



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: September 2, 2010

Approved

Date

9/6/10

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

SUBJECT: PUBLIC HEARING ON THE FY 2009-2010 CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER), THE ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE (AI) AND THE CITIZEN PARTICIPATION PLAN (CPP) AND APPROVAL OF THE DOCUMENTS

RECOMMENDATION

It is recommended that the City Council hold a public hearing on the FY 2009-10 CAPER, AI, and CPP, and approve the documents.

OUTCOME

Approval of the CAPER, the AI and the CPP will ensure compliance with the US Department of Housing and Urban Development's (HUD) reporting requirements and enable the City to continue qualifying for federal funds for housing and community development programs.

BACKGROUND

In order to qualify for federal housing and community development programs, HUD requires that the City complete the following three documents: The Five-Year Consolidated Plan (Five-Year ConPlan) which documents the City's housing needs and its strategies for meeting those needs during the subsequent five year period. The Consolidated Annual Action Plan (ConPlan) which provides the same information as the five-year plan, but covers a single fiscal year. The Consolidated Annual Performance and Evaluation Report (CAPER) describes the City's progress in meeting the objectives of the prior year's approved Consolidated Plan. The CAPER includes information on the City's use of federal funds including the HOME Investment Partnership,

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Emergency Shelter Grant (ESG), Community Development Block Grant (CDBG), and Housing Opportunities for People with AIDS (HOPWA).

Entitlement jurisdictions, such as San José, that receive direct federal funding must also periodically assess any barriers to fair housing choice and identify actions to eliminate or mitigate those barriers in an Analysis of Impediments to Fair Housing Choice (AI) report. This spring the City, in partnership with the County and other local jurisdictions, hired a consultant to update its AI. The draft AI was originally scheduled to go to the City Council for approval in June 2010 along with the FY 2010-2015 Consolidated Plan. However, staff decided to delay the City Council's review of the document in order to more thoroughly address public comments. The original comments and subsequent responses have been incorporated into the document which is being redistributed at this time for a second and final round of review.

The Citizen Participation Plan (CPP) describes the City's efforts to encourage and engage citizens to participate in an advisory role in the planning, implementation, and assessment of the Consolidated Plan, the CAPER, and related substantial amendments.

ANALYSIS

In FY 2009-10 the City received over \$16 million in federal entitlement grants and over \$37 million through the Housing and Economic Recovery Act (HERA) and the American Recovery and Reinvestment Act (ARRA) (the HERA and ARRA funds were for multi-year programs). Despite the downturn in the economy and resulting decline in Redevelopment Tax Increment funding, the City was able to use the federal funds along with local and State dollars to make a significant impact towards meeting the housing, service, and community development needs of its residents, including:

- Completed 647 new and rehabilitated affordable housing units, including 233 new units affordable to extremely low-income residents, the City's most vulnerable residents
- Providing over 158,000 shelter bed nights to homeless residents
- Providing over 456,000 hot meals to residents who are homeless or at risk of homelessness
- Funding 23 public improvement and infrastructure projects including senior and youth centers, neighborhood facilities, and street, sidewalk and sewer improvements
- Providing 359 low-income residents living with HIV/AIDS in the counties of Santa Clara and San Benito with rental subsidies, case management, and other supportive services to foster their independence, keep them healthier, and prolong their lives
- Installing 280 disability access ramps in sidewalks along school walking routes, near parks, and in areas with a high proportion of elderly residents
- Converting 188 standard streetlights to energy efficient LED streetlights
- Matching 40 youth from the Juvenile Drug Treatment Court with 40 adult mentors resulting in a reduction in the youth's drug and alcohol usage and an increase in their problem solving and goal setting skills

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- Funding subsidized childcare to 664 low- and moderate-income youth, enabling their parents to maintain, secure, or improve their employment or participate in job training or employment programs

In addition, over the five-year period that the CAPER covers, the City surpassed all of its housing construction, acquisition/rehabilitation, and homeownership goals including –

- Constructed 2,586 new affordable housing units, 136 units more than the City's goal of 2,450
- Completed acquisition and rehabilitation of 1,834 affordable housing units, far more than the City's goal of 425
- Provided homeownership assistance to 463 households, 188 more households than the City's goal of 275

EVALUATION AND FOLLOW-UP

Upon City Council approval, the CAPER and AI will be submitted to HUD by their September 30, 2010 due date. The final CAPER, AI, and CPP will be posted on the San Jose Housing Department's website at: <http://www.sjhousing.org/report/conplan.html>.

PUBLIC OUTREACH/INTEREST

- 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)**

The recommended action does not meet any of the above criteria. Nonetheless, this report will be posted to the City Council agenda website for September 21, 2010.

U.S. Department of Housing and Urban Development (HUD) regulations require that jurisdictions hold one public hearing and a 15-day review period to receive public comments on the draft CAPER. The document's public review and comment period will run from August 31, 2010 through September 15, 2010. Public hearings on the documents will be held at the September 9, 2010 Housing and Community Development Advisory Commission and the September 21, 2010 City Council meetings.

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A notice of the public review and comment period, the two public hearings, and the availability of the draft documents were published in the San Jose Mercury News, Thoi Bao and China Press on August 26th, 2010 and in La Oferta, on August 27th 2010.

A supplemental memorandum will be sent to City Council prior to the September 21, 2010 City Council meeting in order to report on public comments received during the 15-day public comment period.

COORDINATION

The preparation of this memorandum was coordinated with the City Attorney's Office.

COST SUMMARY/IMPLICATIONS

Without an approved CAPER, the City of San José may jeopardize future HUD funding for CDBG, HOME, HOPWA, and ESG programs. Specifically, HUD is requiring the City to approve and submit to them its AI by September 31st in order to be eligible for almost \$17 million in federal entitlement funds in FY 2010-11.

CEQA

Not a project.

/s/

LESLYE KRUTKO
Director, Housing

For questions please contact LESLYE KRUTKO, DIRECTOR OF HOUSING, at 535-3851.

Attachments (3)