



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: February 28, 2011

Approved

Date

3-3-11

COUNCIL DISTRICT: Citywide
SNI Area: N/A

SUBJECT: AVAILABILITY OF THE CONSOLIDATED PLAN – ANNUAL ACTION PLAN FY 2011-2012 AND 30-DAY PUBLIC COMMENT PERIOD

RECOMMENDATION

It is recommended that the City Council conduct a Public Hearing on the draft Consolidated Plan - Annual Action Plan FY 2011-2012, as required by the U.S. Department of Housing and Urban Development (HUD) in order to receive federal housing and community development funding, and announce that as of March 15, 2011, the draft Consolidated Plan will be available to the public for review and comment.

OUTCOME

The purpose of this item is for the Mayor and City Council to: 1) inform the public of the public comment period for the Annual Action Plan 2011-2012 beginning on March 15, 2011; 2) give the public an opportunity to comment on the need for housing, public services, neighborhood stabilization, and community development in San José, and; 3) provide City staff with any feedback or direction prior to the Plan's final adoption in May 2011.

BACKGROUND

The National Affordable Housing Act of 1990 requires each entitlement jurisdiction to adopt a Consolidated Plan that outlines a community's plan for addressing its housing and community development needs. The federal government also requires entitlement jurisdictions to submit an Annual Action Plan which specifically illustrates how it will use the federal funding in the following four programs:

1. **Emergency Shelter Grant (ESG) Program** – The ESG program provides matching grants to help pay for shelter operating expenses and for other essential services to the homeless.
2. **HOME Investment Partnership Program** – The HOME program provides financial assistance to help increase the supply of affordable rental and homeownership housing for low-income households through the acquisition, rehabilitation, or construction of affordable housing and through the provision of tenant-based rental assistance.
3. **Housing Opportunities for People with HIV/AIDS (HOPWA) Program** – The HOPWA program provides local jurisdictions and nonprofits with resources and incentives to devise long-term strategies for meeting the housing needs of individuals with HIV/AIDS and their families.
4. **Community Development Block Grant (CDBG) Program** – The CDBG program is a flexible program that supports the development of viable urban communities by providing decent housing, encouraging a suitable living environment, and expanding economic opportunities, principally for lower-income households.

Last year, the City Council approved a Five-Year Consolidated Plan for the period FY 2010-2015. The Consolidated Plan assesses the City's current housing market, analyzes demographic, ethnic and socio-economic conditions, and reports the City's greatest community and housing needs for various populations, including seniors, families, persons who are homeless or at risk of homelessness, and persons with disabilities. It also defines the City's priority needs, strategies, and objectives for reducing the most prevalent barriers to housing and services in our community. The Consolidated Plan is the basis for the City's strategy in allocating its federal CDBG, HOME, HOPWA, and ESG dollars.

During the intervening years of the Consolidated Plan, HUD requires entitlement jurisdictions to submit what is known as an "Annual Action Plan," which provides a one-year strategy for meeting the goals stipulated in the Plan. This year, the City has drafted an Annual Action Plan covering fiscal year 2011-2012.

ANALYSIS

The City of San José participated in a countywide collaborative to develop the Five-year Consolidated Plan. The entitlement jurisdictions within Santa Clara County worked together on a joint Plan to develop shared regional goals and to address needs such as affordable housing, fair housing, emergency shelter, public services, economic development, and neighborhood improvement. Individual jurisdictions then had the opportunity to tailor these shared documents to address more specific local housing issues.

The preparation of the Consolidated Plan is guided by the following three major commitments and priorities expressed by HUD:

- To provide decent housing by assisting the homeless in obtaining appropriate housing; preserving the affordable housing stock; increasing the availability of permanent housing that is affordable to lower-income households without discrimination; and increasing the supply of supportive housing for those with special needs.
- To provide a suitable living environment by improving the safety and livability of neighborhoods; reducing the isolation of income groups within an area through the deconcentration of housing opportunities and revitalization of deteriorating neighborhoods; restoring and preserving properties of architectural, historic or aesthetic value; and the conservation of energy resources.
- To expand economic opportunities by creating jobs accessible to lower-income persons; providing access for lower-income households to mortgage financing and credit for development activities that promote long-term community viability; and, empowering lower-income persons to achieve self-sufficiency and to reduce poverty.

