



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: February 1, 2010

Approved

Date

2-8-10

COUNCIL DISTRICT: 2, 7, 10

SNI AREA: Edenvale/Great Oaks

SUBJECT: AUTHORIZATION FOR THE HOUSING DEPARTMENT TO ACCEPT FEDERAL EMERGENCY MANAGEMENT AGENCY FUNDS TO PROVIDE AN INVENTORY LIST OF MOBILE HOMES ELIGIBLE TO RECEIVE SEISMIC RETROFIT UPGRADES

RECOMMENDATION

It is recommended that the City Council adopt a resolution:

- a) Authorizing the Housing Department to accept a Federal Emergency Management Agency grant of \$150,000 from the California Emergency Management Agency to assist with the creation of a mobilehome seismic grant Phase One inventory list.
- b) Authorizing the Director of Housing to negotiate and execute all documents necessary for the acceptance and completion of the grant.
- c) Making findings that the use of Low- and Moderate-Income Housing Funds to provide matching grant funds for seismic inventories and rehabilitation outside a redevelopment project area benefits the Agency's redevelopment project areas.

OUTCOME

Approval of the above recommendations will enable the City to meet the federal guidelines for receiving the Federal Emergency Management Agency (FEMA) grant and provide funding to create an inventory list of mobilehomes eligible to receive seismic retrofit funding. Completion of the mobilehome inventory list will also fulfill FEMA's application requirements for a pending \$3,000,000 Hazard Mitigation Grant.

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BACKGROUND

In August 2008, the City submitted an application to the California Emergency Management Agency (CalEMA) for a \$3,000,000 dollar Hazard Mitigation Grant. The Hazard Mitigation Grant Program (HMGP) is a federally funded grant which is administered through the State of California's emergency management agency CalEMA. The HMGP was created to respond to the Southern California fires in 2007. Additionally, the hazard mitigation funds were made available to specific jurisdictions to fund cost-effective disaster mitigation projects which meet the state-established program priorities. Eligible project activities include, fire mitigation, flood mitigation, acquisition of severe repetitive loss properties and seismic retrofit.

San Jose is proposing to utilize these funds by providing financial assistance to mobilehome owners in designated areas of San Jose to seismically retrofit their mobilehomes. The HMGP funds cover 75% of the proposed activity cost, requiring the grantee to contribute a 25% matching local share. The new mobilehome seismic program would provide a total of up to \$4,000,000 (\$3,000,000 in grant funds, \$1,000,000 in City funds) to seismically upgrade approximately 650 individual mobile homes in San Jose. Each application required a cost benefit analysis to evaluate the cost effectiveness of each proposed project and to determine the projects impact. San Jose's application targeted ten mobilehome parks within two designated zip codes, 95111 and 95123. The ten parks listed in the application contain a pool of 2,751 individual mobile homes.

On August 7, 2009, the City received notification from CalEMA that the Housing Departments application for the Hazard Mitigation Grant had been received and reviewed by FEMA. The notification indicated that the application was neither approved nor denied, but stated that in order for FEMA to continue to review the City's application, additional information must be provided. In order for FEMA to complete their application review, the City must provide CalEMA with an inventory list of the 2,751 individual mobilehomes within the ten designated mobilehome parks. The response from CalEMA included an option for the City to undertake a Phase One Inventory study in order to collect and document the required information to complete the HMGP application review.

ANALYSIS

On November 9, 2009, the City was notified by CalEMA that its Phase One application was approved by FEMA. The Phase One approval provides \$150,000 of Federal grant funds to collect information and create an inventory of specific data required by FEMA to complete its review of the City's \$3,000,000 HMGP application. The City will provide the required \$50,000 match to bring the total Phase One project budget to \$200,000. The Phase One will result in a master inventory comprised of data pertaining to the 2,751 individual mobilehomes in the ten eligible mobile home parks identified in the original HMGP application. The ten mobilehome parks were identified as a result of the Benefit and Cost Analysis (BCA) required by FEMA. The ten mobilehome parks are listed in the table below:

