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**CONSOLIDATED ANNUAL PERFORMANCE
EVALUATION REPORT -
(CAPER)**

**CITY OF SAN JOSE
2009 - 2010**

**Prepared by:
The City of San José Housing Department
200 E. Santa Clara Street
San José, CA 95113**

Adopted by City Council on xxxx

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SUMMARY

The document that follows is the City of San José's 2009-2010 Consolidated Annual Performance Evaluation Report (CAPER). The CAPER is a federally mandated document that evaluates the City's overall progress and performance in meeting the priority activities identified in its Consolidated Plan (Annual Action Plan). The document is a tool used by the U.S. Department of Housing and Urban Development (HUD), and the City, to evaluate accomplishments and actions taken during the previous program year. The CAPER also contains a self-evaluation. Overall, the City of San José has been very successful in meeting the goals and objectives set forth in its Consolidated Plan.

CITIZEN PARTICIPATION PROCESS AND COMMENTS

As part of the Consolidated Plan/CAPER process, jurisdictions are required to hold public review of the documents for comment. The Consolidated Plan is required to be open for a 30-day review period, while the CAPER is required to be made available for a 15-day public review period. The public review period for the FY 2009-2010 CAPER was held from August 31, 2010 to September 15, 2010. A notice regarding the 15-day public comment period was sent out to about 460 agencies, nonprofits, and individuals concerned about housing and community development issues. The notice was also printed in the San José Mercury News on August 26th 2010 and translated and printed in Thoi Bao and China Press on August 26th, 2010 and in La Oferta on August 27th, 2010. Copies of the draft CAPER were made available at the City of San José Department of Housing, or sent to citizens via mail or e-mail upon request. Below is a schedule of events and hearings held during the FY 2009 – 2010 CAPER preparation process.

Action	Date
Notices mailed to over 460 organizations and individuals announcing the public review process	August 23, 2010
Start of the 15-day public review – Draft copies available at the Housing Department, 200 E. Santa Clara, 12 th Floor, San José, CA 95113	August 31, 2010
Housing Advisory Commission public hearing	September 9, 2010
End public review	September 15, 2010
City Council Public Hearing	September 21, 2010
CAPER due to HUD	September 30, 2010

PROGRAMMATIC NARRATIVES

In FY 2009-2010, the City of San José received the following federal entitlement grants (Program Year 2009):

❖ Community Development Block Grant (CDBG)	\$10,069,430
❖ HOME Investment Partnerships	\$ 4,694,689
❖ Housing Opportunities for Persons with AIDS (HOPWA)	\$ 796,679
❖ Emergency Shelter Grant (ESG)	\$ 442,619
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TOTAL:	\$16,003,417

In addition, the following Housing and Economic Recovery Act (HERA) of 2008 and American Recovery and Re-investment Act (ARRA) of 2009 grants were provided by HUD:

HERA:

❖ NSP I	\$5,628,283
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ARRA:

❖ NSP II (Consortium including the City of San José)	\$25,000,000
❖ CDBG-R	\$ 2,700,963
❖ Homelessness Prevention and Rapid Re-housing Program (HPRP)	\$ 4,128,763

The above funds were used to carry out various activities during the program year. A summary of the City's major accomplishments during FY 2009-2010 is provided below.

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG) PROGRAM

The goal of the City of San José's CDBG program from July 1, 2009 to June 30, 2010 was "to implement housing and community development projects throughout the City". The City's CDBG program objectives are principally for the benefit of low- and moderate-income persons, and the elimination and prevention of slums and blight. The program objectives build upon traditional City areas by providing improved services and facilities, capital improvements, code enforcement, building rehabilitation, and housing services for low- and moderate-income persons, seniors, youth, and special needs populations.

FY 2009-10 completes the fourth year that the Community Development Block Grant Program (CDBG) has been administered by the Housing Department. The Department has continued to make process and program improvements in several areas. During the course of the year, program enhancements were made in the areas of administration, application process, grant management, communication, technology, and monitoring. Building off of the previous years' improvements, the 2009-10 application process was simplified and the numeric scoring system used in the evaluation process was further improved. Department staff continue to work with the CDBG Ad-Hoc committee and the Housing and Community Development Advisory Commission (HCDC) on CDBG activities.

FY 09-10 also represents the second year of a two-year funding cycle for projects that received under \$100,000. Projects that met their goals, were timely with reports, submitted a satisfactory financial audit, and received a satisfactory monitoring review were approved to receive the same level of funding in FY 09-10 as in FY 08-09. This action created efficiencies in contract management and was strongly supported by our partner agencies.

During this reporting period, CDBG participated in a City-wide effort to review the financial health of all nonprofit subrecipients receiving grant funds totaling \$200,000 or more. Corrective action plans were developed for high-risk agencies, which included participation in QLBS, a nonprofit assessment tool, contracting with SCORE, a nonprofit staffed by retired executives skilled in business planning, development and implementation, fiscal management, and strengthening governance while incorporating the results of the nonprofit assessment.

Staff continued its review of idle projects awarded in previous years and disencumbered one project for a total of \$150,000. The project was funded in FY 2007-2008 and was to install streetlights in three Strong Neighborhood Initiatives areas with currently deficient lighting. The Department of Transportation, has since determined that the project is not ready for implementation and released the funds. The additional funds were added to the CDBG fund balance and made available for FY 2010-2011. During the last four years, a total of \$4,098,428 has been recaptured and reinvested in the community.

During this reporting period, the Housing Department made every effort to keep the subrecipients informed about all proposed changes in policies, procedures, and program administration. Information workshops/presentations continue to be provided on all phases of the CDBG cycle. Additionally, the sub-recipients were informed of the impending 2010-2011 requirement to develop and implement a Language Access Plan (LAP) to meet a FHEO audit requirement.

The City works with each CDBG-funded agency to establish annual performance evaluation measures and methodologies. Each agency's performance is measured quarterly and at the end of the year to ensure projects are on target. CDBG staff provides the agencies with technical assistance and program guidance as needed. As noted in Table 2, every category met or exceeded 90% of the goals for 2009-2010. The Revolving Loan Fund, a special economic development project, while cancelled in FY 2008-2009, created jobs based on direct financial assistance granted in previous fiscal years.

A total of \$11,359,718 in CDBG funds was available in FY 2009-2010. These funds consisted of \$10,068,826 from the City's entitlement grant, \$725,600 in program income, and \$565,292 in unexpended funds from the previous reporting period.

The 2009-2010 Action Plan projected expending available CDBG funds by category as follows:

Contractual Community Services (CCS)	
Public Services	14 %
Community Development Improvements (CDI)	
Physical Improvement Projects	14 %
Housing Improvement Program	18 %
Code Enforcement	27 %
Fair Housing & Program Administration and Planning	19 %
Economic Development	8 %
 TOTAL	 100%

The following describes in more detail the types of activities and accomplishments achieved in FY 2009-2010:

CDBG Economic Development/Micro-Enterprise

As detailed in the City’s FY 2009-2010 Action Plan, the City allocated 8% of CDBG funds to economic development projects. Through these projects, a total of 203 unduplicated low- and moderate-income participants received services including entrepreneurship training, business support for startup companies, training and assistance in starting and expanding child care businesses, and a small business incubator program for entrepreneurs.

Physical Improvement Projects

Consistent with the City’s FY 2009-2010 Action Plan, CDBG funds were allocated to four physical improvement projects, which include:

- 1 health facility project
- 1 pre-school center
- 1 community center
- 1 seismic retrofit project of a charter school nutrition center

One project is near completion and the other three projects have yet to begin construction. In addition, 19 other physical improvement projects funded in prior years are complete, near completion or currently under construction.

Major accomplishments as a result of the FY 09-10 and prior year funding include:

- Installation of 280 disability access ramps in sidewalks along school walking routes, near parks, in areas with a high proportion of elderly residents and where identified as a high priority in the community.
- Conversion of 188 standard streetlights to energy efficient LED streetlights

- Rehabilitation of office, hallway, lobby area and multipurpose room for community facility serving the blind.
- Seismic retrofit and renovation of a nutrition center for at-risk students attending a local charter school.

PUBLIC SERVICES

As proposed in its FY 2009-2010 Action Plan, the City allocated 14% of CDBG funds to public service projects. The funded projects served 13,054 low- and moderate-income persons throughout the City of San José.

Services for Seniors and Persons with Disabilities

Thirteen CDBG projects were funded under the category of services for seniors and persons with disabilities. The projects that targeted seniors addressed both critical service needs such as those that threaten the life and well being of the most vulnerable and at-risk elders, urgent service needs which are considered serious, but not life threatening issues, and those that improve the quality of life. These projects assisted a total 7,397 unduplicated low- and moderate-income persons, exceeding the goal by 20%. For example, the City funded Senior Transportation program provided 6,614 one-way trips to 1,605 seniors. As a result, 98% of the clients maintained or improved their quality of life.

Youth Services

Six CDBG projects were funded under the youth services category. Services addressed issues of juvenile delinquency, substance abuse, gang involvement, education/school, and family. The CDBG funded projects in this area assisted a total of 438 unduplicated low- and moderate-income youth, exceeding the goal by 7%. For example, the Juvenile Drug Treatment Court Mentor program matched 40 youth with 40 adult mentors to facilitate a commitment by the youth to maintain sobriety and enhance their problem solving and goal setting skills. As a result, 94% of the youth reduced their drug and alcohol usage by the end of the program.

Fair Housing

Two CDBG funded projects funded fair housing services to low- and moderate-income individuals. Services included counseling, conciliation and litigation services, education and outreach, and the processing of fair housing claims. The projects also provided fair housing information in the form of seminars and other educational forums, community events, public service announcements and, radio and television coverage. The fair housing projects served 454 unduplicated participants, exceeding the goal by 10%. For example, the Legal Aid Fair Housing Counseling project provided 2,735 legal representation hours, completed 256 fair housing investigations and held 33 seminars to 286 participants. As a result, 67% of clients received a favorable resolution toward access to housing of choice.

Childcare

The City provided CDBG funding for one project under the childcare services category. The affordability and availability of childcare has been identified as an urgent need affecting the

health, safety, learning, and socialization of children in San José. Furthermore, the ability of many families to earn a living depends on the availability of affordable, accessible, and reliable childcare. The funded project provided subsidized childcare to 664 low- and moderate-income persons, enabling their parents to maintain, secure, or improve their employment or job training/education status. This program has exceeded its goal for the past five years. This year, it exceeded the program goal of 220 unduplicated children by 202%.

Public Service/Employment/Battered Spouses

The six CDBG projects funded under the public service/employment/battered spouses category provided assistance to women and children in a domestic violence shelter, outreach and counseling sessions to members in the immigrant community and employment training. Combined, the funded projects in this category provided shelter, employment, and counseling assistance to 3,026 low-and moderate-income persons, exceeding its goal by 40%. For example, the Ethiopian Community Center project provided 249 hour of outreach services, 291 hour of translation/interpretation services, and 249 hour of counseling services to 124 unduplicated participants. As a result, 80% of participants have taken positive action and/or solved a problem and 82% of participants have experienced a reduction in the incidence of family conflict.

Code Enforcement and Interim Assistance

In Fiscal Year 2009-2010, the City's CDBG program funded three code enforcement projects. These three code enforcement projects completed code inspections of dwelling units, businesses, abandoned vehicles and vacant lots. 4,899 inspections were completed on 2,258 housing units, with eighty-two percent (82%) of the code violations addressed within 90 days. 1,046 inspections were completed on 265 businesses, with 71% of code violations resolved within 90 days. Inspection of 460 abandoned vehicles and 267 inspections of vacant lots identified as illegal dump sites, were completed with 96% of violations resolved within 90 days. No Interim Assistance programs were funded in FY 2009-2010.

Legal Services

Three programs were funded under the CDBG legal services category. Services included legal education in the areas of consumer and worker's rights, consultations, citizenship assistance and assistance to individuals with mental disabilities. Projects under this category provided services to 1,529 low- and moderate-income persons. For example, the Katherine and George Alexander Community Law Center provided legal representation, workshops and advice clinics to 882 unduplicated participants. As a result, 80% of fully represented clients received monetary or other tangible benefits.

Housing Improvement

Three projects were funded in housing improvement category. The City's Housing Rehabilitation Program completed 118 projects that assisted low- and moderate-income residents in maintaining safe, decent, and affordable housing. Rebuilding Together Silicon Valley's Low-Income Senior/Disabled Person Housing Repair Program completed 1,042 units of safety and ADA accessibility repairs. Lastly, the City's Minor Repair Program completed 109 urgent, non-urgent minor and handicap accessibility repairs.

Program Administration and Planning

The FY 2009-2010 entitlement and prior year program income provided a total of \$11.3 million. From this a total of \$1.6 million (14%) of the FY 2009-10 CDBG funds were allocated to administrative, planning and fair housing activities. The activities funded with the allotted 20% planning and administration fees included program administration, planning and fair housing services.

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

During FY 2009-2010, HOME Funds were used for the acquisition and rehabilitation of multi-family rental housing, tenant-based rental assistance, administrative expenses and down-payment assistance for lower-income homebuyers. Expenditures of City HOME funds were allocated as follows:

Table 1: HOME Funded Projects 2009-2010

<i>Homeownership Programs:</i>	
Homebuyer Assistance (Welcome HOME)	\$ 1,299,974
Homebuyer Assistance (Teacher Homebuyer)	\$ 740,000
NOFA – Project based 2 nd Mortgage Assistance	\$ 954,000
Neighborhood Housing Services (NHS)	\$ 385,000
<i>Rental Housing Assistance Programs:</i>	
Kings Crossings	\$ 432,999
<i>Administrative Expenses</i>	\$ 352,155
<i>CHDO Operations</i>	\$ 150,000
TOTAL	\$ 4,314,128

Low-income homebuyers earning less than 80% AMI were eligible for second mortgages funded through HOME, for use in the purchase of a home. The average assistance to each household was \$50,000.

Distribution of Funds

The City has traditionally committed its HOME entitlement funds to the new construction of rental housing, its greatest need. While this remains a priority in the City's affordable housing strategy, some HOME resources are being utilized for other projects and programs, such as the acquisition and rehabilitation of existing housing units, homebuyer assistance loans, and tenant-based rental assistance program for the chronically homeless. The City has begun to offer a small amount of its HOME funds to assist qualified CHDOs with operating expenses.

Recent HOME-funded Affordable Housing Projects address the need for affordable housing for San Jose's Extremely Low and Very Low-Income population. HOME funding at Kings Crossing will provide 92 units (10 at 15% AMI, 19 at 25% AMI, 13 at 30% AMI, and 50 at 45% AMI).

Meeting Deadlines

In past years, the City's ability to rapidly commit and spend HOME funds was typically slow due to the prioritized use of monies for the construction of new rental housing. The intensive process involved in locating a site, preparing a feasibility analysis, and securing financing in a competitive market lengthened the time needed to commit and expend the funds. However, the City has been meeting both the statutory commitment and expenditure timelines, and continues to improve the strategic planning process for the use of future HOME allocations.

