



SUPPLEMENTAL

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: March 17, 2011

Approved

Date

3-17-11

COUNCIL DISTRICT: Citywide
SNI Area: N/A

SUPPLEMENTAL

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

REASON FOR SUPPLEMENTAL

At the time the memorandum on the availability of the draft Annual Action Plan FY 2011-2012 was due, the document were still being drafted. Therefore, it is necessary to provide a supplemental memorandum in order to give the Mayor and City Council a copy of the document. This supplemental does not change the recommendation provided in the February 28, 2011 memorandum.

BACKGROUND

Attached to this memorandum, please find a copy of the draft Annual Action Plan FY 2011-2012. On March 22, 2011, the Mayor and City Council will conduct a Public Hearing and announce that as of March 15, 2011, the draft Plan was available to the public for review and comment. The federally required 30-day public review and comment period will end on April 14, 2011. The draft document is available at the City's Housing Department and online at www.sjhousing.org. During this period, comments are accepted from the public via phone, in-person, mail, e-mail, or testimony provided at hearings on the Plan. The City Council will hold a final public hearing and approve the Plan on May 3, 2011.

HONORABLE MAYOR AND CITY COUNCIL

March 17, 2011

Subject: Availability of the Annual Action Plan FY 2011-2012 and 30-Day Public Comment Period

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LESLYE CORSIGLIA

Department of Housing

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

Attachments



CITY OF SAN JOSÉ

2010-2015 Consolidated Plan

ANNUAL ACTION PLAN 2011- 2012 DRAFT

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ANNUAL ACTION PLAN 2011-2012

The City of San José approved its **2010-2015 Consolidated Plan** in May 2010 and the U.S. Department of Housing and Urban Development (HUD) approved the report in July 2010. The document that follows is the Fiscal Year 2011-2012 Annual Action Plan.

As defined by the U.S. Department of Housing and Urban Development guidelines, the City of San José 2010-2015 Consolidated Plan outlines the community's strategy for addressing its housing and community development needs. Developed through a collaborative process, the Consolidated Plan identifies the City's unified vision for actions to meet those housing and community development needs over a five-year period.

The Five-Year Consolidated Plan Serves Four Primary, Integrated Functions:

- ◆ It is a planning document, based on citizen input, which provides information for other jurisdictions
- ◆ It is a federal funding application for four of the U.S. Department of Housing and Urban Development (HUD) formula grant programs: HOME Investment Partnership Act (HOME), Housing Opportunities for Person with HIV/AIDS (HOPWA), Emergency Shelter Grant (ESG), and Community Development Block Grant (CDBG)
- ◆ It is a strategy to carry out HUD programs
- ◆ It is an action plan, which provides the foundation for performance assessment and evaluation

The Plan is based on the priorities identified by HUD for providing decent housing, providing a suitable living environment, and expanding economic opportunities for lower-income households from 2010 to 2015.

The **Annual Action Plan** is completed every year in order to provide program-specific information about the activities for the upcoming year. To conform to HUD requirements, the Annual Action Plan must contain the following components:

- ◆ Program Resources, including federal, state and local
- ◆ Housing for Homeless and Other Special Needs Populations
- ◆ Geographic Distribution
- ◆ Specific Program Requirements
- ◆ Monitoring
- ◆ Form Application (Standard Form 424)

This one year Action Plan describes the eligible activities that the jurisdiction intends to undertake in fiscal year 2011-12 to address the needs and implement the strategies identified in the adopted Consolidated Plan for the period July 1, 2010 to June 30, 2015. It describes the activities that the jurisdiction will fund with the Department of Housing and Urban Development (HUD) entitlement grant funds in fiscal year 2011-12 to address priority housing and non-housing community development needs and to affirmatively further fair housing choice.

EXECUTIVE SUMMARY

The City of San José is the tenth largest city in the United States, with a population of 945,942, according to the Census 2010 estimates. It has one of the highest median incomes in the nation--\$103,500 for a family of four. Yet the City still finds itself with significant income disparity, with people earning high salaries and stock options living beside families on fixed incomes and people earning minimum wage. The gap between income and housing affordability continues to widen. The average market rent in San José far exceeds the maximum affordable rent for very low- and extremely low-income households, causing these households to have to spend substantially more than the recommended 30% of their gross income on housing. Furthermore, over 18% of the City's households (12% of owners and 29% of renters) live in overcrowded conditions.

According to the Center for Housing Policy's Housing Landscape 2011 report, at least 28% of San Jose's working households were severely housing cost burdened in 2009, paying more than 50% of their income for housing costs. The City has a strong commitment to ensuring that all of its residents have a variety of housing options, both in terms of housing type and affordability. While San José is a vibrant and successful community, many of the City's residents, especially those with lower incomes need assistance to be able to afford decent, safe and appropriate housing.

The 2011 Index of Silicon Valley published by the Joint Venture Silicon Valley Network ranks Silicon Valley as the least affordable region for first-time homebuyers in California, with only about fifty percent of the first time homebuyers being able to afford a median-priced home. Silicon Valley includes all of Santa Clara and San Mateo Counties and adjacent parts of Santa Cruz and Alameda Counties. Thirty seven percent of Silicon Valley renters had housing costs greater than thirty five percent of their income in 2009, a three percent increase from 2008 levels. About twenty three percent of all the housing units approved in 2010 were classified as affordable. There is still a critical need for housing assistance so that service providers such as nurse's aides, janitors, retail workers, police officers and teachers can afford to live and work in our neighborhoods.

The high unemployment rate and economic downturn have adversely affected low-income residents. Low-income homeowners are finding it harder to pay their mortgages and low-income renters are often displaced, sometimes without adequate notice. Often times, these renters may even lose their security deposit and experience difficulty finding another place to live. Experts generally agree that the economy and the housing market will not make any significant recovery in 2011. Foreclosures and the economic downturn will continue to have a significant impact on San Jose's families, households, and communities over the short- and longer-term.

As part of the Consolidated Action Plan, the federal government requires jurisdictions to evaluate their community's housing and development needs and provide strategies to address these needs. The "Housing and Community Development Needs" section of this report looks at U.S. Census data for the year 2000, and more recent data where possible, to provide characteristics of San José's population and housing stock. As mentioned above, the data indicates that residents with incomes below the area

median have a significant need for affordable and appropriate housing. Some of the key findings from this needs assessment include:

•Population and Housing Growth – Since 2000, San José’s population increased by approximately 125,000 persons. The number of households grew by approximately 29,062, while 26,896 permits for new housing were issued. However, not all of the issued building permits were actually constructed. Due to the current downturn in the housing market, many projects that were issued building permits were not completed.

•Income - Over one-third of San José’s households were low- or very low-income, compared with 31% for Santa Clara County as a whole. Elderly and large families were more likely to be low- or very low-income, 59% and 37% respectively.

•Homeless Population – According to the 2009 Homeless Census and Survey, San José had 4,193 homeless residents, the majority of whom were living unsheltered. Almost one-third of the County’s homeless residents were considered “chronically homeless”, 23% were seriously mentally ill, 39% had substance abuse issues, and 12% were Veterans.

The City of San José participated in a countywide collaborative to develop its Five Year Consolidated Plan. As part of this process, the Santa Clara County Entitlement Jurisdictions hosted four Consolidated Plan workshops in the Fall of 2009 - one in Sunnyvale, San José, and Morgan Hill to encompass each sector of the County, plus an additional workshop for San Jose’s Strong Neighborhood Initiative (SNI) Neighborhood Advisory Committee (NAC) representatives. The purpose was to gather information from the public and local stakeholders to develop shared regional goals to address needs such as affordable housing, fair housing, emergency shelter, public services, economic development and neighborhood improvement.

The following provides the highest stated community service needs according to survey results from participants in the San José and SNI meetings (needs are not stated in priority order):

- Youth activities
- At-risk youth services
- Anti-crime programs
- Health Services
- Mental Health Services

The survey participants also cited the following as the most needed housing assistance (needs are not stated in priority order):

- Affordable rental housing
- Senior housing
- Housing for large families
- Housing for emancipated youth (aging out of foster care)
- Fair housing services
- Energy efficiency improvements

Due to the continuing economic downturn and its related casualties, San José faces daunting challenges ahead in ensuring that all socioeconomic segments of its population have access to safe, affordable, and appropriate housing. This Plan outlines the approach the City will take to meet these challenges and to address the needs of the community.

Beginning in the 2006-2007 Annual Action Plan, jurisdictions have been asked to incorporate a set of performance measures for each of the programs funded by the U.S. Department of Housing and Urban Development (HUD). Generally, the following outlines some of the highlights of the City's objectives and goals for FY 2011-12:

- **Maintaining and Expanding the Supply of Affordable Housing** by completing *1,045* newly constructed and *27* rehabilitated affordable (ELI/VLI/LI) rental housing units.
- **Maintaining and Expanding the Homeownership Opportunities & Supply** by providing housing rehabilitation to *410* low-income (ELI/VLI/LI) homeowners and by assisting *816* homebuyers through the homebuyer assistance program and the homebuyer counseling program.
- **Ending and Preventing Homelessness** by providing *8,815* individuals/families with direct or indirect assistance from community-based agencies assisted by the City of San José.
- **Assisting Special Needs Population** by providing funding for *194* ELI/VLI/LI units and assistance to *107* low-income senior and disabled households for single-family home rehabilitation (this number is included in the 410 units of rehabilitation, mentioned above).
- **Improving our Community through Neighborhood and Economic Development** by supporting code enforcement activities that eliminate blight and strengthen neighborhoods for *2,360* families, assisting *4,557* lower-income residents access healthcare and increasing economic opportunities for lower-income residents by assisting small business development and job training for *640* individuals.

The City of San José received a grade of A+ for exceeding its Regional Housing Needs Allocation (RHNA) for 1999-2005 and received special mention as a top performer in the Bay Area Council report titled *Bay Area Housing Profile 2006*. San José's fair share of the regional need for the current planning period from January 2007 through June 2014 is 34,721 housing units, an increase of 33 percent from the prior regional housing need planning period. San José continues to direct resources to meet this lofty affordable housing goal.

The City plans to be effective in utilizing its ESG and HOPWA funds by making available services including case management, housing assistance, food, and employment services to over 30,325 homeless persons and persons at-risk of becoming homeless over the next five years.

Programmatically, the CDBG program continues to demonstrate success as indicated in a November 2007 monitoring report. HUD commended the Housing Department on a seamless transition from the City's Parks, Recreation and Neighborhood Services Department to the Housing Department in July 2006, and the process improvements implemented shortly thereafter. Additionally in August 2010, a second monitoring report indicated that the Housing Department continued to appropriately manage the CDBG program. HUD issued this report with no findings or concerns.

CITIZEN PARTICIPATION

The United States Department of Housing and Urban Development (HUD) requires that each jurisdiction hold at least two public hearings -- one before the Plan is prepared to gain public comments on the community's needs, and one after the Plan is published for citizen review. A 30-day review period is also required, during which public comments are accepted and written into the Plan.

The following schedule of hearings was published in the San José Mercury News and in La Oferta (Spanish newspaper), China Press (Chinese newspaper) and Thoi Bao (Vietnamese newspaper) on January 28th, 2011. In the course of three months, the City held five public hearings to obtain input. In addition, there was a 30-day public review period, as mandated by HUD, from March 15, 2011 through April 14, 2011.

What?	Who?	Where?	When?
Hearing on "Housing and Community Development Needs."	Housing and Community Development Advisory Commission	San Jose City Hall 200 E. Santa Clara Street Room W-118,119 (Wing)	February 10, 2011 5:45 p.m.
Review and Approval of staff funding recommendations for the Community Development Block Grant Program.	Housing and Community Development Advisory Commission	San Jose City Hall 200 E. Santa Clara Street Room W-118,119 (Wing)	March 10, 2011 5:45 p.m.
Draft Consolidated Plan Annual Action Plan 2011-2012 available to the public.	Contact the Housing Department to receive a copy. (408) 975-4418 or (408) 294-9337 (TTY)	City of San Jose - Housing 200 E. Santa Clara St.-12 th Floor, San Jose, CA 95113	March 15, 2011
Public Hearing of the Draft Consolidated Plan Annual Action Plan 2011-2012	San Jose City Council	San Jose City Hall 200 E. Santa Clara Street City Council Chambers	March 22, 2011 1:30 p.m.
Public hearing and approval of the draft Consolidated Plan Annual Action Plan 2011-2012	Housing and Community Development Advisory Commission	San Jose City Hall 200 E. Santa Clara St. Room W - 118, 119 (Wing)	April 14, 2011 5:45 p.m.
End of 30-Day Public Comment Period			April 14, 2011
Final approval of the Consolidated Plan Annual Action Plan 2011-2012.	San Jose City Council	San Jose City Hall 200 E. Santa Clara Street City Council Chambers	May 3, 2011 1:30 p.m.
Submit Annual Plan to the US Department of Housing and Urban Development.			May 13, 2011

PROGRAM RESOURCES

Federal Resources

Entitlement jurisdictions are those central cities of Metropolitan Statistical Areas (MSAs); other metropolitan cities with populations of at least 50,000; and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities). These qualifying areas are "entitled" to receive an annual grant from the U.S. Department of Housing and Urban Development (HUD). HUD determines the amount of each entitlement grant by a statutory dual formula which uses several objective measures of community needs, including the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas. The City of San José is an entitlement jurisdiction and receives and administers these federal funds from the following programs:

- ◆ HOME Investment Partnership Program (**HOME**)

- ◆ Housing Opportunities for People with HIV/AIDS Program (**HOPWA**)
- ◆ Housing Opportunities for Persons with AIDS competitive Special Project of National Significance (**HOPWA SPNS**)
- ◆ Emergency Shelter Grant Program (**ESG**)
- ◆ Community Development Block Grant Program (**CDBG**)

The proposed uses of these funds for Fiscal-Year 2011-2012 are described below:

HOME

Proposed Uses of New HOME funds for FY 2011-2012

Of the total expected grant amount of \$4,200,000 plus approximately \$4,427,000 of previously uncommitted HOME funds, the City of San Jose plans to budget HOME funds in the following manner:

Homebuyer Programs:	\$2,750,000
NSP2 Downpayment Assistance \$1,250,000	
Homebuyer Downpayment Assistance - \$1,500,000	
Tenant Based Rental Assistance	\$1,324,000
Project Development (Rental Housing Construction)	\$2,933,000
Administrative Costs (Estimated 2011 Admin costs)	\$ 420,000
CHDO Operating Costs	\$ 200,000
First Community Housing - \$100,000	
Charities Housing \$100,000	
Single-family Rehabilitation Program	\$1,000,000
TOTAL	\$8,627,000

If HOME funds are not needed to support any of these additional uses, the uncommitted grant balance will remain uncommitted and be used to augment next year's HOME grant budget for use in Project Development .

Proposed Uses of Prior Year's HOME funds

Some HOME funds that were previously budgeted and/or committed have yet to be committed or fully disbursed. The following sections detail how committed HOME funds will be disbursed and how uncommitted funds will be planned, budgeted or disbursed in the upcoming year.

Description of HOME programs:

•New Construction (Rental) and Acquisition/Rehab - The City proposes to use HOME funds for property acquisition and construction and acquisition and rehabilitation of rental units for ELI/VLI/LI households as well as for special needs populations, such as single parents, seniors, disabled persons, people living with HIV/AIDS, emancipated youth, and other people at risk of homelessness. For any HOME funds to develop new housing units, the City will comply with the Federal Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. Participation in the HOME Program will enhance the

City’s funding sources for new construction, while at the same time providing flexibility in the use of funds for an overall gap-financing program. The following projects will likely disburse HOME funds in 2011-2012 which were allocated in previous years:

Project Description	Committed	Left to Disburse
90 Archer Street (IDIS 2181) <i>42-unit(15 HOME) rental project. Being developed by Charities Housing (CHDO).</i>	\$1,800,000	\$13,325
1460 N. 4th Street (IDIS 2119) <i>100-unit rental project. Developed by First Comm. Housing (CHDO).</i>	\$3,000,000	\$3,000,000
Kings Crossing (IDIS 1434) <i>94-unit rental project.</i>	\$5,250,700	\$3,380,920
Bill Wilson (IDIS 1800) <i>28-unit(13 HOME) rental acq/rehab serving at-risk youth.</i>	\$1,907,200	\$15,177

Approximately, \$1,047,000 of CHDO set-aside funds and any other uncommitted funds will be committed to Project Development for the purpose of developing more affordable rental units in the City of San José.

•Homeownership - Consistent with the City’s goal to assist lower-income households in becoming homebuyers, the City proposes to use HOME funds for down payment assistance under the City’s Homebuyer programs. Approximately \$1,250,000 of HOME funds budgeted, but not committed, from FY 2010-2011 will be used to assist NSP2 Homebuyer Program clients by providing down-payment assistance as described in the City of San Jose’s NSP2 agreement with HUD. \$1,500,000 of FY 2011-2012 HOME funds will be used to provide deferred payment acquisition financing for lower-income households.

•Tenant-Based Rental Assistance (TBRA) – This program operates in collaboration with the County of Santa Clara with the goal to end homelessness. The county provides ongoing case management to the program’s 100 chronically homeless and mentally ill clients. According to the City of San Jose’s 2009 Homeless Census and Survey, an estimated 4,193 unduplicated homeless people live within the City limits, with homeless families making up approximately 18% of this population. Fair market rents in the City vary from \$1,032 for a single room occupancy unit to \$2,068 for a 3 bedroom unit. There is a clear need to provide a subsidy to the target population in order to promote the City and Santa Clara County’s initiative to end chronic homelessness through a Housing First model. The proposed guidelines for implementing the TBRA program are attached to the Appendix.

Approximately \$1,324,000 in 2011-2012 HOME funds is being proposed for the continuing operation of the City’s TBRA program. Approximately \$900,000 of previously committed HOME dollars will be carried over to spend in 2011-2012.

•Rehabilitation – In previous years, and consistent with the City’s goals of improving neighborhoods and preserving the housing stock, which includes the rehabilitation of ownership housing, the City will use \$1,000,000 in HOME funds for deferred loans to 25 lower income households for repairs and improvements in the City’s Housing Rehabilitation programs.

•Community Housing Development Organizations (CHDOs) Support - In compliance with HOME regulations, the City of San José sets aside a minimum of 15% of HOME program funds for CHDOs to carry out HOME-eligible activities. Up to an additional 5% of the annual HOME allocation may be made available to support operating expenses of CHDOs, for the developer to proceed with plans for affordable housing and/or continue construction of current developments. The City will continue to provide up to 5% of the HOME grant amount (approximately \$200,000) for CHDO operating support in FY 2011-2012. The two CHDOs that will be receiving this funding to support the direct and indirect staffing costs are Charities Housing Development Corporation (CHDC) and First Community Housing (FCH). In FY 2010-2011, these two organizations were the only non-profit housing developers in the City of San José actively building HOME-assisted housing.

Funds that were committed for this use in FY2010-2011 have been fully disbursed.

•Planning and Administration - Up to 10% of the total HOME grant allocation will be used for reasonable planning and administrative costs associated with the administration of the HOME program and other related federal requirements. Approximately, \$766,000 of previously committed administrative monies will be carried over to spend in 2011-2012.

HOPWA

In addition to the \$875,000 the City anticipates being awarded in HOPWA funds for FY 2011-2012, it will utilize \$102,403 in unallocated HOPWA funds for FY 2010-2011. The City will award approximately \$772,250 to support the tenant based rental assistance and supportive services for persons with AIDS while 3% of the total HOPWA allocation, or \$26,145 will be used for administrative costs.

In 2011-2012, The City anticipates allocating \$745,000 of its HOPWA funds to the Health Trust. Additionally, as administrator of the County of San Benito HOPWA Program, the City anticipates allocating approximately \$27,250 in HOPWA funds for the needs of individuals and families living with HIV/AIDS in San Benito County. Funding amount is subject to change when we receive the 2011-2012 HOPWA allocation from HUD.

HOPWA SPNS

In November 2010, the City received a notification of funding approval to renew its Housing Opportunities for Persons with AIDS (HOPWA) Special Project of National Significance (SPNS) competitive grant for an additional 3 years. The City anticipates receiving a total of \$1,262,800 for FY 2010-2013 and will continue to contract with the Health Trust to administer the HOPWA-SPNS grant including allocating \$1,228,360 to the Health Trust to provide long-term rental subsidies in shared housing and supportive services to persons with HIV or AIDS in Santa Clara County. \$34,440 of the HOPWA SPNS funds will be allocated to the City of San Jose Housing Department to cover administrative costs.

ESG

The City anticipates being awarded a \$400,000 in ESG funds for FY 2011-2012, which represents the second year of a two-year funding cycle.. Funding was based on a competitive process that required proposals to fall under one of two funding categories and illustrate alignment with related city efforts. These funding categories are: 1) essential services, and 2) shelter operating costs. Furthermore, the City is prioritizing the funding of projects that will move its homeless clients from homelessness to permanent housing.

The City will require that each agency awarded ESG funds be an active user of the Homeless Management Information System (HMIS). Each participant will be required to receive a certification of completion of HMIS training, which is offered by the Community Technology Alliance (CTA), unless an agency demonstrates extenuating circumstances for why they can not legally participate (e.g. their clientele are victims of Domestic Violence or Emancipated Youth). The City is funding this technical assistance program through the City's Housing Trust Fund.

