

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: August 30, 2012

Approved

Date

8/31/12

SUBJECT: PUBLIC HEARING ON THE FY 2011-2012 CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT (CAPER) AND APPROVAL OF THE DOCUMENT

RECOMMENDATION

It is recommended that the City Council hold a public hearing on the FY 2011-2012 CAPER and approve the document for submittal to the U.S. Department of Housing and Urban Development by the September 28, 2012 deadline.

OUTCOME

Approval of the CAPER will ensure compliance with the U.S. Department of Housing and Urban Development's (HUD) reporting requirements and enable the City to continue qualifying for federal funds for housing and community development programs.

BACKGROUND

As the tenth largest city in the country, San José receives federal funds directly from HUD as an "entitlement community." Administered by the City's Department of Housing, the funds are vital in helping the Department to meet its mission to strengthen and revitalize San José's communities through housing and neighborhood investments.

In order to qualify for these funds and the use of other federal housing and community development programs, HUD requires that the City complete the following three documents:

1. The Five-Year Consolidated Plan (Five-Year Plan), which documents the City's housing needs and its strategies for meeting those needs during the subsequent five year period.
2. The Consolidated Annual Action Plan (Annual Plan), which details the annual plan in order to meet the goals identified in the Five-Year Plan.
3. The Consolidated Annual Performance and Evaluation Report (CAPER), which describes the City's progress in meeting the objectives of the prior year's approved Annual Plan.

Each of the three documents includes information on the City's use of federal funds, including the HOME Investment Partnership, Emergency Shelter Grant (ESG), Community Development Block Grant (CDBG), and Housing Opportunities for People with AIDS (HOPWA). This Memorandum seeks approval for the third document—the CAPER—and requests that the City hold a public meeting to solicit input on the report. Following approval of the CAPER, staff submits the final report plus public comments to HUD.

ANALYSIS

This CAPER outlines the progress towards goals articulated in San José's Annual Action Plan that the City and its sub-grantees have made in the past year. In FY 2011-2012, the Housing Department administered nearly \$15 million in federal entitlement grants. Despite the downturn in the economy and the mid-year elimination of new tax increment funds for affordable housing, the City utilized its federal funds and leveraged local and State dollars in order to make targeted and strategic impacts towards meeting the housing, services, and community development needs of its residents. The City accomplished many noteworthy achievements, including the following:

- Assisted 6,163 low-income residents to maintain self-sufficiency, 3,517 low-income residents to receive health care, and 1,604 low-income residents to access legal services.
- Completed construction for 704 affordable housing units that meet Build It Green sustainability standards.
- Provided small business training and development services assistance to 570 individuals.
- Assisted 435 lower-income homeowners and mobilehome owners to rehabilitate their homes.
- Provided 211 chronically homeless, severely mentally ill clients with access to temporary housing subsidies and case management services through a Tenant-Based Rental Assistance (TBRA) Program administered in collaboration with the County of Santa Clara.
- Installed 167 ADA-compliant curb ramps and converted 497 streetlights to LED lighting.

In addition to these accomplishments, the CAPER details outcomes of work done to further the City's many housing and community development goals. Outcomes are also noted on the Department's supporting initiatives in policy, monitoring and compliance, and actions furthering fair housing in the outreach and marketing of housing, among others.

EVALUATION AND FOLLOW-UP

Upon City Council approval, the CAPER will be submitted to HUD by its September 28, 2012 due date. The final CAPER will be posted on the San José Housing Department's website at: <http://www.sjhousing.org/report/conplan.html>.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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)**

As the CAPER is an annual performance report that documents outcomes per a previously-adopted plan, this recommendation to approve the report does not trigger any of the above criteria for public outreach. However, U.S. Department of Housing and Urban Development (HUD) regulations require that jurisdictions hold one public hearing and a 15-day review period to receive public comments on the draft CAPER. The document's public review and comment period runs from August 27, 2012 through September 12, 2012. The City will also hold two public hearings on the document: one at the September 13, 2012 Housing and Community Development Advisory Commission meeting, and another at the September 18, 2012 City Council meeting. This Memorandum will be posted to the City Council agenda website for the September 18, 2012 meeting.

A Public Notice of the public review and comment period, containing information on the two public hearings and the availability of the draft documents, was published in the *San José Mercury News*, *El Observador*, *Thoi Bao*, *China Press*, and the *Philippine News* on August 17, 2012. Additionally, *La Oferta* published the Public Notice on-line on August 17, 2012, and in its print newspaper on August 24, 2012.

Because the public review period ends after the submittal of this Memorandum, a Supplemental Memorandum documenting the comments received during the review period will be sent to the City Council prior to its September 18, 2012 meeting.

COORDINATION

The preparation of this Memorandum was coordinated with the City Attorney's Office.

HONORABLE MAYOR AND CITY COUNCIL
August 30, 2012
Subject: Public Hearing on the 2011-2012 CAPER
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COST SUMMARY/IMPLICATIONS

Without an approved CAPER, the City of San José may not qualify for future HUD funding including CDBG, HOME, HOPWA, and ESG programs that are essential for supporting vital community services and needs.

CEQA

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

/s/
LESLYE CORSIGLIA
Director, Housing

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

Attachment



DRAFT

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

**CITY OF SAN JOSE
2011 - 2012**

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

Adopted by City Council on xxxx

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EXECUTIVE SUMMARY

Report Description: The City of San José's *2011-2012 Consolidated Annual Performance Evaluation Report (CAPER)* reports on activities funded under the City's *Five-Year Consolidated Plan (2010-2015)* and the *FY 2011-2012 Annual Action Plan*. These reports govern the administration of the City's grant funds that are overseen by the U.S. Department of Housing and Urban Development (HUD). The City's Housing Department administers federal entitlement grants in the following programs: Community Development Block Grant (CDBG); Home Investment Partnerships (HOME); Housing Opportunities for Persons with AIDS (HOPWA); and, Emergency Shelter Grant (ESG). In addition, the City is part of a consortium awarded competitive Neighborhood Stabilization Program (NSP) funds, which this CAPER also covers.

FY 2011-2012 Highlights:

In the past year, the City used approximately \$16.7 million in entitlement funds, program income and NSP competitive funds, to leverage State and local funds to accomplish the following achievements:

- Assisted 6,163 low-income residents to maintain self-sufficiency, 3,517 low-income residents to receive health care, and 1,604 low-income residents to access legal services.
- Completed construction for 704 affordable housing units that meet Build It Green sustainability standards.
- Provided small business training and development services assistance to 570 individuals.
- Assisted 435 lower-income homeowners and mobilehome owners to rehabilitate their homes.
- Provided 211 chronically homeless, severely mentally ill clients with access to temporary housing subsidies and case management services through a Tenant-Based Rental Assistance (TBRA) Program administered in collaboration with the County of Santa Clara.
- Installed 167 ADA-compliant curb ramps and 497 LED streetlight conversions.