Because of the decline in home prices, existing housing stock is now more affordable making it possible for low-income homebuyers (at or below 80% AMI) to afford to purchase a home in San José. In the past year, the City expended HOME funds for homebuyer programs, and will continue to use HOME funds in the coming fiscal year. The City will also continue to invest in the new construction of rental housing for very-low and extremely low-income households and will begin to provide rental assistance for income-qualified low-income households.

High Cost Area Impacts

One of the major barriers to the construction of rental housing in San José is the high cost of development. The cost of land combined with high construction costs continue to make the feasibility of affordable housing projects difficult, especially those projects targeted towards special needs populations and ELI households. Even with the City's practice of leveraging funds, the gap between the cost of building these housing developments, and the rents affordable to lower-income households, continues to grow. This growing gap creates the need for the City to provide greater subsidies, resulting in less available funding for other projects.

The annual HOME funding San José receives has contributed to the achievement of the City's affordable housing production goals. The City's HOME funds have been used successfully and have been a great asset to the residents of San José. However, the HOME funds are only one step towards obtaining the financing necessary to build housing at the most needed affordability levels.

Community Housing Development Organization (CHDO) Participation

The City consistently exceeds the use of at least 15% of its annual HOME funds for CHDO-sponsored developments. In past years, the City has committed the entire annual grant to CHDO-sponsored developments. Below are all of the City's CHDO-sponsored developments that used HOME funds in the 2005-2010 Consolidated Plan period:

Project Name	HOME Funded Units	HOME Funds	CHDO	Project Type	HOME Grant Yr(s)
Kings Crossing ¹	46	\$5,250,700	Charities Housing Development	Family	2005
CHDO Reserve	TBD	\$1,800,000	Charities Housing Development	TBD	2007
1460 N. 4 th Street	99	\$3,000,000	First Community Housing Developers	Family	2009
Totals	145	\$10,050,700			

1 - Developed solely by a CHDO sponsor

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

During FY 2009-2010 the City’s HOPWA programs provided tenant-based rental subsidies, supportive services, and housing placement assistance to foster independence for people living with HIV/AIDS in the Counties of Santa Clara and San Benito. The HOPWA programs promote permanence, independence, and dignity, and improve the overall quality of these residents’ lives.

The fatality rate due to HIV/AIDS has significantly declined since 1995. Many people with HIV/AIDS are living longer, healthier lives, and therefore require assistance for a longer period of time. These individuals are increasingly lower-income and homeless, have more mental health and substance abuse issues, and require basic services such as housing and food in order to ensure they adhere to the medications necessary to prolong their lives.

Using HOPWA funds, the City of San José has contracted with the Health Trust and the San Benito County Health and Human Services Agency to provide individuals living with HIV/AIDS with the rental subsidies, case management, and other supportive services.

Health Trust

The Health Trust is a nonprofit agency which assists persons with HIV/AIDS to secure and maintain housing in order to promote self-sufficiency. In FY 2009-2010, the Health Trust was awarded \$716,220 in HOPWA entitlement funds for its AIDS Services division. The Health Trust continues to leverage HOPWA dollars with funding from a HOPWA SPNS competitive grant, Ryan White funds, private foundation grants, and donations. The Health Trust collaborates with many community agencies to ensure that all of their clients’ needs are met. The agency also maintains a food basket program for homebound clients with in-kind donations from the Second Harvest Food Bank and is a member of the AIDS Service Provider Network, which provides outpatient medical care, legal services, mental health services, and substance abuse treatment services. The Health Trust maintains relationships with County, State and federal assistance organizations. It is also a designated enrolling agency for ADAP (AIDS Drug Assistance Program) and County Dental services.

Below is a summary of the number of households assisted through the HOPWA program by The Health Trust:

The Health Trust- AIDS Services

Tenant Based Rental Assistance	125
Persons assisted with supportive services	190
Persons receiving placement assistance	31
Total	346

San Benito County

Geographically, San Benito County is situated approximately one hour southeast of San Jose, mostly covered by zip code 95023. The San Benito County Health and Human Services Agency is a government entity that provides individuals with HIV/AIDS with tenant-based rental assistance, short-term rental and utilities assistance, and case management services through a HOPWA grant from the City of San José. The program’s primary objectives include: providing information and referrals on housing opportunities, assisting clients in obtaining permanent housing through security deposits, short-term rent subsidies, utility payment assistance, and emergency housing. In FY 2009-2010, the San Benito County Health and Human Services Agency was awarded \$27,250 through San José’s HOPWA funds.

Tenant Based Rental Assistance	5
Persons assisted with supportive services	8
Total	13

Performance chart 1 (Type of Housing Units Dedicated to Persons with HIV/AIDS that were Supported during the Operating Year) and Performance chart 2 (Comparison to Planned Actions) are in the Exhibits Section (Exhibits 3A and 3B).

EMERGENCY SHELTER GRANT (ESG)

The City’s ESG funds provide support to agencies operating emergency shelters and/or supportive services to the homeless or those at risk of becoming homeless. ESG funds are used for emergency shelter operations, essential services, and homeless prevention. During FY 2009-2010, ten agencies were awarded ESG funds for a total of \$442,619.

ESG funds distribution for FY 2009-2010 was as follows:

Operating Costs	92%	\$ 406,118
Homeless Prevention	7.5%	\$ 34,124
Essential Services	0.5%	\$ 2,367
TOTAL	100%	\$ 442,619

Below is a description of how these funds were used by service providers in San José.

1. EHC Lifebuilders- Boccardo Reception Center Shelter and Meals Project- \$80,000

EHC has been providing quality shelter, support and education services to the City’s homeless population for over 20 years. EHC programs include emergency shelters, transitional housing, and affordable, permanent, supported housing, all of which come with comprehensive needs assessments and case management services. EHC’s effective collaborations with public and private service agencies have maximized their clients’ access to education, benefits, transportation, health care, and counseling services. ESG funds were used to support shelter operation costs at the Boccardo Reception Center.

During FY 2009-2010, EHC served a total of 2,218 unduplicated individuals and provided 60,257 units of shelter bed nights and 120,514 units of hot meals.

Asian Pacific Islander	28
American Native/ Black	17
Black/ African American/ White	50
Asian/ White	5
American Indian/ Alaskan Native/ White	29
American Indian/ Alaskan Native	81
Hawaiian/ Pacific Islander	28
Asian	108
Black/ African American	374
White	893
Other Multi Racial	633
Total (unduplicated):	2,218
Hispanic	731

2. Bill Wilson Center- Runaway Homeless Shelter – \$61,344

The Bill Wilson Center Runaway and Homeless Youth Shelter in Santa Clara County provides emergency shelter for homeless youth ages 11-17. The Bill Wilson Center offers a variety of programs, including a Counseling Center, a School Outreach Program, a Transitional Housing Program, and a Drug Prevention and Health Education Program. The Center also assists homeless youth in either reuniting with their families or becoming self-sufficient.

During FY 2009-2010, the Bill Wilson Center served a total of 186 unduplicated individuals and provided 3,908 units of shelter beds nights and 11,724 units of hot meals.

Asian Pacific Islander	0
American Native/ Black	0
Black/ African American/ White	0
Asian/ White	0
American Indian/ Alaskan Native/ White	0
American Indian/ Alaskan Native	0
Hawaiian/ Pacific Islander	7
Asian	9
Black/ African American	17
White	144
Other Multi Racial	9
Total (unduplicated):	186
Hispanic	103

3. Bill Wilson Center- Drop-In Center– \$25,000

The Bill Wilson Drop-In Center for Runaway and Homeless Youth in Santa Clara County assists homeless or at-risk youth, ages (13-25), through the provision of basic necessities such as food, clothing and personal hygiene items and comprehensive services such as counseling, and living skills and job readiness training. ESG funds are used to provide benefits counseling, housing placement assistance, and employment services.

During FY 2009-2010, the Bill Wilson Drop-In Center served a total of 683 unduplicated individuals and provided 408 employment readiness workshops and 408 street smart workshops (health education, substance abuse and HIV prevention) to homeless runaway youth.

Asian Pacific Islander	
American Native/ Black	
Black/ African American/ White	
Asian/ White	
American Indian/ Alaskan Native/ White	
American Indian/ Alaskan Native	17
Hawaiian/ Pacific Islander	1
Asian	30
Black/ African American	192
White	393
Other Multi Racial	50
Total (unduplicated):	683
Hispanic	252

4. InnVision – Commercial Street Inn - \$35,000

The Commercial Street Inn is a 55-bed shelter for single women and women with children. It provides the meals and shelter component of InnVisions’s “continuum of care” for homeless women and their children. This program also provides case management and a tutorial program.

During Fiscal Year 2009-2010, Commercial Street Inn served a total of 449 unduplicated individuals and provided 14,059 units of shelter bed nights and 15,728 units of hot meals.

Asian Pacific Islander	
American Native/ Black	1
Black/ African American/ White	7
Asian/ White	1
American Indian/ Alaskan Native/ White	5
American Indian/ Alaskan Native	11
Hawaiian/ Pacific Islander	7
Asian	18
Black/ African American	72
White	224
Other Multi Racial	103
Total (unduplicated):	449
Hispanic	246

5. InnVision – Georgia Travis Center - \$40,000

The Georgia Travis Center is a daytime drop-in center that provides job counseling, basic medical care and screenings, drug and alcohol services, peer counseling, a computer lab, case management services, showers, laundry, personal hygiene supplies, clothing, hot meals, telephone and voice mail, and information and referral services to other community groups.

During Fiscal Year 2009-2010, Georgia Travis Center served a total of 12,721 unduplicated individuals and provided 13,716 units of day shelter and 114,600 units of hot meals.

Asian Pacific Islander	
American Native/ Black	21
Black/ African American/ White	90
Asian/ White	51
American Indian/ Alaskan Native/ White	95
American Indian/ Alaskan Native	482
Hawaiian/ Pacific Islander	174
Asian	777
Black/ African American	1,241
White	5,131
Other Multi Racial	4,659
Total (unduplicated):	12,721
Hispanic	8,383

6. InnVision – Montgomery Street Inn - \$41,000

The Montgomery Street Inn is an 85-bed shelter for single men. The shelter provides job readiness activities, job placement, a graduated housing program, and case management.

During Fiscal Year 2009-2010, Montgomery Street Inn served a total of 2,869 duplicated individuals and provided 26,663 units of shelter bed nights and 17,275 units of hot meals.

Asian Pacific Islander	40
American Native/ Black	11
Black/ African American/ White	45
Asian/ White	13
American Indian/ Alaskan Native/ White	50
American Indian/ Alaskan Native	120
Asian	118
Black/ African American	428
White	1073
Other Multi Racial	971
Total (unduplicated):	2,869
Hispanic	1277

7. Next Door Solutions to Domestic Violence- The Shelter Next Door - \$27,000

Next Door Solutions to Domestic Violence provides an emergency shelter and counseling services for survivors of domestic violence and their children.

During Fiscal Year 2009-2010, Next Door Solutions served a total of 264 unduplicated individuals and provided 6,813 units of shelter bed nights and 20,439 units of hot meals and snacks.

Asian Pacific Islander	
American Native/ Black	2
Black/ African American/ White	1
Asian/ White	8
American Indian/ Alaskan Native/ White	1
American Indian/ Alaskan Native	9
Hawaiian/ Pacific Islander	2
Asian	18
Black/ African American	37
White	155
Other Multi Racial	31
Total (unduplicated):	264
Hispanic	118

8. Family Supportive Housing, Inc.- San Jose Family Shelter- \$50,000

Family Supportive Housing Inc., also known as the San José Family Shelter, can house up to 36 families. The program provides comprehensive on-site programs designed to enhance family stability and assistance in gaining the skills needed to regain emotional and economic

independence. The shelter’s programs include, case management, a childcare center, a tutorial program, the Personal Enrichment Program, and Clothes Closet.

During Fiscal Year 2009-2010 Family Supportive Housing served a total of 811 unduplicated individuals and provide 42,381 units of shelter bed nights and 156,460 units of meals and snacks

Asian Pacific Islander	
American Native/ Black	1
Black/ African American/ White	3
Asian/ White	
American Indian/ Alaskan Native/ White	
American Indian/ Alaskan Native	12
Hawaiian/ Pacific Islander	8
Asian	8
Black/ African American	26
White	156
Other Multi Racial	561
Total (unduplicated):	811
Hispanic	145

9. Asian Americans for Community Involvement (AACI) – Asian Domestic Violence Shelter- \$60,292

AACI provides emergency shelter to women and children who experience sudden and unexpected homelessness due to domestic violence. AACI provides essential counseling and case management services to assist their clients in understanding the causes of domestic violence and empower them to make decisions that will foster their own well-being and that of their family.

During Fiscal Year 2009-2010, AACI served a total of 167 unduplicated individuals and provided 4,521 units of shelter bed nights and 5,632 sessions of case management

Asian Pacific Islander	
American Native/ Black	
Black/ African American/ White	1
Asian/ White	5
American Indian/ Alaskan Native/ White	
American Indian/ Alaskan Native	3
Hawaiian/ Pacific Islander	1
Asian	81
Black/ African American	17
White	56
Other Multi Racial	3
Total (unduplicated):	167
Hispanic	44

10. West Valley Community Services- Direct Assistance Program - \$25,000

The Direct Assistance program prevents homelessness in the West San Jose area by providing emergency rental and/or utility assistance, food pantry services, and case management.

During FY 2009-2010 West Valley Community Services served 81 unduplicated individuals and provided 40 clients with eviction prevention assistance and 30 clients with utility assistance.

Asian Pacific Islander	
American Native/ Black	
Black/ African American/ White	
Asian/ White	
American Indian/ Alaskan Native/ White	1
American Indian/ Alaskan Native	
Hawaiian/ Pacific Islander	
Asian	10
Black/ African American	6
White	33
Other Multi Racial	31
Total (unduplicated):	81
Hispanic	16

HOMELESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)

As part of the federal government's American Recovery and Reinvestment Act of 2009, in the spring of 2009 the City of San Jose was allocated a one-time appropriation of \$4,128,763 to administer activities under the newly established Homeless Prevention and Rapid Re-housing Program (HPRP). HUD's objectives for this program are twofold: 1) prevent individuals and families from becoming homeless; and 2) help those who are experiencing homelessness to be quickly re-housed and stabilized.

On July 6, 2009, the City issued a joint Request for Proposals (RFP) with Santa Clara County for the administration of both jurisdictions' HPRP funds. The two jurisdictions issued a joint RFP in order to create a coordinated network of homelessness prevention and rapid re-housing services and, in doing so, to maximize cross-jurisdictional collaboration, minimize or eliminate any duplication of services, make the application and contracting processes more efficient, and align the program activities and protocols to be as consistent as possible across Santa Clara County.

On July 10, 2009, the City and County held a Bidders' Conference to provide potential applicants with additional guidance on the RFP and expectations for successful applications, answer questions, and relay any additional information from HUD. A total of nine proposals were submitted in response to the RFP by the August 7 deadline - five to the City and four to the County. An HPRP Review Panel consisting of staff from both the City and the County met on August 11th to evaluate the proposals and make preliminary recommendations. On August 12th, three finalists were interviewed for clarifications and further information. An HPRP Appeals Committee was set to hear appeals on August 18; however, no appeals were filed.