CDBG

Total CDBG funding in the amount of \$12,671,115 will be available for Fiscal Year 2011-12, comprised of \$10,896,115 from the City's 2010 CDBG entitlement grant, \$700,000 from projected 2010-2011 program income, and \$1,075,000 from prior year funds and fund balance. During this one-year period, the City proposes to utilize more than 80% of these funds to serve low- and moderate-income persons. The City will allocate 15% of its entitlement grant to Community Contractual Services (CCS) – Public Services and 20% toward Fair Housing and General Administration. FY 2011-2012 represents the second year of a two-year funding cycle. Funding was based on a competitive process that required proposals to fall under one of four funding categories and illustrate alignment with related city efforts. The four funding categories are: 1) Access to Health Care; 2) Basic Needs; 3) Legal Services; and Self-Sufficiency. In addition, the program continued to require a 20% minimum funding match requirement and financial audits were scored utilizing a 10-point audit review scoring system.

On February 12, 2009, President Obama approved an additional \$1 Billion in CDBG formula funding nationwide as part of the America Recovery and Reinvestment Act (ARRA). Based on formula funding, the City of San Jose was allocated \$2.7 million. This funding was in addition to the 2008 allocation and contained the requirement that priority be given to projects that were bid ready within 120 days of the date funds are made available to the City. CDBG awarded funds to one economic development project, one public service project, three infrastructure projects and set aside \$50,000 for administrative costs. Two of the infrastructure projects are complete and the City expects completion of the remaining projects by the September 2012 deadline.

American Recovery and Reinvestment Act of 2009 (ARRA) / Homeless Prevention and Rapid Re-Housing Program (HPRP)

In the fall of 2009, the City was awarded \$4,128,763 in Homelessness Prevention and Rapid Re-Housing Program (HPRP) funds. The City subcontracted these funds to three agencies to administer the program: EHC LifeBuilders, Sacred Heart Community Services, and Community Technology Alliance. The three agencies will continue to administer the program, which provides short and medium term financial assistance and case management to resolve the crises and re-stabilize households. The HPRP program is anticipated to end in the Fall of 2012.

Housing and Economic Recovery Act 2008 (HERA) /Neighborhood Stabilization Program (NSPI)

In March 2009, the City of San Jose received an NSP 1 grant award of \$5.6 million under the Housing and Economic Recovery Act (HERA) of 2008 to eliminate blight and stabilize neighborhoods in four zip codes hardest hit by foreclosures and subprime loans. The Acquisition Rehabilitation Resale Program set a goal to purchase, rehabilitate, and resell 20 to 40 single-family homes to low- and moderate-income households. The program has purchased, rehabilitated, and resold thirteen foreclosed single-family homes to low- and moderate-income households. In addition, one other home is under construction and expected to be sold by the end of the fourth quarter of 2011, for a total of fourteen homes. As additional

income is derived from the sale of the remaining properties, additional properties will be purchased, rehabilitated, and resold to income-eligible homebuyers. All program income from NSP1 will be expended by the end of 2011-2012.

The City also expended approximately \$1.4 million of the \$5.6 million to purchase two foreclosed fourplexes located at 127 and 110 No. 22 Roundtable Drive. The intent of the purchase was to comply with the NSP 1 requirement to "set-aside" 25% of the grant for housing targeted to Very Low Income (VLI) households earning up to 50% Area Median Income (AMI). The City anticipates completing rehabilitation financed by NSP 1 program income by the end of the fourth quarter of 2011. During FY 2011-2012, the City anticipates renting the units to VLI households. NSP 1 regulations require the entire \$5.6 million to be expended by March 11, 2012. The City has already met the grant expenditure requirement.

Neighborhood Stabilization Program (NSP2)

In February 2010, the San Jose NSP Consortium, consisting of the Housing Trust of Santa Clara County, the City of San Jose, and Neighborhood Housing Services Silicon Valley, received an NSP 2 grant award of \$25 million under the American Recovery and Reinvestment Act (ARRA) of 2009. The grant is intended to restore neighborhoods adversely impacted by foreclosures and subprime loans in 35 target census tracts in San Jose.

The Housing Trust of Santa Clara County administers the Purchase Assistance Loan (PAL) program to provide Purchase Assistance Loans to low- and moderate-income households that purchase foreclosed and abandoned properties within the target census tracts in San Jose. The PAL program has a target of completing 100 loans by February 11, 2013. To date, the Housing Trust has closed eight loans. In FY 2011-2012, the Housing Trust anticipates completing 50 additional loans.

The City of San Jose administers the Single-Family Acquisition Rehabilitation Resale Program to acquire, rehabilitate, and resell foreclosed homes to low- and moderate-income households in 35 target census tracts. The program funds energy efficient and water conserving rehabilitations in neighborhoods that need targeted improvements. Green products are also used when feasible. In December 2010, the City executed agreements with two development entities, Community Rehabilitation Partners and the Cypress Group, to implement the \$11,200,000 program. The first phase of the program consists of 32 homes. As homes are sold to qualified households, program income would enable the second phase of 32 additional homes for a total of 64 properties. The NSP2 Developers have purchased four properties through the end of February 2011. In FY 2011-2012, the City anticipates completing the first phase of 32 homes, and up to one-half of the second phase of 32 homes.

The City of San Jose also implements the 25% Set Aside Program to comply with the NSP 2 requirement to designate a minimum of \$6,250,000 targeted to housing for Very Low Income (VLI) households earning up to 50% Area Median Income (AMI). In FY 2011-2012, the City intends to commit up to \$3.5 million in NSP 2 funds to Eden Housing, Inc. to redevelop a vacant, City-owned parcel on Ford Road east of Monterey Road with 19 special needs apartments. In addition, the Housing Trust intends to conditionally commit up to \$5 million for the acquisition, rehabilitation, and rental of 59 existing apartments on Kollmar Avenue. The total of 78 VLI units would exceed the Consortium's goal of 41 VLI units, as proposed in the grant application.

SECTION 108 Program

The City of San Jose, with the San Jose Redevelopment acting as the City’s designated public agency, borrowed a total of \$62,010,000 in Section 108 funds from 1997 to 2005. These funds were used for historic preservation, job creation, acquisition/development of commercial areas, and relocation. Highlights include:

- Completion of three historic rehabilitation projects in 2008 of the Masson, Security, and Dr. Eu buildings in Downtown San Jose.
- Completion of a 338-space public parking facility underneath the Tower 88 mixed use condominium complex in August 2009 for the Downtown Mixed Use Project.
- Completion of a new 191,500-square foot retail center in November 2005 for the Story/King Revitalization Project and the relocation of 21 tenants.
- Completion of airport expansion in July 2010. To date, there has been 311 newly created positions, 220 of these are newly created FTE equivalent positions, and 174 newly created FTE equivalent positions are held by low-moderate income persons.

Total Section 108 and EDI Grant Funds Borrowed

	Section 108 Funds	BEDI/EDI Grant Funds	Section 108 Award Date
Masson Building	\$1,500,000	\$200,000	1997
Security Building	\$2,350,000	\$75,000	1997
Dr. Eu (Bassler-Haynes Building)	\$1,350,000	\$200,000	1997
Downtown Mixed Use Development Project	\$13,000,000	\$2,000,000	2002
Story/King Retail Project	\$18,000,000	\$2,000,000	2003
San Jose Airport Expansion (FMC Airport West Project)	\$25,810,000	\$2,000,000	2005
TOTAL	\$62,010,000	\$6,475,000	

San Jose Airport Expansion

In 2010, the San Jose City Council and City staff took several significant steps for the development of the Airport West site. In March 2010, the City Council approved the Environmental Impact Report (EIR) for the Airport West Stadium and Great Oaks Place Project. The Council also amended the Business terms for the developer and approved the extension of option payments through 2015 to allow greater time for credit easing and real estate markets to return.

In December 2010, City staff issued an RFP for a management agreement to operate, market and maintain a future youth soccer facility to be located at Airport West. It is anticipated that in March

2011, demolition of the final buildings located at Airport West will begin allowing for the development of the soccer stadium and youth soccer fields.

Given the proposed use of a Major League Soccer stadium and associated youth soccer fields results is an ineligible use under Section 108 lending guidelines, staff have been actively engaging with HUD on switching collateral that supports a Section 108 loan against the Airport West Property. The City has identified appropriate land as collateral for the loan and is working to amend the Loan Agreement with HUD. It is anticipated this process will be completed in Spring 2011.

The City and the developer are working on identifying potential tenants for the development of the commercial/office and R&D space.

Other Federal Funding Sources & Updates

In addition to the federal funds administered by the City listed above, various nonprofit service providers receive money directly or indirectly from the Federal government. Specifically, funds are available to support homeless services or other interim, transitional and permanent housing facilities, supportive services, and homeless prevention programs. Federal funds for the homeless in addition to ESG funds include:

- Section 811 Program Funds – Supportive Housing for Persons with Disabilities
- Section 202 Program Funds for the Elderly and Handicapped

The City, acting as the City of San José Housing Authority, entered into an agreement with the Housing Authority of the County of Santa Clara (HACSC), designating it to administer and manage the Section 8 Voucher program and public housing programs within the City of San José. The HACSC receives federal funding to run the programs below:

• Housing Choice Voucher Program - This program provides rental assistance to very low and low-income families, including several special programs outlined below.

• Shelter Plus Care - This is a rental assistance program funded by McKinney Homeless monies for homeless persons with a disability – particularly mental illness, chronic alcohol and/or drug addiction, and HIV/AIDS. Participants receive on-going case management and access to supportive services.

• Family Self-Sufficiency Program - This is a five-year program to assist current Section 8 participants to improve their employment opportunities in an effort to become economically independent and self-sufficient. As a family's rent portion increases due to an increase in their earned income, HUD matches that amount in an escrow account in the family's name. At the end of five years, if the family has met their goals, remained off welfare assistance for the prior 12 months, and sought and maintained employment, the escrow money is awarded to them.

The HACSC further plays a direct role in developing affordable housing units. Acting as a nonprofit housing developer, the Housing Authority applies for funds from the City and a variety of state, federal, and private sources for its various development projects.

State, County and Local Housing and Community Development Sources

California State Redevelopment Law requires that, where there are local redevelopment areas, the property tax revenues generated by increases in assessed value within these areas, after the adoption of the redevelopment plans, be allocated to the redevelopment agency to carry out its redevelopment programs. State law further requires that at least 20% of this “tax increment” be set aside in a Low- and Moderate-Income Housing Fund, or 20% Housing Fund, to increase, maintain, and preserve the supply of housing affordable to low- and moderate-income households. A local jurisdiction need not limit the use of these 20% Funds to redevelopment areas only, but may use them more broadly within its entire jurisdictional boundaries, provided that it makes a finding that the assistance is of benefit to redevelopment areas.

The City of San José allocates its 20% Funds for affordable housing throughout the City in accordance with its five-year objectives to target at least 85% of its resources to affordable housing for extremely low-income (ELI), very low-income (VLI), and low-income (LI) households, and up to 15% to housing affordable to Moderate-Income (MOD) households.

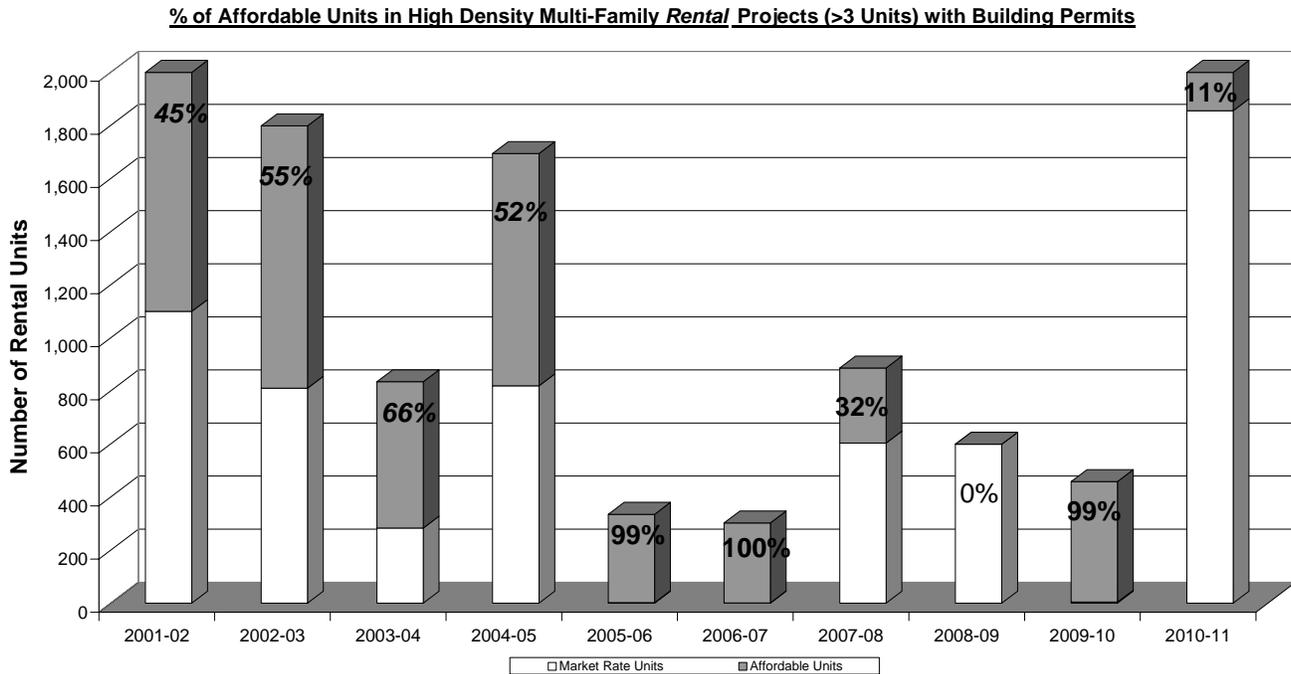
The primary source for funding affordable housing programs in the City is Low- and Moderate-Income Housing Fund (20% Tax Increment Funds). The 20% Tax Increment funds declined in FY 2010-11 by 7% over the prior fiscal year. Future projections are weak due to the current economic recession and decline in residential property values. The City is advocating at the State level for the protection of these vital housing dollars. Any impact on redevelopment dollars has the potential for reductions in affordable housing funding.

The Housing Department’s anticipated resources for FY 2011-12 are still being impacted by the prior year’s state budget compromise. 2009-10 budget package required redevelopment agencies across the state to make payments totaling \$1.7 billion in FY 2009-10 and \$350 million in FY 2010-11 to K-12 school districts serving students living in or near their redevelopment areas. Redevelopment agencies were required deposit these payments into a new county Supplemental Educational Revenue Augmentation Fund (“SERAF”) for allocation to the designated school districts. The Redevelopment Agency of the City of San Jose (“Agency”) paid \$62 million in FY 2009-10 and is required to make an additional \$13 million in FY 2010-11. If this payment is made, it will be funded through the City’s Commercial Paper program. Making this payment will have a detrimental impact on the City’s ability to fund current and future affordable housing projects.

On January 15, 2011, with the state facing a \$25.4 billion budget gap, newly installed Governor Jerry Brown released his state budget proposal for the fiscal year ending June 30, 2012, wherein he proposed the elimination of local redevelopment agencies (“RDAs”). These RDAs provided hundreds of millions of dollars to local projects meant to improve blighted areas. The Governor contends that these local projects cannot be immune from cuts while other basic services are trimmed yet again and that this proposal will save the state \$1.7 billion this year.

If the Legislature passes the Governor’s budget as proposed, the elimination of redevelopment and the resulting loss of the 20% Tax Increment Funds will eliminate funding available for Departmental operations and for future funding of multi-family housing projects. There will be extremely limited funds for development of affordable housing for the future.

The units financed by the City of San José’s affordable housing program represent a significant part of the rental housing production taking place in the City. Over the last ten years, about half of all new rental housing developments have been affordable housing developments. The chart below clearly indicates that subsidized rental housing has been a major source of development. Affordable housing rental projects were the only rental developments to obtain permits in 2005-06, 2006-07 and 2009-10.



Other Resources

Historically, the Housing Department has leveraged every dollar invested in a project with two-and-a-half to three dollars from outside resources. The outside public resources frequently used by developers include Low-Income Housing Tax Credits, tax-exempt mortgage revenue bonds, and programs administered by the California Housing Finance Agency (CalHFA), State Department of Housing and Community Development (HCD), the County of Santa Clara, and HUD, among others. In addition, developers utilize funds from a variety of private resources, including conventional loans from commercial banks and nonprofit lenders, tax credit equity from private investors, forgivable loans from the Affordable Housing Program (AHP) of the Federal Home Loan Bank System, and loans from Housing Trust Fund, a local organization funded by businesses in Silicon Valley.

In addition to State and federal agencies that provide funding resources for affordable housing, the City also uses publicly-owned land and property to meet its housing and community development goals. The Housing Department continues to look for properties that are surplus to the needs of the City, County, and other State and governmental agencies, however sources for the acquisition of these properties is very limited. The most recent parcel was purchased in 2006. The City parcels and the associated projects are described below

The Housing Department acquired a five-acre parcel on Evans Lane from the Valley Transportation Authority in December 2002. This parcel will be combined with an adjacent one-acre City surplus property and will be developed into affordable rental and market rate ownership housing adjacent to a one-acre public park. Two developers were approved by the City Council for the right to exclusively

negotiate business terms for the multifamily and single family projects, respectively. Construction on the multifamily project currently is delayed due to the City's shortage of funding. Construction on the for-sale project—which will enable the park to be built as well—is on hold until the for-sale market conditions improve.

The Housing Department acquired a 5,500 square-foot lot on Delmas Avenue from the City's General Fund in August 2006, for development of a single very low-income, affordable for-sale unit. It was transferred to Silicon Valley Habitat for Humanity in early 2008. This project is currently on hold due to funding constraints.

The Housing Department acquired a 3.05-acre State surplus property on Ford Road at Monterey Highway from CalTrans in August 2006. Eden Housing, the developer selected through an RFQ process to develop a multifamily affordable housing project targeting some special needs clients, has conducted significant outreach to the community and has filed for land use entitlements. Eden also has applied for HUD Section 811 funding for the site. Construction on the project currently is delayed due to the City's shortage of funding. . The City was able to move this project forward with the change in the requirement for NSP 2 that allows funds to be used for low-income housing development on vacant property. It is anticipated that the project will be completed by the summer of 2012. Another NSP 2 funded project that may begin construction in 2011-12 is the Taylor-Oaks Project. This is a 59 unit Acquisition/Rehabilitation Project that is currently being reviewed by Housing Department staff for financial feasibility.

Inclusionary Housing Programs and In-Lieu Fees.

Inclusionary programs are established through local ordinances that require market rate residential developers to set aside a certain portion of units in a development for income-restricted affordable housing. Many inclusionary ordinances also give developers the option of satisfying inclusionary housing requirements through payment of an in-lieu fee. The local jurisdiction, in turn, directs these fees towards other affordable housing activities. Among the Entitlement Jurisdictions and the Urban County, the cities of Cupertino, Gilroy, Los Altos, Los Gatos, Monte Sereno, Morgan Hill, Mountain View, Palo Alto, Santa Clara, and Sunnyvale have inclusionary housing programs.

San Jose recently adopted a citywide inclusionary housing ordinance, in order to provide additional opportunities for affordable housing in the City. The ordinance will go into effect either when the City issues 2,500 residential permits in a rolling twelve month period or on January 1, 2013, whichever comes first. It requires that 15% of the units built city-wide be affordable. If the developer chooses to offer affordable units off-site, the affordable requirement will be increased to 20% of units in the project. Alternatively, the developer may also choose to pay an in-lieu fee instead of building affordable units. This brings the City in-line with the policies of its surrounding cities, some of which already have city-wide inclusionary housing ordinances in place.

At the time that the San José City Council approved a citywide inclusionary housing ordinance, an affordability requirement for rental housing projects was included in the recommendations. However, on July 22, 2009, the 2nd District Court of Appeal decided a case called *Palmer/Sixth Street Properties v. City of Los Angeles* (2009) 175 Cal.App.4th 1396, which, although not legally binding upon the City of San Jose, calls into question the validity of inclusionary housing mandates upon rental housing projects. As a result, unless this decision is overturned or reversed by the State legislature, the City will only implement inclusionary requirements on for-sale projects.

In previous years, San José has been able to leverage additional funds for downpayment assistance for the purchasers of affordable units created through the City's Inclusionary Housing Program. However, given the weakened housing market over the last several years very few additional new-construction for-sale units are likely to be funded or created through the City's Inclusionary Housing Program in FY 2011-2012.

The Housing Trust of Santa Clara County (HTSCC)

The Housing Trust of Santa Clara County is among the largest housing trusts in the nation financing special needs and affordable housing and assisting first-time homebuyers. The mission of HTSCC is to make Silicon Valley a more affordable place to live. HTSCC makes loans and grants to increase the supply of affordable housing, assists first-time homebuyers, prevents homelessness and stabilizes neighborhoods. Since it began distributing funds in 2001, the Trust has invested over \$33 million and leveraged over \$1.7 billion to create more than 7,800 housing opportunities. Of those served, 83% had household incomes below 80% of the Area Medium Income (AMI).