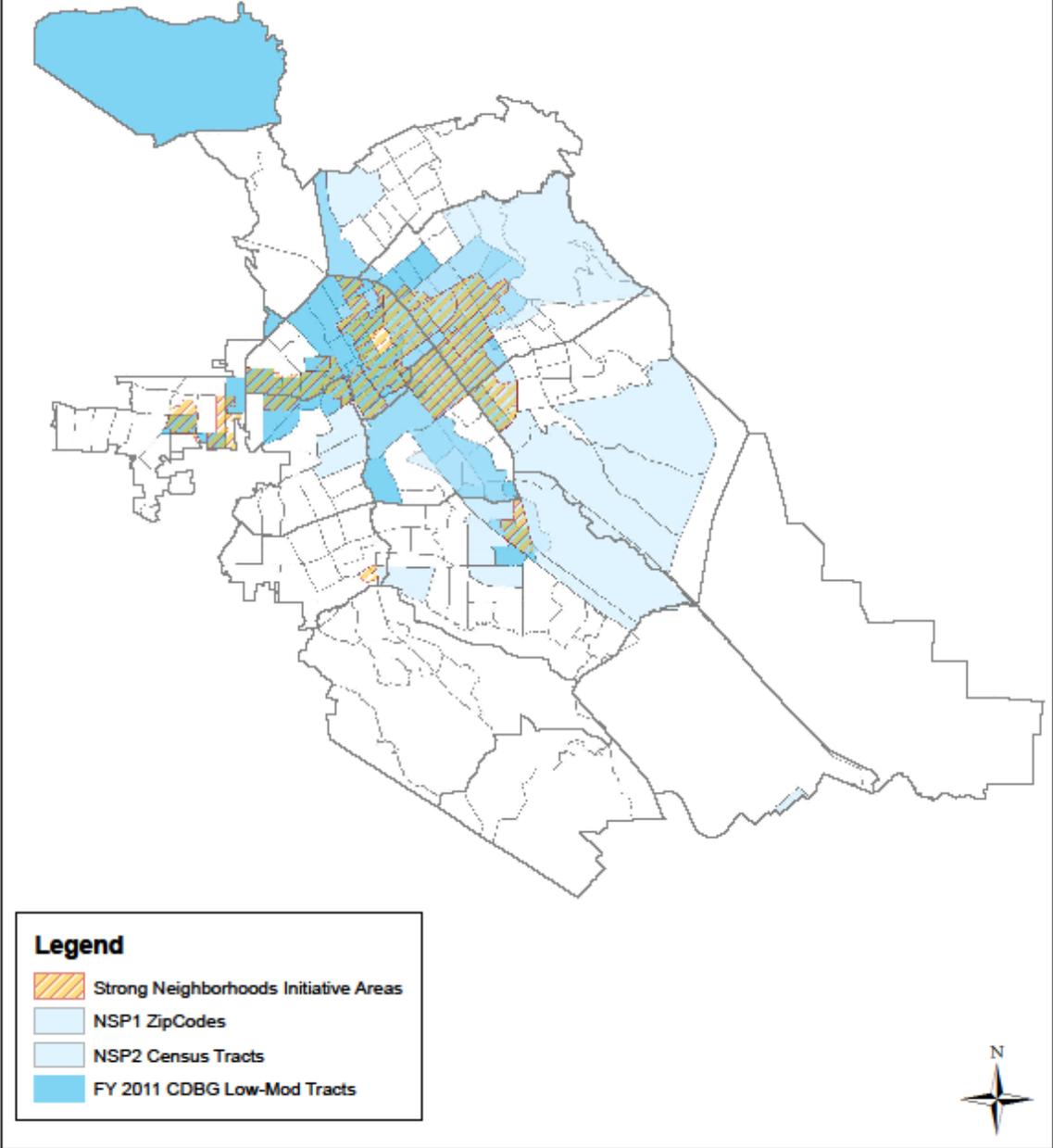
Geographic Areas Served: During this reporting period, efforts were made to target CDBG and NSP funds in Strong Neighborhood Initiative (SNI) areas that were identified as hardest hit by the foreclosure crisis. In addition to the acquisition, rehabilitation and resale of vacant and foreclosed single family residences under the NSP program, the Department also offered CDBG-funded Housing Rehabilitation loans and grants to area residents. Finally, LED streetlight conversions and ADA curb cuts have been installed in these areas, in addition to the provision of proactive code enforcement efforts. This multipronged, place-based approach will maximize the impact of public investments in these neighborhoods.

The City of San José provides funds and services to low-and moderate-income participants, households, or areas throughout the City. As a practical matter, the City prioritizes funding and services to low- and moderate-income populations within redevelopment project areas, many of which contain 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 is a publicly-funded program to improve services, economic opportunities, and quality of life in 19 neighborhoods throughout the City. SNI has helped to foster the development of citizen-leaders throughout San José's lower-income neighborhoods. The SNI neighborhoods cover about a tenth of the city's land and a quarter of its population, and contain about 230,000 residents.

SNI had been staffed through the San José Redevelopment Agency; therefore, the program's focus has changed in the past year. Its function has shifted away from Redevelopment-funded capital projects to a greater focus on working collaboratively on the coordinated provision of City services through multiple City departments, overseen by the City Manager's Office. Although directly supported by the City's General Fund, the projects and programs that the SNI team helps to facilitate also are funded by various other State and federal funding sources.

City of San Jose - CAPER 2011-12
Geographic Areas Targeted by Federal Funds



INTRODUCTION

The following information gives context on where programs are operated, how they are overseen, and other operating issues related to this annual report of accomplishments.

Operating Context

While last year's CAPER reflected significant uncertainty due to the potential elimination of Redevelopment, as well as reductions in staffing at the City, this year's operating context has been one of change—but also one of determined productivity, despite this turbulence.

In June 2011, the California legislature passed ABx1 26, which required the elimination of Redevelopment. All of California's nearly 400 Redevelopment Agencies were officially dissolved in February 2012. Along with the RDAs' elimination has come the cessation of new tax increment for low- and moderate-income housing that San José's Housing Department has traditionally relied on to help pay for programs and staffing also funded by federal funds.

Given these changes, progress towards some of the Department's annual goals has been adjusted to account for these lost revenues. However, most functions have continued. Looking forward, the Department is now finalizing all needed approvals to make new commitments using income derived from a variety of sources, including income from loan repayments from the Department's loan portfolio. Given the City's sizable portfolio, this 'program income' is projected to be substantial enough in the near- to mid-term that the City can continue to operate the range of housing programs that are needed to help the residents of San José.

In the near-term, this is a very strategic time in which staff is continually reexamining how best to accomplish the housing and community development functions that are vital for the City to do, and how best to partner with outside organizations for service delivery. At the same time, staff is working with outside organizations to strategize how to establish new sources of ongoing funding to help replace Redevelopment funds from State, local and regional sources.

These many changes in the past year in California have truly underscored the importance of ongoing adequate federal funding for the many housing and community development activities that local governments can accomplish with these funds, and of maintaining the latitude to use resources most effectively in order to meet changing local needs.

SECTION 1 - SUMMARY OF RESOURCES AND DISTRIBUTION OF FUNDS

For use in FY 2011-2012, the City of San José budgeted funding received through the four HUD Entitlement programs received one fiscal year in arrears, FY 2010-2011, as listed below. Sources include \$16.7 million of entitlement funds and estimated program income and savings from prior years.

Through its *Annual Action Plan*, San José's Mayor and City Council approve the use of these funds from the previous fiscal year to operate programs and project activities in the next fiscal year that are designed to meet the goals of the *Five-Year Consolidated Plan (2010-2015)*. These goals include:

- Assist in the creation and preservation of affordable housing for lower-income and special needs populations
- Support activities to end homelessness in San José and Santa Clara County
- Support activities that provide basic services, eliminate blight, and/or strengthen neighborhoods
- Expand economic opportunities for low-income households
- Promote fair housing choice – affirmatively further fair housing
- Promote environmental sustainability.

Specific actions taken in FY 2011-2012 towards the accomplishments of the five-year goals are summarized in the *Outcome Performance Measurement* table below. Though it may be expected that the second year of a five-year goal should be at 40% of the goal, many of the annual goals were met or exceeded. Some programs may not have achieved the 40% goal. This is likely to occur particularly in multi-year construction related projects such as housing development and public improvements. Others may be pending full policy implementation, such as with the Inclusionary Housing goal.

Some actions will indicate *N/A* as a performance indicator target because they have no numerical goal attached to them. These are generally actions that further support the goal, such as seeking additional funding or continuing to support countywide efforts.

The Outcome Performance Measurement table summarizes the progress of each goal. The goals and the related need, accomplishments, impact and leveraged resources are described in the *Assessment of Strategic Plan Goals and Objectives and Self Evaluation* section.

As evidenced by the results of the 2010-2015 Consolidated Plan's first two years of performance, the City continues to effectively manage its federal funds for the greatest impact and benefit for its community.

OUTCOME PERFORMANCE MEASUREMENTS (Table in excel format in the CAPER folder titled Attachments)

(Table 1C, 2C, 3A)

Goal #1 - Affordable Housing for lower-income and special needs households

Action	Performance Measure	Outcome Code **	Year 1 2010-11	Year 2 2011-12	Year 3 2012-13	Year 4 2013-14	Year 5 2014-15	Cumulative Total	Five-Year Goal	% Achieved
1.A.1 - Production and technical assistance for affordable rental housing		DH 1.2								
Production Goal	# units with funding commitments		354	74				428	129	332%
Inclusionary Goal	# low-income units with recorded restrictions		0	0				0	150	0%
1.B.1 - Direct financial assistance to help lower-income households purchase homes	# non-duplicated lower-income homebuyers assisted	DH 2	39	65				104	357	29%
1.B.2 - Financial literacy and home-buyer education programs	# lower-income households participating in classes and counseling sessions	DH 2,3	422	514				936	2,285	41%
1.C.1 - Rehabilitation assistance for lower-income homeowners inclusive of all funding sources	# homeowners assisted	SL 3	391	435				826	1,271	65%

<i>Action</i>	<i>Performance Measure</i>	<i>Outcome Code **</i>	<i>Year 1 2010-11</i>	<i>Year 2 2011-12</i>	<i>Year 3 2012-13</i>	<i>Year 4 2013-14</i>	<i>Year 5 2014-15</i>	<i>Cumulative Total</i>	<i>Five-Year Goal</i>	<i>% Achieved</i>
1.C.2 - Rehabilitation assistance for lower-income homeowners through the CDBG program only (subset of 1.C.1 above)	# home-owners assisted	SL 3	266	239				505	1,000	51%
1.C.3 - Pursue funding opportunities for infrastructure improvements in lower-income mobilehome parks	Continue to implement	SL 1,2,3	Continue to Implement	Continue to Implement					Continue to implement	
1.D.1 - Housing goal for seniors, disabled and special needs individuals										
Production Goal (subset of 1.A.1 above)	# units with funding commitments	DH 1,2,3	143	23				166	29	472%
Rehabilitation Goal	# home-owners assisted	SL 3	190	33				223	254	88%
1.D.2 - Pursue funding opportunities to improve condition of housing stock for lower-income renters	Continue to implement	SL 1,2,3	Continue to Implement	Continue to Implement						

