



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: April 11, 2011

Approved

Date

4/15/11

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

SUBJECT: FINAL PUBLIC HEARING AND APPROVAL OF THE ANNUAL ACTION PLAN FY 2011-2012

RECOMMENDATION

It is recommended that the City Council:

1. Hold a final public hearing regarding the approval of the City's Annual Action Plan 2011-12 and take public comment;
2. Adopt the 2011-2012 Annual Action Plan, including the FY 2010-2011 funding recommendations for the Community Development Block Grant (CDBG) Program, the HOME Investment Partnership Program (HOME), the Housing Opportunities for People with HIV/AIDS (HOPWA) Program, and the Emergency Shelter Grant (ESG) Program.
3. Adopt a resolution authorizing the Director of Housing to negotiate and execute all non-capital agreements and contracts not requiring CEQA review and to negotiate all capital project agreements and contracts, including any amendments or modifications, for the expenditure of CDBG, ESG, HOME and HOPWA funds on behalf of the City.
4. Authorize the Housing Department to submit the FY 2011-2012 Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD), which makes the City eligible to receive and distribute approximately \$15,400,000.

OUTCOME

The Mayor and City Council's approval of the Annual Action Plan 2011-2012 will enable the City to finalize and submit to HUD these federally-mandated documents by the May 15, 2011 deadline. By approving the Annual Action Plan, the City will be eligible to receive and distribute approximately \$15,400,000 in entitlement funds in FY 2011-2012.

BACKGROUND

In 2010, the City adopted a Five-Year Consolidated Plan for the period FY 2010-2015. The Consolidated Plan assesses the City's current housing market; analyzes demographic, ethnic, and socio-economic conditions; and identifies populations within the City who have the greatest community and housing needs, including seniors, families, persons who are homeless or at risk of homelessness, and persons with disabilities. It also defines the City's priority needs, strategies, and objectives for reducing the most prevalent barriers to housing and services in our community. For each year of the Five-Year Consolidated Plan, the jurisdiction must submit an Annual Action Plan outlining the jurisdiction's one-year plan for achieving the goals outlined in the Five-Year Plan.

On March 22, 2011, the City Council conducted a public hearing on the draft Consolidated Plan – Annual Action Plan FY 2011-2012.

The City of San José participated in a countywide collaboration to develop this cycle's Five-Year Consolidated Plan. From a broader set of shared regional objectives developed through the collaboration, the City subsequently refined and prioritized six major goals to meet both regional and local priorities:

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

In order to meet these goals, the City provides federal funding to local agencies and community-based organizations that work in these priority areas. The Annual Action Plan contains a complete list of agencies that have been recommended for federal funding in FY 2011-12 and an outline of the process used to develop these recommendations.

ANALYSIS

This Memorandum requests the City Council to approve the Annual Action plan as presented. As of the date this Memorandum was submitted, no public comments had been received on the draft Plan.

As of April 11, 2011, the Housing Department had not received the final allocation amounts for its federal programs because the federal FY 2011 budget had not yet been approved. As a result, HUD has not determined the final allocation levels for CDBG, HOME, HOPWA and ESG. Based on President Obama's and HUD's most recent budget proposals, the Housing Department anticipates, at a minimum, a decrease in both the CDBG and HOME funding levels by 8.24%

and 9% respectively, over the 2010 levels. Based on this projection, staff is preparing for a \$15,400,000 total allocation, which is the amount that Housing staff has submitted in the Action Plan budget. If substantially deeper cuts are passed, staff will return to the City Council with alternate allocation strategies.

EVALUATION AND FOLLOW-UP

Since the public comment period for the FY 2011-12 Annual Action Plan closes on April 14, 2011, which is after the submission deadline for this memorandum, a summary of all public comments, City's responses, and any recommended amendments to the draft Five Year Consolidated Plan and the Annual Action Plan will be distributed to the City Council in the form of a Supplemental Memorandum prior to the May 3, 2011 meeting in which the City Council will consider approval of the final Plan documents. In the fall of 2012, the City will use the Consolidated Annual Performance and Evaluation Report (CAPER) to report on its progress in achieving the goals identified in this FY 2011-2012 Action Plan.

POLICY ALTERNATIVES

Not Applicable.

PUBLIC OUTREACH/INTEREST

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

Federal regulations stipulate that jurisdictions hold at least two public hearings to receive public comment for the Consolidated Plan's Annual Action Plan. The City of San José routinely holds more public hearings than required by the federal government. This year, the City planned a total of four public hearings on the FY 2011-2012 Annual Action Plan. The City sent individual announcements of these public hearings to over 450 organizations and individuals concerned about affordable housing and community development issues, as well as placing an announcement in the San Jose Mercury News. These notices were also translated into Spanish, Vietnamese, and Chinese and published in La Oferta, Thoi Bao and China Press newspapers.

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The City's four planned public hearings are as follows:

1. Housing and Community Development Advisory Commission (HCDC) special meeting – February 22, 2011
2. San José City Council meeting - March 22, 2011
3. Housing and Community Development Advisory Commission (HCDC) meeting - April 14, 2011
4. San José City Council meeting - May 3, 2011

Due to the lack of quorum at the regular HCDC meeting on February 10th, a special HCDC meeting was held on February 22 in order to open the public comment period. An additional public hearing will be held at the HCDC retreat on April 23rd for HCDC approval of the Annual Plan 2011-12.

All public comments provided to the City either verbally or in writing will be included in the appendices of the documents when submitted to HUD.

COORDINATION

Preparation of this report has been coordinated with the Department of Planning, Building, and Code Enforcement, the Department of Environmental Services, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

The timely submittal of the Annual Action Plan to HUD enables the City to become eligible to receive and distribute approximately \$16,300,000 in entitlement funds for FY 2011-2012.

COST SUMMARY/IMPLICATIONS

With an approved Consolidated Plan, the City will be eligible to receive housing and community development funds--including CDBG, HOME, HOPWA and ESG funds--from the federal government in the amount of approximately \$15,400,000 for FY 2011-2012.

BUDGET REFERENCE

Not applicable.

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CEQA

Not a Project, File No. PP10-067, Non-Project Specific Funding Mechanism.


LESLYE CORSIGLIA
Director of Housing

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