City of San Jose Housing Trust Fund

In June 2003, the City of San José established a **Housing Trust Fund (HTF)**, which is administered by the Director of Housing. The purpose of the HTF (originally the Housing and Homeless Fund) is to ensure ongoing funding for affordable housing programs that address ending and preventing homelessness, in part by creating a vehicle eligible to compete for outside funding sources. In Fiscal Year 2011-2012, it is anticipated that the HTF will be used for the following purposes: City staff compensation; support for Destination:Home administrative and programmatic costs; a Downtown Homeless Outreach Program to improve the connection between homeless individuals and housing services; the match for federal, State and regional grants; emergency funds for persons displaced by fires or other disasters; on-going contracts for homeless services; and resources for emergency needs identified by shelter and service providers.

Mortgage Credit Certificates (MCC)

The federal government allows homeowners to claim a federal income tax deduction equal to the amount of interest paid each year on a home loan. This itemized deduction only reduces the amount of taxable income. Through an MCC, a homeowners' deduction can be converted into a federal income tax credit for qualified first-time homebuyers. This credit actually reduces the household's tax payments on a dollar for dollar basis, with a maximum credit equal to 10 to 20 percent of the annual interest paid on the borrower's mortgage. Mortgage credit certificates in Santa Clara County are issued by the County directly to eligible homeowners.

Anticipated Resources for Fiscal Year 2011-2012

The table below indicates the anticipated funding amounts expected from all sources for the upcoming Fiscal Year. The City anticipates a total of over \$x million in resources available from local, state, federal, and private sources over the next year for the development, preservation, or rehabilitation of affordable housing. The City expects to continue receiving, either directly or indirectly through sponsors of affordable housing projects or nonprofit service providers, funding for affordable housing rehabilitation efforts and programs to assist the homeless. Should the City of San José continue to

receive tax increment funding for its Low- and Moderate-Income Housing Funds (20% Funds), it will utilize these funds for new affordable housing projects citywide.

Fiscal Year 2010-2011 Anticipated Funding Sources	City of San Jose Funds	Non-City Funds
Formula Programs*		
CDBG		10,896,115
HOME		4,200,000
ESG		400,000
HOPWA		875,000
SUBTOTAL	0	16,371,115
American Recovery & Reinvestment Act & Housing & Economic Recovery Act		
NSP		21,366,037
CDBG-R		0
HPRP		742,352
ARRA funds for Housing Projects		11,913,176
SUBTOTAL	0	34,021,565
Santa Clara County Housing Trust Fund		
	250,000	3,875,000
SUBTOTAL	250,000	3,875,000
Competitive Programs		
Shelter Plus Care		6,001,500
Section 8 - Rental Vouchers – Tenant Based		11,879,482
Section 8 – Project-Based	357,977	852,266
HUD 202/811		5,972,000
HOPWA Competitive (SPNS)		1,262,800
Lead-Based Paint Abatement		40,000
Proposition 1C - Multifamily Housing Program (MHP)		24,681,844
Proposition 1C – Transit Oriented Development Funds		0
Proposition 1C – Infill Infrastructure Grant Program		3,720,000
Proposition 1C – Homeless Youth Supportive Housing		0
Proposition 1C – Park Funds		0
Proposition 1C – CalHOME program		1,500,000
Proposition 1C – BEGIN program		3,176,500
Emergency Housing Shelter Program (EHAP)		0
Low-Income Housing Tax Credits (9%) Equity		14,199,773
Tax-Exempt Private Activity Bonds		7,500,000
Mortgage Credit Certificates (70% of County)		4,275,000

Allocation)		
Proposition 63 – Mental Health Services Act (MHSA)		1,000,000
SUBTOTAL	357,977	86,061,165
Other Programs		
In Lieu Fees	0	
Rental Rehab Program (loan repayments)		
Housing Trust Fund	1,100,000	
80% Redevelopment Funds – Project Alliance	0	
80% Redevelopment Funds – Project Development	0	
20% Redevelopment Funds - Project Development	20,610,000	
CalHFA Mortgage Assistance		
CalHFA Multi-family Assistance		
Low-Income Housing Tax Credit (4%) Equity		13,952,470
SJSU Faculty Program		0
Conventional Construction Financing		58,721,400
Conventional Permanent Financing		47,819,334
Federal Home Loan Bank – Affordable Housing Program		2,930,000
Developer Equity		3,930,053
Private Donations		0
SUBTOTAL	21,710,000	127,353,257
GRAND TOTAL	22,317,977	267,682,102
Tax Increment	34,922,188	
Tax Allocation Bond Proceeds	0	
Loan Repayments	6,217,000	
Interest Income	507,000	
Other Income	330,000	

ACTIVITIES TO ADDRESS PRIORITY NEEDS

Housing Needs and Goals

As noted in the Strategic Plan section of the City’s 2010-2015 Consolidated Plan, there are several priority needs that the City intends to address. The chart below illustrates the number of households in San José, by income, paying more than 30% of their income on housing. Furthermore, the City has identified five-year and one-year goals to help respond to the need of residents for more affordable housing options. Table 2A below helps to demonstrate the overall need identified in the Consolidated Plan 2010-2015 and the goals for addressing this need.

The 1-Year Goals listed for Fiscal Year 2011-2012 include the anticipated commitments of new housing units, inclusionary housing units, households newly assisted through the Section 8 Voucher program, homeowner housing rehabilitation, and homebuyer purchase assistance.

Table 2A
Priority Housing Needs / Investment Plan Table & Goals
Five-Year and One-Year Goal

Priority Housing Needs – Households	Income Levels (# of Households)	Priority Need Level – High, Medium, and Low	Unmet Need based on Cost Burden	5 – Year Goal 2010-2015	1-Year Goal 2011.-2012
Small Related Renters (0-80%) - 20,974 (2-4 persons)	0-30%MFI (7,470)	H	6,125	70	25
	31-50%MFI (7,365)	H	5,523	47	25
	51-80%MFI (6,139)	M	2,701	150	0
Large Related Renters (0-80%) – 12,968 (5+ persons)	0-30%MFI (4,600)	H	3,956	9	176
	31-50%MFI (4,715)	H	2,923	25	413
	51-80%MFI (3,653)	M	876	0	117
Elderly Renters (0-80%) – 8,182	0-30%MFI (5,659)	H	3,723	0	48
	31-50%MFI (1,685)	H	1,078	0	136
	51-80%MFI (838)	M	444	0	0
Other Renter Households (12,533)	0-30%MFI (4,955)	H	3,518	344	202
	31-50%MF I (3,454)	H	2,798	0	0
	51-80%MFI (4,124)	M	2,557	0	0
Total Owner Households (0-80%) (38,411)	0-30% MFI (10,755)	H	7,528	509	59
	31-50% MFI (12,489)	H	7,118	508	54
	51-80%MFI (15,167)	M	8,190	611	113
Total			59,058	2,273	1,368

Geographic Distribution

Geographic Distribution of Housing and Services Race & Ethnicity Make-Up of San José

The City of San José is one of the most diverse jurisdictions in the nation. According to the 2000 Census, San Jose's population had a fairly even balance of people from White, Hispanic/Latino, and Asian backgrounds. By 2006, the three ethnic groups became even more evenly balanced, with each group comprising roughly one-third of the City's population. The City works to disperse affordable housing to avoid concentrations of low-income and minority populations by helping ensure services and affordable housing are available throughout the City.

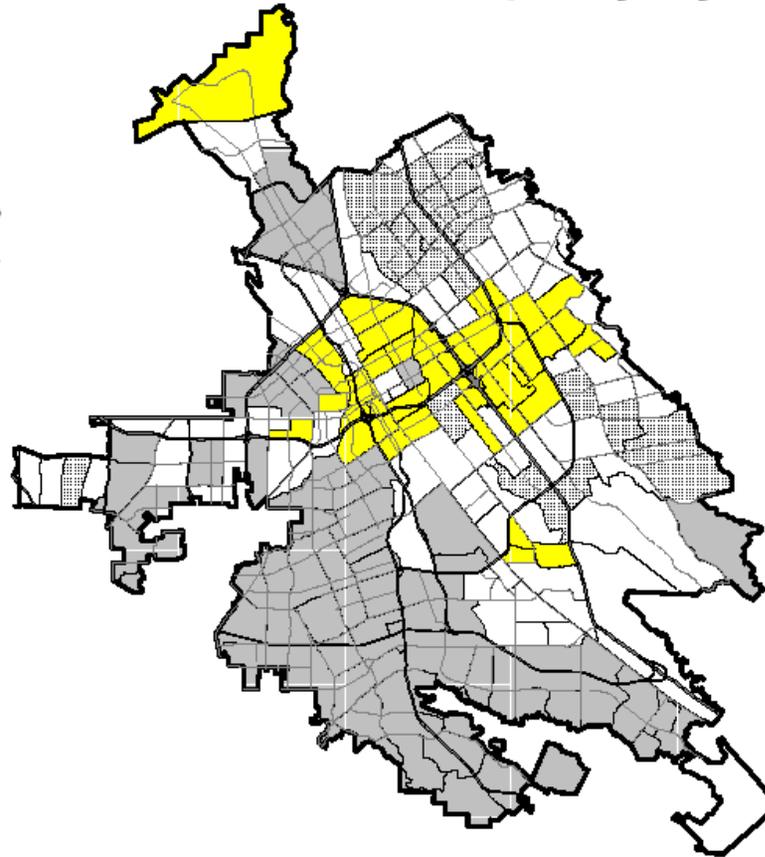
According to the 2000 Census, the non-Hispanic White population declined to 36.0% of the total population. Conversely, strong growth occurred within the Asian population, rising from approximately 150,000 persons in 1990 (18.7% of the City's population) to 238,378 persons in 2000 (26.6% of the City's population). The City has the largest Vietnamese population of any city in the United States as a result of this growth. Numbering just 8,000 persons at the time of the 1980 Census, the Vietnamese population rose to about 40,000 persons in 1990, and then doubled to nearly 80,000 persons in 2000. Thus, the number of Vietnamese persons in San José increased ten-fold over the last twenty years, and now accounts for 8.8% of the City's total population.

The City's Hispanic population experienced tremendous increase throughout the course of the last twenty years, roughly doubling in size from about 140,000 persons in 1980 to nearly 270,000 persons in 2000. As a proportion of the City's total population, the Hispanic population rose steadily from 22.3% in 1980, to 26.6% in 1990, and then to 30.2% in 2000. Of the City's Hispanic population in 2000, 81.9% was of Mexican descent. Hispanics are the most geographically concentrated major race/ethnic group in San José. According to the 2000 Census, Hispanic persons comprised over two-thirds of the population in fifteen census tracts, which tracts are primarily within or near the Downtown area. The highest concentrations of Hispanic persons in the City are found in the Washington and Mayfair neighborhoods, which are 81.0% and 80.1% Hispanic, respectively.

San José currently has a single race/ethnic group majority in six of its ten City Council Districts. Namely, Districts 6, 9, and 10 each contain a non-Hispanic White majority (55.7%, 69.2%, and 58.1%, respectively), Districts 3 and 5 each contain a Hispanic majority (58.1% and 58.0%, respectively), and District 4 contains an Asian majority (52.1%). With no single race/ethnic group majority, the remaining four City Council Districts (1, 2, 7, and 8) thus contain a diverse mix of the aforementioned and other race/ethnic groups. The map below demonstrates the race/ethnic make-up of San José.

City of San Jose Race/Ethnic Group Majority by Census Tract*

The term "majority" used here refers to a population that is more than 50% of the total population of the census tract.



Map Legend

-  Asian majority
-  Hispanic majority
-  White (non-Hispanic) majority
-  No race/ethnic group majority
-  Urban Service Area boundary

The citywide proportion of race/ethnic groups referenced above were as follows:

Asian= 27%
Hispanic= 30%
White (non-Hispanic)= 36%

*NOTE: The geographic boundaries of census tracts shown are inclusive of both incorporated and unincorporated areas. However, data includes only those persons residing in the City of San Jose.



Scale: 1 inch= 2.5 miles



Map Prepared by: City of San Jose, Planning Services Division, June 2004

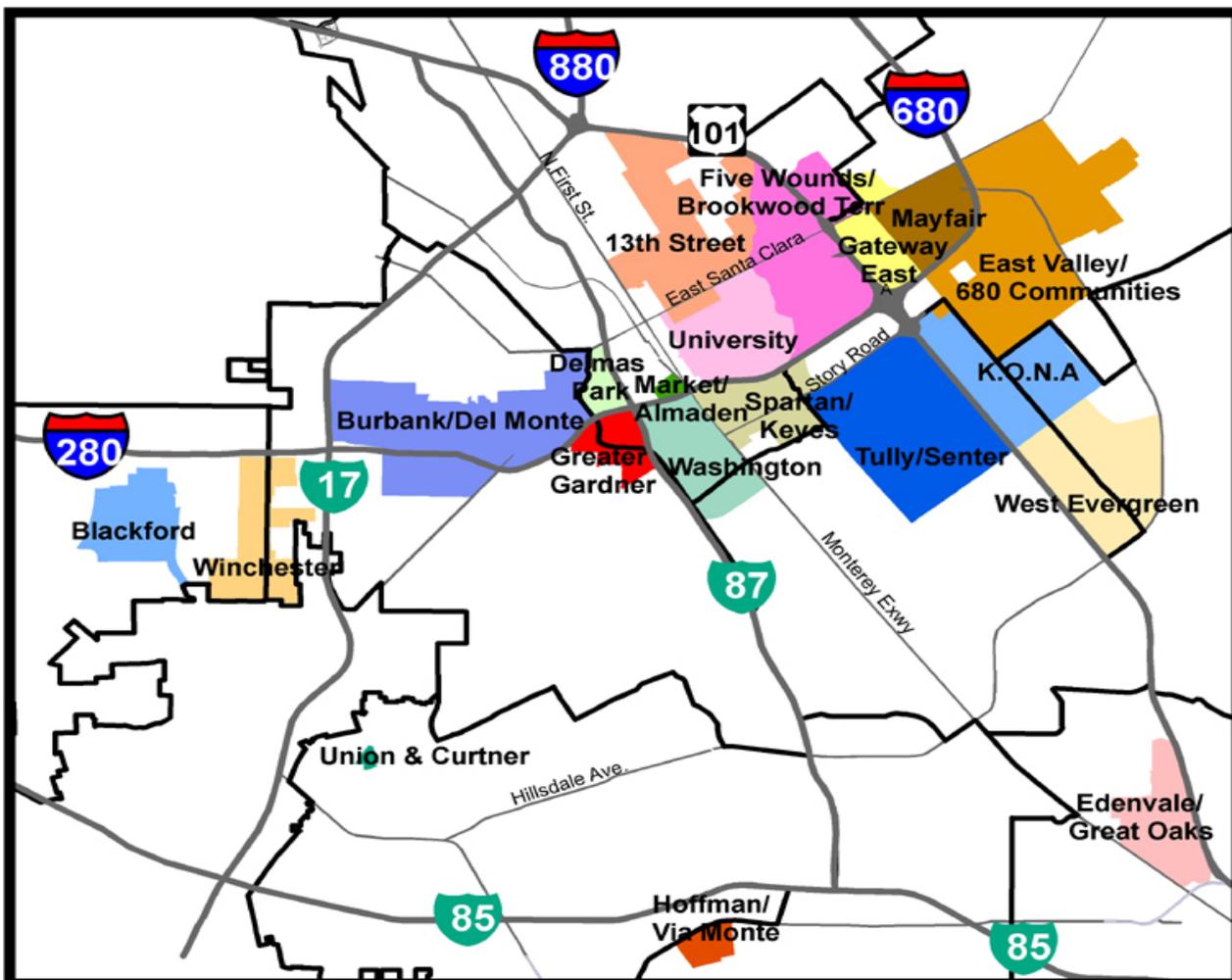
Source: U.S. Census Bureau, Census 2000

Targeting to Low- and Moderate-Income Populations

Strong Neighborhoods Initiative

The City of San José provides funds and services to low-and moderate-income participants, households, or areas throughout the City, but also targets specific locations such as the Strong Neighborhoods Initiative (SNI) areas. These neighborhoods have been identified as needing critical services due to a lack of existing resources, are typically low-income areas, and have much of the oldest housing stock in the City. Officially established in 2000, SNI has helped to foster the development of citizen-leaders throughout San José's lower-income neighborhoods. SNI is a publicly-funded program to improve services, economic opportunities, and quality of life in 19 neighborhoods throughout the city. The SNI neighborhoods cover about a tenth of the city's land, quarter of its population and contains about 230,000 residents. The SNI neighborhoods tend to be the older, inner-city neighborhoods with older infrastructure with a high proportion of low-income residents. The SNI is funded primarily using San José Redevelopment funds but is also supported by various other programs which receive State and federal funding.

Strong Neighborhoods Initiative Areas



Dispersion Policy

The City's Housing Dispersion Policy is a positive statement of encouraging affordable housing development throughout the City. Pursuant to this policy, the Council's approvals of City-financed affordable housing development are made in the context of the goal to balance and promote economic integration.

Pursuant to 24 CFR 91.225 and 570.601, no area of the City is arbitrarily precluded from consideration as a site for affordable housing. However, the City recognizes that certain census tracts contain a disproportionate number of lower-income households. The Dispersion Policy is meant to track affordable housing by impacted census tracts. Impacted census tracts are defined as those census tracts in which over 50% of residents are low-income. In November 2004, the Housing Department revised the list of impacted census tracts, based on a special Census 2000 tabulation request obtained from the Census Bureau. As a result of that study, 22 tracts were identified as impacted. These tracts were located in Council Districts 3 (13 tracts), 7 (4 tracts), 5 (2 tracts), 6 (2 tracts) and 2 (1 tract).

Based on a recent review, 25% of all newly constructed low-income affordable units were located in impacted areas. The remaining 75% were built outside of “impacted Census tracts”. The chart below shows the distribution of the City’s low-income affordable housing developments (1988-89 through present), by impacted census tracts.

Citywide Dispersion of Affordable Housing – Tracked by Developments (1988-89 to Present Under Construction)

<i>Impacted Tracts in San Jose</i>	<i>Council District</i>	<i>Total LI Units (Incl Beds)</i>
5120.18	2	188
5001.00	3	127
5009.02	3	63
5010.00	3	9
5014.00	3	80
5015.01	3	83
5015.02	3	0
5016.00	3	113
5031.12	3	422
5031.13	3	66
5036.01	3	46
5037.09	3	311
5008.00	3,6	231
5017.00	3,6	30
5037.02	5	258
5037.06	5	54
5019.00	6	228
5020.02	6	0

5031.05	7	199
5031.10	7	129
5032.13	7	0
5032.14	7	270
Total For Impacted Census Tracts in San Jose		2,907
Total For Non-impacted Census Tracts in San Jose		8,575
Total For Census Tracts in San Jose		11,482
% Impacted Units		25%

* *Impacted tracts are those tracts where more than 50% of the households are low-income households*

* *Includes only new construction of non-moderate, affordable units; excludes acq/rehabs, inclusionary and RDA assisted projects*

STRATEGIES TO SATISFY HOUSING NEEDS

STRATEGY #1 – Maintain and Expand the Supply of Affordable Rental Housing

Development of Affordable Rental Housing

The units financed by the City of San José’s affordable housing program represent a very significant part of the housing production taking place in the City. Over the last ten years, about 35% of the permits issued in the City of San José were for affordable housing projects.

It is the policy of the City of San José to provide financial assistance for affordable housing Development in the form of low-interest loans. Moreover, the City emphasizes gap financing, rather than primary financing, as a means to leverage its funds; the City requires that project sponsors leverage City funds with funds from non-City sources to maximize the total investment in affordable housing. Grants are provided in very limited circumstances.

The tables below identify completions of City-subsidized homes affordable to lower-income households that are expected for the fiscal year 2011-2012:

Fiscal Year 2011-2012 New Construction Rental Housing Project Completions

<i>Project Name</i>	<i>Council District</i>	<i>Unit Type</i>	<i>Units</i>
Archer Studios	3	Studios	41
Belovida at Newbury Park	3	Senior	184
Brookwood Terrace	3	Family	83
Cornerstone at Japantown	3	Family	52
Fourth Street Apartments	3	Family	100
Kings Crossings Family	3	Family	92
New San Jose Family Shelter	3	Homeless	35
Orvieto Family	7	Family	91
Ford and Monterey	2	Family	93
Rosemary Family Apartments	3	Family	182
McCreery Courtyards	5	Family	92
TOTAL			1,045

Fiscal Year 2011-2012 Acquisition/Rehab Rental Housing Project Completions

<i>Project Name</i>	<i>Council District</i>	<i>Unit Type</i>	<i>Units</i>
The Commons – Bill Wilson Center	N/A – In Santa Clara	Special Needs	27
TOTAL			27

Fiscal Year 2011-2012 Potential New Commitments

<i>Districts</i>	<i>Special Needs</i>	<i>Large Units</i>	<i>Homeless Shelter Units</i>	<i>Other Units</i>	<i>Total Units</i>
TOTAL					

Note: Special Needs may include units for seniors, developmentally disabled, mentally ill, chronically homeless or other special needs population

Rental Housing Subsidies – SECTION 8

The Housing Authority’s Section 8 Program will administer 6,436 vouchers in the City of San José in fiscal year 2011-2012. This number represents the City’s Section 8 Housing Choice Voucher allocation, but there are an additional 10,177 Vouchers allocated to the County of Santa Clara, for a total of 16,613 Vouchers countywide. The Housing Authority of the County of Santa Clara administers the Section 8 program on the behalf of the City of San José’s Housing Authority.