Goal #2 - Support activities to end homelessness in San José and Santa Clara County

<i>Action</i>	<i>Performance Measure</i>	<i>Outcome Code **</i>	<i>Year 1 2010-11</i>	<i>Year 2 2011-12</i>	<i>Year 3 2012-13</i>	<i>Year 4 2013-14</i>	<i>Year 5 2014-15</i>	<i>Cumulative Total</i>	<i>Five-Year Goal</i>	<i>% Achieved</i>
2.A.1 - TBRA assistance to chronically homeless	# unduplicated households served	SL 1,2,3	65	211				276	285	97%

<i>Action</i>	<i>Performance Measure</i>	<i>Outcome Code **</i>	<i>Year 1 2010-11</i>	<i>Year 2 2011-12</i>	<i>Year 3 2012-13</i>	<i>Year 4 2013-14</i>	<i>Year 5 2014-15</i>	<i>Cumulative Total</i>	<i>Five-Year Goal</i>	<i>% Achieved</i>
2.A.2 - Short-term emergency shelter program	# individuals assisted	DH 1	7,830	18,068				25,898	6,000	432%%
2.A.3 - Emergency rental assistance program	# individuals assisted	DH 2	1,496	685				2,181	2,000	109%
2.A.4 - Programs that provide vital services to homeless individuals	# individuals assisted	SL 1,2,3								
Homeless Services			7,998	0				7,998	30,000	27%
CDBG			18,783	16,437				35,220	16,000	220%
2.A.5 - Support Destination:Home	Continue to implement	SL 1,2,3	Continue to Implement	Continue to Implement					Continue to implement	
2.A.6 - Seek additional resources for county-wide efforts to end homelessness	Continue to implement	SL 1,2,3	Continue to Implement	Continue to Implement					Continue to implement	
2.A.7 - Seek additional funding for housing services for recently emancipated youth	Continue to implement	SL 1,2,3	Continue to Implement	Continue to Implement					Continue to implement	

Goal #3 - Support activities that provide basic services, eliminate blight, and/or strengthen neighborhoods

<i>Action</i>	<i>Performance Measure</i>	<i>Outcome Code **</i>	<i>Year 1 2010-11</i>	<i>Year 2 2011-12</i>	<i>Year 3 2012-13</i>	<i>Year 4 2013-14</i>	<i>Year 5 2014-15</i>	<i>Cumulative Total</i>	<i>Five-Year Goal</i>	<i>% Achieved</i>
3.A.1 - Assist lower-income residents with basic/essential services	# individuals assisted	SL 1,3								
Homeless Services			18,415	0				18,415	30,000	61%
CDBG			9,711	25,092				34,803	44,000	79%

Action	Performance Measure	Outcome Code **	Year 1 2010-11	Year 2 2011-12	Year 3 2012-13	Year 4 2013-14	Year 5 2014-15	Cumulative Total	Five-Year Goal	% Achieved
3.A.2 - Assist lower-income residents maintain self-sufficiency	# individuals assisted	SL 1,3								
Homeless Services			258	0				258	-	-
CDBG			4,919	6,163				11,082	27,000	41%
3.A.3 - Assist lower-income residents to access healthcare	# individuals assisted	SL 1,3	3,269	3,517				6,786	22,000	31%
3.A.4 - Assist lower-income residents to access legal services	# individuals assisted	SL 1,3	1,718	1,604				3,322	7,000	48%
3.B.1 - Remove public accessibility barriers	# individuals assisted in low-mod areas	SL 1,3	0	0				0	-	-
3.B.2 - Physical improvement and rehabilitation of public facilities	# individuals assisted in low-mod areas	SL 1,3	0	0				0	28,000	0%
3.B.3 - Code enforcement activities that eliminate blight and strengthen neighborhoods	# households / businesses assisted	SL 1,3	14,707	189				14,896	11,000	135%
3.C.1 - Inspect affordable housing for lead-based paint	# properties inspected	SL 1,3	131	68				199	1,215	16%
3.C.2 - Seek funding opportunities to mitigate lead hazards	Continue to implement	SL 1,3; DH 1,2	Continue to Implement	Continue to Implement					Continue to implement	
3.D.1 - Purchase and rehabilitate foreclosed properties and resell as affordable housing units	# units assisted	SL 1,3; DH 1,2	13	16				29	90	32%
3.D.2 - Provide support to the City's ForeclosureHelp Initiative	Continue to implement	DH 2,3	Continue to Implement	Continue to Implement					Continue to implement	
3.D.3 - Provide support to the Don't Borrow Trouble campaign	Continue to implement	DH 2,3	Continue to Implement	Continue to Implement					Continue to implement	

2011-2012

DRAFT Consolidated Annual Performance Evaluation Report

<i>Action</i>	<i>Performance Measure</i>	<i>Outcome Code **</i>	<i>Year 1 2010-11</i>	<i>Year 2 2011-12</i>	<i>Year 3 2012-13</i>	<i>Year 4 2013-14</i>	<i>Year 5 2014-15</i>	<i>Cumulative Total</i>	<i>Five-Year Goal</i>	<i>% Achieved</i>
3.D.4 - Research best practices and policies to respond to the foreclosure crisis	Continue to implement	DH 2,3	Continue to Implement	Continue to Implement					Continue to implement	

Goal #4 - Support economic development activities that promote employment growth and that help lower-income residents secure and maintain a job

<i>Action</i>	<i>Performance Measure</i>	<i>Outcome Code **</i>	<i>Year 1 2010-11</i>	<i>Year 2 2011-12</i>	<i>Year 3 2012-13</i>	<i>Year 4 2013-14</i>	<i>Year 5 2014-15</i>	<i>Cumulative Total</i>	<i>Five-Year Goal</i>	<i>% Achieved</i>
4.A.1 - Funding for local employment development and workforce training	# jobs created	EO 1,3	41	41				82	250	33%
4.A.2 - Small business development and training	# individuals assisted	EO 1,3	524	570				1094	3,000	37%

Goal #5 - Promote fair housing choice - Affirmatively furthering fair housing

<i>Action</i>	<i>Performance Measure</i>	<i>Outcome Code **</i>	<i>Year 1 2010-11</i>	<i>Year 2 2011-12</i>	<i>Year 3 2012-13</i>	<i>Year 4 2013-14</i>	<i>Year 5 2014-15</i>	<i>Cumulative Total</i>	<i>Five-Year Goal</i>	<i>% Achieved</i>
5.A.1 - Ongoing education and outreach regarding fair housing	# presentations made	DH 1	56					56	-	-
5.A.2 - Fair housing testing in local apartment complexes	# tests in local apartment complexes	DH 1	134					134	-	-

<i>Action</i>	<i>Performance Measure</i>	<i>Outcome Code **</i>	<i>Year 1 2010-11</i>	<i>Year 2 2011-12</i>	<i>Year 3 2012-13</i>	<i>Year 4 2013-14</i>	<i>Year 5 2014-15</i>	<i>Cumulative Total</i>	<i>Five-Year Goal</i>	<i>% Achieved</i>
5.B.1 - Ensure local ordinances are in compliance with State and Federal fair housing laws	Continue to implement	DH 1						0	Continue to implement	-
5.B.2 - Ensure zoning ordinances have procedures for reasonable accommodation requests	Continue to implement	DH 1						0	Continue to implement	-
5.B.3 - Language assistance for limited-English speaking residents	Continue to implement	DH 1							Continue to implement	
5.B.4 - Update local Analysis of Impediments	Continue to implement	DH 1							Continue to implement	

Goal #6- Promote environmental sustainability

<i>Action</i>	<i>Performance Measure</i>	<i>Outcome Code **</i>	<i>Year 1 2010-11</i>	<i>Year 2 2011-12</i>	<i>Year 3 2012-13</i>	<i>Year 4 2013-14</i>	<i>Year 5 2014-15</i>	<i>Cumulative Total</i>	<i>Five-Year Goal</i>	<i>% Achieved</i>
6.A.1 - Energy efficiency in multifamily new homes	# completed affordable units meeting Build It Green standards	SL 3	354	704				1,058	946	112%
6.A.2 - Direct investment of energy efficiency in owner-occupied housing		SL 3								
Rehabilitated Homes	# units meeting Build It Green standards		39	16				55	250	22%

Action	Performance Measure	Outcome Code **	Year 1 2010-11	Year 2 2011-12	Year 3 2012-13	Year 4 2013-14	Year 5 2014-15	Cumulative Total	Five-Year Goal	% Achieved
Inclusionary/Homebuyer assistance programs	# new construction green homes purchased by lower-income homebuyers		30					30	35	86%
6.A.3 - CDBG sponsored energy efficiency improvements	# energy efficiency improvements	SL 3	0	497				497	1,600	31%

* Outcome/Objective Codes

** Outcome codes based on U.S. Department of Housing and Urban Development guidelines

	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

SECTION 2 - ASSESSMENT OF STRATEGIC PLAN GOALS AND OBJECTIVES

ASSESSMENT OF PERFORMANCE AGAINST THE CONSOLIDATED PLAN 2010 – 2015 GOALS

Goal #1: Assist in the creation and preservation of affordable housing for lower-income and special needs households

Strategy #1A: Assist in the production of affordable rental housing

Need: Affordability of rental housing varies significantly by jurisdiction. However, across the Entitlement Jurisdictions, the average market rate rent far exceeds the maximum affordable rent for very low- and extremely low-income households. Moreover, the current economic recession and unemployment further exacerbate affordability concerns for many households.

