



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: April 20, 2009

Approved

Christine J. Shippey

Date

4/20/09

COUNCIL DISTRICT: City-Wide
SNI AREA: N/A

SUBJECT: FINAL PUBLIC HEARING AND APPROVAL OF THE ANNUAL ACTION PLAN 2009-2010

RECOMMENDATION

It is recommended that:

1. The City Council hold a final public hearing regarding the approval of the City's Annual Action Plan 2009-2010 and take public comment;
2. The City Council adopt the 2009-2010 Annual Action Plan, including the FY 2009-2010 funding 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.
3. Adopt a resolution authorizing the Director of Housing to negotiate and execute all non-capital agreements and contracts not requiring CEQA/NEPA review and to negotiate all capital project agreements and contracts, including any amendments or modifications, for the expenditure of CDBG, ESG, HOME and HOPWA funds on behalf of the City.
4. Authorize the Housing Department to submit the FY 2009-2010 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD), which makes the City eligible to receive and distribute approximately \$15 million.

OUTCOME

The Mayor and City Council will consider approval of the Consolidated Plan Annual Action Plan 2009-2010 and, if desired, request changes in order to finalize this federally required document by the May 15, 2009 deadline. With approval of the Annual Action Plan, the City will be eligible to receive and distribute approximately \$15 million in entitlement funds available to the City in 2009-2010.

BACKGROUND

Three years ago, the City of San José adopted a new Five-Year Consolidated Plan covering the years 2005-2010. The Five-Year Consolidated Plan assessed the City's current housing market, analyzed demographic, ethnic and socio-economic conditions, and reported the City's greatest community and housing and homeless needs for various populations (i.e. disabled, seniors, and families). The Five-Year report helps define the City's "priority" needs, strategies and objectives for reducing the most prevalent barriers to housing and services in our community. In each intervening year, the jurisdiction must submit an Annual Action Plan outlining the jurisdiction's one-year plan for achieving the goals outlined in the Five-Year Plan.

ANALYSIS

This year, San José anticipates receiving approximately \$15 million in entitlement dollars (CDBG, HOME, HOPWA and ESG) from the federal government. This level of funding does not include the \$6.8 million in funding anticipated for the City through the American Recovery and Reinvestment Act (ARRA).

As of April 15, 2009, the Housing Department had not received the final allocation amounts for its federal programs. While the federal FY 2009 Budget was approved last month, the allocation levels for CDBG, HOME, HOPWA and ESG have not yet been determined by HUD. However, the Housing Department anticipates similar funding as the 2008 levels. Therefore staff is preparing for an allocation in the amount of \$15,408,964.

The City's Annual Action Plan 2009-2010 outlines the following one-year goals for its housing and community development programs:

- **Maintaining and Expanding the Supply of Affordable Rental Housing** by completing 474 new and rehabilitated affordable rental housing units.
- **Maintaining and Expanding the Homeownership Opportunities & Supply** by providing housing rehabilitation to 390 low-income (ELI/VLI/LI) homeowners and by assisting 229 homebuyers through new construction, inclusionary production and downpayment assistance.
- **Ending and Preventing Homelessness** by providing 5,000 individuals/families with direct or indirect assistance from community-based agencies assisted by the City of San José.
- **Assisting Special Needs Population** by providing funding for ELI/VLI/LI units and assistance to 183 low-income senior and disabled households for single-family home rehabilitation.
- **Improving our Community through Neighborhood and Economic Development**, by focusing on serving lower income residents and providing 17,206 seniors with critical public services; providing 1,726 individuals with gang and drug intervention services for youth; shelter and social services to 1,103 individuals and families who've experienced domestic violence; serving 272 entrepreneurs and businesses through Micro-Enterprise Assistance; and providing code enforcement and rehabilitation to over 2,355 housing units.

In addition to these goals, the Annual Action Plan (attached to this memorandum) also contains a complete list of agencies that are recommended for funding in 2009-2010 fiscal year. Also contained within the Plan is an outline of the City process used to develop these recommendations.

EVALUATION AND FOLLOW-UP

With the approval of the Annual Action Plan by HUD, the City becomes eligible to receive and distribute approximately \$15 million in entitlement funds for 2009-2010. After the City Council approves the Consolidated Annual Action Plan, it will 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)**
- 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 Consolidated Plan regulations require that jurisdictions hold at least two public hearings. The City of San José routinely holds more public hearings than required by the federal government. The City sends individual announcements of these public hearings (with translations in Spanish, Vietnamese and Chinese) to over 375 organizations and individuals concerned about affordable housing and community development issues and places announcements in the San Jose Mercury News and San Jose Post Record for two consecutive days. In addition, these notices were translated into Spanish and Vietnamese and published in La Oferta and the Thoi Bao newspapers.

Including the May 5th City Council meeting, the City will have held a total of five public hearings on the Annual Action Plan:

1. Housing and Community Development Advisory Commission (HCDC) public hearing on housing and community development needs on February 12, 2009.
2. HCDC approval of the staff funding recommendations for the CDBG program on March 12, 2009.
3. First City Council public hearing on the Draft Annual Action Plan and announcement of the 30-day public comment period on March 24, 2009.
4. HCDC approval of the Annual Action Plan on April 9, 2009.

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5. Final City Council public hearing and approval of the Annual Action Plan 2009-2010, including funding recommendation, on May 5, 2009.

On April 9, 2009, the Housing and Community Development Advisory Commission recommended approval of the Draft Annual Action Plan 2009-2010 by a vote of 6-0.

All the public comments received by the City will be included in the Appendices of the Annual Action Plan when submitted to HUD. Once the Mayor and City Council have approved the Consolidated Plan and Annual Action Plan, it will be submitted to the U.S. Department of Housing and Urban Development (HUD) by the May 15, 2009 deadline.

It should be noted that because the public comment period closes on April 17, 2009, after the submission deadline for this memorandum, a matrix of all the comments and the City's responses, including any recommended amendments to the draft Annual Action Plan, will be distributed to City Council in the form of a Supplemental Memorandum prior to the May 5, 2009 City Council meeting.

COORDINATION

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

FISCAL/POLICY ALIGNMENT

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

COST SUMMARY/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 in the amount of approximately \$15 million.

BUDGET REFERENCE

Not applicable.

CEQA

Not a project.


LESLYE KRUTKO
Director of Housing