In April 2006, the Section 8 waiting list was opened for the first time in seven years and over 58,000 individuals signed up. Of the applicants who initially signed up for the Section 8 waiting list, 36,048 were from the City of San José. Currently, there are 53,291 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**). Since April 2006, the Mayor and City Council, acting as the San José Housing Authority, have designated Section 8 vouchers on an annual basis for the chronically homeless. As of February 2011, 517 chronically homeless vouchers have been issued as a result of these efforts.

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. A Moving to Work plan was adopted by the HACSC Board of Commissioners in the spring of 2009. The MTW designation will provide more flexibility in use of funding sources and will support the transition to creating more efficient programs.

In 2001, the Housing Authority’s Family Self-Sufficiency (FSS) Program was recognized by HUD’s “Best Practices Award” and is being used as a national model. This program currently serves more than 130 families under the City allocation and 156 families under the County allocation. All these families have individual action plans, including job training and educational plans, to help reach the goal of self-sufficiency. These self-motivated participants generate an estimated average of \$3000-\$6000 in escrow funds, an amount provided by HUD to match the increase in participants’ earnings, since the beginning of the program. Upon graduation each participant can use their escrow funds however they choose as long as they are no longer receiving welfare assistance. To date, 102 of the FSS graduates have used their money to help purchase a home.

Other programs run by the Housing Authority of the County of Santa Clara include the Shelter Plus Care Program, which provides a minimum of 200 housing units to serve homeless individuals with long-term disabilities; the Moderate Rehabilitation Program, which consists of 93 units serving families in privately owned residences with project-based subsidies; the Project-Based Assistance Program, which serves families in 1009 privately-owned existing, rehabilitated or newly constructed units with project-based subsidies. The Veterans Affairs Supportive Housing (VASH) program will provide assistance for up to 335 homeless veterans. HACSC has helped over 217 homeless veterans obtain housing and over 104 homeless veterans are in process of obtaining housing. The Family Unification Program (FUP) provides voucher assistance to families who have been separated due to lack of adequate housing. All 100 FUP vouchers have been utilized and the program allowed 215 children to be reunited with their families. The Housing Authority under the County of Santa Clara allocation was recently awarded 10 Non-Elderly Disabled (NED) vouchers which will allow non-elderly disabled people to transition out of care-giving institutions.

Other funding sources for rental housing development

The City of San José leverages its Low-and Moderate-Income Housing Funds (20% Funds) revenue by issuing long-term tax allocation bonds and securing a short-term line of credit to provide short-term gap financing. In addition, the City assists developers with their applications to other agencies to further leverage City resources, by applying to the California Debt Limit Allocation Committee (CDLAC) for tax-exempt bond allocations (which are accompanied by four percent Low-Income Housing Tax Credits). Other sources of outside leverage funding include nine-percent Tax Credits from the Tax Credit Allocation Committee (TCAC), Multifamily Housing Program (MHP) loans and Prop 1C funds

from the California Department of Housing and Community Development (HCD), Mental Health Services Act (MHSA) funding from the California Department of Mental Health, Affordable Housing Program (AHP) funds from the Federal Home Loan Bank, and loans from the County of Santa Clara’s Office of Affordable Housing and the Housing Trust of Santa Clara County. The Department does not anticipate issuing bonds in FY 2011-12.

STRATEGY #2 – Maintain and Expand the Supply of Affordable Ownership Housing

The City of San José uses a variety of funds including: HOME, 20% Low- and Moderate-Income Housing Funds, Proposition 46 funds, and others to assist low – and moderate income households purchase homes. The City works with various partner first-time homebuyer agencies to administer these homebuyer programs.

New Construction of Homeownership Projects

During FY 2011-2012 the City of San José does not plan on spending any additional resources to support the development of for-sale housing projects in the City.

In previous years, the City has been able to leverage additional funds for downpayment assistance for the purchasers of affordable units created through the City’s Inclusionary Housing Program. However, given the weakened housing market over the last several years no additional new-construction for-sale units are likely to be funded or created through the City’s Inclusionary Housing Program in FY 2011-2012.

For-Sale Affordable Housing – 2011-2012 Completions

Project Name	District	Unit Type	Units
<i>New Construction</i>			
N/A	n/a	For-Sale	0
Subtotal			0
<i>Inclusionary</i>			
No Projects	n/a	For-Sale	0
Subtotal			0
GRAND TOTAL			0

Downpayment Assistance Programs

The City continues to partner with one or more homebuyer education and counseling agencies. In FY 2010-2011, the City will contract with Project Sentinel to provide pre-purchase homebuyer education courses to low- and moderate-income homebuyers.

In 2011-2012, approximately 720 households will be assisted with pre-purchase homebuyer education. In addition to the City’s partnership with Project Sentinel, City of San José residents may also receive mortgage assistance loans through the Housing Trust of Santa Clara County (HTSCC). The HTSCC is a private, nonprofit lender supporting affordable rental and ownership housing programs throughout

Silicon Valley. In 2011-2012, the HTSCC anticipates making direct loans to qualifying homebuyers through a combination of its Closing Cost Assistance Program (CCAP), Mortgage Assistance Program (MAP) and Purchase Assistance Loan Program (PAL).

Targeted Outreach

On an ongoing basis, the City of San José, in partnership with other groups, provides information on homeownership assistance programs that are already available to low- and moderate-income households. The City will augment this ongoing effort by conducting a targeted outreach program directed to the following groups:

- Public school classroom teachers for which specialized mortgage loan programs are available.
- Prospective homebuyers participating in homebuyer education and counseling services sponsored by Project Sentinel.
- The Santa Clara County Association of Realtors (SCCAOR) and other real estate professional organizations
- Low- and moderate-income residents and employees who work within the City of San José municipal boundaries outreached through public presentations and workshops.

Homebuyer Education and Counseling

The City recognizes the value of a comprehensive homebuyer education program. In FY 2011-2012, the City will partner with Project Sentinel to provide this service on behalf of the City. Additional HUD approved homebuyer counseling courses are offered through Project Sentinel, Neighborhood Services Silicon Valley (NHSSV) and Surepath Financial (previously known as Consumer Credit Counseling Services (CCCS)). The City will continue to require that all first-time homebuyers complete a pre-purchase homebuyer education course prior to receiving City assistance.

WelcomeHome Program

In August 2008, the City implemented the Welcome Home program that provides 30-year second mortgages of up to \$25,000 for lower -income homebuyers in the form of a deferred repayment loan. The pilot program was initially funded with \$500,000 in Prop 1C money and then later, in September 2008, the budget was supplemented with \$1 million in Federal HOME funds.

In 2011-2012, the City of San José will continue to administer the program which is designed to assist approximately eighty low- income first-time homebuyers purchase new or re-sale homes. The Program will have a budget of approximately \$2 million, jointly funded by Proposition 1C money and federal HOME funds.

This loan may be layered with other forms of downpayment assistance to help homebuyers purchase homes within San Jose's municipal boundaries.

Foreclosures

Overall foreclosure filings in San Jose decreased in all categories (notice of defaults, auctions and bank-owned) from 2009 to 2010. Total filings fell 37% from 16,600 in calendar year 2009 to 10,500 in 2010. This was composed of a 39 percent fall in the number of default notices filed (from 10,900 to 6,700), a 40 percent drop in the number of auction sale notices filed (from 3,200 to 1,900 and a 23 percent drop in

bank owned properties from 2,500 properties in 2009 to 1,900 in 2010. Homes in the foreclosure process continue to be concentrated in certain areas in San Jose, particularly in East San Jose and along the 101 freeway where there is a higher population of lower-income as well as Vietnamese and Hispanic households. Besides the impact that foreclosures have on the families themselves, foreclosures also impact neighborhoods if they lead to vacant homes, blight, crime, or other undesirable activity.

During FY 2011-12, the Housing Department will continue to monitor the foreclosure situation in San Jose by tracking the number of homes in the foreclosure process and where they are located geographically. The use of NSP1 and NSP2 funds will be concentrated in the areas identified as hardest hit by the foreclosure crisis.

The Foreclosure Prevention Task Force, which includes members from local non-profit housing agencies and real estate and mortgage representatives, convened in early 2009, will continue to lead the ForeclosureHelp Program launched in April 2009. The ForeclosureHELP program is designed to provide those individuals and families affected by foreclosure with prevention and intervention assistance in addition to providing family re-stabilization services such as housing search and rental assistance for those individuals and families unable to preserve homeownership.

A ForeclosureHELP Center was opened in May 2009. It serves as a foreclosure hotline, answering an array of incoming telephone inquiries about mortgage delinquency and consumer concerns. Due to the limited number of available HUD approved counselors in Santa Clara County, its staff members are the frontline links to assisting those at risk of losing their homes. This program is a local government initiative with a mission aimed expressly at helping to educate, empower, and protect those with low to moderate incomes so they may build assets and make the most of their financial resources. Staff also educates clients about foreclosure intervention, creates awareness about loan modification scams, and engages in efforts to protect consumers under the Federal Trade Commissions rules like the advance fee ban. Workshops are being planned in the hardest foreclosure hit neighborhoods in a joint effort with HUD approved housing and non-profit legal agencies in mid 2011. Resources and referrals are made to HUD approved housing agencies, non-profit legal attorneys, public safety authorities, emergency financial agencies, employment centers and other non-profit related partners. Tenants of foreclosed properties are referred to legal services to assist with wrongful evictions and to one stop homelessness prevention programs for cash aid and rapid re-housing.

Since the opening of the program in May 2009 the program has assisted approximately 2,055 clients, resulting in 45 loan modifications, (reclaiming homes from foreclosure) and allowing homeowners to keep their home. In addition to San José Metropolitan area residents, staff report that their services have also been offered to residents in southern Santa Clara County and Santa Cruz County.

City staff will continue to support the ForeclosureHelp Program as an active member in the Foreclosure Prevention Task Force, as well as monitor and advocate for legislative efforts that seek to mitigate the impacts of foreclosures.

STRATEGY # 3 – Assisting Special Needs Population

As described in the City Consolidated Plan, individuals and families with special needs include: seniors, the physically and mentally disabled, the frail elderly, and those with AIDS/HIV. The following is an overview of the services and goals the City will undertake in the coming year to meet the needs of these vulnerable populations.

Housing Development for Special Needs

During FY 2011-12, the City will continue to monitor construction for North 4th Street, a 100-unit project with 35 units reserved for developmentally disabled households. The 42 apartments to be built at 90 Archer will also finish construction. When completed, the project will offer six units of MHSA funding to support residents with mental disabilities.

The City will use NSP funds to fund the 95-unit Ford and Monterey project which will house at least 14 households with special needs.

Housing Rehabilitation

Through the Housing Department's owner-occupied, and mobilehome rehabilitation programs, hundreds of special need households are assisted with repairs to their homes. The Housing Department will continue to make funds available for minor accessibility repairs as well as major rehabilitation to correct health and safety related deficiencies for the special need population. Over the next year the Department will continue to fund projects that serve special needs households including the disabled, seniors, large families, and female heads of household. The following estimates are based on previous service levels and client characteristics compared with the projected program budget.

Special Need	2011-2012 Funding	Number of Households
Disabled, Senior, Large Families	\$2,929,760	107
Female Head of Household*	\$2,053,570	75
Other Low Income	\$766,670	28
TOTAL	\$5,750,000	210

Based on Program changes adopted by the City Council in 2003, the Housing Rehabilitation Program continues to target the neediest of San Jose property owners – low-income households with incomes at or below 80% of AMI. For the past four years, over 75% of all program funding has gone to households in the very low- and extremely low-income categories (below 50% AMI). The program provides assistance to and is targeted to households that have few, if any, financial alternatives available to them to repair or rehabilitate their homes. If not for the availability of this program, residents may be faced with living in unsafe and unhealthy conditions or selling their homes and moving out of San Jose to a lower housing cost area elsewhere.

Mobilehome Repair Program

The Mobilehome Repair Program provides grants and loans to lower-income, owner occupied households to remedy immediate health and safety related deficiencies. Eligible homeowners may receive up to \$15,000 as a grant for repairs to their homes. San Jose has the largest number of mobilehomes in the state with 10,649 units in 58 parks. In the 2011-2012 Fiscal Year, the Housing Department is budgeting \$1,000,000 to assist approximately 80 mobilehome units. Historically, through the mobilehome repair program, the City has assisted a significant number of seniors and special needs households.

STRATEGY # 4 – Ending and Preventing Homelessness

Targeted Resources

The City of San José has the goal of ending homelessness within its boundaries while preventing additional people from becoming homeless. To accomplish this goal, in 2003, the City adopted a 10-Year Homeless Strategy. In 2007, in order to bring the issues of homelessness and the goal of ending chronic homelessness to the forefront of policymakers, funders, and the community at large, the City, in coordination with the County spearheaded a Blue Ribbon Commission (BRC) on Homelessness and Affordable Housing. The BRC, co-chaired by San Jose Mayor Chuck Reed and Santa Clara County Supervisor Don Gage and comprised of representatives of local nonprofits, businesses, and government agencies, was charged with getting the political will, resources, and community backing to make ending chronic homelessness a reality. In early 2008, the recommendations of the Blue Ribbon Commission were initiated; these combined efforts are now known as "Destination: Home." Destination: Home brings together government and private sector partners to end homelessness and address the affordable housing crisis in our community. It does not intend to duplicate the existing social service delivery system, but instead is attempting to create a best practice model that will provide operational efficiencies that allow for more effective service delivery and foster the reduction and eventually elimination of homelessness.

Housing Trust Fund

In June 2003, the City of San José established a **Housing Trust Fund (HTF)**, which is administered by the Director of Housing. The purpose of the HTF (originally the Housing and Homeless Fund) is to ensure ongoing funding for programs that address ending and preventing homelessness. In Fiscal Year 2011-2012, it is anticipated that the HTF will be used for the following purposes: City staff compensation; support for Destination:Home administrative and programmatic costs; a Downtown Homeless Outreach Program to improve the connection between homeless individuals and housing services; the match for federal, State and regional grants; emergency funds for persons displaced by fires or other disasters; on-going contracts for homeless services; and resources for emergency needs identified by shelter and service providers.

HOPWA

The City will continue to work with the **County of San Benito's Health and Human Service Agency and the Health Trust**, and other applicable agencies to identify effective service strategies and determine the appropriate allocation of funding to meet the housing and support service needs of individuals and families living with HIV/AIDS.

In order to solicit proposals for its FY 2010-2012 HOPWA application, the City posted a Notice of Funding Availability (NOFA) in November 2009. In the second year of a two-year funding cycle, the City of San José anticipates awarding \$745,000 in HOPWA (entitlement) funds to the Health Trust and \$27,250 to the County of San Benito Health and Human Services HOPWA Program (as of FY 2004, San Benito County was incorporated into the San Jose Metropolitan Statistical Area). \$26,145 will be used by the City to administer its HOPWA program.

HOPWA SPNS

In November 2010, the City received the renewal for a three-year competitive Housing Opportunities for Persons with AIDS (HOPWA) Special Project of National Significance (SPNS) in partnership with the Health Trust. We will continue to provide affordable housing opportunities and supportive services to very low- and low-income Santa Clara County residents disabled by HIV/AIDS. The funds will be equally allocated over a three-year funding cycle from 2010 through 2013. .

ESG

In order to allocate its FY 2010-2012 ESG funds, in February 2010, the Housing Department convened an application evaluation panel comprised of staff from the Santa Clara Mental Health Department, the City of Santa Clara, City Team Ministries, and Community Technology Alliance. In support of its efforts to end homelessness the City decided to prioritize those programs that show success at move their homeless clients into permanent housing. The City's other ESG funding priorities for FY 2010-2012 are as follows:

Essential Services - Counseling services concerned with health, substance abuse, education, employment, assistance in obtaining permanent housing, obtaining federal, State, and local assistance, including Veteran's benefits, supplemental Social Security Income, TANF, and Food Stamps.

Shelter Operating costs - Reimbursement of costs associated with the operation of shelters, which may include utilities, food, maintenance, repair, security, insurance, equipment and furnishings, and up to 10% for the cost of operations staff.

The following chart illustrates the ESG funding requests and recommendations for FY 2011-2012 based on the City's anticipated allocation of \$400,000. The funding recommendations must be approved by both the Housing and Community Development Advisory Commission and the City Council prior to being adopted. Funding amount is subject to change when we receive 2011-2012 ESG allocation from HUD.

Agency	Activity*	Proposed Funding
AACI	Provide shelter, food and case management to 144 unduplicated clients	26,000
Bill Wilson 2nd Street Drop-In Center	Provide case management and Street Smart and Job Readiness workshops to 875 unduplicated clients	35,000
Bill Wilson-Runaway and Homeless Youth Shelter	Provide shelter, food and case management to 305 unduplicated clients	35,000
EHC LifeBuilders - Boccardo Reception Center	Provide shelter, food and case management to 135 unduplicated clients	80,000
Family Supportive Housing - San Jose Family Shelter	Provide shelter, food and case management to 600 unduplicated clients	50,000
InnVision, Commercial Street Inn	Provide shelter, food and case management to 276 unduplicated clients	35,000
InnVision, Georgia Travis Day Center	Provide shelter, food and case management to 276 unduplicated clients	40,000
InnVision, Montgomery Street Inn	Provide shelter, food and case management to 256 unduplicated clients	41,000
Next Door: Solutions to Domestic Violence	Provide shelter, food and case management to 230 unduplicated clients	27,000
Support Network for Battered Women	Provide shelter, food and case management to 1,100 unduplicated clients	25,000
West Valley Community Services	Provide shelter, food and case management to 135 unduplicated clients	25,000
Total		419,000

*The narrative provided in the “Activity” column reflects what each agency described as its objective in its application for funds. However, the objectives will need to be revised to reflect the actual final award amount approved by the City Council.
City Council.

Homeless Prevention Activities

In 2003, the federal government adopted a goal to eliminate chronic homelessness within ten years and called upon the nation's cities to adopt plans to make this goal a reality. The National Alliance to End Homelessness, the federal government, the U. S. Interagency Council on Homelessness, and the U.S. Conference of Mayors have all embraced this objective.

On September 23, 2003, the San José City Council adopted a resolution approving a **Homeless Strategy** for the City of San José. In approving the Plan, the City joined dozens of other communities throughout the nation seeking to revise the current approach to addressing homelessness. The Homeless Strategy, adopted by the Mayor and City Council, outlines the extent of the homeless problem in San José, describes the many programs and policies the City has adopted over the years, and lays out a series of policies and actions designed to eliminate chronic homelessness in San José within ten years. More recently, the City in coordination with Santa Clara County, and representatives from local nonprofits and businesses, established a Blue Ribbon Commission (BRC) on homelessness and affordable housing to gain the political and community will and resources to make the homeless strategy a reality. The implementation of the BRC's recommendations is occurring under the name of Destination: Home. The major areas of focus for both efforts are as follows:

Prevention - Emphasize programs that seek to prevent homelessness, such as one-time rent to prevent eviction, a rental guarantee program, and an emphasis on the development of permanent supportive housing. In addition, the City is working with government and nonprofit agencies throughout the county to develop a discharge planning strategy to prevent persons being released from institutional settings, such as jails and hospitals, from becoming homeless.

Rapid Re-housing (Housing First) - Continue to support existing homeless and transitional shelters, but focus on moving people quickly into permanent housing with supportive services as seen in the successful **Housing First** approach. The City is working with the County and local nonprofits to match ongoing intensive case management services with permanent affordable housing to ensure that homeless individuals that move into permanent housing have the support system they need to stay in the housing. These case management services will be matched with new affordable housing opportunities including the provision of up to 200 new Section 8 Vouchers annually for chronically homeless residents and a tenant based rental assistance program to help homeless residents afford to pay rent while they wait for a Section 8 Voucher or other affordable housing opportunity. Other efforts will include creating mutually beneficial partnerships with property owners and managers to remove the stigma of renting to extremely low-income and formerly homeless people, and increasing the number of units of permanent housing available to chronically un-housed people linked with supportive wraparound services.

The City is also working with its Destination: Home partners on an outreach and engagement program that will proactively work with local homeless residents living on the streets to gain their trust and assess their needs, with the ultimate goal of providing them with long-term case management services and permanent housing.