The members of the HPRP Review Panel scored and ranked each proposal separately, taking into account the applicants' expenditures, staffing, and program plans as well as their experience and ability to offer the full range of HPRP services. The panel then considered the total amount of funding available and recommended the most cost effective and efficient way to allocate and administer the funds. The panel ultimately recommended that the City make three funding awards and the County make two awards. Based on the Review Panel's findings, the following awards were recommended, and subsequently approved by the San José City Council, for funding through the City's HPRP allocation:

• EHC LifeBuilders (Lead Agency)	\$2,626,994
• Sacred Heart Community Service (Lead Agency)	\$1,088,281
• Community Technology Alliance	\$ 307,500
• City Administration	<u>\$ 105,988</u>
• Total	\$4,128,763

EHC LifeBuilders is the lead of a three-agency partnership with Pro Bono Project Silicon Valley and Next Door Solutions to Domestic Violence, to implement the full range of HPRP services. The partnership brings together the agencies' vast experience in providing homeless prevention and homeless services, eviction defense legal services, and specialized case management services for victims of domestic violence to provide eligible HPRP clients with a two-tiered program geared towards attaining self-sufficiency. The majority of services are provided at the One Stop Homelessness Prevention Center at the Boccardo Reception Center, with alternate sites for assistance as appropriate.

Sacred Heart Community Services is the lead agency of a partnership with InnVision the Way Home and the Law Foundation to provide the full range of HPRP services. The three agency coalition has vast experience in providing homeless prevention, homeless services, and legal defense. Using the HPRP funds, the Coalition matches financial assistance to prevent or end a client's homelessness with case management and other support to help them attain and maintain self-sufficiency.

Community Technology Alliance (CTA) has been the sole provider of HIMS in Santa Clara County since 2004. CTA provides a secure web-based system of data collection designed to increase the effectiveness and efficiency of all homeless shelter and service providers in the County. Using its allocated funding, CTA ensures that the HPRP subrecipients meet all reporting requirements by assisting them throughout their program implementation and administration, from assessment to reporting.

	Homelessness Prevention		Homeless Assistance	
	Persons Served To Date	Households Served To Date	Persons Served To Date	Households Served To Date
Unduplicated Clients	784	305	161	73
Rental Assistance	653	254	123	58
Security & Utility Deposits	91	39	102	39
Utility Payments	267	89	20	7
Moving Costs	0	0	10	5
Motel & Hotel Vouchers	0	0	6	2
Case Management	760	304	142	68
Outreach	0	0	2	1
Housing Search & Placements	19	9	5	5
Legal Services	28	15	9	5

NEIGHBORHOOD STABILIZATION PROGRAM (NSP I & NSP II)

Since October 2009, the City of San Jose has implemented the federal Neighborhood Stabilization Program (NSP I) single-family acquisition, rehabilitation, and resale program under the Housing and Economic Recovery Act, 2008 (HERA). This federal stimulus program is intended to reverse the effects of neighborhood blight caused by high concentrations of foreclosures in specific eligible areas.

The City executed an agreement with Community Rehabilitation Partners (CRP) to implement the NSP1 Single-Family Acquisition, Rehabilitation, and Resale Program. Since October 2009, CRP and the City have acquired 12 single-family houses in four target zip codes¹ for one percent below appraised value as required by NSP I regulations. Rehabilitation of seven houses has been completed for an average of nearly \$140,000 per house. Rehabilitation has commenced on the remaining five houses. Open houses have been held, and three homes have been sold to income-qualified households with NSP I down-payment assistance. Sales proceeds have resulted in approximately \$428,000 in program income. In addition, three houses have sales pending, and one house is for currently for sale.

NSP I requires a minimum of 25% of the \$5,628,283 grant award, or \$1,407,070, be designated for housing targeted to very low-income households earning 50% or less of the Area Median Income (AMI). In September and November 2009, the City purchased two foreclosed fourplexes, containing a total of eight units. Rehabilitation of the fourplexes is expected to be complete in Spring 2011 and available for resale and re-occupancy by income-eligible households.

As of June 30, 2010, 73 % of funds had been drawn or \$4,154,144. Under NSP I, the City must fully obligate the initial allocation of NSP1 funds by September 11, 2010, with 100% expended by March 2013.

The City of San Jose submitted a joint application for NSP II funds along with Neighborhood Housing Services Silicon Valley. The consortium received approximately \$25 million for the following programs:

- Purchase Assistance Loan - \$5 million
- Acquisition / Rehabilitation Program - \$11.75 million
- Acquisition / Rehabilitation Program (25% Set Aside) - \$6.25 million
- Admin - \$2 million

The City has expended approx. \$30,494 on admin costs as of July 2010. The City will issue an RFP in FY 2010-2011 to select entities to implement the Single-Family Acquisition Rehabilitation Resale Program and plans to have them under contract by Fall 2010.

BEDI GRANTS AND SECTION 108 LOANS

The following is a programmatic update on the San Jose Airport FMC site.

FMC Purchase:

Adopted in November 2003, San Jose's Economic Development Strategy (EDS) details the vision and outlines the strategy for San Jose's economic future. Identified as the number one strategic initiative in the EDS is to build and expand the Norman Y. Mineta San Jose International Airport (the "Airport") into a world class airport facility.

To facilitate the construction of the airport, the City applied for and was awarded a \$25.8 million loan under the Section 108 program through the U.S. Department of Housing and Urban Development (HUD) for the acquisition of 23.23 acres of land from the FMC Corporation. The land is directly adjacent to the Airport and was used for construction staging in support of the new terminal construction. The acquisition was in conjunction with an additional City bond-financed purchase of 51.64 acres of land also acquired from FMC. To fund a portion of the interest on the Section 108 loan, the City applied for and received a \$2 million Brownfield Economic Development Initiative (BEDI) grant.

The approximate 75 acres of land, identified as Airport West is intended, in the long term, to accommodate 1.5 million square feet of high-end office R&D, 300 hotel rooms and up to 95,000 square feet of retail space that will each support the Airport and the City's overall revenue position.

In July 2009, the first six gates in the new Terminal B concourse were activated. The entire Terminal B concourse and Consolidated Rental Car Center and Public Parking Garage, providing 3,000 spaces for all rental car operations based at the Airport, as well as 350 public parking spaces at street level, completed and opened for operation in July 2010. Terminal B was integrated with the Terminal B concourse for a total of 12 aircraft gates served by new ticket counters, security checkpoint, baggage claim, an automated inline baggage screening system along with new retail and restaurants. In addition, Terminal A was expanded and renovated with new shops and restaurants. The City continues to work on meeting the proposed 836 jobs creation goal. To date, 255 jobs have been created, of which 182 were full-time equivalent (FTE) jobs. Of those 182 FTE jobs, 150 jobs were held by low and mod income persons.

As of June 2010, the City Council authorized the City Manager to negotiate and enter into an amended Option and Purchase and Sale Agreement of the Airport West site with Coleman Airport Partners, LLC.

ASSESSMENT OF STRATEGIC PLAN GOALS AND OBJECTIVES AND SELF EVALUATION

EXPANDING AND PRESERVING AFFORDABLE HOUSING OPPORTUNITIES

On July 1, 2010, the Santa Clara County Assessor’s Office released its annual report for the property values in Santa Clara County. The news was discouraging and throughout the county the values reached declines that have not been experienced in this region since the Great Depression. Values in the San José Redevelopment Area were not exempt from these declines and were reduced by 7.3% from the prior year. The future trends in these values are unclear and may continue to decline in the coming years. The Redevelopment Agency and Housing Department will track this information closely, as the property tax increment serves as the primary source of revenue for each agency.

Overall, the City of San José was focused on accomplishing its strategic goals as laid out in its Annual Action Plan. In spite of a real estate downturn and lack of capital, the Housing Department made progress towards a number of its goals. The tables below provide the City’s accomplishments with regards to the provision of safe, affordable housing.

Table 2: Goals and Accomplishments – Completions 2009-2010

2009-2010 Goals*	2009-2010 Accomplishments**
276 units	455 units

* Goal is from the FY 2007-2012 Five-Year Housing Investment Plan and includes only new construction, acq/rehab and homeownership units affordable at or below 80% AMI.

** Accomplishments include new construction, acq /rehab and homeownership units only.

Table 3: Affordable Housing Finance Commitments 2009-2010

REPORT CARD	Funds	Units
New Const - Affordable	\$ 6,780,000	99
Acquisition/Rehabilitation	\$ 0	0
Multifamily Rehabilitation Only	\$ 150,000	12
Single-Family Rehabilitation	\$ 2,846,326	169
Paint Grants**	\$ 0	N/A
Homebuyer Programs*	\$ 6,099,405	53
TOTALS	\$15,875,731	333

* Includes City subsidized housing developments, Teacher Homebuyer Program (THP) and SJSU Faculty Homebuyer Program (FHP) funds, \$2,776,000 in BEGIN funds, and \$820,000 in second mortgage loans made through private developer funds as part of the City's Inclusionary Housing Program. Includes only ELI, VLI and LI units

**The Housing Department did not provide stand-alone paint grants for FY 2009-10.

Table 4: Affordable Housing Completions 2009-2010

REPORT CARD	Units
New Const. – Affordable ²	354
Acquisition/Rehabilitation ²	48
Rehabilitation - Multifamily	12
Rehabilitation – Single Family	233
Paint Grants	0
Homebuyer Programs ^{1,2}	53
TOTAL	700

1. Includes Inclusionary Units, the Teacher and Faculty Homebuyer Programs, and other Project-based Second Mortgage Programs
2. Include only ELI, VLI and LI units

Local funding for the development of affordable housing in San José experienced a significant downturn in FY2009-10 due to the downturn in the real estate market. Recent information released by the Santa Clara County Assessor's Office indicates that local tax increment funds are decreasing. Further, the City's funding in May 2010 to the State of California to balance the State budget has left virtually no discretionary funds available to make new funding commitments. It will likely take three to seven years to return to funding levels that will enable the project development team to make new project financing commitments for 100% affordable projects.

Therefore, in Fiscal Year 2009-2010, the Department committed to one new project in District 7 (see below) but had only enough funds to fund predevelopment and land acquisition loans for that project. The following charts show the funding commitments and actual housing completions achieved in this past year.

Tables 5: 2009-10 Affordable Housing Finance Commitments by City Council Districts

NEW CONSTRUCTION PROJECTS

District	ELI	VLI	LI	MOD	TOTAL	TYPE OF LOAN
7	29	70	0	0	99	Predev & Land only*
Subtotal	29	70	0	0	99	

* The construction/permanent commitment for this project will be reflected in future years' CAPERs but units will not be counted again.

ACQUISITION/REHABILITATION PROJECTS

District	ELI	VLI	LI	MOD	TOTAL
None	0	0	0	0	0
Subtotal	0	0	0	0	0

MULTIFAMILY REHABILITATION

District	ELI	VLI	LI	MOD	TOTAL
3	1	2	1	0	4
1	5	2	1	0	8
Subtotal	6	4	2	0	12

TOTAL	35	74	2	0	111
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The following table shows the total number of units completed during FY 2009-2010, as well as the break down of units by income category and Council District:

Tables 6: 2009-2010 Housing Production Completions

NEW CONSTRUCTION

District	ELI	VLI	LI	MOD	TOTAL
5	26	58	0	0	84
6*	0	0	0	76	76
7	207	44	19	0	270
Subtotal	233	102	19	76	430

* New Construction completions in District 6 include 76 inclusionary units at Monte Vista Cannery Square.

ACQUISITION/REHABILITATION

District	ELI	VLI	LI	MOD	TOTAL
9	17	31	0	0	48
Subtotal	17	31	0	0	48

MULTIFAMILY REHABILITATION

District	ELI	VLI	LI	MOD	TOTAL
3	1	2	1	0	4
1	5	2	1	0	8
Subtotal	6	4	2	0	12

TOTAL	256	137	21	76	490
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The following tables highlight the City's accomplishments over the five year FY 2005 – 2010 planning period. Overall the City was able to achieve the goals set forth at the beginning of the five year planning period.

Table 7.1: Accomplishments – Completions 2005 - 2010

Accomplishment	New Construction Units*	Acquisition/ Rehabilitation Units*	Rehab Units	Homeownership Assistance Units*
2005 -2006 Actual	720	701	305	188
2006-2007 Actual	990	740	291	165
2007-2008 Actual	427	309	328	110
2008-2009 Actual	95	36	306	97
2009-2010 Actual	354	48	245	53
TOTAL	2,586	1,834	1,475	463

* Includes only units affordable at or below 80% AMI

Table 7.2: Accomplishments – Completions 2005-2010

Accomplishment	New Construction Units*	Acquisition/ Rehabilitation Units*	Rehab Units	Homeownership Assistance Units*
2005-2010 Actual	2,586	1,834	1,475	463
2005-2010 Goals*	2,450	425	1,750	275

* Goals from Table 2C of the Consolidated Plan 2005-2010

The City's CDBG program funded fourteen projects in the affordable housing category. CDBG funding provided housing supportive services, which includes case management, resolving legal issues in residential care housing such as evictions, substandard living conditions, emergency shelter for victims of domestic violence and housing rehabilitation for low-income seniors and families. Notable projects include the Catholic Charities' Long-Term Care Ombudsman

program. The project investigated 605 complaints, conducted 2,329 on-site facility visits, and held 15 workshops serving 506 unduplicated participants. As a result, 92% of all long-term care facilities were reviewed by an Ombudsman, and 83% of issues affecting long-term care were resolved within 45 days of receipt of complaint. In addition, the Silicon Valley Independent Living Center’s Housing Program for Persons with Disabilities provided 127 housing placements, 54 personal assistant placements, and 63 community education workshops. As a result, 83% of participants obtained and maintained affordable/accessible housing for at least 90 days.

CONTRACT PERFORMANCE OUTCOMES

Contract management and monitoring activities included extensive technical assistance during contract development, along with frequent evaluations of new projects to ensure grantees understanding of the program rules and regulations, and to guarantee success and the delivery of services to the City’s low and moderate-income residents. In addition to the quarterly performance reports, annual programmatic and internal control monitoring visits and site visits were performed on 100% of the nonprofit projects by June 30, 2010. Technical assistance and corrective action plans were issued when necessary.

With a commitment to continuously improve the service to our partnering nonprofits, the CDBG staff set out to meet the performance goals first developed for 2007-08. These measures included timely completion of the grant agreements prior to the start of the fiscal year, and increased monitoring of agency performance. Fiscal measures included timely reimbursements to the agencies and overall program expenditure efficiency. The table below demonstrates our commitment to improve relationships with our nonprofit partners.

Measure	Goal	Actual June 2010
% CBO Contracts Completed by June 30th	100%	100%
% Invoices Processed and Paid Within 30 Days of Receipt	90%	98%
April 30 th Expenditure Ratio	<150%	109%

To continue to improve the management of the CDBG program, a web-based database was developed and launched in January 2010. The Housing Department continues to work with the Citywide Grants Management Working Group and assisted with the development of a citywide grants database. The program will commence usage of the citywide grants database starting in Fiscal Year 2010-2011. Unfortunately, the City is still facing challenges in making the database compatible with HUD’s IDIS system to allow for data to be shared between databases thereby decreasing the frequency of human error.

