



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Krutko
Albert Balagso

SUBJECT: SEE BELOW

DATE: September 6, 2006

Approved

Date

COUNCIL DISTRICT: Citywide
SNI AREA: ALL

**SUBJECT: FINAL HEARING ON THE CONSOLIDATED ANNUAL
PERFORMANCE EVALUATION REPORT (CAPER) FOR FY 05-06**

RECOMMENDATION

It is recommended that the City Council:

- 1) Approve the 2005-2006 Consolidated Annual Performance Evaluation Report (CAPER).
- 2) Authorize the Director of Housing to negotiate and execute all amendments and modifications to Community Development Block Grant (CDBG) contracts and unexecuted CDBG contracts that were awarded funding by the City Council prior to FY 2006-2007.

OUTCOME

Approval of the CAPER will ensure compliance with HUD reporting requirements and continue the City's qualification for receipt of federal funds for the described programs.

Approval of the recommendation will allow the Department Director overseeing the CDBG Program to negotiate and execute all amendments and modifications to CDBG contracts approved by the City Council prior to FY 2006-2007.

BACKGROUND

Each year, the City of San José is required to report to the U.S. Department of Housing and Urban Development (HUD) on its performance in meeting the objectives of the approved Consolidated Plan (ConPlan). Included in the Consolidated Annual Performance and Evaluation Report (CAPER) is information about housing as well as community development activities. The report documents the City's use of federal HOME Investment Partnership funds, Emergency Shelter Grant (ESG) funds, the Community Development Block Grant (CDBG) Program funds, and Housing Opportunities for People with AIDS (HOPWA) funds.

In addition, in conjunction with its May 9th, 2006 adoption of the FY 2006-2007 ConPlan, the City Council authorized the Director of the Housing Department to negotiate and execute all agreements and contracts, including any amendments or modifications, for the expenditure of CDBG funds on behalf of the City. However, because this authorization was made as part of the approval of the FY 2006-2007 ConPlan, it did not cover agreements and contracts originated prior to this fiscal year. Such authorization was provided previously to the Director of Parks, Recreation, and Neighborhood Services as administrator of the CDBG program prior to FY 2006-2007. Therefore, approval of the recommendation would clarify that the Director of the Housing Department has authority to negotiate and execute all agreements and modifications for the City's CDBG contracts prior to FY 2006-2007.

ANALYSIS

The preparation of the CAPER and 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; preserving the affordable housing stock; increasing the availability of permanent housing that is affordable for lower-income households without discrimination; and increasing the supply of supportive housing for those with special needs.
- To provide a suitable living environment by improving safety and livability of neighborhoods; by reducing the isolation of income groups within an area; de-concentrating housing opportunities and revitalization of deteriorating neighborhoods; restoring and preserving properties of architectural, historic, or aesthetic value; and conserving 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.

PUBLIC OUTREACH

The U.S. Department of Housing and Urban Development (HUD) regulations require that jurisdictions hold one public hearing for the review of the draft CAPER report. The federal government also requires a 15-day review period to receive public comments on the report.

The public review and comment period began on September 1, 2006 and ends on September 15, 2006. The City will hold a public hearing to receive comments and input, and answer questions regarding the CAPER at its September 14th Housing Advisory Commission meeting.

At its September 26, 2006 meeting, the City Council will consider all input received to date and adopt the final draft, including any recommended modifications.

The CAPER is due to HUD no later than September 29, 2006.

COORDINATION

The preparation of the FY 05-06 CAPER has been coordinated with the City Attorney's Office.

COST IMPLICATIONS

Without an approved CAPER, the City of San José may jeopardize future HUD funding – including CDBG, HOME, HOPWA, and ESG funds.

CEQA

Not a project.


LESLYE KRUTKO
Director of Housing


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

For questions please contact Jessica Scheiner, Development Officer, at 975-4417.

Attachment