



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia
Sara L. Hensley

SUBJECT: SEE BELOW

DATE: March 23, 2004

Approved

Date

COUNCIL DISTRICT: Citywide

SUBJECT: PUBLIC HEARING FOR THE CONSOLIDATED PLAN ANNUAL ACTION PLAN FOR FY 2004-05

RECOMMENDATION

It is recommended that the City Council open, for public review and comment, the public hearing on the 2004-2005 Draft Consolidated Plan Annual Action Plan, including FY 2004-2005 proposed recommendations for the Community Development Block Grant (CDBG) Program, the HOME Investment Partnership Program (HOME), the Housing Opportunities for People with HIV/AIDS (HOPWA) Program, and the Emergency Shelter Grant (ESG) Program.

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.

¹ It does not combine the programs themselves.

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 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

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 Plan must be submitted for approval, along with any substantial changes to the rest of the text. The City's FY 2000-05 Consolidated Plan includes all of the required sections listed above for a five-year time span. Last year's Annual Action Plan covered FY 2003-04. This year, only the Annual Action Plan for FY 2004-05 will be completed and submitted.

PUBLIC OUTREACH

The Consolidated Plan regulations require that jurisdictions hold at least two public hearings for the Consolidated Plan. The first hearings are scheduled before the Plan is prepared in order to gain public comments on the community's needs. The second hearings occur 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.

The City of San José routinely holds more public hearings than required by the federal government. For the 2004-05 Annual Action Plan, the City will hold eight hearings. Two of those hearings were held by the Housing Advisory Commission (HAC) and were noticed in several languages to ensure the broadest participation possible. The City sends individual announcements regarding these public hearings to nearly 330 organizations and individuals concerned about affordable housing issues. The CDBG Steering Committee also holds public hearings throughout the project selection process for CDBG funding.

On February 12, 2004 the HAC held its first public hearing to identify housing and community needs. Approximately 20 housing advocates, residents and various community members were in attendance. Based on the input received, as well as written comments, the need for affordable housing targeted to extremely-low incomes and to those with special needs was emphasized. The CDBG Steering Committee held three public hearings in February and March in order to consider applications for funding projects addressing community development needs. Additional CDBG hearings will take place in the months of March and April to discuss funding recommendations. All of the comments from these hearings will be included in the draft Consolidated Plan.

The draft Consolidated Plan is scheduled to be released for Mayor, Council and public review on April 5, 2004. The 30-day public review and comment period ends on May 5, 2004.

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The Housing Advisory Commission will hold another hearing to review the draft Consolidated Plan on April 8, 2004. The final Council Hearing will be held on May 4, 2004, at which time it is anticipated that the Council will consider all input received to date and adopt a final Consolidated Plan Annual Action Update. The adopted plan must then be submitted to the U.S. Department of Housing and Urban Development (HUD) by May 15, 2004.

COORDINATION

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

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.

CEQA

Not a project.

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