In addition, the CDBG program was instrumental in the creation of a policies and procedures manual. The handbook provides guidance to all departments on the City’s grant management requirements while incorporating and referencing applicable HUD program management requirements. The following highlights the overall program goals and achievements.

Table 8: CDBG Goals and Accomplishments 2009 - 2010

CDBG Funded Category		Goal (Low/Mod Persons, Jobs or Housing Units)	Actual (Low/Mod Persons, Jobs or Housing Units)	% of Goal*
Economic Development: Special Economic Dev Micro-Enterprise	Jobs People	0 224	1.8 203	180% 91%
Services for Seniors	People	5,268	6,311	120%
Services for Persons with Disabilities	People	892	1,086	122%
Youth Services	People	409	438	107%
Fair Housing	People	411	454	110%
Childcare	People	220	664	302%
Public/Employment /Battered Spouses Services	People	2,154	3,026	140%
Legal Services	People	1,528	1,529	100%
Housing Improvement	Units	278	271	97%

*To qualify as substantially meeting their project goals, a program must meet approximately 90% of its targeted outcome goals.

Self-Evaluation (CDBG)

In addition to a variety of essential public services, the City of San José also provided CDBG funding for community development activities in the areas of 1) physical improvement projects that supported the delivery of services to the City's low and moderate-income residents, 2) housing rehabilitation, 3) code enforcement, 4) economic development/micro-enterprise, 5) fair housing, and 6) legal services. Needs were determined based on the City's strategic and master plans, and as recommended by the Housing and Community Development Advisory Commission and the City Department Directors. The clientele served through these programs are low- and moderate-income residents including seniors, youth, persons with disabilities, homeless and unemployed persons.

As a condition of funding, the City of San José requires each CDBG-funded project to measure performance in terms of productivity (level of efficiency) and program impact (desired outcomes). Sub-recipients measured and reported productivity goals on a quarterly basis and outcomes on a semi-annual basis.

In fiscal year 2009-2010, the CDBG-funded public service projects served over 13,000 participants, with at least 51% of those who benefited from the community improvement projects from low- to moderate-income persons residing in low-income neighborhoods. All programs met their participation goals. To qualify as substantially meeting their project goals, a program must meet approximately 90% of its productivity and targeted outcome goals.

Three of the fourteen construction projects either currently funded, or funded in prior years, have been completed. The remaining eleven projects are in the design or construction phases or are near completion. In addition, one project was cancelled as noted above.

ENDING HOMELESSNESS IN SAN JOSE AND SANTA CLARA COUNTY (CONTINUUM OF CARE)

The City of San José, in coordination with other public and private agencies in Santa Clara County, continues to address homelessness through a multi-faceted approach including funding and providing direct services; advocating for policies, programs, and funding that support the ending and preventing of homelessness; and researching best practices to better serve the area's homeless and at-risk residents. In 2007, the Director of the Housing Department participated on the Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis, a leadership committee tasked with leading the charge of ending chronic homelessness in Santa Clara County. The final action of the Commission was to adopt a series of recommendations to end homelessness. In early 2008, Destination: Home, a private-public initiative, was created to facilitate the implementation of these recommendations.

During FY 2009-2010, the City of San José took the following actions towards its goal of ending and preventing homelessness:

Actions to address the needs of homeless persons

- In FY 2009-10 Destination: Home continued to make significant progress in implementing the recommendations of the Blue Ribbon Commission including:
 - Continuing to support and enhance two One Stop Homelessness Prevention Centers (One Stop Centers) which co-locate multiple services that homeless and at-risk residents need to become permanently housed and on the road to self-sufficiency. During the fiscal year, the One Stop Centers were augmented with additional case management services, ARRA funding Homelessness Prevention and Rapid Re-housing Programs (HPRP), and increased employment services.
 - Continuing to support Medical Respite Center to provide semi-private rooms for homeless residents discharged from the hospital to recuperate and obtain assistance in obtaining benefits, housing, and other resources to become permanently housed. In FY 2009-10, the City of San Jose was awarded a grant from the federal Department of Health of Human Services to increase the number of respite center beds from 15 to 20 beds, and expand the number of medical exam rooms from two to four.
 - Working with the Housing Authority of Santa Clara County to continue to allocate 200 vouchers for chronically homeless households who are also receiving supportive services.
- **Improve Access to Services by Creating Outreach and Benefit Teams** – The Street Outreach program provides a consistent and dependable presence on the streets, with the goal of reaching out to unhoused persons, gaining their trust, and ultimately getting them connected to ongoing services and housing. In FY 2009-2010, the Housing Department continued to implement and outreach program consisting of Homeless Program Staff and volunteers.

- **Institutional Outreach and Discharge Planning** - Persons discharged from institutions, such as health care or corrections facilities, often do not have housing facilities available to them. The Institutional Outreach and Discharge strategy addresses this problem by increasing the existing intensive case management capacity; initiating immediate housing and case management services for persons leaving the health care, criminal justice, and foster care systems; and creating a method to divert homeless persons arrested for public inebriation and nuisance violations away from the criminal justice system.

In FY 2009-2010, the City began coordinating with the County's correctional system on the development of discharge planning efforts. These efforts included being allocated federal funds to implement a program that would provide case management and other services to homeless women prior to and following their release from correctional institutions. This program is expected to begin implementation in FY 2010-2011. In addition, in FY 2009-2010, Santa Clara County's Continuum of Care implemented a Discharge Planning subcommittee, on which San José Housing Department staff has played an active role. The subcommittee's activities have included setting up resource fairs with correctional facility staff to share resources for their homeless inmates. Most recently, the Housing Department participated in a pilot project in which service providers went into correctional facilities to begin assessing inmates for service and housing needs and make referrals to appropriate agencies.

- **Shift to Housing First: Provide Permanent Housing with Services** - The Housing First model is based on the principle that chronically homeless individuals will achieve stability in permanent housing if that housing is good quality, affordable, and service enriched. The model is also ground in the principle that people should be placed in permanent housing as quickly as possible because that is the most cost effective approach with the greatest chance for success. In support of the Housing First model, in FY 2009-2010 the City coordinated with the Housing Authority of Santa Clara County (HASCC) to continue allocating 200 Section 8 Vouchers a year for chronically homeless resident who receive case management services. The City also coordinated with HASCC and members of the Santa Clara County Collaborative on Affordable Housing and Homeless Issues (Collaborative) to develop a program to enable agencies that provide intensive case management services to chronically homeless households to refer their clients for one of the 200 Section 8 Vouchers.
- In FY 2009-2010 Destination: Home raised \$322,000 in addition to the \$405,000 raised the previous year. It re-granted the majority of funds for use by local service providers to provide intensive case management services to chronically homeless households.
- In FY 2009-2010, in support of the Housing First model, the City, in partnership with the County's Mental Health Department and HASCC, began implementation of a Tenant Based Rental Assistance (TBRA) program to provide temporary subsidized housing to approximately 100 chronically homeless households with mental illness. Using HOME funds the City provides housing subsidies to the households which are matched with case management service from the County's Mental Health Department. The City also funds HASCC to provide the day-to-day administration of the program.

- In FY 2009-2010, the City of San José continued to fund the implementation of the Homeless Management Information System (HMIS), administered by the Community Technology Alliance. The City has required that all of its grantees that provide homeless services to participate in the HMIS System.
- The City continued to actively participate as a member of the Santa Clara County Collaborative on Housing and Homeless Issues.
- In January 2007, the AmeriCorp Volunteer Program approved the City's request for four VISTA volunteers. In FY 2009-2010, the City saw its second round of VISTAs leave and its third and final round begin. All of the VISTA members have been working on projects contributing to ending and preventing homelessness in Santa Clara County. More specifically the VISTA members have been working on the following projects: the reorganization and further development of the sustainability of Project Homeless Connect; the development of a public outreach program to educate the general public on homelessness; a resource development campaign to aid in the provision of homeless services; and the development of employment resources for homeless residents.
- In 2004, the City Council first approved funding for the Housing Services Partnership (HSP), between EHC LifeBuilders (EHC), InnVision - The Way Home (InnVision), and Sacred Heart Community Services (Sacred Heart), to provide wraparound services to the City's homeless population and to those at risk of homelessness. In April 2008, the City posted a Request for Qualifications (RFQ) for the administration of the HSP program in FY 2008-2009. In the fall of 2008, EHC LifeBuilders was selected to administer the HSP program through June 30, 2009. This contract has since been extended twice to enable EHC LifeBuilders to administer HSP through FY 2010-2011. This \$1.4 million program includes one-time rent subsidies or deposit assistance; housing search; referrals; transportation assistance; and life skills and budget management coaching.

Actions to prevent and end homelessness

The following provides a sample of the many services the City of San José offers in an effort to prevent and alleviate the problem of homelessness:

- In FY 2009-10, the City moved away from holding a few large, general Project Homeless Connect (PHC) events, to coordinating with local homeless service providers to implementing smaller events that target specific homeless populations or areas. Specifically, over the year the City sponsored PHC events targeted specifically towards families, Veterans, and youth. In addition, the City worked with the local communities of Los Gatos and Gilroy to hold PHC events in their jurisdictions;
- Financial assistance in the form of grants to qualified nonprofits that assist residents who are homeless or at risk of becoming homeless.
- To enhance the ability of homeless residents to access services and employment opportunities, in FY 2007-2008 the Housing Department entered a partnership with the County of Santa Clara to grant \$40,000 a year, for three years, for the provision of three-

month bus passes to homeless residents utilizing case management services. The City continued to fund this program in FY 2009-2010.

In addition, the CDBG funded service projects involved in the Continuum of Care efforts primarily serve seniors and persons with disabilities. Projects funded in this area include the Adult Day Health Care Center and the Blind Rehab and Therapeutic Services program.

The Adult Day Health Care center provides culturally sensitive services to frail, elderly and severely disabled adults with rehabilitative and therapeutic exercise, cognitive and perceptual skills, and recreational services to enhance their physical, cognitive and perception skills and to delay or prevent early institutionalization. The project completed 17,461 units of health/recreational/cultural and social services to 224 unduplicated participants. As a result 87% of clients served demonstrated increased socialization and 97% avoided long-term and/or premature institutionalization.

The Blind Rehab and Therapeutic program provides rehabilitative services, and therapeutic and social activities to blind and visually impaired individuals. The project provided 314 units of rehabilitative services to 206 unduplicated participants. 90% of participants met at least one goal toward becoming more active and/or increasing their social interaction.

Self-Evaluation (ESG/HOPWA)

In FY 2008-2009, the City began requiring that all agencies funded by ESG use the Homeless Management Information System (HMIS) to prepare their quarterly performance reports (some agencies, such as those that serve victims of domestic violence, are exempt from this requirement). Housing Department staff continues to work closely with the funded agencies to improve the quality of their data collection. The Housing Department also coordinated with the county's HMIS administrators and agencies receiving City funding to require the release of all program level HMIS data.

In September 2003, a Grant Manager position was added to administer the ESG program. The Grant Manager regularly updates the grants' database and revises reporting forms in order to better manage the grant programs. Staff also regularly meet and communicate with funded agencies to ensure their programs are being effectively implemented and that the program outcomes are achieved.

AFFIRMATIVELY FURTHERING FAIR HOUSING

The City of San Jose updated its Analysis of Impediments (AI) to Fair Housing Choice in August 2010. The AI uses the U.S. Department of Housing and Urban Development's (HUD) Fair Housing Planning Guide's definition of "impediments to fair housing":

- Any actions, omissions, or decisions taken because of race, color, religion, national origin, sex, disability, or national origin which restrict housing choices or the availability of housing choices; or

- Any actions, omissions, or decisions which have the effect of restricting housing choices or the availability of housing choices on the basis of race, color, religion, national origin, sex, disability, or national origin.

Specifically, the City actively upholds the laws of the United States, the State of California, the County of Santa Clara, and the laws and policies of the City of San José as they regard to fair housing.

The actions that the City of San José undertook during Fiscal Year 2009-2010 to address the impediments identified in its AI are as follows:

Fair Housing Services:

Impediment 1: The fair housing services need improved coordination.

Recommended Action:

Fair housing agencies should “update their websites and brochures on a regular basis to indicate the services provided by the agency, geographic areas served, contact information, and links (on the websites) and referrals to other (Fair Housing) Consortium members.”

Action Item Status:

Since updating their websites in February of 2003 in response to this recommendation, the Fair Housing Consortium members have continued making changes to their websites to list new resources, address any changes or updates in fair housing case law, and announce upcoming trainings and events. Fair Housing Consortium members have also posted multi-language marketing brochures to their websites.

Recommended Action:

The Fair Housing Consortium should “consider establishing a fair housing website with links to member agencies, services offered by individual agencies, geographic areas covered, intake process description, rights and responsibilities for landlords and tenants, tips for renters, etc.”

Action Item Status:

In the fall of 2004, the Housing Department added to its website a comprehensive section on fair housing, including information on local fair housing service providers and links to their websites. In addition, the website provides links to fair housing information and documents provided by HUD, the California State Department of Fair Housing and Employment, and other applicable sites. Also included on the website are frequently asked questions and links to the Housing Department’s fair housing fact sheets. The website is updated as the Housing Department develops new materials, translates existing materials into additional languages, or learns of new sources of information that might be helpful to residents. For example, the fair housing fact sheets were translated into Spanish and Vietnamese and posted on the website. Because a large percentage of San Jose’s population speaks either Spanish or Vietnamese, most informational materials are translated into these languages to assist residents in accessing housing services.

Additionally, the Department provides information on upcoming workshops such as fair housing workshops for tenants, landlords, or apartment managers that are presented by the City of San Jose or Fair Housing partners. The City of San Jose partners with Fair Housing Consortium members to provide annual workshops for tenants and landlords and this event is advertised on the website.

Recommended Action:

“The City will attend regular meetings with the five fair housing service providers, Tri-County Apartment Association (TCAA), City Rental Rights and Referrals Program staff and other City Housing Department staff to discuss trends or issues of concern in the community.”

Action Item Status:

City staff regularly attends and actively participates in the Santa Clara Countywide Fair Housing Task Force meetings in which fair housing service providers attend. City staff has informed the Task Force on foreclosure issues in the City of San Jose, specifically on how families are having difficulty qualifying for rental housing because they have a foreclosure on their credit report. This issue has been discussed extensively at Task Force meetings and providers would like to outreach to landlords and managers to ease the restrictions places on families in a foreclosure situation. The Task Force also seeks input and assistance from City staff in fair housing and other housing issue activities, such as granting reasonable accommodation and modification requests from the Task Force’s retrofit fund as well as opportunities to present at annual education events.

Impediment 2: Outreach and educational efforts need to be improved.

Recommended Action:

“The City will work with fair housing service providers to target outreach and educational efforts for ‘unsophisticated’ landlords. Outreach and education materials targeting landlords should be available in different languages.”

Action Item Status:

During FY 2009-2010, the Housing Department regularly distributed informational material on fair housing and sexual harassment throughout the City at libraries, community centers, schools, nonprofit organizations, homeownership fairs, and community fairs and festivals. These brochures were published in English, Spanish, and Vietnamese in order to meet the language needs of those with limited English proficiency and who need the greatest assistance in order to maximize their access to fair housing opportunities.