Five-Year Goal:

Action 1.A.1 – Financial & technical assistance for affordable rental housing: Production Goal

Source of funds: HOME, 20% funds	Performance Measure: # of units with funding commitments	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 129	Annual Goal	105	705				810
Outcome Code: DH 1,2	Actual	354	74				428

Inclusionary Housing Goal

Source of funds: N/A	Performance Measure: # low-income units with recorded restrictions	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 150	Annual Goal	0	0				0
Outcome Code: DH 1,2	Actual	0	0				0

Accomplishments / Impact:

General Context

Although faced with the loss of Redevelopment funding, the Housing Department focused this past year on achieving its strategic goals as outlined in the Annual Action Plan. The City provided a new funding commitment for one rental new construction project during the past

year. The table above provides the City’s accomplishment regarding the production of decent, safe, and affordable housing.

Specific Performance Measures:

1.A.1 - Financial & technical assistance for affordable rental housing - Production Goal

During 2011-2012, the Annual Goal shown was actually affordable units completed rather than units committed. The actual number of affordable units committed for 2011-2012 was 74, for Ford & Monterey Family Apartments. A total of 704 affordable units were completed in 2011-2012: Cornerstone at Japantown, Brookwood Terrace, 90 Archer Street, Kings Crossing, New San Jose Family Shelter, Orvieto Family, Peacock Commons, Belovida Newbury Park, and 1460 North Fourth Street.

Name	Type	ELI Units	VLI units	LI units	Total Affordable
Brookwood Terrace	Family	21	62		83
Cornerstone @ Japantown	Family	14	31	7	52
Orvieto Family	Family	23	68		91
Kings Crossing	Family	42	50		92
San Jose Family Shelter	Homeless	35			35
Belovida @ Newbury Park	Seniors	48	136		184
1460 North Fourth Street	Seniors	35	55	9	99
90 Archer	SRO	16	25		41
Peacock Commons	At-risk youth	21	6		27
TOTAL COMPLETIONS		255	433	16	704

1.A.1 – Financial & technical assistance for affordable rental housing - Inclusionary Goal

The rising rents in the San José market have induced thousands of market-rate rental units to proceed in the last couple of years. However, given the *Palmer/Sixth Street Properties, L.P. vs. City of Los Angeles* (2nd Dist. 2009) 175 Cal.App.4th 1396 (“Palmer”) decision, rental Inclusionary requirements are currently not in effect under the City’s Inclusionary Housing Policy, and only newly-built ownership projects in redevelopment project areas are subject to inclusionary affordability requirements. San José’s Citywide Inclusionary Housing Ordinance, which was scheduled to take effect in January 2013, is also on hold due to an adverse court ruling which is currently being appealed.

Given that the for-sale new construction market has been slow to rebound since the housing crash, the number of affordable for-sale units produced under the City’s Inclusionary Policy has not materialized to-date. Future CAPERs may show more progress. One for-sale project, Westmount Square, is expected to start construction in Fall 2012, which is expected to produce as many as 10 affordable units. Two other for-sale projects with hundreds of total units are reportedly expected to proceed in the next two years. However, developers also have the option of paying in-lieu fees instead of building below-market rate units.

In addition, units to be built under a previously-negotiated agreement for affordability on the former Hitachi site in the Edenvale Redevelopment Project Area started their land use entitlements in the past year, so those affordable units will be counted under the Inclusionary category once they are constructed.

Leveraging of Resources:

Bank financing of real estate development—which had been quite limited since 2008—seems to have become more available in the past 12-18 months. In addition, higher Low Income Housing Tax Credit (LIHTC) pricing has offset some of the negative impacts of conservative loan sizing and reduced the amount of local subsidy required.

The Housing Department made efficient use of the new construction funding available in the past year and was able to leverage its programmatic funds by 7.13 times with available outside funding in supporting the Department’s goal of increasing the affordable housing supply.

Project	City Funds	Project Cost	Leveraging Ratio
Ford & Monterey Family Apartments	\$4,499,655*	\$32,093,580	7.13
Total	\$22,918,834	\$93,389,174	3.07

*Note: Includes the value of City-owned land that the City has contributed under a long-term ground lease.

Strategy #1B: Support affordable ownership housing

Need: The National Association of Home Builders released nationwide housing affordability data for the first quarter of 2012. The San José-Sunnyvale-Santa Clara area was identified as the ninth least affordable area in the nation (217th out of 223 metropolitan areas) with only 59.1% of the homes sold being affordable to those earning the area’s median income of \$105,000.

Although the ongoing housing market downturn has led to lower home sales prices in virtually all the Entitlement Jurisdictions, the NAHB data illustrates that ownership housing in much of Santa Clara County—including parts of San José—remains largely unaffordable to lower-income households. While prices have gone down in certain submarkets in San José, credit markets have continued to have tight lending standards. As such, although homes have generally become more affordable in our jurisdiction, lender requirements for a minimum down payment or credit score present a greater obstacle than in the past for buyers. In addition, there is substantial activity from investors buying lower-priced homes with cash in San José. These factors have combined to limit the supply of reasonably-priced homes to first-time homebuyers; thus, facilitating homeownership for lower-income households remains an important goal in the City.

Five-Year Goal

Action 1.B.1 – Direct financial assistance to help lower-income households purchase homes

Source of funds:	Performance Measure:	Year 1	Year 2	Year 3	Year 4	Year 5	Total To – Date
HOME, CalHome, BEGIN, NSP, 20% funds	# of non-duplicated lower income	(2010 -11)	(2011 -12)	(2012 -13)	(2013 -14)	(2014 -15)	

	homebuyers assisted						
2010-15 Five-Year Goal: 357	Annual Goal	77	96				173
Outcome Code: DH 2	Actual	39	65				104

Action 1.B.2 – Financial literacy and homebuyer education programs

Source of funds: NHSSV, Project Sentinel	Performance Measure: # lower income households participating in classes and counseling sessions	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To – Date
2010-15 Five-Year Goal: 2,285	Annual Goal	417	720				1,137
Outcome Code: DH 2,3	Actual	422	514				936

Accomplishments / Impact:

General Context

Consistent with the City’s goal to assist in the creation and preservation of affordable housing, the Department used the following programs to provide direct assistance to help lower-income households purchase homes:

Down Payment Assistance (“Welcome Home”) – the City used HOME funds to provide direct financial assistance in the form of deferred loans for down payment assistance to low-income first-time homebuyers under the City’s Homebuyer Program.

NSP2 Down Payment Assistance – the City used HOME funds to provide direct financial assistance in the form of deferred loans for down payment assistance to low-income first-time homebuyers to purchase homes that have been rehabilitated by the City’s NSP2 Acquisition, Rehabilitation and Resale Program.

NSP2/HOME Acquisition Activities – the City used HOME funds to provide loans to developers to acquire foreclosed and/or vacant properties for rehabilitation and resale to low-income first-time homebuyers. The HOME funds were used in conjunction with the City’s NSP2 Program funds to acquire eligible properties. Program income from the sale of these properties was returned to the HOME Program to make HOME whole. The program income returned to HOME will be used in the development of rental units.

Building Equity and Growth in Neighborhoods Program (“BEGIN”) – The BEGIN Program makes grants to cities and counties that reduce local regulatory barriers to affordable ownership housing. The City used the grants to provide down payment assistance loans to qualified first-time low- and moderate-income buyers of homes in newly constructed single family developments that have benefited from barrier reduction. The City is the largest user of BEGIN in the State, having received 18 competitive awards totaling over \$27,000,000.

CalHome – The CalHome Program enables low- and very-low income households to become or remain homeowners. Grants are made to local public agencies and nonprofit developers to assist individual households with deferred-payment homebuyer and homeowner loans. The City used the grants for first-time homebuyer down payment assistance and home rehabilitation loans.

Specific Performance Measures:

Action 1.B.1 - Direct financial assistance to help lower-income households purchase homes

As shown in Action 1.B.1 above, 68% percent of the annual goal was met for the homebuyer direct down payment assistance programs. There were a number of factors affecting the outcome of this goal.

When the City revised its Inclusionary Housing Policy in 2009, it adopted a waiver to allow developers some relief for six-month periods in which the allowable affordable sales price is within 5% of the value of a comparable market-rate home. During such periods, a developer who obtained a waiver is no longer required to sell the home to a low- or moderate-income buyer. This waiver policy acknowledges the difficulty that the market and restricted units are priced so closely that the units are in effect “affordable.”