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Mobilehome Park	Address	Zip	# of Homes
Caribees I	2855 Senter Road	95111	442
Casa Alondra Mobile Home Park	5450 Monterey Road	95111	201
Chateau La Salle	2681 Monterey Road	95111	433
County Fair Mobile Estates	270 Umbarger Road	95111	133
San Jose Verde Mobile Home Park	555 Umbarger Road #150	95111	148
Spanish Cove Mobile Home Park	2600 Senter Road	95111	305
Coyote Creek Mobile Home Park	2580 Senter Road	95111	183
Magic Sands	165 Blossom Hill Road	95123	541
Imperial San Jose Mobile Estates	5770 Winfield	95123	174
Town/Country Mobile Village	195 Blossom Hill Road	95123	191
Total			2751

The timeline to complete the Phase One inventory is approximately twelve months from the original approval. October 30, 2010 has been established by FEMA as the deadline to complete this project. Given the short timeline, the Housing Department will employ a temporary unclassified position to perform the activities required to complete the Phase One inventory. Approval of this grant will enable the Housing Department to temporarily rehire and utilize the expertise of a Building Rehabilitation Inspector displaced as a result of the bumping process. Upon approval of these recommendations, Housing staff will proceed with the Phases One approved activities which include the following:

- Marketing and outreach efforts
- Mobilehome park coordination
- Create an inventory list based on park assessments
- Data base development and data tracking
- Final coordination with CalEMA

Approval of these recommendations will enable the Housing Department to complete the Phase One inventory and allow the City the opportunity to receive the \$3,000,000 Hazard Mitigation Grant. If awarded, the Hazard Mitigation Grant will directly benefit approximately 650 mobilehome households in San Jose; making those homes safer.

Required Finding if Benefit for Use of 20% Funds Outside of RDA Project Areas

The use of 20% Low and Moderate-Income Housing Funds as part of the funding for mobilehome seismic inventories in areas outside of a redevelopment project area provides benefit to redevelopment project areas in San José. These inventories are the preliminary step in seismic rehabilitation of some of the City's most affordable housing, and will help revitalize neighborhoods that are in and are part of the City's efforts to improve and preserve affordable housing in redevelopment project areas. Further, the use of 20% Housing funds for the inventories and rehabilitation will be of benefit to redevelopment project areas because the planned rehabilitation will help prevent and eliminate blight, revitalize neighborhoods, and improve and assist in the retention of affordable housing throughout the City.

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EVALUATION AND FOLLOW-UP

The Housing Department will seek City Council authorization to accept future Hazard Mitigation Grant funds awarded.

POLICY ALTERNATIVES

In reaching the recommendation spelled out above, the following alternative was also considered:

Alternative #1: The City could choose to not accept the federal Phase One funding.

Pros: The Phase One and the Hazard Mitigation Grant Program both require a 25% local funding match. Although the \$50,000 in matching funds for the Phase One project are available, the award of the Hazard Mitigation Grant would require a shift in approximately \$1,000,000 of funds from other housing programs to meet the match requirement.

Cons: Not accepting the Phase One grant would eliminate the opportunity for the City to receive \$3,000,000 in federal funding.

Reason for not recommending: Accepting the grant funds significantly increase the City's ability to secure the \$3,000,000 Hazard Mitigation Grant as well as other possible grant funds. The funding challenges presented are outweighed by the benefit of a new significant source of funding and the benefit to the community of safer housing.

PUBLIC OUTREACH

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. (Required: Website Posting)
- Criterion 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)
- Criterion 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)

Although this memorandum's recommendations do not meet any of the above criteria, it will still be posted to the City Council Agenda via the City's website.

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COORDINATION

This report has been prepared in coordination with the Office of the City Attorney.

FISCAL/POLICY ALIGNMENT

Funding for this proposal is consistent with the 5 year Housing Investment Plan adopted in June 2007 and the 5 year Consolidated Plan adopted in May 2009.

COST SUMMARY/IMPLICATIONS

There are no fiscal impacts to the General Fund arising from this proposal. The City's funding requirement will be funded through the Low and Moderate Income fund (443)

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Proposed Appn	Amt. for Contract	Proposed Budget Page	Proposed Budget Action (Date, Ord. No.)
448	NEW	Hazard Mitigation Grant	\$150,000	\$150,000	N/A	2/9/2010

CEQA

N/A (Not a project)


LESEYE KRUTKO
Director of Housing

For questions please contact Leslye Krutko, Director of Housing, 535-3851.