In FY 2009-2010, the Rental Rights and Referrals Program distributed 3,700 informational packets containing an overview of the Apartment Ordinance and Regulations.

Recommended Action

“In conjunction with fair housing service providers, the City will expand outreach efforts beyond the typical groups such as tenants, tenant groups, apartment managers association, or apartment owners associations. Outreach efforts should be extended to homeowner and condominium associations.”

Action Item Status:

Throughout the fiscal year, the Housing Department regularly distributed its educational fair housing materials throughout the City including at libraries, community centers, schools, nonprofit organizations, San José’s City Hall lobby, homeownership and trade fairs, and community fairs and festivals. Fair housing materials are distributed at libraries, community center, and San Jose City Hall lobby in the beginning of the year and monitored throughout the rest of the year. The Department has been invited to approximately 10 trade fairs, community fairs and festivals to provide resource information.

Recommended Action:

“In conjunction with fair housing service providers, the City will expand outreach efforts to immigrant groups using community groups as liaisons. Outreach and educational materials should be provided in different languages.”

Action Item Status:

Recognizing San Jose’s diverse community, the Rental Rights and Referrals Program (RRRP) provides all of its materials in English, Spanish, and Vietnamese. Program staff attended 26 public outreach events during this period. The Program’s goal is to provide education to property owners and tenants of their rights and responsibilities offered by rent control.

In order to effectively expand its outreach efforts to immigrant groups and recent refugees, the Housing Department translated both of its fair housing educational handouts into Spanish and Vietnamese. In FY 2009-2010, handouts in three languages (English, Spanish, and Vietnamese) were distributed throughout the City, including at libraries, community centers, schools, nonprofit organizations, San José’s City Hall lobby, homeownership and trade fairs, and community fairs and festivals.

In addition to the Housing Department’s outreach efforts, the Department has executed a Voluntary Compliance Agreement with the Department of Housing and Urban Development to ensure that limited English proficient persons have access to Housing Department programs. The Housing Department developed a language access plan (LAP) in which it was determined that the Department will translate its most vital documents into Spanish, Vietnamese, and Chinese, and develop internal processes to help limited English proficient persons obtain assistance for the Department’s programs. Because the Department identified Chinese as a need for translation in the City of San Jose, the Department has taken steps to translate public notices and vital informational documents, such as the Department’s Homeless Prevention Resource Guide. Additionally, the Housing Department is assisting sub-recipients of federal funding via

the Department to develop language access plans of their own. The LAP was made a federal grant contract requirement and all community based organizations who are awarded funding will be required to develop and implement internal processes to help limited English proficient persons obtain housing services.

Action Item:

“The City will work with fair housing service providers to provide intensive outreach and education for residents, especially those with special housing needs.”

Action Item Status:

Over the past year, the City, along with the fair housing service providers, continues to make public outreach a priority by holding quarterly meetings to discuss the best methods to disperse information to the community as well as which events would be most useful. It was concluded that targeted outreach at apartment complexes and trainings for landlords and apartment managers is one of the best methods to provide education about fair housing issues. The City currently holds annual fair housing education events for landlords and managers and fair housing service providers also provide a collaborative annual symposium that is open to landlords, managers, government agencies, and tenants. Each fair housing service provider or partner will continue to seek opportunities to provide targeted outreach to families and individuals with special housing needs. These opportunities might include events for seniors at community centers, and other community events.

Recommended Action:

“The City will work with fair housing service providers, the apartment association, and community groups to provide outreach and educational materials in a variety of languages to residents. The materials should identify what is sexual harassment and whom residents can contact for assistance. In addition, the City will consider sending an annual postcard of fair housing rights and responsibilities to apartment owners and managers as a reminder for compliance with fair housing law. This postcard will be particularly beneficial to owners of small rental properties or those new to the rental housing industry.”

Action Item Status:

During FY 2009-2010, these handouts were distributed throughout the City. In addition, local fair housing service providers such as the Fair Housing Law Project and Bay Area Legal Aid also distributed a brochure in Spanish and English describing what sexual harassment is and whom victims can contact for assistance. During the spring of 2005, the Housing Department created an educational handout on sexual harassment under the fair housing laws. The handout included examples of discriminatory statements and actions, and agencies to contact for assistance. In FY 2005-2006, this handout, along with a general fair housing brochure, was translated and printed in English, Spanish, and Vietnamese. The postcard of fair housing rights and responsibilities to be sent to apartment owners and managers has not been developed due to budget constraints, but it is still recommended that efforts be made to reach apartment owners and managers through trainings or newsletters sent by Code Enforcement.

Recommended Action:

“The City will include a page on the City website with links to state and federal regulations and entities that deal with fair housing rights and issues.”

Action Item Status:

A fair housing page, with links to state and federal regulations, was added to the City of San Jose Housing Department website in the fall of 2004. The website is located under the programs section of the website and links can be found under various frequently asked questions. The City should make an effort to reorganize the fair housing page for easier use by the public.

Recommended Action:

“The City will provide links on the City website and those of fair housing service providers where homeowners can obtain information or file complaints regarding predatory lending practices.”

Action Item Status:

In November 2005, the City of San José, in coordination with its nonprofit, industry and community partners, officially kicked off the Don't Borrow Trouble Silicon Valley (DBTSV) anti-predatory mortgage lending outreach and educational campaign. Components of the campaign include an informational website; original educational materials; a toll free help line to assist consumers in finding appropriate services during any stage of the lending process; informational tables at community events; and free educational workshops and presentations. The City's website has a page dedicated to the DBTSV program with referrals to its partners for predatory lending complaints.

Impediment 3: There needs to be improved record keeping for monitoring fair housing violations

Recommended Action:

“The City will work with fair housing service providers to develop a comprehensive system for tracking records in order to help monitor the fair housing profile in the City and make appropriate policy recommendations. Additional funding may need to be allocated to both the Rental Rights and Referrals Program and fair housing service providers in order to increase staffing levels.”

Action Item Status:

Currently, fair housing service provider Project Sentinel compiles a list of fair housing cases in a database. This information is collected from other fair housing service providers in the Consortium, who are now required to provide information on fair housing cases to Project Sentinel as part of their Community Development Block Grant contract with the City of San Jose.

Impediment 4: Increased opportunities to receive community concerns are needed.

Recommended Action:

“The City will work with fair housing service providers to periodically organize forums in targeted neighborhoods to receive community concerns. City promotion or sponsorship of such forums and events may help encourage tenants to voice their concerns, enable residents to request needed services, and help the City or other agencies identify key fair housing issues or trends.”

Action Item Status:

On October 21, 2009, the City, in coordination with its nonprofit, for-profit, and government partners, held a Foreclosure Prevention and Resource fair which included foreclosure counseling, legal assistance, loan documentation review and on-site loan modifications by a variety of banks and home mortgage lenders.

Recommended Action:

“The City will hold roundtables with lenders, the apartment association, fair housing groups, and community leaders on a regular basis to address concerns in the community.”

Action Item Status:

The Housing Department provides staff support to three commissions, which meet on a regular basis to discuss housing issues. The Housing and Community Development Advisory Commission meets on a monthly basis to discuss general housing issues. The Advisory Commission on Rents and the Mobilehome Advisory Commission meet on a bi-monthly basis focusing on tenant and landlord relations and issues in the rental and mobilehome communities. These forums serve as important forums for members of the community to raise housing-related issues.

Additionally, the City’s anti-predatory mortgage lending program Don’t Borrow Trouble Silicon Valley (DBTSV) holds monthly meetings which are open to the public. The DBTSV boardmembers, which include representatives from nonprofit organizations, the real estate industry, fair housing groups, and other interested individuals, regularly discuss problematic lending practices their clients have been subject to and their efforts to prevent these practices from occurring. Participants of DBTSV also comprise the Foreclosure Prevention Task Force in which foreclosure issues that affect the community are discussed.

Lending Practices:

Impediment 1: Some residents have inadequate access to home financing

Recommended Action:

“The City will continue to offer and expand affordable homeownership and home improvement assistance to households most in need.”

Action Item Status:

The City currently provides home improvement assistance to qualified households and direct homeownership assistance to San José residents. The City offers downpayment assistance to teachers who wish to purchase a home in San José in the form of loans of up to \$50,000. The City, in partnership with SJSU Spartan Shops, also offered downpayment assistance loans of up to \$60,000 for SJSU employees, until June 2010. Through its Inclusionary Housing Program, the City also offers downpayment assistance to low- and moderate-income homebuyers seeking to live in selected new for-sale housing developments. Additionally, Building Equity and Growth in Neighborhood (BEGIN) funds are offered in targeted new developments specifically geared towards first-time homebuyers. The City uses HOME, BEGIN, and CalHOME funds to assist homebuyers purchase new and existing homes. Traditionally, approximately 25% of the City-assisted homebuyers qualify as lower-income and 75% are considered moderate-income homebuyers. In FY 2009-2010, the City provided \$5 million gap financing to help homebuyers purchase in new housing communities in San José. Lastly, the City partners with Neighborhood Housing Services of Silicon Valley (NHSSV) to provide additional gap financing and low-cost homeownership education and counseling to low-and moderate-income households. In FY 2009-2010, the City contracted with NHSSV to provide federal HOME funds to be used for downpayment assistance to lower-income households purchasing a new or re-sale home in San José.

“The City will work with fair housing service providers and the lender community to monitor HMDA data, and other relevant data sources, annually and discuss lending practices and performance with individual top lenders identified with potential problems.”

Action Item Status:

Because of the economic downturn, the Housing market has suffered and banks are not lending as frequently in the past. Lenders have also placed higher standards on prospective applicants. For example, before the downturn good credit would be sufficient to qualify for a home loan, but now lenders require almost perfect credit. Because banks have not been making home loans and their standards have changed, monitoring their performance is not a focus at this time. However, their performance in modifying mortgages is a focus because of the rise in foreclosures. The Department does monitor the Making Home Affordable data, which shows the compliance of lenders to modify home loans. The data will soon be made available by Metropolitan Statistical Area to provide a local level snapshot of lender performance. The Department will continue to monitor this data as it becomes available by the federal government. Additionally, the Department should make it a priority to monitor home lending data as the housing market improves.

Recommended Action:

“The City will review the HMDA performance (i.e., approval and denial rates for income and minority groups) in addition to CRA ratings of lending institutions prior to selecting lenders to participate in City programs. Lenders with poor lending records or do not show significant improvements or good faith efforts should not be eligible for participations.”

Action Item Status:

In December 2009, the City passed a new investment policy which specified the following – “Investment of funds should be guided by the following socially responsible investment goals when investing in permitted short-term investment instruments provided by mortgage servicers. To the extent competing financial institutions offer short-term investment instruments of substantially equivalent safety, liquidity and yield, the level of participation in the federal Home Affordable Modification Program (HAMP) and/or a Community Reinvestment Act rating of “satisfactory” or higher will be used as an investment criteria to differentiate between similar financial institutions’ short-term investment instruments.”
http://www.sanjoseca.gov/clerk/cp_manual/CPM_1_12.pdf.

Per the City of San Jose’s investment policy, the City will review the performance of banks within the San Jose community to determine their business eligibility. City staff is currently reviewing loan modification performance through the Making Home Affordable data as well as anecdotal evidence of loan modification compliance from local non-profit foreclosure counseling agencies. Once the review is completed, the City will determine whether certain lenders will be allowed to participate in City programs in the future.

Impediment 2: Additional home purchase education and credit counseling opportunities are needed.

Recommended Action:

“The City will work with Fannie Mae and Freddie Mac to educate potential homebuyers about the lending process, potential pitfalls, and additional resources that may be available. If possible, schedule community workshops in partnership with these organizations.”

Action Item Status:

During FY 2009-2010, credit counseling presentations were given at the October 21 foreclosure fair event. During FY 2008-2009, DBTSV distributed informational brochures to community centers, libraries, and schools to assist community members protect themselves against harmful predatory mortgage lending practices at several community events. In November 2005, with the assistance of Freddie Mac, the City of San José, along with its nonprofit, industry, and community partners, officially launched Don’t Borrow Trouble Silicon Valley, an outreach and educational campaign aimed at protecting the community against harmful predatory mortgage lending practices.

Recommended Action:

“The City will work with local nonprofits such as the Fair Housing Law Project, Asian Law Alliance, Bay Area Legal Aid, Legal Aid Society of Santa Clara County, and ACORN to provide home purchase, refinancing and other credit counseling workshops. Workshops should be offered in multiple languages.”

Action Item Status:

Fair Housing Law Project, Project Sentinel, Santa Clara County Association of REALTORS, Neighborhood Housing Services of Silicon Valley, Working Partnerships, the San José Workforce Investment Network, the California Association of Mortgage Brokers, the Council on Aging, the Pro Bono Project of Silicon Valley, and Bay Area Legal Aid continued implementation of Don't Borrow Trouble Silicon Valley (DBTSV) and the Foreclosure Prevention Task Force. Over the year, DBTSV/Foreclosure Prevention Task Force provided the following educational opportunities:

- Provided educational materials in English, Spanish, and Vietnamese, and informational presentations, in English and Spanish, at community events.
- Provided educational presentations on the foreclosure process, how to talk to your lender, and credit repair at the April and October 2009 Foreclosure Prevention and Resource fairs.

Recommended Action:

“The City will encourage lenders to hold home purchase, refinancing, and other credit counseling workshops locally at community and neighborhood centers to provide materials in multiple languages. Lenders are also encouraged to partner with local nonprofits, such as NHSSV, to provide counseling services.”

Action Item Status:

As described above, the Housing Department coordinates Don't Borrow Trouble Silicon Valley, which offers workshops, in English and Spanish, on credit, home loans, and protecting against predatory mortgage lending practices. In addition, DBTSV's written materials were distributed throughout Santa Clara County in English, Spanish, and Vietnamese.

The Housing Department also coordinates the Foreclosure Prevention Task Force in partnership with DBTSV to educate the community on foreclosure services and protect against foreclosure scams. Educational material and website have been developed for these purposes.

In FY 2009-10 the City required Neighborhood Housing Services Silicon Valley to coordinate with outside lenders to provide homeownership training. In addition, as previously mentioned, the two Foreclosure Prevention and Resource Fairs were an opportunity to encourage lenders to hold workshops and one-on-one counseling sessions to review their home finance situations

Recommended Action:

“The City will monitor these educational and outreach efforts over the next five years and provide a report to the City Council on the effectiveness of these programs on an annual basis.”

Action Item Status:

The ForeclosureHelp Task Force implemented a new telephone hotline in early 2009 as part of the ForeclosureHelp Assistance Center meant to assist non-profit foreclosure counseling agencies by being the initial point of contact for clients and packaging of loan documents for the foreclosure counseling agencies. This hotline is advertised at outreach events for those interested in seeing foreclosure counseling or needing more information. Approximately 1,334 clients have been served to date through incoming inquiries. 258 packages have been assembled and sent to foreclosure counseling agencies and 220 people have been referred to legal counseling agencies. Of the 258 packages, 40 loan modifications have been approved.

Impediment 3: Predatory lending

Recommended Action:

“The City will evaluate the results of the two local ordinances that have been passed in California, Oakland and Los Angeles, to determine the effectiveness of a legal tool in addressing predatory lending concerns.”