Wraparound Services – In the fall of 2008, Destination: Home opened the Santa Clara County Medical Respite Program for homeless individuals who have recovered enough to be released from a hospital setting. This respite program provides these individuals with a safe place to recover from their illness and receive light medical attention while getting the services needed for them to become permanently housed decreasing the likelihood of their return to the emergency room. By August 2011, the Medical Respite Program will have increased the number of available beds from 15 to 20 and doubled the number of

medical exam/case management rooms from two to four. The facility improvements will improve access to health care services for chronically homeless adults with complex medical conditions and related psychosocial problems. In the fall of 2008, Destination: Home opened two One Stop Homelessness Prevention Centers. These One Stop Centers provide, at one location, the services needed by homeless and at risk residents to address issues and access permanent affordable housing. Over the coming year, Destination: Home will work with a variety of systems to ensure that homeless individuals and families will be housed 60 days after entry into services, and stay housed for at least 12 months. The goal is for the One Stop Centers will be an access point for permanent housing solutions.

Proactive Efforts – Create a discharge plan that proactively anticipates and meets the needs of individuals who are being released or have recently been released from an institutional setting including mental institutions, hospitals, and the criminal justice system. The goal of the discharge plan is to coordinate services and develop a plan of action to provide these individuals with the assistance and resources they need to prevent them from becoming homeless. The City is working closely with the Santa Clara County Department of Corrections, the Hospital system, the County of Santa Clara, local homeless service providers, employment agencies, and other agencies as appropriate to develop a discharge plan to prevent those leaving the hospital or criminal justice system from being discharged to the streets. These efforts include the expansion of the existing Medical Respite Program mentioned above. The expansion project will convert under-utilized Boccardo Reception Center space to increase the number of medical respite beds from 15 to 20 and the number of exam rooms from two to four and to create additional private space for case management meetings with homeless patients. In addition, in October of 2010, Housing received the award of a federal appropriation for the “Skills to Succeed” program which will provide case management, job training and employment assistance to women being discharged from the criminal justice system.

The City is also working to ensure that data systems collect the information needed to determine the needs of the homeless and the success of program efforts. The City funds and works collaboratively with Community Technology Alliance, the County’s HMIS administrator to ensure that all federal and City funded agencies are active participants of HMIS. The City will continue to work with its government, nonprofit, and business partners to bring new resources into the community to cover the costs associated with the services, including monitoring and advocating for legislation at the State and federal level.

In addition to these strategies, the following activities will be pursued to address the housing needs of the homeless and special needs populations in the coming year:

In September of 2010 the City and Santa Clara County launched a housing search database, SCChousingsearch.org, which was created to streamline access to real-time affordable rental housing information. The City worked with Social Serve, a nonprofit housing location database provider, to develop the database specific to the region.

Transitional and Permanent Housing Assistance

The City of San José has financially supported construction and rehabilitation projects, which, over the past 20 years, have resulted in over 1500 transitional and permanent housing units for homeless and special needs individuals. In 1997, Markham Terrace opened ninety-five Single Room Occupancy (SRO) units for homeless, senior, veteran, and disabled individuals. This development will be torn down and rebuilt with 102 replacement units. In November 2007, the 14-unit Edenvale Special Needs development was completed providing housing to the developmentally disabled. Sobrato House, with 10

shelter beds and 9 units for transitional housing for homeless at-risk youth was completed in February 2008.

In August of 2006, the City Council approved Disposition and Development Agreement between the City and First Community Housing and the John Stewart Company for the development of Casa Feliz, a 60 unit project containing 21 units set aside for developmentally disabled persons. Of the total 59 rental units, 52 are available to extremely-low income households. Casa Feliz was completed in February 2009. On December 4, 2007, the City Council approved the issuance of tax-exempt multifamily revenue bonds for the acquisition and rehabilitation of the 179 unit Curtner Studios. 27 units are set aside for the mentally disabled and currently all units are rented to individuals whose income does not exceed 30% AMI. The project was completed in January 2009 adding substantial green features to the building.

For 2011-12, the City will complete two projects assisting the homeless population. Kings Crossing, which will offer 94 units with 10 units reserved for formerly homeless families will finish construction in the Spring of 2012. Located on the same podium as Kings Crossing, the New San Jose Family Shelter should also finish construction around the same period. The new shelter will replace the current family shelter with 35 temporary shelter units appropriate for homeless families.

In addition to funding construction and rehabilitation projects, the City uses CDBG funds to supplement programs that provide stabilization services such as shelter, food, clothing, and counseling services emphasizing a continuum of care to prevent “at-risk” individuals and families from becoming homeless and to assist employable individuals and families who have become homeless. Detailed information about these programs is included in the “*Community Development Block Grant Programs*” section of this Plan. The following identifies the specific programs targeted to homeless and special needs populations:

- ◆ **Emergency Domestic Violence Shelter Programs** - CDBG supports two domestic violence shelter programs (Shelter Next Door and Asian Women’s Home).
- ◆ **Homeless Support Services** - CDBG funds two programs providing support services for homeless populations (Tech SCC Tools for Ending Chronic Homelessness and San José H.O.M.E.S).
- ◆ **Homeless Prevention Services** - CDBG supports one program to prevent homelessness (Heart BEAT)

CDBG funds are also targeted to services for persons with disabilities, including support for affordable housing. Funding priority is given to services that stabilize individuals and families and enhance independence, education, advocacy, recreation, transportation and community accessibility.

The City currently has **over 800 beds of emergency shelter, over 700 beds of transitional housing, and over 700 beds of permanent housing**, which serve homeless individuals, families with children, women with children, youth, and victims of domestic violence. In line with its goal of ending chronic homelessness, the City plans to start shifting its funding away from programs that provide emergency shelter or transitional housing. Instead, the City will target its funding towards the provision of permanent housing, affordable to extremely low-income households, combined with a comprehensive system of services that will foster the ability of homeless households from gaining and maintaining self-sufficiency.

As mentioned earlier, the City is an active participant in Work2future, which consists of representatives from area employers, educators, and economic development and community service organizations. Work2future works to link job training programs and local employers. These linkages are critical to

ensuring that residents have the skills and training needed to enter or return to the job market. In FY 2011-2012, the Housing Department will continue to collaborate with Work2Future on Project Hope – a job training and employment program for homeless individuals and those at risk of becoming homeless, including victims of domestic violence, youth transitioning out of foster care, and persons recently released from the criminal justice system on nonviolent charges. The City will allocate local Housing Trust Fund dollars for the Project Hope program to enhance a federal appropriation from the Department of Labor.

STRATEGY #5 – Promote Fair Housing Choice

The following policies and actions respond to the fair housing needs expressed in Section 4 of the AI, and reinforce the current fair housing programs and activities described in Section 5.

Access to Affordable Housing

Need: A variety of factors may cause unequal access to housing. For example, due to the requirements associated with various affordable housing funding sources, certain households may encounter difficulties in accessing subsidized housing. Applications can involve a large amount of paperwork or have short application time frames and submittal requirements. These requirements present obstacles for homeless or disabled individuals who lack the resources and skills to complete the necessary documentation. Moreover, affordable housing providers often have difficulty filling accessible units with disabled individuals. In contrast, service providers indicate a great need for affordable accessible housing. Additionally, persons who lack English proficiency may experience barriers to housing even when options do exist. Finally, and in large part due to the economic downturn, many qualified potential homebuyers have a difficult time accessing credit and financing.

Action #1: Facilitate access to below-market-rate units. Entitlement Jurisdictions shall continue to assist affordable housing developers by advertising the availability of below-market-rate units via the jurisdictions' websites, the 2-1-1 information and referral phone service, and other media outlets. The jurisdictions will also facilitate communication between special needs service providers and affordable housing developers, to ensure that home seekers with special needs have fair access to available units. The City of San Jose will also work with the affordable housing developers it funds to revise their housing applications to reduce the obstacles that persons who are disabled or homeless may have in submitting completed paperwork within the allowable time.

Action #2: Maintain a list of partner lenders. The Entitlement Jurisdictions shall maintain a list of lenders that can help buyers access below-market-rate loans and locally-sponsored downpayment and mortgage assistance programs.

Action #3: Provide language assistance to persons with limited English proficiency. Many individuals living in San Jose for whom English is not their primary language may speak English with limited proficiency or, in some cases, not at all. As a result, persons who are limited English proficient (LEP) may not have the same access to important housing services as those who are proficient. The City of San Jose and its City-funded agencies shall implement and maintain a language access plan (LAP) consistent with federal guidelines to support fair access to housing for LEP persons.

Action #4: Implement an Affirmative Fair Housing Marketing Plan to create fair and open access to affordable housing. The City of San José believes that individuals of similar economic levels in the

same housing market areas should have equal access to a like range of housing choices regardless of race, color, religion, sexual orientation, gender, familial status, disability, or national origin. The City of San Jose City-funded agencies shall follow the plan (Appendix G) consistent with federal guidelines to promote fair access to affordable housing for all persons. The City will also work to develop relationships with landlords to facilitate their provision of housing to persons with imperfect credit histories or other issues in their backgrounds.

Fair Housing Services

Need: The AI finds that fair housing is an ongoing concern in Santa Clara County. In particular, interviews with local service providers indicate that many homeseekers and landlords are unaware of federal and State fair housing laws. They also remain unfamiliar with protections offered to seniors, disabled, and other special needs populations, as well as families and protected classes.

Action #5: Partner with local service providers to conduct ongoing outreach and education regarding fair housing for homeseekers, landlords, property managers, real estate agents, and lenders. Outreach should occur via training sessions, public events, jurisdictions' websites and other media outlets, staffing at service providers' offices, and multi-lingual flyers available in a variety of public locations.

Action #6: Conduct fair housing testing in local apartment complexes. The testing program looks for evidence of differential treatment among a sample of local apartment complexes. Following the test, the service provider submits findings to the local jurisdiction and conducts educational outreach to landlords that showed differential treatment during the test.

Local Zoning

Need: Local jurisdictions' zoning requirements must comply with State law, the federal Fair Housing Act of 1968, and the Fair Housing Amendments Act of 1988. As discussed in Section 4, the AI identifies cases where local zoning requirements do conflict with State and federal requirements, and documents how the subject jurisdictions are rectifying these issues. The respective jurisdictions' Housing Elements also serve as a reference for these corrective programs.

Action #7: Ensure that local zoning ordinances are consistent with State and federal fair housing laws. Modifications to be evaluated may include, but are not limited to, the following:

- Entitlement Jurisdictions shall revise their zoning regulations as necessary to ensure that the requirements for secondary units conform to State law.
- Entitlement Jurisdictions' zoning ordinances shall have a definition of family that is consistent with the Lanterman Developmental Disabilities Services Act and the federal Fair Housing Act and the Fair Housing Amendment Act.

Action #8: Ensure that local zoning ordinances have effective procedures to respond to reasonable accommodation requests in order to accommodate the needs of persons with disabilities.

Housing Authority

Need: Local Housing Authorities are well-versed in fair housing requirements, and aim to apply these consistently in their outreach, property management, waitlist maintenance, and tenant recruitment efforts. The following action emphasizes the need for local jurisdictions to assist local housing authorities in this regard.

Action #9: Assist local Housing Authorities with outreach. Entitlement Jurisdictions shall continue to support the Housing Authority of the County of Santa Clara and the City of San José Housing Authority to ensure adequate outreach to minority, limited-English proficiency, and special needs populations regarding the availability of public housing and Section 8 vouchers. Outreach may occur via the jurisdictions’ websites and informational flyers in multiple languages available at public locations. Given the extended waiting lists for public housing and Section 8 programs, attention will primarily be paid to fair management of the wait list.

Complete Communities

Need: Impediments to fair housing choice can occur when poor linkages exist between the locations of major employers, amenities, transportation, and affordable housing. Under these conditions, persons who depend on public transportation, such as lower-income households, seniors, and disabled persons, are more limited in their housing options. Santa Clara County’s inventory of subsidized housing, public housing, and community care facilities are relatively well-connected to public transportation. However, much of the region is still dependent on automobile travel. When auto costs are combined with housing costs, total living costs in the region are some of the highest in the Bay Area. Entitlement Jurisdictions should continue efforts to support transit-oriented development and further improve connections between new housing, amenities, and employment centers.

Action #10: Plan for and facilitate transit-oriented developments and complete, mixed-use and mixed-income communities. Entitlement Jurisdictions shall plan for compact and complete communities that have a mix of housing, retail, services, and jobs that are easily accessible through non-auto oriented means, including walking, biking, and public transportation.

Action #11: Facilitate safe and efficient transit and pedestrian routes. The Entitlement Jurisdictions shall continue to work with local transit agencies and other appropriate agencies to facilitate safe and efficient routes of transportation, including public transit, walking and biking.

Action #12: Partner with affordable housing developers to make alternative means of transportation easily accessible to its residents. The City of San Jose will work with its funded affordable housing developers to provide residents with incentives to use non-auto means of transportation including locating new developments near public transportation and providing benefits such as ecompasses.

Fair Housing Services

Educate Landlords and Managers on Fair Housing Compliance

The City of San José will continue to coordinate with local Fair Housing service providers and the Tri-County Apartment Association on workshops for apartment owners and managers.

The City will continue to send out information on Fair Housing laws to San José apartment and mobilehome park owners. When possible, the mailings will be coordinated with the City's Rental Rights and Referral program mailings to defer costs.

The City will continue to work with the Tri-County Apartment Association and local Fair Housing service providers to develop new approaches to educating San José apartment owners and managers.

The City will continue to research other jurisdictions' Fair Housing programs in order to identify innovative and successful outreach and education methods to reach new owners, owners with a history of Fair Housing violations, and those who may not speak the same language as their tenants, as well as the tenants themselves.

Prevent Sexual Harassment

As part of its Fair Housing mailings, the City will include information specifically on how the Fair Housing laws apply to sexual harassment.

Outreach to Homeowner Associations

The City of San José will continue to work with the Santa Clara County Association of Realtors, the California Mortgage Brokers Association, and local fair housing service providers to identify homeowner and condominium associations within San José. The City will send identified associations educational materials on their rights and responsibilities under Fair Housing laws. The City will also work with these associations to identify additional methods to engage and educate their members on the Fair Housing laws including newsletter articles and targeted workshops.

Educate Immigrant Groups and Residents with Limited English Language Skills

The Housing Department will continue to implement a Language Access Plan (LAP) to assist those who need access to housing programs and services but who have limited English proficiency. The assistance will include both oral and written translation services. Additionally, the Housing Department will work with community-based organizations that receive federal funding via the Department to develop their own LAPs.

The City will continue its marketing efforts which are instrumental to ensuring that LEP clients who seek language assistance for housing programs receive quality language services. Certain language groups may be under-represented as seeking LAP services not because they do not have demand for them but because they do not know that such language services exist. Additional marketing and outreach efforts may uncover latent demand for LAP services, which will be registered by future data gathering efforts. Marketing efforts may include:

- Placing multilingual signs or posters in common areas within the Housing Department and throughout San José City Hall. These outreach material will inform the public that the Department provides oral translation services for housing programs and materials. Appendix D of this report has two examples of multilingual posters already used by the Seattle Housing Authority.
- Including taglines on Housing Department material indicating that translation services in Spanish, Vietnamese, and Chinese are available.

- Placing marketing and translated written documents on the Department
- The City will continue to distribute fair housing materials in multiple languages at local fairs and other community events that cater to a diversity of residents.
- Web site.
- Placing public meeting announcements involving Housing Department programs and services on non-English media outlets, such as ethnic newspapers or radio and television stations.
- Promoting United Way's 211 hotline as a one-stop source for oral translation services, as well as for housing and community development programs.

Educate on Issues Related to "Special Needs" Residents

- The City will continue to coordinate with organizations that work with and advocate for seniors and persons with disabilities, including senior centers and the Council on Aging Silicon Valley, to provide outreach and education on their rights under the Fair Housing laws.
- The Housing Department will update its website, as needed, with information on reasonable accommodation and modification, as well as accessibility requirements for new housing developments.

Coordination of Fair Housing Services

- Along with other entitlement jurisdictions and local nonprofits, the City of San José Housing Department will continue its active participation in the Santa Clara Countywide Fair Housing Task Force. The goals of the Task Force are to increase coordination on a countywide level, improve Fair Housing services, develop new sources of funding, measure the occurrences of discrimination and the effectiveness of current enforcement activities, and improve public education.
- The Housing Department will continue to facilitate communication between the Rental Rights and Referrals Program, Tri-County Apartment Association, and local nonprofits to coordinate Fair Housing activities and discuss recent trends.
- The City will continue to seek funding for a comprehensive records system to enable Fair Housing service providers and City staff to more effectively monitor Fair Housing complaints and trends.
- The Housing Department will collect and compile information from the Fair Housing service providers on complaints and their resulting outcome, outreach and education efforts, and any other pertinent information. Based on this report, the City will alter its outreach and education plan, and advocate for policy changes, in order to better address residents' needs.

Lending Practices

Access to Financing

The City will continue to offer home improvement assistance and affordable homeownership opportunities to qualified households.

The City will continue to coordinate with members of the local mortgage brokers association regarding their current consumer education activities, including those in conjunction with the Don't Borrow Trouble Silicon Valley anti-predatory lending campaign.

Predatory Lending Practices

The City of San José Housing Department will continue to coordinate the local anti-predatory lending group, Don't Borrow Trouble Silicon Valley, and refine its outreach, education and counseling program to better assist residents in protecting themselves from abusive lending practices.

The Housing Department has provided funding for a homebuyer education program. It will also continue to provide funding for a revolving loan fund to Fair Housing Law Project and Project Sentinel. The fund assists homeowners who are in litigation over predatory lending suits by paying their mortgage payments until the lawsuit is completed.

The Housing Department will continue to update the information on its website regarding fair lending and predatory lending practices, as well as contacts for assistance.

The City will continue to advocate for measures that both protect residents from abusive lending practices and promote the distribution of beneficial home loans.

The Housing Department will continue to work with mortgage broker and real estate associations, other local government agencies, and nonprofits, to identify abusive lending practices and develop new methods to curtail these activities.

The City will continue to monitor and evaluate anti-predatory lending legislation on the local, State and federal levels.

The Housing Department will coordinate with Don't Borrow Trouble Silicon Valley, to better assist residents with resources pertaining to foreclosures.

Affordable Ownership Housing

The City will advocate for and support measures that encourage the production of condominiums and other types of more affordable ownership housing. The City is also taking a proactive role in protecting homeowners by working with partners throughout Santa Clara County to prevent foreclosures.

Foreclosure Prevention

City staff will continue to support the ForeclosureHelp Program as an active member in the Foreclosure Prevention Task Force, as well as monitor and advocate for legislative efforts that seek to mitigate the impacts of foreclosures.

STRATEGY #6 – Lead Based Paint Strategy

The Department of Housing continues to provide lead testing and assessment services on all dwellings receiving rehabilitation that were built prior to 1978. In addition, lead-based paint testing is performed on pre-1978 dwellings in the Project Alliance and NSP Programs. The Housing Department continues to contract with an outside environmental consultant to provide these testing and assessment services. This is in addition to the trained and lead certified Housing Department staff. These services are being provided in part to comply with Federal regulations 1012 and 1013 of Title X. Additionally, these services are being provided to ensure a safer environment for those we serve. Despite the fact that less than 40% of Program funding is derived from federal funds, 100% of eligible conventional homes built prior to 1978 are tested for lead. Regardless of the funding source, those properties testing positive for this hazard are mitigated in conjunction with rehabilitation.

Over the past four years, the Housing Department has tested over 536 properties for the presence of lead-based paint. Over the next five years, it is anticipated that, on average, 200 properties built prior to 1978 will be rehabilitated per year. Data over the past three years suggests that approximately 40% of the housing stock tested, tested positive for lead-based paint at levels over HUD's acceptable limits. Based on these results, an estimated 80 properties per year will potentially receive some level of lead remediation or abatement.

STRATEGY #7 – Anti-Poverty and Community Development Strategy

“Though our income averages are impressive, we all know that averages don’t tell the whole story. The portion of residents unable to afford median-level housing is increasing, and foreclosures are spiking upward. Too many are unprepared to compete in today’s economy. Growing less than one percent, real per capita income held in the region while growing by three percent in the U.S. Twenty-two percent of all households in the Valley earned less than \$35,000 in 2005 falling two percent from 2004.”

-2007 Index of Silicon Valley. Joint Venture: Silicon Valley Network

“The Strong Neighborhoods Initiative (SNI), officially established in 2000, specifically targets areas that have been identified as needing critical services because they have a lack of resources, are typically low-income areas, and lack adequate resources.”

-Building Strong Neighborhoods Business Plan, 2007

San Jose's CDBG program has sought to respond to challenges faced by the City's low-income residents by developing funding priority strategies that meet the needs of our residents. As stated below, the \$12,671,115 in anticipated available CDBG funding for the 2011-12 fiscal year includes the 2010 CDBG award of \$10,896,115, anticipated program income of \$700,000 generated through the repayment of CDBG housing rehabilitation and revolving loan fund loans, and a fund balance of approximately \$1,075,000 from recaptured funds from previous years cancelled programs. The proposed budget and associated funding recommendations are contingent on many factors. These factors include

receiving the associated entitlement amount from HUD and successful performance and monitoring of the sub-recipients funded in FY 2010-2011. In addition, approximately \$2.6 million remains unprogrammed. The City anticipates that it will program the funds prior the May 15, 2011 submission deadline and include the recommendations in the final Annual Action Plan.