The Homebuyer Program has also seen a decrease in demand, due the resurgence of the real estate market. The City has seen much of the affordable home inventory go to investors who have out bid HOME eligible buyers. The tightening of underwriting guidelines from the banks has also played a role in a reduction in demand for the Homebuyer Program.

Action 1.B.2 - Financial literacy and homebuyer education programs

As shown in Action 1.B.2 above, over 71% of the annual goal was met for the number of lower-income households participating in homebuyer education classes and counseling. Although the Department had an increase of 92 households participating in the homebuyer education classes when compared to last year’s participation, the five-year goal was purposely more heavily weighted towards the earlier years in order to get potential homebuyers qualified early in the homebuying process. This strategy allowed the development of a pool of knowledgeable, qualified buyers who would be ready to proceed when homes and financing became available.

Leveraging of Resources:

Tighter conventional loan underwriting standards from private lenders and some continued weakness in demand for new for-sale product have limited the supply of mortgage financing to new buyers. At the same time, reductions in State housing programs have reduced the public funding available that supports affordable for-sale housing production. Additionally, many of the Department’s potential clients have experienced employment problems which have greatly impacted their ability to obtain mortgage financing. Only in the latter part of fiscal year 2011-2012 has the local employment situation stabilized and has begun experience small growth. This will result in more applicants being approved for their first mortgage financing.

In the past year, the Department made prudent use of available homebuyer funds and was able to leverage its programmatic funds by 7.43 times with available outside funding. The Department provided \$1,268,502 in homebuyer loans and was able to leverage this with \$9,427,666 of outside mortgage funding.

In addition, staff applied for and obtained two project-based awards totaling \$4 million through the State’s BEGIN down payment assistance program, of which San José continues to be the largest user in California. Those funds will be used in future years as units are sold.

Strategy #1C: Rehabilitation assistance to lower-income homeowners to preserve San José’s affordable housing stock

Need: The Housing Rehabilitation program allows lower-income homeowners to remain in affordable, safe and decent housing. The City of San José identified 2,700 severely deteriorated housing units and another 9,500 moderately deteriorated units within its boundaries. These estimates do not include housing in need of minor repairs. Further, there are 11,891 low-income and moderate-income senior households in San José with housing problems, 6,323 of which were homeowners.

Five-Year Goal

Action 1.C.1 – Rehabilitation assistance for lower-income homeowners inclusive of all funding sources

Source of funds: CalHome, 20% funds, CDBG, FEMA	Performance Measure: # homeowners assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 1,271	Annual Goal	262	210				472
Outcome Code: SL 3	Actual	391	435				826

Action 1.C.2 – Rehabilitation assistance for lower-income homeowners through the CDBG program only (subset of 1.C.1 above)

Source of funds: CDBG	Performance Measure: # homeowners assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 1,000	Annual Goal	200	200				400
Outcome Code: SL 3	Actual	266	239				505

Action 1.C.3 – Pursue funding opportunities for infrastructure improvements in lower-income mobilehome parks

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2011-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	Continue to implement	Continue to implement				-
Outcome Code: SL 1,2,3	Actual	-	-				-

Accomplishments / Impact:

General Context

The Housing Department’s Housing Rehabilitation Program provides financial and technical assistance to low-income property owners of single family, duplex, and mobilehome properties with the repair and rehabilitation of their homes. The Program provides grants up to \$15,000 and loans up to \$150,000. Loans funded within San José’s SNI areas bear no interest and those outside of the SNI areas are 3% simple interest loans. All rehabilitation projects administered through this program meet the Uniform Housing Code, ensuring that the property is left in a decent, safe, and sanitary condition upon completion of the work. In addition to funding the work, project staff works with property owner(s) to determine rehabilitation needs, scopes of work, and oversight of the bidding and construction process. Staff ensures that all applicable funding requirements are met and that all contractor(s) are licensed and insured, and that all required permits are signed off at project completion.

The Department’s Minor Repair Program provides direct assistance to low-income property owners of single family and mobilehome properties for minor repairs to their homes. This program has three main objectives: (1) Augment the City’s Housing Rehabilitation Program (HRP) by providing assistance to owners with minor repair needs that historically have been too small to fit under the HRP grants or loans; (2) Ensure that owners receive urgent repair assistance expediently; and, (3) Address minor accessibility needs

The urgent repair component of this program is provided to low-income single family or mobilehome owner-occupied households earning 80% AMI or less. The accessibility component of this program is available to very low-income households making 50% AMI or less. This program is limited to owner-occupied single family and mobilehome households. This program covers installation of items such as wheelchair ramps, wheelchair lifts, grab bars, and minor structural alterations.

Rebuilding Together Silicon Valley is a nonprofit providing housing repair, rehabilitation, and accessibility modifications for extremely low- and low-income homeowners in San José, while preserving affordable housing. The work will be provided by volunteers, and/or skilled trades.

Beginning July 1, 2012, the Housing Department will be contracting the Minor Repair Program services out to Rebuilding Together Silicon Valley. Rebuilding Together will continue to

provide the same level of service and service components as when the program was administered directly by City staff. The program goals and outcomes will also continue under the management of Rebuilding Together.

Specific Performance Measures:

Action 1.C.1 - Rehabilitation assistance for lower-income homeowners inclusive of all funding sources

Action 1.C.1 represents the City’s Housing Rehabilitation, Minor Repair and Mobilehome Seismic programs, in addition to Rebuilding Together Silicon Valley’s Rebuilding Housing Repair program, inclusive of all funding sources. Under the four housing rehabilitation programs, 435 unduplicated low-income households were assisted with housing repairs. This far exceeds the overall annual goal of 210 and is 34% of the 5-year goal. Assistance was provided through the following Programs:

Program	Total Unduplicated Households
Rebuilding Together Silicon Valley	175
CSJ Home Repair Program	63
CSJ Minor Repair Program	36
CSJ Mobilehome Seismic Program (low-income)	161
Total	435

Action 1.C.2 - Rehabilitation assistance for lower-income homeowners through the CDBG program only (subset of 1.C.1 above)

Action 1.C.2 is a subset of Action 1.C.1. This represents the activity funded exclusively through CDBG. These activities include the City’s Housing Rehabilitation and Minor Repair Programs as well as Rebuilding Together.

Due to the loss of redevelopment funding, CDBG and other federal funding sources have become the primary source of funding for programs such as housing rehabilitation. With the shift in resources, more program emphasis was placed on layering of leveraged funds and long-term sustainability. Program staff has focused on including higher levels of energy efficiency and more complete renovation and rehabilitation rather than making short-term repairs. Subsequently, the result is more comprehensive rehabilitation but fewer completed projects over the fiscal year.

The combined program total of 435 households receiving rehabilitation enabled by CDBG funding through the City and through Rebuilding Together significantly exceeded the overall program goal of 210 households. This outcome demonstrates that San José continues to successfully contribute to the national goals of utilizing housing as a platform for improving quality of life and building inclusive and sustainable communities.

Action 1.C.3 - Pursue funding opportunities for infrastructure improvements in lower-income mobilehome parks

The Housing Department will continue to seek funding opportunities when available for infrastructure improvements in mobilehome parks with lower-income residents.

Leveraging of Resources:

During the 2011-2012 fiscal year, the Housing Department successfully leveraged Department resources to obtain funding from a variety of new sources that contribute directly to the goals of the Housing Rehabilitation Program. As a result of its program and financial capacity, the Housing Department secured new funding from the Federal Emergency Management Agency (FEMA), and Pacific Gas and Electric (PG&E).

During this reporting period the Housing Department began implementation of these two new programs. In December 2011, the first project was completed utilizing PG&E Innovator funding. By the end of this reporting period, the Mobilehome Seismic Program had completed over 200 seismic retrofits on mobilehomes in San José.

Also during this period, the City's Housing Department secured a new CalHome grant from the State Housing and Community Development Department for \$1.5 million to help support Homebuyer and Housing Rehabilitation efforts. San José was awarded this competitive grant based on its vast experience in administering both Homebuyer and Housing Rehabilitation Programs. The Housing Department also worked in collaboration with the City's Environmental Services Department to secure funding from the Federal Department of Energy (DOE) to fund energy efficiency activities through the Better Building Program (BBP). The Housing Department received approval from the DOE to utilize these BBP funds to install select energy upgrade in conjunction with Housing Rehabilitation loans and grants.

Additionally, the Rebuilding Together Silicon Valley project was matched with an additional \$261,268 for a total project cost of \$564,536.

Strategy #1D: Assist lower-income households including seniors, larger families, the disabled, in preserving and maintaining safe and affordable housing

Need for Senior Housing: According to the 2000 Census, 38 percent of Santa Clara County's elderly households (age 65 years or older) face one or more housing problems. This includes overpaying for housing (spending more than 30 percent of their income on housing costs), living in an overcrowded situation, or living in a unit that lacks complete kitchen or plumbing facilities. Housing problems are more prevalent among elderly renters than owners. Approximately 60 percent of elderly renters experienced housing problems, compared to 31 percent of owners. Local service providers at each of the Consolidated Plan Workshops echoed these findings, and indicated a need for more affordable senior housing, particularly given the long waiting lists at existing developments.