Action Item Status:

On January 31, 2005, the California Supreme Court ruled against the City of Oakland’s anti-predatory lending ordinance stating that State law preempted all such local measures. As a result, anti-predatory lending ordinances are no longer an option for local jurisdictions in California. Because of the State’s focus on foreclosure, predatory lending has not been the main focus of State or federal legislation.

Additional Areas

Impediment 1: There is insufficient affordable ownership housing.

Recommended Action:

“The City will advocate for and support measures that encourage the production of condominiums and other types of more affordable ownership housing.”

Action Item Status:

In FY 2009-2010, the Housing Department continued to monitor and support legislation that encourages the production of condominiums, townhouses, and other types of more affordable ownership housing. In addition, since 2006, the City has successfully competed for over \$68 million in State *Building Equity and Growth in Neighborhoods (BEGIN)* funds, which are loans to lower income, first-time homebuyers. These funds have or will help over 780 families to become homeowners. Finally, during the last fiscal year, the Housing Department participated in

the City’s Envision 2040 General Plan update to ensure that affordable housing was included in future planning documents.

CDBG Funding for Fair Housing

Five fair housing projects were supported by CDBG funds. One such project was the Residential Care Ombudsman program. This signature project assists persons with mental and developmental disabilities to resolve legal problems, such as evictions and substandard living conditions, in residential care housing and independent living facilities. Of the 60 legal counseling/representation cases, 90% were resolved in a manner that prevented client homelessness. Another project was the Fair Housing Investigation and Enforcement Services project. This project provides comprehensive fair housing services to include legal representation, fair housing counseling and community outreach that includes multilingual forums and printed information. Of the 168 clients assisted, 67% received a favorable resolution toward access to housing of choice.

LEAD-BASED PAINT STRATEGY

The Department of Housing continues to provide lead-based paint testing and assessment services on all dwellings built prior to 1978 that receive rehabilitation assistance. In addition to the trained and lead-certified Housing Department staff, the City has a contract with a private environmental consultant to provide testing and assessment services. These services are being provided to comply with Federal regulations 1012 and 1013 of Title X, as well as to ensure a safe living environment for the residents of San José.

In fiscal year 2009-2010, the Department of Housing expended approximately \$52,000 for lead testing and assessments. Historically, approximately one-third of the single-family structures tested contain some level of lead-based paint. Between May 2000 and June 2010, the City of San Jose has tested over 2,753 homes for lead based paint.

LEVERAGING RESOURCES

All of the projects carried out during FY 2009-2010 involved the leveraging of other funding sources. Table 9 shows the total amount of funds for each formula grant that was committed or expended during FY 2009-2010:

Table 9: 2009-2010 Amounts Expended/Committed

	Amount Expended	Amount Committed	Amount Leveraged
CDBG - (excluding housing rehab)	\$7,464,727	\$11,359,718	\$14,082,769
CDBG – Housing Rehab	\$710,907	\$1,700,000	\$4,347,134
HOME – Multi-family rental	\$432,999	\$1,564,730	\$9,875,000
HOME – Homebuyer	\$4,043,974	\$4,043,974	\$30,497,025
HOPWA	\$611,401	\$716,220	\$491,435
ESG	\$442,619	\$442,619	\$6,748,213

CDBG projects are partially supported by sub-recipient funding, which expands the resources devoted to achieving project goals. In 2008-09, sub-recipients were required to show a 20% minimum leverage ratio as an eligibility requirement. A project's level of leverage can be based on monetary, in-kind or staff resources, including cross-agency collaboration. However, projects with few leveraged resources may still be considered for funding if it has other strongly rated criteria (especially the need for a particular service).

PUBLIC HOUSING AND RESIDENT INITIATIVES

The City of San José contracts with the Housing Authority of the County of Santa Clara (HACSC) to administer its Housing Choice Voucher (Section 8) Program.

The City of San José offers financial assistance to Section 8 individuals and families to cover deposit and move-in costs. In FY 2009-2010, the City also supported the Family Self-Sufficiency program. Table 8 shows that the Housing Authority assisted 12,046 households under Section 8 contracts in 2009-2010.

Table 9: Households Receiving Section 8 Rental Assistance in San José

Income Category	Number of Persons in Family								Total Section 8
	1	2	3	4	5	6	7	8	
ELI (0-30%)	3,747	2,589	1,720	1,226	738	341	134	54	10,549
VLI (31-50%)	145	260	335	255	147	68	22	8	1,240
LI (51-60%)	22	50	69	51	10	17	3	0	222
TOTAL	3,914	2,899	2,124	1,532	895	426	159	62	12,011

Ethnicity	Total	Percent
Hispanic	3,868	32%
Non-Hispanic	8,178	68%
Total	12,046	100%

Race	Total	Percent
Caucasian	5,036	42%
Black/African American	1,624	13%
American Indian/Alaskan Native	187	2%
Asian	5,145	42%
Native Hawaiian/Other Pacific Islander	124	1%
Total	12,116	100%

2009-2010

Source: Housing Authority of the County of Santa Clara, July 2010

In April 2006, the Section 8 waiting list was opened for the first time in seven years and over 58,000 individuals signed up. Currently, there are 53,279 families on the Section 8 waiting list for the Housing Choice Voucher Program for Santa Clara County. This program serves low-income households, including disabled persons (Mainstream Voucher Program) and families working towards economic independence (Family Self-Sufficiency Programs).

Demographic information for registrants from San José is contained in the table below.

Section 8 Wait List Sign-ups		
Demographic Data for San Jose Registrants		
	Quantity	Percentage
Race & Ethnicity		
Hispanic	11,690	36%
Non-Hispanic	19,712	60%
Unknown	1,416	4%
Sub-total	32,818	
American Indian/Alaskan Native	1,334	4%
Black	3,869	12%
Hawaiian/Pacific Islander	3,137	10%
White	10,961	33%
Asian	12,374	38%
Unknown	1,239	4%
Sub-total	32,914	
Sex		
Male	12,709	39%
Female	20,005	61.0%
Unknown	104	0.3%
Sub-total	32,818	
Total from San Jose 32,818		

The City, in coordination with its federal lobbyist and the HACSC, continues to advocate for the protection and increase of Section 8 Housing Choice Vouchers.

In September 2007, HACSC was granted approval for the disposition of its public housing properties. One property transferred ownership in September 2008 to a non-profit entity through the disposition process and was converted to Project Based Vouchers (PBV) in FY 2009. Six public housing developments are planned to transfer ownership to a non-profit entity through the disposition process in September 2010 with three converting to Project Based Vouchers (PBV) at that time, and the three remaining developments converting to PBV upon rehab completion in

FY 2011. In addition, HACSC also has three properties that were renovated using American Recovery and Reinvestment Act grant funds. HACSC is working with HUD for approval to convert ownership to HACSC-owned affordable housing under Project-Based-Voucher contracts as the renovation is complete. Renovation of these three housing developments took place in FY 2010 and completion and the transfer of ownership are anticipated to occur in FY 2011.

In January 2008, the HACSC was designated as a “Moving to Work” agency through June 30, 2018. The goal of the MTW program is to increase cost effectiveness, promote self-sufficiency, and expand housing options for low-income families. The MTW designation will provide more flexibility in use of funding sources and will support the transition to creating more efficient programs. The Moving to Work 2011 annual plan was adopted by the HACSC Board of Commissioners in the spring of 2010.

OTHER POLICY ACCOMPLISHMENTS 2009-2010

The following chart highlights additional accomplishments made by the City of San José in the areas of policy and program development during Fiscal Year 2009-2010.

PUBLIC POLICIES TO FOSTER AND MAINTAIN AFFORDABLE HOUSING

<i>Annual Goal</i>	<i>Annual Accomplishment</i>
<i>Continue implementation of a public outreach effort for affordable housing.</i>	Complete/Ongoing: Increasing awareness and educating residents on the value and need for affordable housing is important to the City’s efforts to increase affordable housing stock. Providing safe, decent, and affordable housing to meet the current and future needs of an increasing population, will help keep families from becoming homeless. Residents can often be cautious and concerned about the prospect of an affordable housing development in their neighborhood. Through targeted outreach and provision of key materials produced in three languages - English, Spanish and Vietnamese - the Department is able to address concerns by educating residents about the benefits of affordable housing. Additionally, the City sponsors and participates in workshops and community events that provide a forum for increasing the public’s awareness of what affordable housing is, the people who live in affordable housing and why it’s important to our community and economic growth. The Department continues to receive regional and national recognition of affordable housing developments for excellence in architectural design and green building. Working with the San Jose community, Department staff regularly participate in public events that include, but are not limited to, Affordable Housing Week, ForeclosureHelp and First Time Homebuyer workshops, community fairs, Project Homeless Connect, and grand openings. The Department strives to create public awareness on the many programs and services provided to residents, as well as share information on topics of interest, including mobilehomes, Renters Insurance, Fair Housing, Predatory Lending, and Foreclosures. Specific outreach initiatives include:

Annual Goal	Annual Accomplishment
	<ul style="list-style-type: none"> • Opening two Foreclosure Help Centers • Presentations to Faith-based organizations and congregations • Presentations to neighborhood community groups, community centers and libraries • Neighborhood Stabilization Program (NSP), Purchase Assistance Loan workshops • Participation in Community Health and Wellness Fairs • Tropicana Fair • Homebuyer Education Fair
<p><i>Provide an ongoing, dedicated source of revenue for affordable housing efforts and direct homeless services</i></p>	<p>Ongoing: The Housing Department, in conjunction with the City’s State and federal lobbyists, continues to advocate for measures that would provide a sources of funding for affordable housing:</p> <ul style="list-style-type: none"> • The City’s 2010 Legislative Priorities provide support for an on-going source of permanent funding at the State level for affordable housing. The City was involved in workshops provided by the State where the State sought input on various funding sources. • The adoption in June 2007 of the City’s Five-Year Housing Investment Plan stipulates several policy actions the City will pursue in the next five years to increase the funding available to provide affordable housing opportunities for San Jose residents. • The City is an active participant in Destination Home – an effort to end homelessness in ten years – which is advocating for new and increasing existing sources of funding for affordable housing.
<p><i>Educate residents on the life-threatening hazard of fixed window bars, and encourage replacement bars on sleeping-room windows.</i></p>	<p>Ongoing: The Department of Planning, Building, and Code Enforcement (PBCE) continues to inspect multi-family dwellings for the ability of window bars to be released for egress. The City requires the remediation of all fixed window bars in sleeping rooms or rooms that could realistically be used for sleeping purposes. The Housing Department’s <i>Housing Rehabilitation Program</i> prioritizes the remediation of fixed window bars as an eligible expense either as a stand-alone repair item, or in conjunction with other health and safety repairs.</p>

ACTIONS TO ELIMINATE GAPS IN INSTITUTIONAL STRUCTURE

Annual Goal	Annual Accomplishment
<p><i>Advocate changes in federal laws to improve San José’s position in applying for scarce public dollars (such as modifying the eligibility requirements of certain federal programs that are based on age of housing stock or poverty level, which tend to give</i></p>	<p>Ongoing: The Housing Department continued to advocate for changes to federal laws that would improve San José’s position in applying for scarce public dollars. Examples include:</p> <ol style="list-style-type: none"> 1. Advocating for changes to the federal government’s determination of Difficult Development Area (DDA) designation. In 2005, San Jose lost its DDA designation due to the formula HUD uses to define high-cost areas. 2. Advocating for the allocation of federal funds based on need, as well as for funds to come directly to localities instead of through States. 3. Educating federal funding sources about high cost areas, and working to ensure that programs that are created or revised recognize the differences in

Annual Goal	Annual Accomplishment
<i>priority to older urban centers in the East, regardless of other need factors, such as expensive housing markets).</i>	the cost of housing around the nation. 4. Ensuring that any change made to the CDBG formula does not adversely impact the Bay Area and other west coast jurisdictions 5. Provided comments to Census Bureau regarding the Supplemental Poverty Measure and the importance of developing an alternative to the official poverty measure, which undercounts the number of families struggling to make ends meet in Silicon Valley.
<i>Improve coordination between local, State, and Federal Housing agencies to facilitate improved funding availability, create uniform income qualifications and similar guidelines.</i>	Ongoing: The Housing Department maintains an ongoing dialogue with elected officials through the City’s Intergovernmental Relations Office, legislative program, and federal and State lobbyists. The Housing Department’s solid working relationships with federal and State housing agencies, and elected officials enables it to actively participate in discussions impacting City housing programs and policies. The Housing Department has staff who manage and coordinate legislation and advocacy, resulting in efficient and effective participation and coordination on the State and federal legislative processes.
<i>Improve San José’s position in applying for scarce public dollars for affordable housing.</i>	Complete and Ongoing: The Housing Department continues to seek future funding for affordable housing through the following strategies: <ul style="list-style-type: none"> ▪ Housing Trust Fund – Effective June 2003, the City of San José established a Housing Trust Fund. This vehicle enables the City to compete for funding made available to Housing Trust Funds. ▪ Legislation – The Housing Department worked with the Mayor, City Council, and City Manager’s Office to analyze and support legislation that will improve San José’s competitiveness in obtaining State and federal affordable housing resources. ▪ Housing Element—The City of San Jose has continued to implement its Housing Element, the latest of which was approved by the State in July 2009. The Housing Element outlines specific tasks and efforts the city will undertake in the current planning period (2007-2014) to remove barriers to the development of affordable housing. In December 2009 the City Council amended the City’s zoning ordinance to treat transitional and supportive housing as residential uses, subject only to those restrictions on residential uses applicable to the type of residential structure or use involved. This amendment will facilitate the development of different residential types for those who need alternative forms of housing or housing with supportive services and for whom traditional housing types may be inappropriate. Amending the City’s zoning ordinance was one item on the City’s Housing Element work plan. Additionally, the San Jose Housing Department financed over 300 very-low income units out of 310 total affordable units in Calendar Year 2009. This prioritization of very-low income units aligns with the City’s Housing Element goal of assisting households that have the greatest residential needs
<i>Implement a first-time</i>	Completed and Ongoing Since its implementation in 1999, the program has

Annual Goal	Annual Accomplishment
<p><i>homebuyer program for teachers.</i></p>	<p>assisted 750 teachers, including 62 teachers in FY 09-10. The City continues to improve the purchasing power of teachers by effectively combining THP funds with other assistance programs offered by the California Housing Finance Agency (CalHFA), the County of Santa Clara, the Housing Trust of Santa Clara County (HTSCC), and Neighborhood Housing Services of Silicon Valley.</p> <p>In June of 1999, the Mayor and City Council approved the implementation of the Teacher Homebuyer Program (THP); a downpayment assistance loan program offering up to \$50,000 to help San José public school teachers purchase a home in San José. The THP can be used to help public school teachers purchase a condominium, townhome, or single-family detached home anywhere within the City limits.</p> <p>In 2005-2006, the San José State University (SJSU) Spartan Shops and the Housing Department jointly funded a pilot program designed to provide SJSU faculty with downpayment assistance. To date, 30 households (12 faculty and 18 staff employees) have been assisted through this program. The City of San José and SJSU Spartan Shops will continue to collaborate and increase outreach efforts for the jointly-funded program.</p> <p>Local residents can also take advantage of these additional programs - the Housing Department used CalHOME funds for the WelcomeHOME first-time homebuyer program for lower-income households. As a result, funds were made available to assist low- and moderate-income homebuyers with downpayment assistance loans to be used towards new construction units.</p>
<p><i>Develop processes and procedures to maximize the delivery of housing services and to improve coordination between various City Departments as part of the City Council's direction to increase production by 50%.</i></p>	<p>Complete and Ongoing: To promote smooth approval processes for affordable housing developments, Housing Department staff works closely with staff from other departments such as Planning, Building and Code Enforcement and Parks and Recreation on issues of direct concern to project feasibility and approvals. Housing and Parks coordinated closely on the Parks Dedication Ordinance/Parks Impact Ordinance policy process. Production is capped by amount of subsidy funding available.</p>
<p><i>Implement an aggressive surplus land acquisition program, and use this land for affordable housing.</i></p>	<p>Complete and Ongoing:</p> <p>The Housing Department pursues properties that are surplus to the needs of the City, County or other State and governmental agencies, and provides assistance in the acquisition of privately owned vacant parcels. Over the last decade, the Housing Department has purchased a total of 15 surplus properties using the 20% fund.</p>

