



COUNCIL AGENDA: 04-05-05

ITEM: 4.3

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia
Sara L. Hensley

SUBJECT: SEE BELOW

DATE: March 16, 2005

Approved

Date

3.21.05

COUNCIL DISTRICT: Citywide
SNI Area: N/A

SUBJECT: PUBLIC HEARING OF THE 2005-2010 CONSOLIDATED PLAN AND ANNUAL ACTION PLAN FOR FY 2005-2006

RECOMMENDATION

It is recommended that the City Council announce that, as of April 1, 2005, the draft 2005-2010 Consolidated Plan and 2005-2006 Annual Action Plan were made available for the public to begin reviewing and making comments for a period of thirty days, ending May 1, 2005.

BACKGROUND

In 1990, then President George Bush signed the National Affordable Housing Act of 1990 (the Act), which reaffirmed the national commitment to provide decent, safe, and sanitary housing for all. The Act restructured existing federal programs and required that jurisdictions providing matching funds ensure community participation and partnership.

The centerpiece of the Act is the Consolidated Plan, which outlines a community's plan for addressing its housing and community development needs and is a prerequisite for federal housing funding. The federal government requires that cities annually combine the following federal documents into one Consolidated Plan submission:¹

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-type program that provides financial assistance to help increase the supply of affordable rental

¹ It does not combine the programs themselves.

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 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 Program** – This 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.

ANALYSIS

This year begins a new, five-year cycle for every jurisdiction to submit a Five-Year Consolidated Plan. The City will be required to provide a new five-year plan for the period 2005-2010. This Five-Year Consolidated Plan will assess the City's current housing market, analyze demographic, ethnic and socio-economic conditions, and report the City's greatest community and housing and homeless needs for various populations (disabled, seniors, families, etc.). The report will define the City's "priority" needs, strategies and objectives for reducing the most prevalent barriers to housing and services in our community. This Five-Year Consolidated Plan will then become 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 and strategies and objectives to meet those needs, including both housing needs and non-housing community development 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.

In addition to the Five-Year Consolidated Plan, the City will also be required to submit an Annual Action Plan 2005-2006, which provides a one-year strategy for meeting the goals stipulated in the Five-Year Plan.

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 3, 2005.

PUBLIC OUTREACH

The Consolidated Plan regulations require that jurisdictions 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, it is required that information 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 2005.

HONORABLE MAYOR AND COUNCIL

March 16, 2005

RE: Public Hearing of the 2005-2010 Consolidated Plan and Annual Action Plan for FY 2005-06

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Copies of the Draft 2005-2010 Consolidated Plan and Annual Action Plan will be available to the public beginning April 1, 2005. This is the first day of the required 30-day public review and comment period, which ends on May 1, 2005. On April 1, 2005, copies of the draft Plan will be distributed to the Mayor and City Council. The final City Council hearing will be held on May 3, 2005, at which time the Council will consider all input received to date and consider adoption of both the Five-Year Consolidated Plan and Annual Action Plan.

COST IMPLICATIONS

Without an approved Consolidated Plan, the City of San José will not be eligible to receive housing and community development funds – including CDBG, HOME, HOPWA and ESG funds – from the federal government.

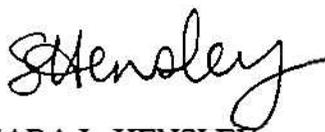
COORDINATION

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

CEQA

Not a project.


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Neighborhood Services