Need for Larger Units: Based on the 2010 Census, 15 percent of Santa Clara County households had five or more persons. This figure varied substantially across Entitlement Jurisdictions. Approximately 18 percent of San José's households were large households. This finding is

consistent with the Consolidated Plan Workshops where participants noted the need for affordable units serving larger households.

Need for Disabled Housing: The 2000 Census reports that there were approximately 9,400 individuals with disabilities in Santa Clara County, accounting for 17 percent of the County’s civilian, non-institutionalized population age five years and older. In 2000, approximately 60,600 seniors, or 39 percent of the elderly in Santa Clara County, had one or more disabilities. Consolidated Plan Workshop participants also cited the need for accessible units serving disabled persons.

Five-Year Goal:

Action 1.D.1 – Production goal for seniors, disabled and special needs individuals (subset of Production Goal 1.A.1)

Source of funds: HOME, 20% funds	Performance Measure: # units with funding commitments	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 29	Annual Goal	15	324				339
Outcome Code: DH 1,2,3	Actual	143	23				166

Action 1.D.1 – Rehab goal for seniors, disabled and special needs individuals (subset of Rehab Goal 1.C.1)

Source of funds: CDBG	Performance Measure: # homeowners assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 254	Annual Goal	52	107				159
Outcome Code: SL 3	Actual	190	33 ¹				223

Action 1.D.2 – Pursue funding opportunities to improve condition of housing stock for lower-income renters

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	Contin-ue to imple-ment	Continue to implement				
Outcome Code: SL 1,2,3	Actual						-

¹ Does not include Rebuilding Together

Accomplishments / Impact:

General Context

The City used its several Rehabilitation programs and its Project Development program in order to endeavor to meet the ongoing and increasing need for safe, decent, affordable housing for the residents of San José. Although the number of units completed is small relative to other time periods given the availability of limited funding, the Department hopes to be able to increase its work in these programs as new affordable housing funding sources are identified.

Specific Performance Measures:

Action 1.D.1- Production goal for seniors, disabled and special needs individuals (subset of Production Goal 1.A.1)

The Department is very conscious of the local need for disabled, large family, and senior units identified in the 2000 Census. The 23-unit subset of the Department's annual New Construction commitment (Action 1.A.1) of 74 affordable units includes 23 large family units (3-bedroom units) in the Ford & Monterey Family Apartments project.

Action 1.D.1- Rehab goal for seniors, disabled and special needs individuals (subset of Rehab Goal 1.C.1)

The Housing Rehabilitation Program and Minor Repair Program provided assistance to 33 seniors and disabled homeowners with housing repair or improvement needs in 2011-2012. Additionally, Rebuilding Together completed 1,311 safety and ADA accessibility services repairs during this reporting period. Each unit of repair is counted separately resulting in numerous units of repair per home. This count is a subset of Action 1.C.1.

To complement the City's efforts to support affordable housing for seniors and disabled, the CDBG program funded projects that provided housing supportive services, which include case management, resolving legal issues in residential care housing such as evictions, and affordable/accessible housing placement assistance to disabled residents.

Action 1.D.2 – Pursue funding opportunities to improve condition of housing stock for lower-income renters

No new funding sources were identified in 2011-2012, but the Department is committed to exploring different opportunities to leverage its resources.

Leveraging of Resources:

As mentioned in Action 1.A.1 above, the Housing Department made efficient use of its available new construction funding and was able to leverage its programmatic funds with outside funding by over seven times to support the Department's goal of increasing affordable housing for seniors, disabled individuals and large families.

The City of San José has worked with the nonprofit service provider Rebuilding Together Silicon Valley on several collaborative projects. As partners in the community, both organizations refer potential clients to each other for specific needs. Rebuilding Together will often direct potential clients to the City's programs for more urgent or large scale needs. City staff will often refer potential clients to Rebuilding Together for smaller scale, less urgent repairs or for improvements such as grab bar installations.

In addition to funding Rebuilding Together Silicon Valley, CDBG also funded housing-related support services leveraging nearly \$1.7 million in support services to our senior and disabled community. One notable project is the Silicon Valley Independent Living Center, a nonprofit that provides services to disabled individuals to increase knowledge, skills and ability to live independently and maintain their home.

Goal #2: Support activities to end homelessness in San José and Santa Clara County (Continuum of Care)

Strategy #2A: Provide housing and supportive services to homeless individuals and families and households at risk of homelessness

Need: The 2011 point-in-time homeless count identified a total of 4,034 homeless persons in the City, which is a decrease of 4% from the 4,193 counted in 2009. Based on a formula that takes into account the point-in-time count, as well as the phenomenon that people will cycle in and out of homelessness, an estimated 10,844 individuals in San José will be homeless at some point during the year, an increase of 21% from the 8,941 individuals estimated in 2009.

The increase in the estimated annual number of homeless persons is largely due to the increase of residents who had been homeless for a short period of time (one week or less) at the time of the survey. In 2009, 3.4% of those surveyed had become homeless in the week prior to being surveyed compared with 5% in 2011. There was also a substantial increase in the number of chronically homeless persons (defined as an unaccompanied homeless individual with a disabling condition or a family with at least one adult member who has a disabling condition who has either been continuously homeless for a year or more OR has had at least four episodes of homelessness in the past three years); from 2009 to 2011 the estimated number of chronically homeless individuals in San José grew from 1,336 to 1,487, an increase of 10%. Therefore, additional funding for activities such as case management, outreach, transportation, and permanent supportive housing will be critical to the City's ability to end chronic homelessness.

The City will conduct its next homeless count and survey in January 2013.

Five-Year Goal

Action 2.A.1 – TBRA Assistance to chronically homeless

Source of funds: HOME	Performance Measure: # unduplicated households served	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 285	Annual Goal	85	100				185
Outcome Code: SL 1,2,3	Actual	65	211 ¹				276

Action 2.A.2 – Short-term emergency shelter program

Source of funds: ESG	Performance Measure: # individuals assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 6,000	Annual Goal	4,000	4,600				8,600
Outcome Code: DH 1	Actual	7,830	18,068				25,898

Action 2.A.3 – Emergency rental assistance program

Source of funds: ESG, HOPWA, HPRP, Housing Trust Fund	Performance Measure: # of individuals assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 2,000	Annual Goal	1,200	800				2,000
Outcome Code: DH 2	Actual	1,496	685 ²				2,181

Action 2.A.4 – Programs that provide vital services to homeless individuals
Homeless Services

Source of funds: ESG	Performance Measure: # individuals assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 30,000	Annual Goal	20,000	4,600				24,600
Outcome Code: SL 1,2,3	Actual	7,998	0 ³				7,998

Action 2.A.4 – Programs that provide vital services to homeless individuals
CDBG

¹ 139 individuals through HOPWA and HOPWA SPNS only, and 72 individuals through HOME.

² HOPWA, HPRP, and Housing Trust Fund only. Does not include ESG.

³ Only Shelter Services were funded in FY 2001-12

Source of funds: CDBG	Performance Measure: # individuals assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To – Date
2010-15 Five-Year Goal: 16,000	Annual Goal	3,315	3,099				6414
Outcome Code: SL 1,2,3	Actual	18,783	16,437				35,220

Action 2.A.5 – Support Destination: Home

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To – Date
2010-15 Five-Year Goal: N/A	Annual Goal	Contin-ue to imple-ment	Continue to implement				
Outcome Code: SL 1,2,3	Actual						-

Action 2.A.6 – Seek additional resources for county-wide efforts to end homelessness

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To – Date
2010-15 Five-Year Goal: N/A	Annual Goal	Contin-ue to imple-ment	Continue to implement				
Outcome Code: SL 1,2,3	Actual						-

Action 2.A.7 – Seek additional funding for housing and services for recently emancipated youth

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To – Date
2010-15 Five-Year Goal: N/A	Annual Goal	Contin-ue to imple-ment	Continue to implement				
Outcome Code: SL 1,2,3	Actual						

Accomplishments / Impact:

General Context

The City's five-year projected of the number of individuals to be assisted with homeless services totaled 54,285. During this first year of the five-year reporting period, 36,172 individuals have been assisted, constituting 66% of the five-year goal. This further demonstrates the need to provide services that provide individuals opportunities to become self-sufficient, such as employment training and placement.

The City of San José, in coordination with other public and private agencies in Santa Clara County, continues to address homelessness through a multi-faceted approach that includes: funding and providing direct services; advocating for policies, programs, and funding that support the ending and preventing of homelessness; and researching best practices to better serve the area's homeless and at-risk residents. The City aligns itself closely with Destination: Home – a public-private partnership formed in 2008 to implement the initiatives identified by the Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis.