Annual Goal	Annual Accomplishment
	<p>Following are updates on the Housing Department's current and previous parcel purchases:</p> <ul style="list-style-type: none"> • On May 1, 2010, the Department purchased a 0.54-acre parcel on North 6th Street between Taylor and Jackson from the City's General Services Department for \$2.2 million. This parcel is fully entitled for a 75-unit project expected to house low-income seniors in the future. • The City Council approved the selection of Eden Housing in November 2008 as the developer for a 3.05-acre property on Ford Road near Monterey Highway. The Department purchased this site from CalTrans in August 2006. The long-term plan is for the City to maintain ownership of the land and lease it to the project. The family project will integrate 20 units for special needs residents. The Department's funding scarcity will delay development of the family units, but if the 20 special needs units are successful in competing for NSP2 funds, for which a HUD loan has already been approved, they could start construction in a stand-alone building as early as 2011. • In August 2008, SVHFH completed construction on the final six units of its 11-unit Murphy/Ringwood project. Department staff has closed single family soft second loans for 10 of 11 families. The final family continues to be involved in legal proceedings regarding their unit sale, which will sit vacant until the lawsuit is resolved. • For a six-acre parcel on Evans Lane that the Department owns, development was put on hold in 2009-10 for both the rental project expected to be developed by Satellite Housing, due to the Department's funding scarcity, as well as the for-sale component expected to be developed by The CORE Companies, due to the continued weakness of the for-sale real estate market. Although entitlements were awarded jointly, the Planning Department will allow the rental project to proceed first if so desired. The one-acre park to be built will likely wait until the for-sale component progresses. • Development by Silicon Valley Habitat for Humanity (SVHFH) of a single low-income for-sale home located on a 5,500 square-foot lot on Delmas Avenue is delayed due to significant contamination found on the site in 2010. The Housing Department purchased the site from the Valley Transit Authority in August 2006 and transferred ownership to Habitat in March 2008. Habitat is currently seeking funds to remediate the site.

FAIR HOUSING

Annual Goal	Annual Accomplishment
<i>Implementation of</i>	Ongoing: The Housing Department, in coordination with local fair housing

<i>Recommendations from the Analysis of Impediments to Fair Housing Choice.</i>	service providers, continued to implement the recommendations of the 2003 Analysis of Impediments to Fair Housing Choice as described below under “Affirmatively Furthering Fair Housing”. In addition, in 2010, the Housing Department will undertake an update to the 2003 study.
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HOMELESSNESS

Annual Goal	Annual Accomplishment
<i>Coordinate homeless services on a Countywide basis.</i>	<p>Complete and Ongoing:</p> <ul style="list-style-type: none"> • The Santa Clara County Collaborative on Affordable Housing and Homeless Issues (Collaborative) meets on a monthly basis, in addition to having multiple sub-committee meetings to ensure that on a countywide basis homeless services are coordinated and stakeholder agencies are able to come together to share best practices and work on common issues and needs. To ensure this collaboration occurs in between meetings, the Collaborative has a dedicated website (www.collabsc.org) and numerous topic and committee specific list-serves. In coordination with the Collaborative, the Community Technology Alliance (CTA) also hosts a dedicated website (HelpSCC.org) which provides countywide information on local homeless services including how to obtain food stamps, medical or rental assistance, and other social services as well as lists, by locality, all available affordable housing units in Santa Clara County). • In 2002, the City of San José, the Emergency Housing Consortium, and the Red Cross-Santa Clara Valley Chapter joined together to provide free temporary housing to individuals and families in need of immediate assistance due to a disaster at a four-unit house known as “the Haven”. In FY 2008-2009, the City published a RFP for the administration of the Haven. Two agencies responded to the RFP from which InnVision the Way Home was chosen to administer the program in coordination with the City. In FY 2009-2010 90 individuals who were displaced from their home due to a fire or other disaster were housed at the Haven.
<i>Pursue other funding sources for programs that assist the homeless and in homeless prevention</i>	<p>Ongoing:</p> <ul style="list-style-type: none"> • In June 2003, the San José City Council created the City of San Jose Housing Trust Fund. During FY 09-10, the fund brought in \$1,231,685 from a variety of revenue sources including bond proceeds, Rental Rehabilitation Program loan repayments, interest, and federal grant funds for both a job training and transportation program for homeless residents. During the year the City expended \$2,326,443 in Housing Trust Funds including \$895,596 for a variety of housing and homeless projects, \$363 for Project Homeless Connect, \$1,303,585 for the Housing Services Partnership and \$2,375 for emergency assistance including rental and deposits for low-income persons displaced from their homes due to a fire or other disaster. • The City of San José was allocated \$4,128,763 in Federal Homeless Prevention and Rapid Re-Housing Program (HPRP) (stimulus) funding to serve San José residents and the County of Santa Clara was allocated

	<p>\$717,484 in HPRP funding to serve residents of Santa Clara County. In July 2010, the City of San José and the County of Santa Clara issued a joint Request for Proposals (RFP) for the administration of these funds in order to create a coordinated network of homelessness prevention and rapid re-housing services and, in doing so, to maximize cross-jurisdictional collaboration, minimize or eliminate any duplication of services, make the application and contracting processes more efficient, and align the program activities and protocols to be as consistent as possible across Santa Clara County. The City awarded the grant funds to three organizations: EHC LifeBuilders and InnVision the Way Home to provide HPRP services to eligible clients and Community Technology Alliance to administer the required Homeless Management Information System (HMIS).</p>
<p><i>Assist in the placement of 8,500 homeless individuals and families seeking shelter into emergency housing, transitional housing, or permanent housing.</i></p>	<p>Complete (and surpassed): In FY 2009-2010, the City of San José funded, directly and indirectly, services to almost 34,000 individuals who were homeless or at risk of becoming homeless.</p>
<p><i>Continue to support the implementation of a jobs program and focus on job development for the homeless in San José.</i></p>	<p>Complete and Ongoing:</p> <ul style="list-style-type: none"> • The City of San José is an active partner in the Santa Clara County Workforce Investment Network. The Workforce Investment Act was created to address the needs of the nation's businesses, job seekers, and persons interested in furthering their careers, through the implementation of local employment and training programs. In April 2000, the State of California designated Santa Clara County as a Workforce Investment Area. In July 2000, the City of San José, in partnership with seven surrounding cities, created the San José Silicon Valley Workforce Investment Network (WIN) to act as Silicon Valley's regional Workforce Investment Board (WIB). Locally managed, WIN brings together job seekers, local employers, educators, labor representatives, and program administrators to sustain and maximize the relationships between employers and the region's prospective labor market. • The Housing Department works closely with the local Workforce Investment Network (now called work2future) on programs to assist homeless individuals obtain and maintain employment. In March 2008, the City Council approved the use of Housing Trust Funds funding for Project Hope, a collaborative program between the Housing Department and work2future that provides job training and employment preparation to homeless individuals, victims of domestic violence, non-violent ex-offenders, and emancipated foster youth. Since its inception, Project Hope has enrolled 102 individuals of which 21 obtained employment due to the program. In FY 07-08, the City was also awarded \$315,000 from a Department of Labor appropriation to enhance the Project Hope program

<p><i>Develop a Five-Year Homeless Strategy for the City of San José.</i></p>	<p>Complete and Ongoing:</p> <p>In September 2003, the Mayor and City Council adopted a Ten-Year Homeless Strategy describing the City’s plan to end chronic homelessness in San José. Specifically, the Homeless Strategy outlines the extent of the homeless problem in San Jose, describes City programs and policies related to homelessness, and proposes policies and actions for the City to take towards the goal of eliminating chronic homelessness in San José within ten years, including:</p> <ul style="list-style-type: none"> • Prevention; • Rapid re-housing; • Wraparound services; and, • Proactive efforts.
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SENIORS

Annual Goal	Annual Accomplishment
<p><i>Pursue the establishment of a centralized waiting list for all subsidized senior housing.</i></p>	<p>Ongoing: In FY 2009-2010, the City contracted with the Non-Profit Industries, Inc to develop a “SocialServe” housing locator services database to provide residents with timely and comprehensive information on affordable housing available countywide. The database will provide search criteria specific to senior housing. In July 2009, the City received a \$25,000 grant from the Health Trust Foundation to supplement the \$41,000 from the City’s Housing Trust Fund to enable the database to serve residents countywide. The City anticipates launching the website in September 2010.</p>

MONITORING, COMPLIANCE, OUTREACH & MARKETING EFFORTS

As part of the City’s grant management continuous improvement efforts, the City convened a City-wide Grant Management Working Group to create more effective and efficient systems and processes to grant management. In Fall 2008, the City launched the City-wide Grant Management Policies and Procedures Handbook and began the business development and testing phases of the Grants Management Database. The database was complete in FY 2009-2010 and the CDBG project will commence usage of the system in FY 2010-2011. The Grant Management Working Group consists of representatives from all city departments receiving federal, State and other grant funds.

In FY 2009-2010, grant program managers again participated in a 16-hour course on the review and analysis of nonprofit financial statements. This training provided staff with a holistic view of the nonprofit financial statements to better understand the agencies financial health and how it impacts projects funded by the City, including those funded with HUD funds. In addition to

strengthening the City department partnerships, the Department continues to work with other local funders, including foundations, to share best practices and provide guidance and information to nonprofit agencies receiving funding from multiple jurisdictions.

CDBG MONITORING

The City's CDBG staff conducts annual on-site programmatic and internal control monitoring and site visits of its sub-recipients. CDBG staff uses performance indicators reported on a quarterly basis to identify any sub-recipient issues. During FY 2009-2010, staff visited thirty-eight (38) CDBG project sites to review project operations, administrative and financial internal controls. Technical assistance was provided for the correction of minor programmatic concerns. To improve efficiencies, CDBG staff joined other grant program and department staff in programmatic and internal control monitoring visits. This allowed City staff to test records for duplicate participant reporting and invoicing. This approach created efficiencies for the department as well as the agencies. If deficiencies were identified, the agencies are required to correct any material deficiencies to ensure continued funding. Agencies in a two-year contract are required to correct all deficiencies prior to approval of continued funding for the second year. The Department will continue to review a number of internal administrative changes to further strengthen contract oversight. The CDBG Program Manager reviews and approves each monitoring report, technical assistance plan or corrective action plan.

During this reporting period, more emphasis has been placed on the review of nonprofit financial statements. In this economy, more and more nonprofits are struggling to meet the increasing demands of City residents. As the City experiences increased unemployment and housing foreclosures, more residents are in need of employment and homeless prevention services. This increased demand has strained the infrastructure of many public service agencies. Awareness of the agencies financial position allows the City to respond to the needs of the agencies and any potential interruption to the services provided on behalf of the City.

To aid in the evaluation process, the Housing Department contracted with an external auditing consultant to assist in the evaluation of nonprofit financial and programmatic reviews, as needed. Additionally, CDBG management, along with other citywide grant program managers, attended a 16-hour session on the review, analysis and interpretation of nonprofit financial statements. The training focused on the identification of "red flags" as early as possible and to allow staff to provide guidance and assistance to help stabilize nonprofits providing valuable services. This training was instrumental in the 2010-12 application process and the financial health evaluation of the two-year projects.

HOME AFFIRMATIVE MARKETING

The City reviews the marketing plans of HOME project sponsors and checks for their compliance with affirmative marketing requirements and procedures prior to the initial lease-up of a property. To meet the marketing requirements, project sponsors usually mail notices to nonprofits and places advertisements in local newspapers announcing the availability of units. Typically, the sponsors receive more than enough eligible applicants to fully occupy the property. Eligible applicants who do not receive a unit are put on a waiting list that is maintained indefinitely and updated every 6 months. As new applicants learn of the existing properties and contact the property management companies, they are added to the waiting list.

The Housing Department also produces an Affordable Housing Referral List of all existing affordable housing properties that were assisted with City financing. The list is updated quarterly and its wide distribution has become an important outreach tool.

The table below lists those projects that completed affirmative marketing efforts during the reporting period:

Project Name	Affirmative Marketing Completed
Plaza del Sol	Yes
Canoas Terrace	Yes
The Verandas	Yes
Timberwood	Yes
Monterey Glen Inn	Yes
The Village at Willow Glen	Yes
Markham Plaza, Phase I	Yes
Markham Plaza, Phase II	Yes
Burning Tree	Yes
WATCH (Homesafe)	Yes
Eden Palms	Yes
Curtner Gardens	Yes

HOME OUTREACH – Minority Business Enterprise (MBE)/Women Business Enterprise (WBE)

In September 2006, the City Council adopted a revised MBE/WBE policy establishing procedures to oversee a minority/women outreach program. Currently, the Housing Department maintains a list of local MBE/WBE companies and addresses to distribute to all developers, contractors, and subrecipients. The new policy also states that when developers, contractors, or subrecipients solicit bids from subcontractors, they will include a statement that women and minority owned business are strongly encouraged to apply. The Housing Department will also make extra efforts to ensure that minority and women owned businesses are aware of new NOFAs and the City’s Rehabilitation Program will maintain an updated list of MBE and WBE contractors for homeowners to choose from.

The MBE Reports from the applicable HOME program participants is attached to the appendix.

HOME MONITORING

Housing Department staff annually monitors HOME Projects for compliance with all required regulations. Inspectors from the Housing Department perform annual on-site inspections of HOME-assisted rental housing to determine compliance with applicable property standards. As part of the monitoring process, the Housing Department verifies information maintained by the

property owners concerning leases, tenant incomes, rents, and utility allowances, and verifies compliance with the provisions stated in written agreements.

HOME AUDIT

In 2009-10 the City of San José HOME Program did not undergo an audit by the HUD program staff.

HOPWA MONITORING

The City of San José's HOPWA grant recipients are required to submit quarterly performance reports with information on clients served, demographics on the clientele, project funding sources, program performance, and outcome measures. Housing Department Homeless Program staff perform, at a minimum, annual on-site monitoring visits of HOPWA project sponsors. In FY 2009-2010, the sponsors consisted of the Health Trust AIDS Services and the San Benito County Health and Human Services Agency. During the monitoring visits, Homeless Program staff interviewed key program staff; reviewed administrative and financial records; verified data on the activities and outcome measurement reports; and examined client files for documentation of client eligibility and HMIS participation. Following the monitoring visits, Homeless Program staff prepared detailed monitoring reports and discussed with the agencies any issues that required follow-up or corrective actions.