During the 2010-11 planning phase, CDBG surveyed residents to identify funding priorities that would meet the most critical community needs. This effort sought to identify the needs of communities located within San Jose, and were used in the development of the four funding categories for FY 2010-2012.

The four CDBG established funding categories are as follows:

- **Basic Needs:** Housing, food and nutrition, transportation and homeless prevention services.
- **Access to Health Care for Seniors and Disabled:** Senior/disabled health care access support services including non-recreational health respite or daycare, assisted living, caretaker supportive services, health care services, and transportation.
- **Self-Sufficiency:** Counseling and case management services to assist individuals become self-sufficient. Service areas may include employment, housing search, foreclosure prevention, homeless prevention, domestic violence, mental health, homeless/emancipated youth, independent living skills, and other services that demonstrate client self-sufficiency outcomes.
- **Legal Services/Fair Housing:** Legal and fair housing services covering senior/elder abuse, immigration, eviction, legal rights education, housing, and foreclosure mitigation.

The Housing Department also identified community development projects that would create the most impact within a neighborhood. These include economic development, housing rehabilitation and code enforcement activities.

The following chart shows the proposed budget for FY 2011-12.

2011 Entitlement	\$10,896,115
Program Income	\$700,000
Subtotal	\$11,596,115
Public Service (15%)	\$1,739,417
Administration, Fair Housing, Planning (20%)	\$2,319,223
Subtotal Remaining	\$7,537,475
Fund Balance (Reserve)	\$1,075,000
CDI	\$8,612,475
Total Budget	\$12,671,115,

Community Contractual Services

Access to Healthcare

CDBG will fund nine projects totaling \$281,687. Activities eligible in the funding category are health care access support services including non-recreational health respite or daycare, assisted living, caretaker supportive services, health care services, and transportation. Projects under this funding category are the following:

Agency	Activity	Award
Live Oak Adult Day Services, Senior Adult Day Care/Respite	The project will provide adult day care services to frail, low-income, at-risk seniors and respite services to family caregivers.	\$29,073
Outreach & Escort Inc., Senior Transportation and Resources (STAR) Program	The project will provide transportation to health care and other destinations for low-income seniors who lack available and affordable transportation alternatives.	\$40,190
Ethiopian Community Services, Azawount Services	The project will provide access to healthcare through interpretation/translation, transportation assistance in navigating the systems of care, and other activities that maintain and foster the health and well-being of vulnerable seniors.	\$25,000
Catholic Charities of Santa Clara County, Day Break – Senior Resilience & Empowerment Project (SREP)	The project will provide seniors and their family caregivers with early intervention services to increase their activity levels, social connections, healthy functioning, self-sufficiency, and independent living.	\$55,537
Portuguese Organization for Social Services & Opportunities, Portuguese Community Center Senior Health Support Program	The project will provide health services to low-income, multicultural, and limited or non-English speaking seniors, including direct assistance in accessing health care, preventive health screening tests, medication monitoring, and an exercise program .	\$25,000
The Health Trust, Chronic Disease Self Management Program	The project will provide low-income seniors with improved access to chronic disease self-management services that will improve their ability to take a more pro-active role in managing their chronic illness.	\$25,000
Indian Health Center of Santa Clara Valley, Diabetes Prevention Program (DPP)	The project will provide an intergenerational program that helps seniors and their families prevent diabetes and/or reverse the harmful effects of diabetes.	\$25,000
Catholic Charities of Santa Clara County, Long Term	The project will seek resolution of problems and advocate for the rights of residents in long-term care	\$27,409

Agency	Activity	Award
Care Ombudsman Program	facilities with the goal of enhancing the quality of life for residents in these facilities.	
Respite and Research for Alzheimer's Disease, Alzheimer's Activity Center Senior Day Program	The project will provide therapeutic and intergenerational activities that enhance cognitive functioning, and physical mobility to seniors who are 100% disabled due to Alzheimer's disease and related conditions.	\$29,478
	Total	\$281,687

Basic Needs

CDBG will fund eleven projects totaling \$400,050. Activities eligible in the funding category are housing, food and nutrition, transportation and homeless prevention services. Projects under this funding category are the following:

<u>Agency</u>	<u>Activity</u>	<u>Award</u>
Second Harvest Food Bank of Santa Clara and San Mateo Counties Brown Bag Program	The project will provide low-income seniors and people with disabilities with a weekly bag of nutritious food, newsletters, volunteer opportunities, and nutrition education information	\$25,950
The Bill Wilson Center, Bill Wilson Runaway and Homeless Youth Shelter	The project will provide emergency shelter, food, case management, individual/family counseling, education services, and medical/mental health care for youth ages 11 – 17.	\$36,031
Respite and Research for Alzheimer's Disease, Alzheimer's Activity Center Food and Nutrition Program	The project will provide nutritious snacks and lunches to seniors who are 100% disabled due to Alzheimer's disease and related conditions.	\$25,000
Next Door Solutions to Domestic Violence, The Shelter Next Door	The project will provide up to 30 days of safe emergency housing and food for victims of domestic violence and their children.	\$75,776
Emergency Housing Consortium, San Jose HOMES	The project will provide emergency shelter, hot meals, and supportive services to homeless individuals.	\$50,327
Asian Americans for Community Involvement, Senior Nutrition Program	The project will provide seniors with accessibility to nutritious food and transportation vouchers.	\$25,000
The Health Trust, Meals On Wheels	The project will provide homebound, individuals with improved access to daily home-delivered hot nutritious meals, social interaction and additional wellness services.	\$25,950
InnVision The Way Home, Montgomery Street Inn	The project will provide homeless men with emergency housing services and hot meals.	\$25,950
Portuguese Organization for Social Services & Opportunities, Portuguese Community Center Senior Nutrition Services	This project will provide prepared fresh and nutritious hot meals and a weekly food distribution program.	\$38,592
InnVision The Way Home, Julian Street Inn	The project will provide seriously mentally ill clients with emergency housing and hot meals.	\$30,627
InnVision The Way Home, Cecil White Center	The project will provide emergency shelter, meals and supportive services to the general homeless population	\$40,847
	Total	\$400,050

Legal Services

CDBG will fund four projects totaling \$402,089. Activities eligible in the funding category are legal and fair housing services covering senior/elder abuse, immigration, eviction, legal rights education, housing, and foreclosure mitigation. Projects under this funding category are the following:

Agency	Activity	Award
Santa Clara County Asian Law Alliance, Asian Law Alliance	The project will provide multilingual and culturally sensitive legal counseling and preventative community education services to low-income individuals.	\$44,395
Senior Adults Legal Assistance, Legal Assistance to San Jose Elders	The project will provide free legal services to seniors in need of legal advice, information, advocacy, intervention, or planning.	\$72,605
Law Foundation of Silicon Valley, for the San Jose Fair Housing Consortium, Fair Housing Investigation and Enforcement Services	The project will provide comprehensive fair housing services of counseling, consultation, investigation and legal representation.	\$260,000
Law Foundation of Silicon Valley, Mental Health Advocacy Project	The project will provide individuals with mental health disabilities in resolving legal problems in residential care housing and independent living.	\$25,089
	Total	\$402,089

Self Sufficiency

CDBG will fund seventeen projects totaling \$655,591. Activities eligible in the funding category are counseling and case management services to assist individuals become self-sufficient. Service areas may include employment, housing search, foreclosure prevention, homeless prevention, domestic violence, mental health, homeless/emancipated youth, independent living skills, and other services that demonstrate client self-sufficiency outcomes. Projects under this funding category are the following:

Agency	Activity	Award
Fresh Lifelines for Youth, Legal Eagle	The project will assist at-risk youth become self sufficient, transforming them from juvenile delinquents into positive community leaders.	\$38,838
Fresh Lifelines for Youth , Juvenile Drug Treatment Court Mentor Program	The project will recruit, screen, train, match, and support adult volunteers with low-income youth in Juvenile Drug Treatment Court and/or on Probation with drug or alcohol dependencies to help them break their addictions and become self sufficient.	\$33,684
Silicon Valley Independent	The project will assist with disabilities to enhance	\$25,089

Living Center, Independent Living Skills Project	adult living skills and build capacity for community-based independent living.	
Sacred Heart Community Services, Heart BEAT (Benefits Assistance and Training)	The project will connect individuals to public benefits for which they are eligible, including accessing affordable housing, and provide financial literacy courses, computer skills and other skill-building services.	\$25,000
Family Supportive Housing, Case Management for Homeless Families	The project will provide case management to homeless families with children with the goal of assisting the families in removing identified barriers to self-sufficiency.	\$29,986
Community Partners for Youth, Step-up to Brighter Futures	The project will mentor and coach low/moderate income high risk teens and their families to develop the positive self-image, vision and skills to stay in school and to break the cycle of poverty, crime, drugs and hopelessness.	\$98,370
International Children Assistance Network, Happy 5 Vietnamese Parenting Workshop	The project will provide culturally sensitive and linguistically appropriate public education designed to help Vietnamese parents, grandparents and care providers to become self-sufficient in raising healthy and happy children ready to succeed in school and in life.	\$25,000
Asian Americans for Community Involvement, Center for Survivors of Torture	The project will provide comprehensive, wraparound case management, psychological, and clinical services to victims of torture	\$25,000
Bill Wilson Center, 2nd Street One-Stop Drop-In Center	The project will provide case management, job readiness workshops, and other supportive services to at-risk of, or homeless youth ages 13 through 24.	\$25,000
Maitri, Transitional House	The project will provide transitional housing and customized supportive services to low income victims of domestic violence or human trafficking, and their children.	\$25,000
Asian Americans for Community Involvement, Asian Women's Home	The project will provide critical case management services to domestic violence victims, with a focus on underserved Asian immigrants.	\$34,000
Fresh Lifelines for Youth, GOLD	The project will provide middle school students case management services to help those at greatest risk for school drop-out and delinquency stay engaged in school and become self-sufficient.	\$25,000

Vietnamese Voluntary Foundation, Vietnamese Senior Services	The project will assist low-income elderly adults of limited English proficiency become self-sufficient by providing them with critical living skills training and support to enable them to live independently on their own.	\$49,503
Ethiopian Community Services, Rasin Machal	The project will assist new/recent immigrants adjust to their adopted community.	\$30,398
Catholic Charities of Santa Clara County Housing Search and Stabilization Program	Catholic Charities Housing Search & Stabilization Program services works to help extremely low-income/low-income/homeless individuals and families find and maintain safe, stable and affordable housing.	\$65,764
Support Network for Battered Women, Domestic Violence Services to the City of San Jose- Self Sufficiency	The project will provides a 24-hour, toll-free bilingual domestic violence crisis line, emergency shelter, crisis counseling, legal assistance, group therapy, support groups, children's therapy programs, preventative education, safety planning and community referrals.	\$25,000
Community Technology Alliance, TechSCC – Tools for Ending Chronic Homelessness in Santa Clara County	The project will provides the technical tools and a number of platforms designed to allow homeless service providers to better communicate and share resources.	\$74,959
	Total	\$655,591

Fair Housing, Administration and Planning

Under the 20% Administration category, \$150,000 has been awarded to fair housing service providers. Program administration includes general administration in addition to consulting services for ADA accessibility evaluations and nonprofit financial and programmatic reviews as the program deems necessary.

Agency/Department	Activity	Award
City of San José Housing Department - CDBG Program Administration and Monitoring	The project provides program development/evaluation, project monitoring, and overall program/project reporting to HUD, San José City Council and the Housing and Community Development Commission	\$1,734,223
City of San José Department of Finance- Accounting	The project provides financial administration and record keeping for the CDBG program.	\$250,000

Services		
City of San José Department of Planning, Building and Code Enforcement – Environmental Review Services	The project provides professional services of Planning Department for CEQA and NEPA review of CDBG projects.	\$30,000
Legal Aid Society of Santa Clara County, Legal Aid Society Fair Housing Counseling Project	The project will provide comprehensive fair housing services to San José residents that will consist of legal representation, investigation, conciliation, fair housing counseling, and community outreach that includes multilingual forums.	\$150,000
City of San José Housing Department - Non Profit Platform	The project will support citywide efforts to promote consistency and collaboration among all City of San Jose grant programs.	\$50,000
City of San José Housing Department - Citywide Grants Database	The project will provide the CDBG share of the costs to operate a citywide grants database.	\$20,000
City of San José Office of the City Attorney – Legal Services	The project will provide legal and contract services related to CDBG funded projects.	\$85,000
	Total	\$2,319,223

Community Development Improvements

The City’s Economic Development Strategy, a vision for San José’s economic future that seeks to improve economic opportunity and quality of life for residents, was adopted by the San José City Council in November 2003. Among the fifteen Strategic Initiatives specifically relevant to the development of jobs are:

- Support Start-Up and Growth of Local Businesses, Small and Large, in Tech as well as Non-tech Fields.
- Diversify San Jose’s Economic Base and Preserve/Create Middle-Income Jobs
- Prepare Residents to participate in the Region’s Economic Opportunity, from K-12 to Lifelong Learning

The goal of the strategy is to ensure that every aspect of the community prospers, and the components of this strategy span every aspect of the City’s policy, programming and budgetary decisions. This not only enhances the City’s Anti-Poverty Strategy, it also contributes to our overall Community Development Strategy.

Projects that directly assist in maintaining the quality and livability of neighborhoods and affordable housing include:

Agency/Department	Activity	Award
City of San José Department of Housing - Housing Rehabilitation Program	The project provides low-interest and deferred loans and grants to low-income borrowers and loans to rental property owners to improve properties occupied by low-income households in the City of San José.	\$1,700,000
City of San José Department of Housing – Minor Repair Program	The project will assist low-income households with emergency repairs to eliminate immediate health or safety hazards.	\$500,000
City of San José Department of Planning, Building and Code Enforcement – Proactive Code Enforcement Program	The project will survey low moderate income areas to identify code violations and send notices to property owners advising them of the code violations and directing them to resources available to assist them in correcting the violation.	\$1,989,233
Rebuilding Together Silicon Valley- Rebuilding Housing Repair Program	The project will repair, rehabilitate, and upgrade housing units for extremely low-income residents of San Jose so that they may live in housing that provides for their warmth, safety, and independence.	\$303,268
	Total	\$4,492,501

Supporting the formation of small businesses is an important part of the city’s overall community development strategy. One such project is the revolving loan fund (RLF) program. First funded in 1986, the RLF has provided loans to small businesses in San Jose with the requirement that the business owners hire low-moderate income individuals. Unfortunately, the downturn in the economy has caused many loan recipients to default on their loans. In 2010, the Housing Department convened a working group consisting of both management and staff qualified in loan portfolio management to perform a thorough review and analysis of the portfolio status. After assessment, it was determined that an aggressive audit and management plan was necessary prior to reopening the program. The housing department has made contact with existing borrowers, rewritten promissory notes to bring the delinquent borrowers current and will develop a new administrative plan. CDBG will again provide funds in FY 2011-2012 to restart the program and further support economic development with the city of San Jose. The economic development projects that will receive funding in FY 2011-2012 are as follows:

Agency/Department	Activity	Award
City of San José Library – San José Smart Start Family Childcare	The project supports the incubation of childcare businesses by providing small business assistance and training for individuals interested in owning and operating childcare facilities.	\$456,491
Opportunity Fund – Micro-Credit San Jose	The project provides financial and technical assistance, business strategy training, and guidance	\$258,677

	regarding their credits needs to micro-enterprise businesses in San Jose, in close collaboration with the City's Office of Economic Development.	
Santa Clara County Black Chamber of Commerce-Small Business Incubator Program	The project provides a variety of business services including low rent office space, entrepreneurial training, one-on-one business consulting, technical assistance and administrative assistance.	\$150,078
Anewamerica Community Corporation- Assets for New Americans: Virtual Business Incubator	The project provides microbusiness development assistance and training.	\$250,000
RLF Pilot	Will provide interest bearing loans to small businesses within the City of San Jose with the requirement that business owners create jobs for low-moderate income individuals.	\$400,000
	Total	\$1,515,246

In FY 2011-2012 one projects noted in the FY 2010-2011 Consolidated Plan has been cancelled. This project is:

Agency/Department	Activity	Amendment	Amount of Amendment
City of San Jose Department of Public Works	Alexander Avenue Curb, Gutter and Sidewalk Installation	The project will install curb, gutter and sidewalk in a low-moderate income area to eliminate problems with storm drainage and improve the overall health and welfare of the area by removing ponding of stagnant and foul smelling water.	\$75,000

HOUSING SUPPORT ACTIVITIES / REMOVING BARRIERS TO AFFORDABLE HOUSING

Public Policies

In addition to housing production objectives, the City is strongly committed to improving the affordable housing delivery system.

The City's Department of Housing developed a new Five-Year Housing Investment Plan for 2007-2012. This Plan summarizes the City's housing policies and creates a map for future affordable housing

development. The Plan was developed with the input of community organizations, neighborhoods, and public citizens. A task force made up of 21 experts in the areas of housing, neighborhood development, government agencies, business, and non-profit agencies, helped guide the policy development and recommendations of the Five-Year Plan. The following highlights some of the recommended policy actions taken to promote and encourage affordable housing development in San Jose.

- ◆ City's "**85/15 Policy**" stipulates that the City is committed to assisting those most in need by targeting 85% of the funding for development and rehabilitation assistance to benefit lower-income households. The Housing Department has moved to further strengthen and deepen affordability in its projects by requiring that developers provide, under the City's Project Development NOFA, at least 25% of units affordable to ELI households. Additionally, the City's Five-Year Plan Task Force has recommended changing the City's "85/15 Policy" to include deeper affordability levels within the 85% as follows: 30% (ELI), 30% (VLI), and 25% (LI). The Plan also recommends adopting a strategic policy that would emphasize the City's affirmative efforts to target housing for those most in need including extremely low-income households. This policy memorializes the City's goal of targeting ELI individuals and families by using the following principles: 1) partnering with service providers to better target and provide needed services to ELI households; 2) integrating ELI units with various different types and income levels within projects; 3) seeking to appropriately leverage all funds to receive the greatest number of ELI units; and 4) maximizing other, outside, funding resources in order to deepen affordability. (*Department of Housing*)
- ◆ Actively seek opportunities to access local, state and federal funding resources for the development of housing affordable to extremely low-income households and, when feasible, apply. (*Department of Housing*)
- ◆ Actively seek opportunities to access local, state and federal funding resources for the acquisition, rehabilitation and preservation of housing affordable to low- and moderate-income households and, when feasible, apply. (*Department of Housing*)
- ◆ Include language in the City's Mixed Income Housing Policy to state that to the extent feasible, the City encourages ELI units mixed effectively among other low-income and market rate units. (*Department of Housing.*)
- ◆ Continue to analyze and make recommendations/improvements, if necessary, regarding the City's recently adopted secondary unit program. (*Department of Planning, Building and Code Enforcement and Department of Housing*)
- ◆ In 2008, the City concluded a study and public process to consider adoption of a citywide inclusionary housing ordinance. The City Council approved a Citywide inclusionary housing ordinance in January 2010. It will go into effect when 2,500 residential building permits are issued by the City, with a minimum of 1,500 permits issued outside of North San José or January 1, 2013, whichever comes first. (*Department of Housing, Department of Planning, Building and Code Enforcement, and the San Jose Redevelopment Agency*).
- ◆ Re-evaluate the City's current inclusionary policy in redevelopment areas to align with the City's adoption of a citywide ordinance. Also, in accordance with the City's Five-Year Housing Investment Plan, review of the current policy should also include evaluation to ensure the policy : (1) Provides flexibility to developers to pay in-lieu or transfer land to non-profit

developers to fulfill inclusionary requirements; (2) adjust current in-lieu fees to better reflect the actual costs of providing affordable units; (3) deepen the required affordability levels under the inclusionary housing policy for rental developers; (4) institute a program to entice developers in the Downtown Core Area to build high-rise housing (*Department of Housing and San Jose Redevelopment Agency*).

