



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: March 2, 2009

Approved

Date

3-10-09

COUNCIL DISTRICT: Citywide
SNI Area: N/A

SUBJECT: AVAILABILITY OF THE CONSOLIDATED PLAN - ANNUAL ACTION PLAN FOR FY 2009-2010 AND 30-DAY PUBLIC COMMENT PERIOD

RECOMMENDATION

It is recommended that the City Council conduct a Public Hearing on the draft Consolidated Plan Annual Action Plan for FY 2009-2010, 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 17, 2009, 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: 1) inform the public of the 30-day public comment period for the Consolidated Plan - Annual Action Plan beginning on March 17, 2009; 2) give the public an opportunity to comment about the need for housing and community development in San José; and 3) provide City staff with feedback or direction prior to the final adoption in May 2009.

BACKGROUND

The National Affordable Housing Act of 1990 requires each entitlement jurisdiction to adopt a Consolidated Plan which outlines a community's plan for addressing its housing and community development needs. The federal government requires entitlement jurisdictions to annually submit an Annual Action Plan which specifically illustrates how it will use the federal funding in the following four programs:

1. **Emergency Shelter Grant (ESG) Program** – The ESG Program provides matching formula grants to help pay for the renovation of buildings used as emergency shelters, shelter operating expenses, and other essential services to the homeless.
2. **HOME Investment Partnership Program** – The HOME Program 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** – The HOPWA 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.

In May 2005, the City adopted a Five-Year Consolidated Plan (Plan) for the period 2005-2010. The 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. It also defines the City's priority needs, strategies, and objectives for reducing the most prevalent barriers to housing and services in our community. The Plan is the basis for the City's strategy in allocating federal CDBG, HOME, HOPWA, and ESG dollars.

During the intervening years of the 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 Plan. This year, the City has drafted an Annual Action Plan covering fiscal year 2009-2010.

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; preserving the affordable housing stock; increasing the availability of permanent housing that is affordable to 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 the safety and livability of neighborhoods; reducing the isolation of income groups within an area through deconcentration of housing opportunities and revitalization of deteriorating neighborhoods; restoring and preserving properties of architectural, historic or aesthetic value; and conservation of energy resources.
- To expand economic opportunities by: creating jobs accessible to lower-income persons; providing access for lower-income households to mortgage financing and credit for development activities that promote long-term community viability; and empowering lower-income persons to achieve self-sufficiency to reduce poverty in federally-assisted and public housing.

In order to meet these objectives, the Housing Department has identified four major goals:

1. Maintain and Expand the Supply of Affordable Rental Housing
2. Maintain and Expand the Affordable Ownership Housing and Opportunities
3. Ending and Preventing Homelessness
4. Promoting Economic Development and Job Opportunities in Low-Income Neighborhoods

EVALUATION AND FOLLOW-UP

A supplemental memorandum with the draft Consolidated Plan – Annual Action Plan for 2009-10 will be circulated to the Mayor and City Council on March 17, 2009 – the beginning of the public comment period. At the end of the 30-day public comment period, City staff will incorporate any needed changes based on the public's comments. The final document will be brought back to the Mayor and City Council for final approval on May 5, 2009. The Annual Action Plan must then be submitted to HUD by May 15, 2009.

POLICY ALTERNATIVES

Not Applicable.

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)**

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- 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 announce the opening of the 30-day public review period for public comment. When the Consolidated Plan – Annual Action Plan 2009-2010 comes before the Mayor and City Council on May 5, 2009, 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 2009-2010.

The Department is taking several steps to prepare and provide public outreach for the development of the Consolidated Plan – Annual Action Plan 2009-2010. 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 another hearing 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 on how the public can make comments, attend public hearings, and receive copies of the draft Plan.

The City of San José routinely conducts more public hearings than required by the federal government and anticipates five this year. Public hearing notices are sent out to over 375 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 2009 in English, Spanish and Vietnamese. The timeline was also published in La Oferta and the Thoi Bao newspapers.

Copies of the draft Annual Action Plan 2009-2010 will be available to the public beginning March 17, 2009 through April 17, 2009, at the City's Housing Department, on the Housing Department's website (www.sjhousing/report/conplan.html), or by mail at public request.

In addition to the March 24th City Council meeting, there are four additional public hearings scheduled. Three meetings will be held before the Housing and Community Development Commission (February 12th, March 12th and April 9th), and the final City Council approval and hearing on May 5, 2009. At this final City Council meeting, the Mayor and City Council will consider the input received to date and consider the adoption of the Annual Action Plan 2009-2010.

COORDINATION

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

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FISCAL/POLICY ALIGNMENT

With the approval of the Annual Action Plan by HUD, the City becomes eligible to receive and distribute an estimated \$15,408,964 in entitlement funds for 2009-10.

COST SUMMARY/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.

BUDGET REFERENCE

Not applicable.

CEQA

Not a project.


LESLYE KRUTKO
Director of Housing

For questions, please contact Leslye Krutko, Director of Housing, at (408) 535-3851.