



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: March 8, 2010

Approved

Date

3-15-10

COUNCIL DISTRICT: Citywide
SNI Area: N/A

**SUBJECT: AVAILABILITY OF THE CONSOLIDATED PLAN – FIVE YEAR PLAN
FY 2010–2015 AND ANNUAL ACTION PLAN FY 2010-2011, THE
ANALYSIS OF IMPEDIMENTS, AND PUBLIC COMMENT PERIOD**

RECOMMENDATION

It is recommended that the City Council conduct a Public Hearing on the draft Consolidated Plan - Five Year Plan 2010–2015 and Annual Action Plan FY 2010-2011, which is required by the U.S. Department of Housing and Urban Development (HUD) in order to receive federal housing and community development funding, and announce that as of March 22, 2010, the draft Consolidated Plan and its associated Analysis of Impediments to Fair Housing Choice are available to the public for review and comment.

OUTCOME

The purpose of this item is for the Mayor and City Council to: 1) inform the public of the public comment period for the Consolidated Plan beginning on March 22, 2010; 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 any feedback or direction prior to the Plan's final adoption in May 2010.

BACKGROUND

The National Affordable Housing Act of 1990 requires each entitlement jurisdiction to adopt a Consolidated Plan that outlines a community's plan for addressing its housing and community development needs. The federal government also requires entitlement jurisdictions to 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 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.

This year, the City will adopt a Five-Year Consolidated Plan (Plan) for the period FY 2010-2015, an Annual Action Plan for FY 2010-2011, and the Analysis of Impediments to Fair Housing Choice (AI). The Consolidated Plan assesses the City's current housing market, analyzes demographic, ethnic and socio-economic conditions, and reports the City's greatest community and housing needs for various populations, including seniors, families, persons who are homeless or at risk of homelessness, 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 Consolidated Plan is the basis for the City's strategy in allocating its federal CDBG, HOME, HOPWA, and ESG dollars. The Annual Action Plan provides a one-year strategy for meeting the goals stipulated in the Five-Year Consolidated Plan. Finally, the Consolidated Plan must undertake fair housing planning. As part of this effort, entitlement jurisdictions that receive direct federal funding such as San Jose must assess barriers to fair housing choice and identify actions to eliminate or mitigate them in an Analysis of Impediments to Fair Housing Choice report.

ANALYSIS

The City of San José participated in a countywide collaborative to develop this cycle's five-year Consolidated Plan and Analysis of Impediments. The entitlement jurisdictions within Santa Clara County worked together on a joint Plan and AI to develop shared regional goals and to

address needs such as affordable housing, fair housing, emergency shelter, public services, economic development, and neighborhood improvement. Individual jurisdictions then have the opportunity to tailor these shared documents to address more specific local housing issues. Three Consolidated Plan and four Analysis of Impediments public workshops were held throughout the County to identify regional needs to assist local jurisdictions to establish their federal funding priorities. Bay Area Economics (BAE), a consultant to the entitlement jurisdictions, facilitated the workshops and created a Consolidated Plan and Analysis of Impediments template to be shared by each of the participating jurisdictions.

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 the deconcentration of housing opportunities and revitalization of deteriorating neighborhoods; restoring and preserving properties of architectural, historic or aesthetic value; and the 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.

From these shared objectives and other priorities, the City of San Jose Housing Department has identified five major goals to meet both regional and local priorities:

1. Assist in the creation and preservation of affordable housing for lower-income and special needs households
2. Support activities to end homelessness
3. Support activities that assist with basic needs, eliminate blight, and/or strengthen neighborhoods
4. Expand economic opportunities for low-income households
5. Promote fair housing choice
6. Promote environmental sustainability

Additionally, the purpose of the Analysis of Impediments is to identify and mitigate or eliminate impediments that create barriers to fair housing choice in accordance with the federal Civil

Rights Act of 1968 and the Housing and Community Development Act of 1974. HUD defines impediments to fair housing choice as:

- Any actions, omissions or decisions taken because of race, color, religion, sex, disability, familial status or national origin which restrict housing choices or the availability of housing choices; or
- Any actions, omissions or decisions that have the effect of restricting housing choices on the basis of race, color, religion, sex, disability, familial status or national origin.

The draft AI assesses regional and local impediments and identifies goals and actions to improve fair housing choice.

EVALUATION AND FOLLOW-UP

A supplemental memorandum with the draft Consolidated Plan - Five Year Plan 2010-2015, Annual Action Plan 2010-2011, and the Analysis of Impediments to Fair Housing Choice will be circulated to the Mayor and City Council on March 22, 2010, which is the beginning of the public comment period. At the end of the public comment period, City staff will incorporate any 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 4, 2010. The Consolidated Plan must 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)**

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The criteria above are not applicable as the item before the Mayor and City Council will only announce the opening of the public comment period. When the Consolidated Plan comes before the Mayor and City Council on May 4, 2010, it will be to take action to adopt the recommendations by staff for the use of federal funds and approve the Consolidated Plan FY 2010-2015 and Annual Action Plan FY 2010-2011.

The Housing Department is taking several steps to prepare and provide public outreach for the development of the Consolidated Plan. 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 about 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 four hearings this year. Public hearing notices will be sent out to over 375 organizations and individuals concerned about community development and affordable housing issues. In March, 2010 a hearing timeline and public notice will be published in the San José Mercury News and in Spanish, Vietnamese and Chinese language newspapers.

Copies of the draft Consolidated Plan will be available to the public beginning March 22, 2010 through April 26, 2010, at the City's Housing Department, on the Housing Department's website (www.sjhousing.org/report/conplan.html), or by mail at the public's request.

In addition to the March 30th City Council meeting, there are three additional public hearings scheduled. One meeting will be held before the Housing and Community Development Commission on April 8th, 2010. Another meeting will be held before the Community and Economic Development Community (CEDC) on April 26th, 2010, and the final City Council approval and hearing will be held on May 4th, 2010. At this final City Council meeting, the Mayor and City Council will consider the input received to date and the adoption of the Consolidated Plan.

COORDINATION

Preparation of this report was 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 an estimated \$16 million in entitlement funds for 2010-2011.

HONORABLE MAYOR AND COUNCIL

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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.