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

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

EVALUATION AND FOLLOW-UP

A supplemental Memorandum with the draft Consolidated Plan - Annual Action Plan 2011-2012, will be circulated to the Mayor and City Council prior to the Council meeting on March 22, 2011. At the end of the public comment period, City staff will incorporate any changes based on the public's comments. The final document will be brought back to the Mayor and City Council for final approval on May 3, 2011. The Consolidated Plan must be submitted to HUD by May 15, 2011.

POLICY ALTERNATIVES

The Annual Action Plan for the Consolidated Plan is required to accept federal funds from the U.S. Department of Housing and Urban Development.

PUBLIC OUTREACH/INTEREST

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The criteria above are not applicable as the item before the Mayor and City Council will only announce the opening of the public comment period. When the Consolidated Plan comes before the Mayor and City Council on May 3, 2011, it will be to take action to adopt the recommendations by staff for the use of federal funds and approve the Annual Action Plan FY 2011-2012.

The Housing Department is taking several steps to prepare and provide public outreach for the development of the Annual Action Plan. Under federal law, entitlement jurisdictions are required to hold at least two public hearings for the Consolidated Plan and Annual Action Plans – one hearing before the Plan is prepared in order to gather public comments on the community's needs and another hearing after the Plan is published for citizen review. The federal government also requires a 30-day review period to receive public comments on the draft Plan. Finally, this information must be published in the newspaper with information about how the public can make comments, attend public hearings, and receive copies of the draft Plan.

The City of San José routinely conducts more public hearings than required by the federal government and anticipates holding five hearings this year. Public hearing notices were sent out to over 450 organizations and individuals concerned about community development and affordable housing issues. In January 2011, a public hearing timeline was also published in the San José Mercury News and in local Spanish, Vietnamese and Chinese language newspapers.

Copies of the draft Consolidated Plan will be available to the public from March 15, 2011 through April 14, 2011 at the City's Housing Department, on the Housing Department's website (www.sjhousing.org/report/conplan.html), and by mail at the public's request. In addition to the March 22nd City Council meeting, there are four additional public hearings scheduled. A special meeting was held before the Housing and Community Development Commission (HCDC) on February 22, 2011. Due to lack of quorum on the posted date of February 10, 2011, the meeting was rescheduled to February 22, 2011. Two additional meetings will be held before the HCDC on March 10th and April 14th, 2011, and the final City Council approval and hearing will be held on May 3rd, 2011. At this final City Council meeting, the

Mayor and City Council will consider the input received to date and the adoption of the Annual Action Plan.

COORDINATION

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

FISCAL/POLICY ALIGNMENT

As of the date of this memo, the federal budget has not been approved; however, several recommendations are under discussion. One budget recommendation is to fund FY 2011 as budgeted for FY 2010. Other recommendations proposed are to decrease both CDBG and HOME funds, while increasing homeless funding. Staff is submitting this draft ConPlan using FY 2010 funding allocations. With the approval of the Annual Action Plan by HUD, and approval of federal budget proposals based on FY 2010 allocations, the City may eligible to receive and distribute an anticipated \$16 million in entitlement funds for 2011-2012.

Staff will update City Council on FY 2011 federal awards at a future scheduled meeting.

COST SUMMARY/IMPLICATIONS

The approved Consolidated Plan will make the City eligible to receive housing and community development funds – including CDBG, HOME, HOPWA and ESG funds – from the federal government.

BUDGET REFERENCE

Not applicable.

CEQA

Not a Project, File No.PP10-069 (a). Annual Report.

/s/
LESLYE CORSIGLIA
Director of Housing

For questions, please contact Leslye Corsiglia, Director of Housing, at (408) 535-3851.