- ◆ Continue a community education effort for affordable housing by implementing an “**Anti-NIMBY**” campaign. (*Department of Housing*)
- ◆ In 2008, the Housing Department identified developable parcels for residential development in priority development areas, including, transit-oriented, infill, downtown, and redevelopment sites. These sites will be listed in the City’s Housing Element Update upon HCD certification of the document in 2009. Continue to identify developable sites suitable for higher density and/or mixed-use development in order to maximize opportunities for development of both affordable and market-rate housing. (*Department of Housing, Department of Housing and Department of Planning, Building, and Code Enforcement*)
- ◆ Continue to plan for the intensification of North San José along transit corridors. This will provide an additional opportunity for 32,000 units of new housing. (*Office of Economic Development, Department of Planning, Building and Code Enforcement, Department of Transportation, and Department of Housing*)
- ◆ Continue to provide education and outreach services to tenants and landlords covered by the Rent Control ordinance. (*Department of Housing*)
- ◆ Continue to implement a Renters’ Insurance education and campaign to inform the City’s renters of the importance of having renters’ insurance. (*Department of Housing*).
- ◆ Continue to monitor the availability of funding from the State for parks associated with affordable housing developments under Proposition 1C. (*Department of Parks, Recreation and Neighborhood Services, San Jose Redevelopment Agency, and Department of Housing*)
- ◆ Aggressively seek Proposition 1C dollars, when they become available given the statewide freeze on bond funds. These funding sources include the **Infill Infrastructure Funds, Local and Regional Parks Funds, CalHome, BEGIN, Transit-Oriented Development Funds, Innovations Funds, and Multi-Family Housing Program (MHP)**. (*California State Legislature, Department of Housing and individual developers*)
- ◆ Continue to advocate for reasonable development fees. (*Department of Housing and Department of Planning, Building and Code Enforcement*)
- ◆ Support State and federal legislation to increase local government housing opportunities by offering a permanent dedicated source of funding for affordable housing, housing trust fund, or housing bonds. (*Housing Department and State of California*)
- ◆ Evaluate the feasibility, as recommended in the the Five Year Housing Investment Plan establish a leveraging goal, rather than the current leveraging policy that is established at 3:1. In recent years, given the deep subsidy needed to make affordable housing work, the City’s leveraging has been closer to 2.60:1. If the City continues to deeply subsidize extremely low-

income units, the City should consider having a leveraging goal, rather than a policy. The leveraging goal should be changed to 2.5:1. (*Department of Housing*)

- ◆ As part of the City Council’s approval of an inclusionary housing policy, the Housing Department is also examining its Dispersion Policy in order to ensure that Smart Growth and sustainable community building can be achieved throughout the City of San José. This will include identifying sites of affordable housing, transit corridors and future development opportunity sites to better strategize and plan for affordable development. (*Department of Housing*)
- ◆ For **persons with disabilities**, continue to seek developments that provide group housing opportunities and provide residents with their own bedrooms. (*Department of Housing*).
- ◆ Continue to work with **Housing Choices Coalition**, the **Silicon Valley Independent Living Center**, and other agencies, to meet the needs of people with disabilities in finding and maintaining affordable housing. (*Department of Housing*)
- ◆ Continue to collaborate with for-profit and nonprofit housing developers to find ways to finance housing developments such as Markham Plaza that will provide permanent housing affordable to **ELI households**. (*Department of Housing*)

Based on the findings of the 2007 Santa Clara County Homeless Survey, and as envisioned in the adopted 10-Year Homeless Strategy and the Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis,, the following policy actions by the City of San José are proposed:

In March 2007, a “**Blue Ribbon Commission** on Ending Homelessness and Solving the Affordable Housing Crisis” (BRC) was convened in Santa Clara County. This Commission was co-chaired by County Board of Supervisor Don Gage, and San José Mayor Chuck Reed. The purpose of the Commission was to help raise awareness and implement actions to ensure that the goals adopted in the City and County’s 10-Year Plan to End Chronic Homelessness and the recently released Local Initiative Support Corporation report on the need for affordable housing in Santa Clara County, titled *Housing Silicon Valley: A 20 Year Plan to End the Affordable Housing Crisis*, are met. At the end of 2007, the Commission approved a series of recommendations to help end homelessness and provide sufficient affordable housing. At the start of 2008 Destination: Home, consisting of representatives from the City of San José Department of Housing, the County of Santa Clara, the United Way, and other appropriate partners, began implementing the recommendations as follows:

- **Improve Access to Services by Creating Outreach and Benefit Teams** – The Street Outreach program will provide a consistent and dependable presence on the streets, reach out to unhoused persons, gain their trust, and ultimately get them connected to ongoing services and housing.
- **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 will address 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.

- **Implement a Medical Respite Facility** – The Medical Respite Program was implemented in 2008. The Department of Health and Human Services Health Resources and Services Administration, City of San Jose Housing Department, and the County of Santa Clara will implement the Santa Clara County Medical Respite Program expansion project to renovate the Medical Respite Program and increase the number of available beds from 15 to 20 and double the number of medical exam/case management rooms from two to four. These facilities improvements will improve access to health care services for chronically homeless adults with complex medical conditions and related psychosocial problems.
- **Establish a “One-Stop” Homelessness Prevention Center** – The multi-service One Stop Centers were implemented. Serving chronically homeless individuals at one location and at risk families at another location, all of the services needed to address issues and ultimately access permanent housing are available.
- **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 the upcoming year, the following new and continued policy actions will be undertaken to eliminate identified gaps in the institutional structure:

- ◆ Continue to apply for federal and State funds to maintain and increase funding for affordable housing projects; including lobbying the State to protect Low- and Moderate- Income Housing Funds. (20% Funds) (*Department of Housing, City Manager’s Office, Mayor and City Council*)
- ◆ Support increases in the Community Development Block Grant (CDBG) Program and ensure adequate funding for other important federal programs such as Emergency Shelter Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA), HOME Partnerships, Section 8 Housing Choice Vouchers, Section 202 and Section 811 programs. (*Department of Housing, Housing Authority of the County of Santa Clara*)
- ◆ The City of San Jose Housing Element for 2007-14 was adopted by the City Council in June 2009. State law requires that the Element be updated at least once every five years. The purpose of the Element is for each locality to assess its housing needs for different populations and to identify strategies to meet those needs. Additionally, the Association of Bay Area Governments (ABAG) allocates regional housing needs to the counties and cities in the nine-county Bay Area. San José’s most recent allocation is over 34,000 total housing units, nearly 60 percent of which must be affordable to lower-income households. The Housing Element must identify strategies to plan for this ABAG housing allocation. (*Department of Planning, Building and Code Enforcement, Department of Transportation and the Department of Housing*)

- ◆ Advocate at the State level to reform the State's housing element certification process. (*Department of Housing and Department of Planning, Building, and Code Enforcement*)
- ◆ Monitor, investigate, and make recommendations on State and federal legislation related to predatory lending. (*Department of Housing*)
- ◆ Advocate that redevelopment reform or eminent domain reform will not diminish the effectiveness of the City's affordable housing programs. (*San Jose Redevelopment Agency, Department of Housing*)
- ◆ Advocate changes in federal laws to improve San José's position in receiving entitlement grants and in applying for scarce public dollars. (*Department of Housing and City Manager's Office*)
- ◆ Advocate change to the federal poverty line to a standard that recognizes high-cost areas. (Department of Housing)
- ◆ Examine the City's policy which gives a set-aside of 10% of new affordable units to Section 8 participants and ensure that developments are not exceeding this percentage by more than 15%, unless supportive services are provided. (*Department of Housing*)
- ◆ Track and monitor foreclosures in the City. Analyze foreclosure rates and geographic concentration, and produce maps of foreclosures. (Department of Housing)
- ◆ Coordinate with Department and Code Enforcement and Strong Neighborhood Initiative staff to monitor neglected, vacant, foreclosed homes and to abate related blight and safety conditions. (Department of Housing and Department of Planning, Building, and Code Enforcement, Strong Neighborhood Initiative)
- ◆ Utilize the newly formed ForeclosureHELP Program to assess needs, to develop programs to help families and communities impacted by foreclosures, and to implement those programs. (Department of Housing, Strong Neighborhoods Initiative)

Monitoring and Performance Measures

Monitoring CDBG, HOME, HOPWA AND ESG

The City continues to follow the grantee monitoring requirements as outlined by HUD for the use of federal funds. The City has also standardized policies and procedures for use city-wide, which incorporate many of the HUD requirements. In 2006, the City-wide Grant Management Working Group and the NonProfit Strategic Engagement Committee were formed to respond to findings from a 2005 internal City audit. In 2008, the City of San Jose Auditor performed a follow-up review of the 2005 Audit which included recommendations to 1) establish citywide consistent policies and procedures; 2) establish specific training requirements for staff involved in grants management and monitoring; 3) establish criteria when audited financial statements are obtained and reviewed; 4) establish risk-based criteria and help ensure grantee compliance with grant requirements.

The Grants Management Working Group continues to meet regularly and has met several of the recommendations made by the City Auditor. These accomplishments include the completion of the City-

Wide Grant Management Handbook, which provides overarching guidance to City departments that award federal, State or local funding. The handbook also provides guidance on grants management and monitoring and establishes minimum criteria for the review of financial statements and reporting. To further aid staff in contract management, individual department grant applications and agreements are being reviewed for consistency and duplication. Lastly, a citywide Grant Management database began full implementation in January 2010.

To further strengthen its monitoring strategy, in FY 2010-2011 the Department of Housing created a new Compliance and Monitoring Division. This Division has sole responsibility of monitoring all projects funded with federal, state and local funds. Because of the great number of the grants the Housing Department manages, the new division has developed a Risk Assessment to prioritize the number of projects monitored and determine what level of monitoring will take place. The new division has also modified existing monitoring forms to insure alignment with HUD CPD forms for each applicable federal program. In addition to the monitoring requirements, this division will track the City's progress in implementing the strategies related to housing production and rehabilitation outlined in the City of San José 2010-2015 Consolidated Plan. It will manage the Department's loan portfolio, and insure loans are monitored for compliance with their regulatory agreement requirements, such as long-term affordability restrictions, occupancy and rent requirements, property maintenance, loan repayments, insurance coverage, and real estate taxes.

The monitoring process also includes the following major elements:

- ◆ **Public Review** - Input is solicited from the **Housing and Community Development Advisory Commission (HCDC)** on the Consolidated Plan and the associated Performance Report. The HCDC provides recommendations to the City Council on housing policy matters. Each **Annual Action Plan** for the five-year Consolidated Plan is also subject to extensive public review and comment prior to submission to HUD.
- ◆ **Tracking** - The Department of Housing has begun use of the citywide Webgrants database system. It will use this database to track programmatic and financial performance and eventually allow potential applicants to apply for funds electronically.
- ◆ **Reporting** - The Department provides quarterly reports to the Housing and Community Development Advisory Commission and the City Council detailing rehabilitation and project development activities.

The intent of the monitoring process is to identify any potential red flags and, if necessary, provide the necessary technical assistance so that sub-recipients can successfully implement their projects. If a significant problem are discovered, City staff meets with project staff to discuss and resolve any issues. Examples of such problems include:

- ◆ Services are not documented
- ◆ Goals are not being met
- ◆ Project files are not in order
- ◆ Lack of fiscal controls and/or documentation
- ◆ Required reports are not being submitted in a timely manner
- ◆ Expense reporting does not adhere to regulations or policies

For CDBG, ESG and HOPWA programs, service providers are required to submit monthly or quarterly Reimbursement Requests and Reconciliation Reports to document expenses and ensure that both line

item budgets and total project budgets are not over-expended, and allows for review of project status. Additionally, service providers are required to submit quarterly performance reports and a cumulative annual report. Review of these reports allows staff to determine whether corrective measures are necessary and provide a basis for the Compliance and Monitoring divisions monitoring procedures.

In addition, Housing department staff review financial documentation of its sub-recipients. The sub-recipients are required to establish and maintain a system of accounts that is in conformance with generally accepted principles of accounting for budgeted funds. This system of accounts is subject to review and approval by the City. In addition, sub-recipients are required to submit an annual agency audit. Financial monitoring is based on the program budget that is incorporated in the grant agreement between the City and the sub-recipient. Sub-recipients are required to submit to the City the name of a fiscal agent, if any, who is responsible for the financial and accounting activities of the project, including the receipt and disbursement of project funds.

Beyond simply monitoring its sub-recipients, the Housing Department understands that the agencies must have the tools necessary to implement successful and impactful programs. In FY 10-11 the department modified the “Playing by the Rules” training module provided by HUD and conducted a two day training for all sub-recipients. The intent of the training was to educate sub-recipient staff of their responsibilities and requirements in utilizing federal funds. The training was successful and the department plans to conduct the training at the beginning of each future funding cycle. Further, the City of San Jose is committed to assisting sub-recipient facing financial difficulties. In addition to staff resources, the City has contracted with an independent consultant to review agency’s financial and program records, procedures and management. The goal of such reviews is to assist agencies in identifying areas of weakness and developing processes and strategies to address these weaknesses, thereby restoring the agencies to fiscal soundness and enabling them to continue providing valuable services to the community.

In FY 2011-2011 the Housing Department will continue to review its monitoring practices with a goal of strengthening them and implementing improvements when necessary.

Performance Measures – Objectives and Outcomes

HOME

The City of San José has been an entitlement jurisdiction under the HOME Investment Partnership Program since 1992. The use of these funds in past years has shifted from primarily financing multi-family rental developments to include funding for homebuyer programs. More recently, the creation of a Tenant-Based Rental Assistance (TBRA) program for chronically homeless and mentally ill/extremely low-income households has been included as a priority in the HOME Program. The City will continue to keep several programs as options under the HOME Program and be prepared to reallocate funding when necessary to maximize the City's resources. The City’s objectives under the HOME program are as follows, and grantees are measured by completion:

- a. Improve the Quality of Owner Housing
- b. Increase the Availability of Owner Housing
- c. Improve Access to Affordable Owner Housing
- d. Increase the Supply of Affordable Rental Housing; and

- e. Improve Access to Affordable Rental Housing
- f. Improve affordability through the creation of a tenant based rental assistance program

Additionally, the City reviews the HOME project sponsor's marketing and management plans and checks for compliance with affirmative marketing requirements and procedures. Announcements are mailed to nonprofits and advertisements are placed in the local newspaper and in online apartment search engines, where appropriate. The review is performed prior to the initial lease-up of the property. Typically, the sponsors receive more than enough eligible applicants to fully occupy the property. The remainder of the eligible applicants are kept on a waiting list that is maintained indefinitely. As new applicants learn of the existing properties and contact the property management companies, they are added to the waiting lists. The Housing Department produces an Affordable Housing Referral List of the majority of affordable housing properties assisted with City financing. The list is updated quarterly and its wide distribution has become an important outreach tool.

ESG

The City's ESG funding priority has been shelter operating costs. The City's objectives and outcomes for the FY 2011-2012 are:

1. Essential Services: Objective – Provide funding for services that will assist homeless individuals and families obtain or maintain housing. Applicable services include health and substance abuse counseling; education and job training; assistance in obtaining permanent housing and federal, State and local assistance, including Veteran's benefits, supplemental Social Security Income, TANF, Food Stamps; and other related activities. Outcome – Homeless and at-risk households are able to increase their resources and maintain or move towards self-sufficiency.

2. Shelter Operations: Objective - Provide funding for emergency housing services, including food and mass shelter for homeless individuals and families. Outcome – Provide basic human needs to the homeless and provide counseling opportunities to assist homeless individuals develop a plan to exit homelessness.

HOPWA

For FY 2011-2012 the HOPWA objectives include the provision of tenant-based rental assistance and supportive services to San José residents living with HIV/AIDS.

Objectives for the program include:

- Supportive Services - health, mental health, assessment, case management and housing advocacy, drug and alcohol abuse treatment, adult and child day care, personal assistance, nutritional services
- Tenant-Based rental assistance - rent payment subsidies

CDBG

The scope of services contained in the grant agreement is developed directly from the project proposal. It describes project activities that are to be accomplished each quarter and the level of service anticipated for each activity. Goals and objectives are very specific. See Table 2C below for specific objectives of the program related to public facilities, infrastructure, public services, economic development and other community development priorities.

MBE/WBE & Section 3 Reporting Requirements

The City adopted policy guidelines in November 2006 on the federal reporting requirements and has informed all grantees of its requirement collect Section 3 and MBE/WBE materials. These will be reporting annually in the City's Consolidated Annual Performance Evaluation Report (CAPER).

Performance Objectives 2011-2012 Table 2C - (Table 2A/2B Continuation Sheet)

Summary of Specific Housing & Community Development Objectives

Table 2A: Priority Housing Needs

	5-Yr	Year 1	Year 2	Year 3	Year 4	Year 5
	Goal	Goal	Goal	Goal	Goal	Goal
FEDERAL FUNDING						
CDBG						
Acquisition of existing rental units	0					
Production of new rental units	0					
Rehabilitation of existing rental units	0					
Rental assistance	0					
Acquisition of existing owner units	0					
Production of new owner units	0					
Rehabilitation of existing owner units	1000	200	200	200	200	200
Homeownership assistance	0					
HOME						
Acquisition of existing rental units	0					
Production of new rental units	30	6	6	6	6	6
Rehabilitation of existing rental units	0					
Rental assistance (TBRA)	485	85	100	100	100	100
Acquisition of existing owner units	0					
Production of new owner units	0					
Rehabilitation of existing owner units	0					
Homeownership assistance (Welcome HOME)	300	60	60	60	60	60
HOPWA						
Rental assistance (unduplicated h.holds)	150	30	30	30	30	30
Short term rent/mortgage utility payments	0					
Facility based housing development	0					
Facility based housing operations	0					
Supportive services (unduplicated h.holds)	175	35	35	35	35	35
ESG						
Rental assistance						
Short term rent/mortgage utility payments						
Facility based housing development						
Facility based housing operations						
Supportive services (h.holds)	30,000	6000	6000	6000	6000	6000
NON-FEDERAL FUNDING						
PROJECT DEVELOPMENT						
Production of new rental units	99	99	0	0	0	0
Rehabilitation of existing rental units						
Production of new owner units						
Rehabilitation of existing owner units						
HOMEOWNERSHIP ASSISTANCE						
2nd Mortgage Assistance (THP, BEGIN)	55	15	10	10	10	10
Inclusionary Program (Ownership+Rental)	152	2	0	0	50	100
Other Assistance (counseling)	2285	417	435	457	476	500
REHABILITATION PROGRAM						
Rehabilitation of existing rental units		16	0	0	0	0
Rehabilitation of existing owner units	1271	262	262	249	249	249

HUD Table 2B: Non-Housing Community Development Needs

Table 2B: Non-Housing Community Development Needs

	Priority Need	Dollars to	Performance	2011-12
	Level	Address Need	Measure	Forecast
Acquisition of Real Property	0			
Disposition				
Clearance and Demolition				
Clearance of Contaminated Sites				
Code Enforcement	1	10M	Inspections	11,000
Public Facility (General)				
Senior Centers	2	2M	Facilities	
Handicapped Centers	2	2M	Facilities	
Homeless Facilities	1		Facilities	
Youth Centers	2		Facilities	
Neighborhood Facilities	2		Facilities	
Child Care Centers	1	500K	Facilities	
Health Facilities	2	1M	Facilities	
Mental Health Facilities	2	3M	Facilities	
Parks and/or Recreation Facilities	2		Facilities	
Parking Facilities	3		Facilities	
Tree Planting	3	2.5M	Facilities	
Fire Stations/Equipment	2	4M	Facilities	
Abused/Neglected Children Facilities	1	1M	Facilities	
Asbestos Removal	2		Facilities	
Non-Residential Historic Preservation	3		Facilities	
Other				
Infrastructure				
Water/Sewer Improvements	1		Facilities	
Street Improvements	2	2M	Facilities	
Sidewalks	2		Facilities	
Solid Waste Disposal Improvements	2		Facilities	
Flood Drainage Improvements	1		Facilities	
Other - ADA Curb Cuts	1	5M	Facilities	
Public Services				
Senior Services	1	1M	Individuals	15,000
Handicapped Services	1	500K	Individuals	5,000
Legal Services	1	1M	Individuals	5,000
Youth Services	1	5M	Individuals	5,000
Child Care Services	1	2M	Individuals	0
Transportation Services	1	500K	Individuals	10,000
Substance Abuse Services	1		Individuals	0
Employment/Training Services	1	5M	Individuals	0
Health Services	1	2M	Individuals	2,500
Lead Hazard Screening	2		Individuals	0
Crime Awareness	2		Individuals	0
Fair Housing Activities	1	2M	Individuals	2,000
Tenant Landlord Counseling	2		Individuals	0
Other			Individuals	77,000
Economic Development				
Economic Development				
Job Creation	1	5M	Jobs	250
Technical Assistance	1	3M	Individuals	3,000
Small Business Loans	3		Loans	250
Other				

* Number included within rental housing objective

HUD Table 2C And 3A: Summary of Housing/Community Development Objectives 2011-2012/ Summary of Specific Annual Objectives

Table 2C: Summary of Housing/Community Development Objectives - 2011 - 2012				
	Source of Funds	Performance Measure	Performance Goal 2011-12	Outcome/Objective
Goal #1: Affordable housing for lower-income and special needs households				
Action 1A.1. Financial and technical assistance for affordable housing				
				DH-1,2
Production Goals - New Construction	20%, HOME	# units	1,045	
Production Goals - Acquisition / Rehab	20%, HOME	# units	27	
Inclusionary Goals	n/a	# LI units with recorded restrictions	0	
Action 1B.1. Direct financial assistance to help lower-income households purchase homes (includes inclusionary homebuyers)				
	HOME	# non duplicated LI homebuyers assisted	96	DH-2
Action 1B.2. Financial literacy and homebuyer education programs				
	20% funds; Project Sentinel	# households participating in classes and counseling sessions	720	DH-2,3
Action 1C.1. Rehabilitation assistance for lower-income homeowners including mobilehome owners				
	CalHOME, 20%, CDBG	# homeowners assisted	210	SL-3
Action 1C.2. Rehabilitation assistance for lower-income homeowners thro CDBG program				
	CDBG	# homeowners assisted	200	SL-3
Action 1C.3 Pursue funding opportunities for infrastructure jmprvements in low-income mobilehome parks				
	n/a	n/a	process improvements	SL-1,2,3
Action 1D.1. Affordable housing for seniors, disabled individuals, large families				
				DH-1,2,3
Production Goals (subset of 1.A.1)	HOME, 20%	# units	194	
Rehab Goals (subset of 1.C.1)	CDBG, 20%	# homeowners assisted	107	
Action 1D.2. Pursue funding opportunities to improve condition of housing stock for low-income renters				
	n/a	n/a	process improvements	DH-1,2,3
Goal #2: Activities to end homelessness				
Action 2A.1. TBRA assistance to chronically homeless				
	HOME	# unuplicated households	100	SL-1,2,3
Action 2A.2. Short-term emergency shelter				
	ESG	# individuals assisted	4,600	DH-1
Action 2A.3. Emergency rental assistance programs				
	ESG, HOPWA, HTF, HPRP	# individuals assisted	800	DH-2
Action 2A.4. Programs that provide vital services to homeless individuals				
				SL-1,2,3
Homeless Services	ESG	# individuals assisted	4,600	
CDBG	CDBG	# individuals assisted	3,315	
Action 2A.5. Support Destination:Home				
	n/a	n/a	process improvements	SL-1,2,3
Action 2A.6. Seek additional funding for countywide efforts to end homelessness				
	n/a	n/a	process improvements	SL-1,2,3