Specific Performance Measures:

Action 2.A.1 - TBRA Assistance to chronically homeless

The City funds two tenant-based rental assistance (TBRA) programs to provide rental subsidies to low-income residents: the first program uses both Housing Opportunities for People with Aids (HOPWA) and Housing Opportunities for People with Aids Special Projects of National Significance (HOPWA SPNS) funding sources, while the second program uses HOME funding.

Under the HOPWA and HOPWA SPNS programs, 139 unduplicated households received tenant-based rental assistance, which exceeded the goal of 94 by nearly 148%. Of these households, 134 (or 96%) obtained or maintained stable housing. This stability has enabled clients to maintain schedules and meet with case managers or benefits counselors and follow their individual service plans, including access to primary health care providers, medical insurance/assistance and successfully accessed or maintained qualification for sources of income. More detail can be found in the attached HOPWA CAPER.

The HOME-funded TBRA-program assisted 72 unduplicated individuals. This program was operated in collaboration with the County of Santa Clara Mental Health Department and PRIDE, a nonprofit of the Housing Authority of Santa Clara County, with the goal to end homelessness. The County provides ongoing case management to the program's chronically homeless and severely mentally ill clients. PRIDE operates similar to the Housing Authorities' Section 8 program. PRIDE locates rental housing appropriate for the clients, performs inspections, facilitates placement and coordinates monthly rent payments. The City subsidizes the rents under HOME TBRA guidelines.

The program was originally planned for five years with a goal of 285 unduplicated participants. However, it was discovered that the target population, the mentally ill, was not a population conducive for a high rate of success of transitioning out to a longer-term housing option. Due to the challenge of housing the mentally ill, the City and its partners shifted focus to target funds for assisting drug and alcohol and those with addiction disorders. The decision was made to cease accepting new clients as of June 30, 2011 with a goal of 100 unduplicated clients. Any clients

given a voucher in June 2011 would have until September 2011 to find housing. The City would then end the program on June 30, 2013, two years before it was originally intended to end.

In January 2012, the City expanded the TBRA program to include a different special needs population--substance abuse homeless households. The goal of this additional population was 15 new households in order to reach the amended goal of 100 households.

In May 2012, the City expanded the TBRA program further and include homeless households living in homeless encampments. This additional population goal added another 40 households to the overall TBRA goal, bringing it to 140 *unduplicated* households.

In 2009-2010, the program placed 14 County-approved clients. The goal of 85 clients in 2010-2011 was set in order to reach the overall program goal of 100 clients. The program placed an additional 65 new clients in 2010-2011, which gave the program an overall actual number assisted of 79. An additional 21 clients have completed the County approval process, have obtained a valid housing voucher, and will be placed in housing in FY 2011-2012, reaching the 100-client goal.

Under the HOPWA program, 126 unduplicated households received tenant-based rental assistance (TBRA), which exceeded the goal of 75 by nearly 70%. Of the 126 households, 115 households maintained their housing plan and established on-going housing. This stable housing has enabled clients to maintain schedules and meet with case managers or benefits counselors and follow their individual service plans, including accessing to primary healthcare provider, medical insurance/assistance and successfully accessing or maintaining qualification for sources of income. More detail can be found in the attached HOPWA CAPER. Total households assisted with TBRA under both the HOME and HOPWA programs totals 211.

Action 2.A.2 - Short-term emergency shelter program

The current economic climate has resulted in an increased need for emergency shelter to homeless individuals and those at risk of homelessness. As a result, over 18,000 individuals were assisted with emergency shelter. This greatly exceeds the projected annual goal of 4,600 individuals served.

Action 2.A.3 - Emergency rental assistance program

In FY 2011-2012, emergency assistance was provided through HOPWA, HPRP and the City's Housing Trust Fund Programs. In total, these programs assisted 685 at-risk households with emergency rental assistance, allowing them to maintain their housing. This activity was 86% of the annual goal.

Action 2.A.4 - Programs that provide vital services to homeless individuals - Homeless Services & CDBG

In FY 2011-2012, CDBG funded numerous projects that provided vital services to homeless individuals. In total, 16,437 individuals were assisted, greatly exceeding the annual goal of 3,099 individuals served. Examples include:

- InnVision the Way Home’s Cecil White Center provided 78,306 hot meals to 13,999 unduplicated clients.
- Family Supportive Housing’s Case Management for Homeless Families project developed 150 case management plans to 196 unduplicated participants.

In addition to the TBRA services, the Department committed nearly \$4 million under ESG, HOPWA, CDBG and HPRP programs for the provision of other homeless and homeless prevention services. The combination of funding provides for a wide variety of services to support homeless, homeless prevention and rapid re-housing efforts. The activities funded include, but were not limited to, 670 emergency shelter beds, hot meals, transportation and case management, emergency financial assistance to maintain housing employment and other vital services to homeless individuals.

The City also funded over \$2 million in services under the Housing Trust Fund, a local fund designated for the provision of homeless and homeless prevention services. The activities funded include employment readiness, staffing and operating costs for two One-Stop Homeless Prevention and Service Centers, food and nutrition programs, and Destination: Home.

Actions 2.A.5 - Support Destination: Home

The City is continuing to participate actively in Destination: Home and its numerous efforts are detailed in the section below titled “Actions to address the needs of homeless persons.”

Actions 2.A.6 - Seek additional resources for county-wide efforts to end homelessness and 2.A.7 - Seek additional funding for housing and services for recently emancipated youth

No new funding sources were identified in 2011-2012, but the Department is committed to exploring different opportunities to leverage its resources.

Actions to address the needs of homeless persons

The City of San José, in coordination with other public and private agencies in Santa Clara County, continues to address homelessness through a multi-faceted approach that includes: funding and providing direct services; advocating for policies, programs, and funding that support the ending and preventing of homelessness; and researching best practices to better serve the area’s homeless and at-risk residents. The City aligns itself closely with Destination: Home, a public-private partnership formed in 2008 to implement the initiatives identified by the Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis.

In the past year, the City took the following actions towards its goal of ending and preventing homelessness:

- **Partnership with Destination Home:** In FY 2011-2012 the City of San José, in partnership with Destination: Home, continued to make significant progress in implementing the recommendations of the Blue Ribbon Commission including:
 - Participating on the Destination: Home Leadership team and Services Committee and chairing its Housing and Employment Committee.

- Participating on Destination: Home's Housing 1000 Leadership Team. The Housing 1000 campaign, the local affiliate to the national Housing 100,000 campaign, seeks to house 1,000 of the County's most vulnerable homeless residents by 2013.
- Granting \$300,000 in the City's Housing Trust Funds to Destination: Home to fund three intensive case managers to support up to 60 persons on the Housing 1000 vulnerability list.
- Utilizing an AmeriCorps VISTA member employed by the City to develop a Housing 1000 social media campaign including a website, blog, newsletters, and other materials.
- Supporting administrative costs through a City Housing Trust Fund grant.
- Continuing to support two One-Stop Homelessness Prevention Centers (One-Stop Centers) which co-locate multiple services that homeless and at-risk residents need to become permanently housed and on the road to self-sufficiency. During the fiscal year, the City continued to provide ARRA funded Homelessness Prevention and Rapid Re-housing Programs (HPRP) and employment services at the One-Stop Centers.
- Continuing to support Medical Respite Center to provide semi-private rooms for homeless residents discharged from the hospital to recuperate and obtain assistance in obtaining benefits, housing, and other resources to become permanently housed. In FY 2011-2012, the City continued to work with the Medical Respite Center administrators to utilize a grant from the federal Department of Health of Human Services to increase the number of respite center beds from 15 to 20, and expand the number of medical exam rooms from two to four.

During FY 2011-2012, the City took the following additional actions towards its goal of ending and preventing homelessness:

Improve Access to Services by Creating Outreach and Benefit Teams –The Street Outreach program provides a consistent and dependable presence on the streets, with the goal of reaching out to unhoused persons, gaining their trust, and ultimately getting them connected to ongoing services and housing. In FY 2011-2012, the Housing Department continued to fund a Downtown Outreach Team to provide outreach to homeless residents living in San José's downtown and connect them with services available at the two One Stop Homelessness Prevention Centers, including providing transportation to the Centers. Additional components of the program include a hotline for community members to request assistance for homeless persons residing in the downtown area and reserved shelter beds. Since its inception, EHC LifeBuilders' downtown outreach and engagement program has proven successful on several levels:

- Homeless residents are being housed
- Downtown businesses are getting some relief from having homeless persons on their doorsteps, and
- Community members have a venue to voice their concerns about homeless residents in San José's downtown.

More specifically, during this fiscal year EHC LifeBuilders' downtown outreach and engagement program placed approximately 25 chronically homeless individuals in permanent housing; made over 3,000 connections with homeless residents in San José's downtown core; and provided case management services to over 173 chronically homeless individuals, including 98 individuals who are currently receiving case management services.