ESG MONITORING

All City of San José ESG fund recipients are required to submit quarterly performance reports with information on clients served, demographics of the clientele, funding sources for the entire project, program performance, and outcome measures. On an annual basis, at a minimum, the Housing Department's Homeless Program staff perform on-site monitoring visits of all ESG funded agencies to review administrative and financial records; verify data on the activities and outcome measures reported; and examine client files for documentation of client eligibility and HMIS participation. To supplement the site visits, the funded agencies are required to self-certify their compliance with all federal and City regulations, including the posting of current labor law posters and evacuation procedures, client house rules and regulations, and updated conflict of interest policies

APPENDIX

PUBLIC COMMENTS

AWARDS

EXHIBITS

CERTIFICATIONS

ADDITIONAL INFORMATION

PUBLIC COMMENTS

**Summary of Public Hearing
September 9, 2010
Housing Advisory Commission**

<u>Comment</u>	<u>City Response</u>
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**Summary of Public Hearing
September 21, 2010
San Jose City Council**

<u>Comment</u>	<u>City Response</u>
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AWARDS

Year	Awarding Organization	Award	Development
2010	National Association of Housing and Redevelopment Officials	Merit Award for Design	Paseo Senter 1
2010	National Association of Housing and Redevelopment Officials	Merit Award for Design	Corde Terra Family
2010	National Association of Housing and Redevelopment Officials	Program Innovation Award	Corde Terra Senior
2010	Federal Department of Housing & Urban Development Secretary	Award of Excellence for Design	Paseo Senter 1
2009	National Association of Housing and Redevelopment Officials	Award of Excellence	Gish Apartments
2009	California Redevelopment Association	Award of Excellence for Design	Gish Apartments
2009	National Association of Local Housing Finance Agencies	Affordable Housing Project of the Year	Corde Terra Village
2009	Silicon Valley Business Journal Structures	Redevelopment/Reuse Project of the Year	Corde Terra Senior

EXHIBITS

EXHIBIT 1A – TOTAL HOUSING COMPLETIONS

Name of Grantee: City of San José

State: California

Program Year: 2009-2010

Priority Need Category	Actual Units
Renters	
ELI (0-30%)	51
VLI (31-50%)	133
LI (51-80%)	19
MOD (81-120%)	0
TOTAL	203
Owners	
ELI (0-30%)	0
VLI (31-50%)	0
LI (51-80%)	0
MOD (81-120%)	76
TOTAL	76
Homeless	
Individuals (Beds)	0
Families (Units)	0
TOTAL	0
Non-Homeless Special Needs	
ELI (0-30%)	199
VLI (31-50%)	0
LI (51-80%)	0
MOD (81-120%)	0
TOTAL	199
TOTAL HOUSING	478

- Includes Acquisition/Rehabilitation and Inclusionary units
- The 199 non-homeless special needs units are also senior rental units from the Corde Terra Seniors project

EXHIBIT 1B - TOTAL HOUSING REHAB COMPLETIONS

Name of Grantee: City of San José

State: California

Program Year: 2009/2010

Priority Need Category	Actual Units
Renters	
ELI (0-30%)	5
VLI (31-50%)	4
LI (51-80%)	2
MOD (81-120%)	0
Vacant	1
TOTAL	12
Owners	
ELI (0-30%)	86
VLI (31-50%)	79
LI (51-80%)	68
MOD (81-120%)	0
TOTAL	233
TOTAL HOUSING	
	245

RACE	
Hispanic	44
Non-Hispanic	201
TOTAL	245
White	83
Black or African American	9
Asian	100
Asian & White	1
American Indian or Alaskan Native	1
Native Hawaiian/other pacific Island	2
Amer Indian or Alaskan Native & White	0
Amer Indian or Alaskan Native & Black	0
Black or African American & White	1
Other	31
(not disclosed)	17
TOTAL	245

EXHIBIT 2A – SUMMARY OF ECONOMIC DEVELOPMENT ACCOMPLISHMENTS

Name of Grantee: City of San José

State: California

Program Year: 2009/2010

Priority Need Category	Actual Number of Businesses Assisted	Actual Number of Persons Assisted with Jobs	Actual Number of LI Persons Assisted with Jobs	Actual Number of MI Persons Assisted with Jobs
ECONOMIC DEVELOPMENT NEEDS				
Commercial-Industrial Rehabilitation				
Commercial-Industrial Infrastructure				
Other Commercial-Industrial Improvements				
Micro-Enterprise (M06,M08, M10)	203	NA	NA	NA
Micro-Enterprise Direct Financial Assistance	0	1.8	1.8	0
Micro-Enterprise Technical Assistance				
Other Economic Development				

EXHIBIT 2B – SUMMARY OF PUBLIC FACILITIES AND IMPROVEMENT ACCOMPLISHMENTS

Name of Grantee: City of San José

State: California

Program Year: 2009/2010

Priority Need Category	Actual Number of Projects Assisted	Actual Number of Projects Completed
Public Facilities		
Senior Center F102 Yu-Ai Kai G86B Public Facilities Energy and Green Building Improvement Project (Senior Centers)	3	0
Handicapped Centers F100 Santa Clara Valley Blind Center Improved Client Services Delivery F109 Santa Clara Valley Blind Center Improved Access to Blind Rehabilitative Services	2	1
Youth Centers G86C Public Facilities Energy and Green Building Improvement Project (Youth Center)	2	0
Neighborhood Facilities G86D Public Facilities Energy and Green Building Improvement Project (Neighborhood Facilities)	3	0
Parks and/or Recreational Facilities	0	0
Health Facilities	0	0
Parking Facilities	0	0
Abused/Neglect Facilities	0	0
AIDS Facilities	0	0
Other Public Facilities F108/F113 San Jose Conservation Corps Cafeteria & Nutrition Center and Seismic Retrofit Project G81 ADA Rehabilitation Projects G86A Public Facilities Energy and Green Building Improvement Project (Fire Stations) F114 St. Elizabeth’s Day Home Preschool Renovation F111 Indian Health Center of Santa Clara Valley Meridian Facility Rehabilitation F112 Korean American Community Services Community Center Renovation	9	1
Public Improvements		
Solid Waste Improvements	0	0
Flood Drain Improvements	0	0
Water Improvements	0	0
Street Improvements G85A LED Streetlights Conversion G85B Street Trees Installation	2	1
Sidewalks Improvements G84 ADA Accessibility Ramps Construction	1	1
Sewer Improvements	0	0
Asbestos Removal	0	0
Other Infrastructure Improvements Needs G78 SNI Street Lights (Project Cancelled)	1	0
TOTAL	23	4

**EXHIBIT 2C – SUMMARY OF COMMUNITY DEVELOPMENT ACCOMPLISHMENTS
FOR PUBLIC SERVICES**

Name of Grantee: City of San José

State:

Program Year: 2009/2010

California

Priority Need Category	Actual Number of Persons Served
Public Services	
Senior Services	6,311
Services for Persons with Disabilities	1,086
Youth Services	438
Domestic Violence Shelter	390
Legal Services	1,529
Employment Training	103
Fair Housing Counseling	454
Child Care Services	664
Other Public Service Needs: Housing Locator Assistance, Immigrant Services, Homeless Services, Self-Sufficiency Services	2,533
ACCESSIBILITY NEEDS	0
OTHER COMMUNITY DEVELOPMENT	
Energy Efficiency Improvements	0
Lead-Based Paint/Hazards	0
Code Enforcement and Interim Assistance	2,983 dwelling units
Housing Improvement Program	

EXHIBIT 3A – HOPWA Performance Chart 1

2009-2010

Draft Consolidated Annual Performance Evaluation Report

Name of HOPWA Grantee: City of San Jose

Report covers the period: 07/01/09 to 06/30/10

Performance Chart 1 – Types of Housing Units Dedicated to Persons with HIV/AIDS that were Supported during the Operating Year

Type of Unit:	Number of units with HOPWA funds	Amount of HOPWA funds	Number of units with Other funds	Amount of Other funds	Deduction for units reported in more than one column	TOTAL by type of unit
1. Rental Assistance	130	\$429,023	0	0	0	130
2. Short-term/emergency housing payments	9	\$511	0		0	9
3-a. Units in facilities supported with operating costs	0	0	0	0	0	0
3-b. Units in facilities that were developed with capital costs and opened and served clients	0	0	0	0	0	0
3-c. Units in facilities being developed with capital costs but not yet opened	0	0	0	0	0	0
Subtotal	139	\$429,534	0		0	139
Deduction for units reported in more than one category	0		0	0	0	0
TOTAL	139	429,534	0	0	0	139

Please enter the numbers corresponding to performance over the period of time indicated as the operating period for this activity, generally a one year period based on the grantee Consolidated Plan cycle (e.g., June 1 to May 31).

Performance is measured by the number of units of housing that were supported with HOPWA or other Federal, State, local and private funds for the purposes of providing housing assistance or residential support to persons living with HIV/AIDS and their families. Note that this chart does not directly measure supportive service costs. Note that the number of units of housing from HOPWA funds must be the same as reported in the annual year-end IDIS (or APR) data for the three general types of housing: 1. Rental assistance payments; 2. Short-term rent mortgage and utility payments; and 3. Units in facilities such as community residences, SRO dwellings or other facilities, where operating costs or development costs are incurred.

Chart 1: Definitions and Instructions

To the degree possible, please use the following definitions in this report and segregate information on this basis:

ROWS:

1. Rental assistance means as some form of on-going rental housing subsidy for the individual or household, such as tenant-based rental assistance payments or other scatter-site units that may be leased by the client, where the amount is determined based in part on household incomes and rent costs. Project-based costs should be counted in the operation costs category.

2. Short-term or emergency housing payments means some form of limited subsidy, a one-time emergency payment, or payments made over a limited time period to prevent the homelessness of a household, e.g. HOPWA short-term rent, mortgage and utility payments within a 21 week period. Costs for housing associated with transitional care programs should be counted in this category, if assistance is expected to end within about six months for the majority of clients. If transitional support is generally expected to be for longer periods, please report these units in another category, most likely as operation costs.

3-a. Units in facilities supported with operating costs means units and costs for leasing, maintaining or operating the housing facility, such as a community residence, SRO dwelling or other multi-unit dwelling; project-based rental assistance and sponsor leasing costs should be counted in this category as well as costs for minor repairs or other maintenance costs, costs for security, operations, insurance, utilities, furnishings, equipment, supplies, other incidental costs in providing housing to clients in these units. Supportive service costs associated with programs, skills development, childcare, health-care etc. should not be counted in this report on housing costs.

3-b. Units in facilities that were developed with capital costs and opened and served clients means units and costs for the development or renovation of a housing facility, such as a community residence, SRO dwelling or other multi-unit dwelling, where costs for acquisition of the unit, new construction or conversion; substantial or non-substantial rehabilitation of the unit were expended during the period and the number of units reported were used by clients for some part of this period.

3-c. Units in facilities being developed with capital costs but not yet opened means units and costs for the development or renovation of a housing facility, such as a community residence, SRO dwelling or other multi-unit dwelling, where costs for acquisition of the unit, new construction or conversion; substantial or non-substantial rehabilitation of the unit were expended during the period BUT the unit was still in development and not yet used by a client during the period. Please do not report “planned” units for which no capital costs or related pre-development costs were incurred during this period.

After providing a subtotal of the number of units from all categories, please use the **Deduction for units reported in more than one category** line to correct for duplication in the number of units. Please estimate, to the degree possible, the number that were reported in more than one category, e.g. a household received a short-term rent payment and then continued under a tenant-based rental assistance program in the same unit of housing, or funds were used to renovate ten units in a facility and operating costs for these units was also expended for part of the year.

TOTAL means the non-duplicated number of units of housing that were dedicated to persons with HIV/AIDS and their families that were supported with HOPWA and other funds, during this operating year.

COLUMNS:

Amount of Other Funds means the amount of funds that were expended during the reporting period from non-HOPWA sources that are under the control of the Grantee or sponsors in dedicating assistance to this client population. Please do not count Ryan White CARE Act funds or other assistance that is not directly providing housing assistance or other residential support, to the degree that this practicable.

Similarly, in adding the total of units by funding sources (HOPWA and by Grantee and other funds) please use the **Deduction for units reported in more than one column** line to correct for duplication in the number of units, e.g. if more than one funding source is used for that unit, this is especially likely in capital development. Please estimate, to the degree possible, the number that was reported in more than one column.

TOTAL by type of unit means the non-duplicated number of units of housing (by type of housing) that were dedicated to persons with HIV/AIDS and their families and that were supported with HOPWA and other funds, during this operating year. For example, this would show the number of units of rental assistance that were dedicated to this population in this community during the year from all funding sources.

EXHIBIT 3B – HOPWA Performance Chart 2

Name of HOPWA Grantee: City of San Jose

Report covers the period: 07/01/09 to 06/30/10

Performance Chart 2 –Comparison to Planned Actions, as approved in the Action Plan/Consolidated Plan for this Operating Year (Estimated Numbers of Units)

Type of Unit:	Estimated Number of Units by type in the approved Consolidated Plan/Action Plan for this operating year	Comment, on comparison with actual accomplishments (or attach)
1. Rental Assistance	92	130
2. Short-term or emergency housing payments	12	9
3-a. Units in facilities supported with operating costs	0	N/A
3-b. Units in facilities that were developed with capital costs and opened and served clients	0	N/A
3-c. Units in facilities being developed with capital costs but not yet opened	0	N/A
Subtotal	104	139
Deduction for units reported in more than one category	0	0
TOTAL	104	139

Performance Chart 2 repeats information from the plan that was approved for HOPWA-related activities under the grantee’s Consolidated Plan/Action Plan. This information should report the estimated number of units that were planned for this operating year with HOPWA, grantee and other funds.

Under the **Comment on comparison with actual accomplishments** column, comments may be provided or cited regarding differences between planned activities (based on estimates from the prior year) and the actual accomplishments over this operating year. In addition to narratives in the CAPER, comments may be provided or attached regarding the comparison of planned activities and actual performance.

CERTIFICATIONS

The City of San José certifies that its annual 2009-2010 Program Year Consolidated Annual Performance and Evaluation Report (CAPER) complies with the general and program-specific requirements described under 24 CFR 91.520 of the Consolidated Plan/Action Plan regulations.

In addition, the 2009-2010 Annual Action Plan proposed activities and projects assisted with CDBG, HOME, HOPWA, and ESG Program funds were implemented successfully and addressed priority needs, goals, and strategies reflected in the City's Consolidated Plan, which is consistent with the National Affordable Housing Act (NAHA).

ADDITIONAL INFORMATION

**This section will not be finalized until the end of September.
The following additional information covers these programs:**

- 1. HOME**
- 2. HOPWA**
- 3. EMERGENCY SHELTER GRANT PROGRAM**
- 4. SECTION 3 REPORTING**
- 5. MBE/WBE REPORTING**
- 6. PUBLIC NOTICE & PUBLICATIONS**