



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: April 9, 2012

Approved

Date

4-16-12

**SUBJECT: FINAL PUBLIC HEARING AND APPROVAL OF THE 2012-2013
CONSOLIDATED ANNUAL ACTION PLAN**

RECOMMENDATION

It is recommended that the City Council:

1. Hold a final public hearing regarding the approval of the City's 2012-2013 Consolidated Annual Action Plan (ConPlan) and take public comment;
2. Adopt the 2012-2013 Consolidated Annual Action Plan, including the FY 2012-2013 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 2012-2013 Consolidated Annual Action Plan to the U.S. Department of Housing and Urban Development (HUD).

OUTCOME

The Mayor and City Council's approval of the 2012-2013 Consolidated Annual Action Plan will enable the City to finalize and submit to HUD these federally-mandated documents by the May 15, 2012, deadline. By approving the Annual Action Plan, the City will be eligible to receive and distribute approximately \$12,000,000 in entitlement funds in FY 2012-2013.

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.

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.

Because the amount of CDBG funding available for projects is smaller than in previous years, no funding is being recommended in this Annual Action Plan for economic development activities.

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 list of most of the agencies that are recommended for federal funding in FY 2012-2013 and an outline of the process used to develop these recommendations. The one exception is for school readiness/third-grade literacy services in the three Place-Based Strategy neighborhoods (Mayfair, Santee and Five Wounds/Brookwood Terrace) for the RFP process will not be completed by the time that the Plan is to be approved by the Council. Recommendations on the agency or agencies to provide these services will be made to the Council prior to the end of June.

On April 3, 2012, the Council conducted its first public hearing on the draft 2012-2013 Consolidated Annual Action Plan.

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ANALYSIS

This Memorandum requests the 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 other than the three speakers at the Council's April 3rd public hearing.

The total amount of CDBG, HOME, HOPWA and ESG entitlement grants available to the City in FY 2012-13 is \$11,968,975. This represents a 19% decrease from what was made available to San José in the current fiscal year, with the individual programs experiencing varying differentials from one year to the next:

- HOME – 41% decrease
- CDBG – 14% decrease
- HOPWA – No change
- ESG – 22% increase

EVALUATION AND FOLLOW-UP

Since the public comment period for the 2012-2013 Consolidated Annual Action Plan closes on April 30, 2012, which is after the submission deadline for this memorandum, a summary of all public comments, the City's responses, and any recommended amendments to the draft Plan will be distributed to the Council in the form of a Supplemental Memorandum prior to the May 1, 2012 meeting in which the Council will consider approval of the final Plan documents. In the fall of 2013, the City will use the Consolidated Annual Performance and Evaluation Report (CAPER) to report on its progress in achieving the goals identified in this 2012-2013 Consolidated Annual Action Plan.

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

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total of three public hearings on the 2012-2013 Plan. The City sent individual announcements of these public hearings to over 400 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 the La Oferta, Thoi Bao and China Press newspapers.

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

1. San José City Council meeting – April 3, 2012
2. Housing and Community Development Advisory Commission (HCDC) meeting – April 12, 2012
3. San José City Council meeting – May 1, 2012

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 City Attorney's Office.

FISCAL/POLICY ALIGNMENT

The timely submittal of the Consolidated Annual Action Plan to HUD enables the City to become eligible to receive and distribute approximately \$12,000,000 in entitlement funds for FY 2012-13

COST SUMMARY/IMPLICATIONS

With an approved Consolidated Annual Action 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 \$12,000,000 for FY 12-13.

CEQA

Not a Project, File No.PP10-069(a) Annual Report. Specific development projects that are funded as a result of the Consolidated Annual Action Plan are subject to project-specific CEQA clearance.

/s/
LESLYE CORSIGLIA
Director of Housing

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