



COUNCIL AGENDA: 04-11-06

ITEM: 5.2

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia
Albert Balagso

SUBJECT: SEE BELOW

DATE: March 21, 2006

Approved

Deanna Sabra

Date

3/28/06

COUNCIL DISTRICT: Citywide
SNI Area: N/A

SUBJECT: PUBLIC HEARING OF THE CONSOLIDATED PLAN - ANNUAL ACTION PLAN FOR FY 2006-2007

RECOMMENDATION

It is recommended that the City Council open the public hearing on the draft Annual Action Plan for Fiscal Years 2006-2007, and announce that on April 5, 2006, the draft Action Plan was made available to the public, officially beginning the thirty-day public comment period, which will end on May 5, 2006.

OUTCOME

The Mayor and City Council will hear from the public about the need for housing and community development in San José. Also, the Mayor and City Council will get the opportunity to ask questions and make preliminary comments to staff regarding the report. The Mayor and City Council will then consider this feedback before the final adoption of the Consolidated Plan and Annual Action Plan on May 9, 2006.

BACKGROUND

In 1990, then President George 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. **Application for 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. **Description of 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. **Description of 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. **Final Statement for 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

Last year, the City adopted a new Five-Year Consolidated Plan for 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.

To meet these objectives, the Consolidated Plan must include the following six components:

1. A housing and homeless needs assessment;
2. A housing market analysis;
3. An analysis of the priority needs, including both housing needs and non-housing community development needs, and strategies and objectives to meet those needs;
4. An action plan, including a discussion of general priorities for the use of HOME, HOPWA, and ESG funds as well as a list of the proposed projects to be funded under the CDBG program;
5. Certifications; and,
6. A monitoring plan.

Every five years, the federal government requires that the entire document be updated. During the intervening years, only the Annual Action Plan must be submitted for approval, along with any substantial changes to the rest of the text. This year, the City is only required to submit an Annual Action Plan 2006-2007, which provides a one-year strategy for meeting the goals stipulated in the Five-Year Plan.

PUBLIC OUTREACH

Jurisdictions are required to hold at least two public hearings for the Consolidated Plan – one hearing before the Plan is prepared in order to gain 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 Plan. Finally, information must be published in the newspaper regarding where the public may review the entire Plan and/or make public comment, including a list of public hearings.

The City of San José routinely holds more public hearings than required by the federal government and plans to hold eight this year. The City sends out public hearing notices to over 300 organizations and individuals concerned about community development and affordable housing issues. A hearing timeline and public announcement notice were published in the San José Mercury News and San Jose Post the first week of February 2006.

Copies of the Draft Annual Action Plan 2006-2007 will be available to the public beginning April 5, 2006 in the City’s Housing Department. This begins the first day of the required 30-day public review and comment period, which ends on May 5, 2006. On April 5, 2006, copies of the draft Plan will be distributed to the Mayor and City Council. The final City Council hearing will

March 21, 2006

RE: Public Hearing Annual Action Plan for FY 2006-07

Page 4

be held on May 9, 2006, at which time the Council will consider all input received to date and consider adoption of the Annual Action Plan 2006-2007.

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.


LESLIE KRUTKO
Director of Housing


ALBERT BALAGSO
Acting Director of Parks, Recreation, and
Neighborhood Services