Action 2A.7. Seek additional funding for housing and services for recently emancipated youth	n/a	n/a	process improvements	SL-1,2,3
Goal #3: Activities that provide services, eliminate blight, and/or strengthen neighborhoods				
Action 3A.1. Assist lower-income residents with basic/essential services				SL-1,2,3
Homeless Services	ESG, HOPWA, HPRP	# individuals assisted	825	
CDBG	CDBG	# individuals assisted	8,934	
Action 3A.2. Assist lower-income residents maintain self-sufficiency				SL-1,2,3
Homeless Services	ESG, HOPWA, HPRP	# individuals assisted	400	
CDBG	CDBG	# individuals assisted	5,436	
Action 3A.3. Assist lower-income residents access healthcare	CDBG	# individuals assisted	4,557	SL-1,2,3
Action 3A.4 Assist lower-income residents access legal services	CDBG	# individuals assisted	141	SL-1,2,3
Action 3B.1. Remove public accessibility barriers	CDBG	# individuals assisted in low-mod areas	0	SL-1,3
Action 3B.2. Physical improvements and rehabilitation of public facilities	CDBG	# individuals assisted in low-mod areas	5,115	SL-1,3
Action 3B.2. Code enforcement activities that eliminate blight and strengthen neighborhoods	CDBG	# households / businesses / inspections	2,360	SL-1,3
Action 3C.1. Inspection of affordable housing for lead-based paint	NSP, first-time homebuyers program	# properties inspected	114	SL-1,3
Action 3C.2. Seek funding opportunities to mitigate lead hazards	n/a	n/a	process improvements	SL-1,3
Action 3D.1. Purchase of foreclosed properties and subsequent rehab and resale as affordable units	NSP	# units assisted	32	DH-1,2,3
Action 3D.2. Provide support to the City's ForeclosureHelp Initiative	NSP	n/a	process improvements	DH-1,2,3
Action 3D.3. Provide support to the Don't Borrow Trouble campaign	NSP	n/a	process improvements	DH-1,2,3
Action 3D.4. Research best practices and policies to respond to foreclosure crisis	n/a	n/a	process improvements	DH-1,2,3
Goal #4: Economic opportunities for low-income households				
Action 4A.1. Funding for local employment development and workforce training	CDBG	# jobs created	54	EO-1,3
Action 4A.2. Small business development, job training	CDBG	# individuals assisted	640	EO-1,3
Goal #5: Promote Fair Housing Choice				
Action 5A.1. Ongoing education and outreach regarding fair housing	n/a	n/a	process improvements	
Action 5A.2. Fair housing testing in local apartment complexes	n/a	n/a	process improvements	
Action 5.B.1. Ensure local ordinances are in compliance with State and Federal fair housing laws	n/a	n/a	process improvements	

Action 5.B.2. ensure zoning ordinances have procedures for reasonable accomodation requests	n/a	n/a	process improvements	
Action 5.B.3. Lanugage assistance for limited english speaking residents	n/a	n/a	process improvements	
Action 5.B.4. Update local analysis of impediments	n/a	n/a	process improvements	
Goal # 6: Environmental sustainability				
Action 6A.1. Energy efficiency in multi-family new homes		# units - meeting build-it-green standards		DH-3
Action 6A.2. Direct investments in energy efficient owner-occupied housing				DH-3
Rehabilitated homes		# units meeting build-it-green standards	18	
Inclusionary / Homebuyer assistance		# new construction green homes purchased by LI and mod homebuyers	37	
Action 6A.3. CDBG sponsored energy efficiency improvements	CDBG	# energy efficiency improvements	0	DH-3

***Outcome/Objective Codes**

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

HUD Table 3B: Annual Affordable Housing Completion Goals (Sec. 215 only)

ANNUAL AFFORDABLE HOUSING COMPLETION GOALS

Grantee Name: Program Year:	Expected Annual Number of Units To Be Completed	Actual Annual Number of Units Completed	Resources used during the period			
			CDBG	HOME	ESG	HOPWA
BENEFICIARY GOALS (Section 215 only)						
Homeless households	85			X		
Non-homeless households	345		X	X		
Special needs households						
Total Sec. 215 Beneficiaries*	430					
RENTAL GOALS (Section 215 only)						
Acquisition of existing units						
Production of new units	6			X		
Rehabilitation of existing units						
Rental Assistance	85			X		
Total Sec. 215 Affordable Rental	91					
HOME OWNER GOALS (Section 215 only)						
Acquisition of existing units						
Production of new units						
Rehabilitation of existing units	262		X			
Homebuyer Assistance	77			X		
Total Sec. 215 Affordable Owner	339					
COMBINED RENTAL AND OWNER GOALS (Sec. 215 Only)						
Acquisition of existing units	0					
Production of new units	6					
Rehabilitation of existing units	262					
Rental Assistance	85					
Homebuyer Assistance	77					
Combined Total Sec. 215 Goals*	430					
OVERALL HOUSING GOALS (Sec 215 + Other Affordable Housing)						
Annual Rental Housing Goal	91					
Annual Owner Housing Goal	339					
Total Overall Housing Goal	430					

APPENDICES

A. GAP ANALYSIS – HOMELESS AND SPECIAL NEEDS

B. COMMUNITY INPUT AND PUBLIC TESTIMONY

C. HOME, HOMEBUYER AND TBRA PROGRAM GUIDELINES

D. APPLICATIONS FOR FEDERAL ASSISTANCE (SF 424)

E. CERTIFICATIONS

Appendix A – Gap Analysis – Homeless and Special Needs Services

Homeless Housing Gap Analysis, (Required HUD Table 1A)

Table 1A: Housing Gap Analysis, San Jose

	Number of Beds			
	Current Inventory	Under Development	Unmet Need (a)	
Individuals				
Emergency Shelter	417	0	0	
Transitional Housing	254	10	18	
Permanent Supportive Hous	428	416	1,585	
Total	1,099	426	1,603	
Families with Children				
Emergency Shelter	233	3	0	
Transitional Housing	234	0	88	
Permanent Supportive Hous	626	578	0	
Total	1,093	581	88	
Part 1: Homeless Population (b)				
	Sheltered (c)		Unsheltered	Total
	Emergency Shelter	Transitional Housing		
Number of Families with Children (d)	63	53	13	129
Number of Persons in Families with Children	206	136	42	384
Number of Persons in Households without Children (e)	461	278	3,070	3,809
Total	667	414	3,112	4,193

Part 2: Homeless Subpopulations (f)

	Sheltered	Unsheltered	Total
a. Chronically Homeless	378	1,089	1,467
b. Seriously Mentally Ill	508	1,463	1,971
c. Chronic Substance	508	1,463	1,971
d. Veterans	151	436	587
e. Persons with HIV/AIDS	22	62	84
f. Victims of Domestic	108	311	419
g. Unaccompanied Youth	119	342	461

Notes:

(a) Unmet need derived from the number of beds under development and the number of sheltered and unsheltered homeless enumerated in the 2009 Santa Clara County Homeless Census and Survey.

Methodology used to calculate unmet need based on the 2009 Continuum of Care Application. For complete description of methodology and assumptions, contact the Executive Committee of the Santa Clara County Collaborative on Housing and Homeless Issues.

(b) Based on 2009 City of San Jose Homeless Census and Survey.

(c) The point-in-time count at some emergency shelters and transitional housing facilities have been corrected since the 2009 Homeless Census and Survey was released. This data reflects the corrected figures.

(d) Number of families derived from average household sizes from the Homeless Census and Survey.

(e) Persons in households without children include single persons and individuals in vehicles, encampments, abandoned buildings, or parks where family status could not be determined.

(f) These data are based on both the Homeless Census and data from the Homeless Survey. The results are estimates, calculated by applying the survey results to the point-in-time Homeless Census population.

Sources: 2009 Homeless Census and Survey, Applied Survey Research, January 2009; 2009 Santa Clara County Continuum of Care Application; BAE, 2009.

Table 5.1 (HUD Table 1B): Special Needs (Non-Homeless) Populations

Table 1B: Special Needs (Non-Homeless) and Homeless Populations, San José					
Special Needs Sub-Population	Priority Need Level (a)	Unmet Need		Dollars to Address Unmet Need (k)	Goals (l)
Elderly	High	13,950	(b)		
Frail Elderly	Medium	1,720	(c)		
Severe Mental Illness	High	5,260	(d)	\$1,500,000/ annually	house 100 chronically homeless households with severe mental illness
Developmentally Disabled	Medium	5,150	(e)		
Physically Disabled	Medium	7,170	(f)		
Persons w/ Alcohol/Other Drug Addiction	High	5,420	(g)		
Persons with HIV/AIDS	Medium	280	(h)	\$1,100,250	381/individuals annually
Victims of Domestic Violence	Medium	0	(i)	\$27,000 FY 2010/11	Provide shelter, food and case management to 230 unduplicated clients
Large Households	Medium	41,400	(j)		

Notes:

- (a) Based on historic need in jurisdiction and input from Consolidated Plan Workshops.
 - (b) Based on estimated number of elderly households with a housing problem in jurisdiction, according to data from 2000 Census and 2009 Claritas.
 - Excludes frail elderly.
 - (c) Based on same methodology as (b), multiplied by % of County seniors with self-care disability, per 2000 Census.
 - (d) Based on estimated adult local residents that are low-income with a housing problem, multiplied by % of adult population with severe mental illness, per 2000 Ce Institute of Mental Health.
 - (e) Based on estimated adult local residents that are low-income with a housing problem, multiplied by % of County adult population with mental disability, per 2000
 - (f) Based on estimated adult local residents that are low-income with a housing problem, multiplied by % of County adult population with physical disability, per 2000 frail elderly.
 - (g) Based on local share of countywide admissions to treatment facilities in 2003.
 - (h) Based on estimated adult local residents that are low-income with a housing problem, multiplied by % of County residents living with HIV/AIDS, per 2000 Census Health Services.
 - (i) From previous Consolidated Plan.
 - (j) Based on estimated number of large households with a housing problem in jurisdiction, according to data from 2000 Census and 2009 Claritas.
- Source: US Census, CHAS Datasets, 2000; Claritas, 2009; CA Dept of Health Services, 2009; National Institute of Mental Health, 1993; Santa Clara County Depart Alcohol Services; BAE, 2009.

Table 5.2 (HUD Table 1C): Summary of Specific Housing/Community Development Objectives, San José

	Unmet Need	Performance Measure	Production Goal
Homeless Individuals			
Emergency Shelter	0	Beds/Units	0
Transitional Housing	18	Beds/Units	0
Permanent Supportive Housing	1,585	Beds/Units	3
Homeless Families with Children			
Emergency Shelter	0	Beds/Units	0
Transitional Housing	88	Beds/Units	0
Permanent Supportive Housing	0	Beds/Units	0
Homeless Special Needs			
Chronically Homeless	1,396	Beds/Units	0
Seriously Mentally Ill	210	Beds/Units	11
Chronic Substance Abuse	253	Beds/Units	0
Veterans	145	Beds/Units	0
Persons with HIV/AIDS	3	Beds/Units	0
Victims of Domestic Violence	77	Beds/Units	0
Unaccompanied Youth (Under 18)	9	Beds/Units	0

Sources: 2009 Homeless Census and Survey, Applied Survey Research, January 2009;
2009 Santa Clara County Continuum of Care Application; BAE, 2009.

Appendix B – Community Input and Public Testimony

The Housing and Community Development Advisory Commission Meeting – February 10, 2011

Public Comment	City Response

The Housing and Community Development Advisory Commission Meeting – March 10, 2011

Public Comment	City Response

City Council Meeting– March 22, 2011

Public Comment	City Response

The Housing and Community Development Advisory Commission Meeting – April 14, 2011

Public Comment	City Response

City Council Meeting– May 3, 2011

Public Comment	City Response

Other Comments Received

Public Comment

Appendix C – HOME & Homebuyer and Tenant Based Rental Assistance Program Guidelines

a. HOMEBUYER PROGRAM GUIDELINES

All homes purchased with HOME funds, are subject to the requirements as set forth in 24 CFR 91 and 92 of the HOME regulations. The City of San Jose uses HOME funds to provide loans to qualified homebuyers. who want to buy a home in San Jose

These Homebuyer Guidelines have been developed in accordance with the U.S. Department of Housing and Urban Development (HUD) requirements for both programs and City policies indicated in its *Consolidated Plan*. The Homebuyer Guidelines are extensive and can be found on the Housing Department's website <http://www.sjhousing.org/program/HB/Underwriting.pdf>

d. TENANT BASED RENTAL ASSISTANCE PROGRAM GUIDLINES

The City of San Jose has the following program guidelines in place to implement a Tenant-Based Rental Assistance program funded through the HOME Investment Partnership Program Trust Fund.

The City's TBRA program is designed to help chronic homeless families and individuals to become permanently housed with supportive services. Specifically, the TBRA program will provide housing with wraparound services for two years with the possibility of a two year extension. Priority will be given to those with a diagnosed mental illness. The housing must be located within the City of San Jose. The rents will be subsidized by the City of San Jose (HOME funds) and the case management services will be matched by the Santa Clara County Mental Health Department (MHSA funds).

AGENCY RESPONSIBILITIES

1. Housing Department:
 - a. Oversee program logistics including, materials and trainings.
 - b. Attend quarterly meetings with the Santa Clara County Mental Health Department, P.R.I.D.E. (Program Administrator), and the selected case management agencies.
 - c. Review P.R.I.D.E.'s quarterly reports on participants' income and tenancy.
 - d. Review P.R.I.D.E.'s financial information to ensure compliance with the HOME Program Guidelines.
 - e. Review and evaluate program progress and recommend changes as needed.
2. Santa Clara County Mental Health Department:
 - a. Develop and manage Request for Proposals for case management services for TBRA program.
 - b. Select appropriate case management agencies to serve program clients.
 - c. Assist case management agencies with development of program materials, policies and procedures.
 - d. Take referrals from homeless services providers and other agencies regarding potential participants.
 - e. Evaluate the recommendations made by the case management agencies in regards to the potential participants and make the final decision on participant selection.

- f. Facilitate quarterly meetings with the staff from the case management agencies, P.R.I.D.E., and the Housing Department to review participant progress, address program concerns, and make recommendations to facilitate participant success.
 - g. Review and evaluate program progress and communicate effectiveness and recommendations for change to the Housing Department.
3. P.R.I.D.E. (Program Administrator):
- a. Ensure that each property meets HUD Housing Quality Standards.
 - b. Review and enforce occupancy standards to determine participating household's unit size.
 - c. Ensure the payment (rent) standard is similar to the Fair Market Rent (FMR) that is established by HUD for the Section 8 program.
 - d. Verify that participating households' annual income as defined in 24 CFR 5.609 (referred to as "Part 5 annual income"), does not exceed 30% of the area median income.
 - e. Ensure that the term of each lease is at least one year and does not contain language that is not in accordance with the HOME Investment Partnership Program Trust Fund.
 - f. Conduct property inspections upon entry and exit.
 - g. Conduct ongoing inspections of the property during TBRA participants' tenancy, as needed.
 - h. Collect a minimum monthly rent of \$50, with no deductions, from each participating household.
 - i. Provide rental check in its entirety to property owner each month.
 - j. Perform annual income recertification and adjust rent and assistance accordingly.
 - k. Review and approve rent increases.
 - l. Supervise the accounting and record keeping functions to be contracted to another agency, including:
 - i. Preparation and submittal of the TBRA Set-up Report to the City of San Jose Housing Department, as required by HUD.
 - ii. Submittal of reimbursement requests to the City of San José Housing Department with appropriate documentation.
 - iii. Disburse security deposits at the end of tenancy.
 - m. Submit quarterly reports to the City of San Jose Housing Department on participating households' income, tenancy status, and accounting of funds spent to date.
4. Selected Case Management Agency:
- a. Explain the TBRA program to all participating households.
 - b. Perform intake assessments on participating households to identify housing and supportive services needs and link them to appropriate resources.
 - c. Employ case managers, clinical psychologists, and psychiatrists to provide case management and other supportive services to participating households, which will include:
 - i. Verifying participant eligibility, including income and homelessness.
 - ii. Assisting participants with the development of a self-sufficiency action plan.
 - iii. Accompanying participants to a mandatory program orientation facilitated by P.R.I.D.E., the Santa Clara County Mental Health Department, and the City of San José Housing Department.
 - iv. Assisting participants with the completion of paperwork required by P.R.I.D.E., including their rent portion calculation.
 - v. Assisting participants in obtaining an apartment that meets the rent and habitability standards of the TBRA program.
 - vi. Communicating with potential landlords and P.R.I.D.E. about the unit's inspection, monthly rent, security deposit, and possible utility deposit.
 - vii. Scheduling home visits with all participating households.

- viii. Assisting participants with meeting their goals as set in their self-sufficiency action plan(s).
- ix. Guiding participants with budgeting and money management.
- x. Acting as a liaison between P.R.I.D.E., participating households, and landlords, as needed.
- xi. Developing and maintaining confidential participant case files.
- xii. Notifying the Santa Clara County Mental Health Department quarterly of participant progress towards self-sufficiency.
- xiii. Ensuring participants have a permanent affordable housing option at completion of program.
- xiv. Performing Exit Interviews and submitting final reports.

5. Participating Households:

- a. Attend mandatory TBRA program orientation provided by P.R.I.D.E., the Santa Clara County Mental Health Department, and the City of San José Housing Department before moving into approved housing.
- b. Schedule meetings with case managers.
- c. Maintain regular contact with case manager, clinical psychologist, psychiatrist, doctor, or other appropriate staff person, and notify them if unable to attend a scheduled appointment.
- d. Allow case manager and/or P.R.I.D.E. staff to periodically inspect the housing unit.
- e. Adhere to self-sufficiency action plan and/or treatment plan.
- f. Maintain or obtain a regular income.
- g. Pay no more than 30% of their income towards housing costs with a minimum “floor” of \$50 to P.R.I.D.E (Program Administrator).
- h. Develop skills to be a good tenant, such as keeping unit clean, participating in tenant training programs and/or classes, and following the terms of the landlord’s lease.
- i. Contact case manager or landlord should the unit need service or repair.
- j. Inform case manager of potential changes in household composition, changes in income, or any concerns that may affect program compliance and/or stability.
- k. Work with case manager to develop a housing relocation plan, which may include placement on Section 8 waiting list, placement on affordable housing wait lists, and/or market rate housing options.
- l. Failure to perform any of the above responsibilities can and will result in termination of participation in the TBRA program.

6. Participant Eligibility Requirements

- a. Participants must meet the HUD definition of chronic homeless, which refers to an unaccompanied homeless individual with a disabling condition who has either been continuously homeless for a year or more OR has had at least four (4) episodes of homelessness in the past three (3) years. To be considered chronically homeless, persons must lack a fixed, regular, and adequate nighttime residence, such as a place not meant for human habitation and/or an emergency shelter, during that time. For the purpose of the TBRA program, a family will also be considered chronically homeless if they otherwise meet the above definition.
- b. Submit complete application including identification, income verification, homelessness verification, and proof of a household member’s diagnosed mental illness.
- c. Participants must have the desire and the ability to become permanently housed and self-sufficient.

7. Participant Selection Process

Once the Santa Clara County Mental Health Department has selected the homeless service agencies to provide case management services, members of the Santa Clara County Collaborative on Affordable Housing and Homeless Issues (Collaborative) will be asked to refer eligible clients to the program. Final decisions on participating households will be made by the Santa Clara County Mental Health Department. Records will be maintained by the Santa Clara County Mental Health Department documenting that all eligible families and individuals had the opportunity to apply and were treated fairly in the application process. All applicants not selected will be notified by mail, telephone, personal contact, or other appropriate method.

Cost Summary

HOME is expected to fund the following program costs over a one-year period:

Expense Item	Cost
Project Costs:	
Rent Subsidies	\$ 1,350,000
Total Project Costs	\$ 1,350,000
Administrative Costs:	
Program Administrator: P.R.I.D.E. (10% of Project Costs)	\$ 150,000
TOTAL PROGRAM COST	\$ 1,500,000

Appendix D – Applications for Federal Assistance (SF-424)

Appendix E - Certifications