San José routinely holds more public hearings than required by the federal government and plans to hold five this year. The City sends out public hearing notices to over 350 organizations and individuals concerned about community development and affordable

housing issues. A hearing timeline and public notice were published in the San José Mercury News and San Jose Post in January 2008. In addition, these notices were translated into Spanish and Vietnamese and published in La Oferta and the Thoi Bao newspapers.

Copies of the draft Annual Action Plan 2008-2009 will be available to the public beginning March 25, 2008 through April 24, 2008, in the City's Housing Department, on the Housing Department's website, and/or via mail at the public's request.

In addition to the March 25th City Council meeting, there are four other public hearings scheduled. Three meetings before the Housing and Community Development Commission (February 14th, March 13th and April 10th) and the final City Council approval and hearing on May 6, 2008. At this final City Council meeting, the Mayor and City Council will consider all input received to date and consider adoption of the Annual Action Plan 2008-2009.

COORDINATION

Preparation of this report was coordinated with the City Attorney's Office.

COST IMPLICATIONS

The approved Consolidated Plan will make the City eligible to receive housing and community development funds – including CDBG, HOME, HOPWA and ESG funds – from the federal government.

CEQA

Not a project.


LESLYE KRUTKO
Director of Housing