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

In FY 2011-2012, the City continued coordinating with the County's Office on Women's Policy and Correctional System on the Skills to Succeed prisoner reentry pilot project. Funded through a grant from the federal Department of Justice, this offender reentry and recidivism prevention program will deliver comprehensive and coordinated interventions across housing, workforce, and social services with the goal of reductions in participant recidivism and associated costs, long-term employment, lower levels of drug use, and fewer children's services interventions. The Skills to Succeed Program has enrolled 53 female ex-offenders (exceeding its goal of enrolling 50 women). A total of 37 women have completed employment training and ten have become employed (several others are actively seeking employment).

UPLIFT Transit Pass - In April 2008 the County of Santa Clara began implementing the UPLIFT Transit Pass (UPLIFT) Program in response to results from the Homeless Census and Survey and case manager feedback that a lack of access to transportation was one of the biggest hurdles to clients working towards ending their homeless situation. The UPLIFT program provides monthly transit passes to homeless persons who are working with a case manager on an on-going basis to meet goals aimed at moving them permanently out of homelessness. In 2008 the Housing Department committed to funding the program at \$40,000 a year for three years. The final year of this initial commitment ended in June 2011. In August 2011, the City's Housing and Community Development Advisory Commission approved the Housing Department's recommendation to fund this program for an additional year, through June 30, 2012.

Since its inception, the UPLIFT program has provided thousands of homeless residents with access to transportation. During the first three-quarters of this fiscal year the program has served over 2,800 individuals. The percentage of participants that met their established goals ranged from 79% (quarter 3) to 85% (quarter 2), surpassing the program-wide outcome goal of 75%.

Furthermore, in December 2011, the County surveyed agencies whose clients utilize the UPLIFT passes to gauge the program's effectiveness. On a scale of 1 to 10, with 10 being the most useful, two-thirds of the agencies that responded gave the program a 10 with regards to its usefulness in assisting their clients improve their life conditions. None of the agencies rated the program below a score of seven. The responding agencies described the remarkable impact the UPLIFT passes have on their clients' ability to access services, education, medical assistance,

and employment; attend mandatory appointments; increase their self-sufficiency and motivation; improve their behavior; move away from unhealthy or unsafe environments; and find and maintain employment.

Santa Clara County Collaborative - The City continued to actively participate as a member of the Santa Clara County Collaborative on Housing and Homeless Issues.

VISTA Program - In January 2007, the AmeriCorps Volunteer Program approved the City's request for four VISTA volunteers, all of whom worked on projects contributing to ending and preventing homelessness in Santa Clara County. In FY 2010-2011, the City saw its final round of VISTA members under the initial request. However, the AmeriCorps Volunteer Program approved the City's request for one of the VISTA positions to continue in 2011-2012 working on Project Homeless Connect and a social media campaign aimed at ending and preventing homelessness.

Housing Services Partnership - In 2011-2012, the City continued to fund the Housing Services Partnership (HSP) through its Housing Trust Fund grant. In previous years the program provided a broad array of services to San José residents who were homeless or at-risk of homelessness. However, in FY 2011-2012, the City in coordination with the program's administrator EHC LifeBuilders, decided to prioritize the limited funds available for the HSP program to rent and deposit assistance for chronically homeless households and persons with a Section 8 Voucher. Over the year the program served 378 unduplicated participants.

Actions to prevent and end homelessness

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

- In FY 2011-2012, the City continued to move away from holding semi-annual large Project Homeless Connect (PHC) events, to coordinating with local homeless service providers to hold smaller more frequent events that target specific homeless populations and areas. Specifically, over the year the City worked with community volunteers and local service providers to organize and manage PHC events throughout Santa Clara County. Community volunteers work with local non-profit service providers, businesses, faith-based organizations, and the government to connect homeless persons to medical services, mental health programs, dental providers, housing options, SSI benefits, employment resources, legal counseling, California IDs, food, haircuts, and much more. These community-run events will be regionally-focused and will use existing resources.
- Financial assistance in the form of grants to qualified nonprofits that assist residents who are homeless or at risk of becoming homeless.

Leveraging of Resources:

During FY 2011-2012, the Department was very successful at leveraging its federal funding sources committed to homeless and homeless prevention services. Leveraged funds include other federal programs, State and local sources, foundations, private funds, client fees and other

fundraising sources. ESG leveraged nearly \$6.4 million, while HOPWA leveraged \$8 million. CDBG leveraged over \$12 million in non-federal funding. Additionally, the City’s Housing Trust Fund committed over \$600,000 in new grants to local nonprofits.

Goal #3: Support activities that provide basic services, eliminate blight, and/or strengthen neighborhoods

Strategy #3A: Support local service organizations that provide essential services to the community, particularly special needs populations

Need: Consolidated Plan Workshop participants emphasized the need to support a broad range of community services. Lower-income households and special needs populations require this multi-faceted network to address basic needs such as food, clothing, health, and shelter, as well as other services outlined in Section 4.10 of the Consolidated Plan. As the recession and unemployment have exacerbated demand for all types of services, reduced funding from the State and private sources has impacted service delivery. Therefore, continued support from local jurisdictions via CDBG and other sources has become more vital.

Five-Year Goals

Action 3.A.1 – Assist lower-income residents with basic/essential services Homeless Services

Source of funds: ESG, HOPWA, HPRP	Performance Measure: # individuals assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 30,000	Annual Goal	20,000	825				20,825
Outcome Code: SL 1,3	Actual	18,415	0 ¹				18,415

Action 3.A.1 – Assist lower-income residents with basic/essential services CDBG

Source of funds: CDBG	Performance Measure: # individuals assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 44,000	Annual Goal	8,934	8,934				17,868
Outcome Code: SL 1,3	Actual	9,711	25,092				34,803

¹ In FY 11-12, the City did not allocate homeless service funding based on the basic/essential services category.

Action 3.A.2 – Assist lower-income residents maintain self-sufficiency through Homeless Services

Source of funds: ESG, HOPWA, HPRP	Performance Measure: # individuals assisted	Year 1 (2010 -11)	Year 2 (2011 -12)	Year 3 (2012 -13)	Year 4 (2013 -14)	Year 5 (2014 -15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	200	400				600
Outcome Code: SL 1,3	Actual	258	0 ¹				x

Action 3.A.2 – Assist lower-income residents to maintain self sufficiency - CDBG

Source of funds: CDBG	Performance Measure: # individuals assisted	Year 1 (2010 -11)	Year 2 (2011 -12)	Year 3 (2012 -13)	Year 4 (2013 -14)	Year 5 (2014 -15)	Total To - Date
2010-15 Five-Year Goal: 27,000	Annual Goal	5,436	3,843				9,279
Outcome Code: SL 1,3	Actual	4,919	6,163				11,082

Action 3.A.3 – Assist lower-income residents to access healthcare

Source of funds: CDBG	Performance Measure: # individuals assisted	Year 1 (2010 -11)	Year 2 (2011 -12)	Year 3 (2012 -13)	Year 4 (2013 -14)	Year 5 (2014 -15)	Total To - Date
2010-15 Five-Year Goal: 22,000	Annual Goal	4,557	2,884				7,441
Outcome Code: SL 1,3	Actual	3,269	3,517				6,786

Action 3.A.4 – Assist lower-income residents to access legal services

Source of funds: CDBG	Performance Measure: # individuals assisted	Year 1 (2010 -11)	Year 2 (2011 -12)	Year 3 (2012 -13)	Year 4 (2013 -14)	Year 5 (2014 -15)	Total To - Date
2010-15 Five-Year Goal: 7,000	Annual Goal	1,410	876				2,286
Outcome Code: SL 1,3	Actual	1,718	1,604				3,322

¹ In FY 11-12, the City did not allocate homeless service funding based on the self sufficiency category.

Accomplishments / Impact:

General Context

The City utilizes CDBG, ESG and HOPWA funding to provide basic services to its lower income residents. In FY 2011-2012 the City established more targeted funding categories in both ESG and CDBG.

ESG priorities included:

- **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.
- **Reimbursement of 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 City established four funding categories for CDBG during the two-year 2010-2012 planning cycle, as determined by a survey of 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 José, and were used in the development of the four funding categories for FY 2011-2012, as listed below.

- **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.

Specific Performance Measures:

Action 3.A.1 - Assist lower-income residents with basic/essential services - Homeless Services & CDBG

In FY 2011-2012 CDBG funded numerous projects that provided basic and essential services including housing, food and nutrition, transportation, counseling and case management. For example, the Bill Wilson Center provided 4,131 shelter bed nights and 1,703 hours of therapy session to 357 unduplicated participants. In total, all projects funded in this category served

28,126 individuals were assisted with essential services and basic needs, Though this number is only 8% short of the annual goal, it still demonstrates the increasing need for supplemental services, particularly food and nutrition.

Action 3.A.2 - Assist lower-income residents to maintain self sufficiency - Homeless Services & CDBG

In addition to supporting programs that provided basic needs and vital services, CDBG also funded projects that promoted self-sufficiency. These programs included services to youth, seniors, the disabled, families and victims of domestic violence. For example, Fresh Lifelines for Youth's Legal Eagle project provided workshops, case management and law related workshops to 168 at-risk youth. In total, all projects funded in this category served 6,163 unduplicated participants, thereby exceeding the goal of 3,843 by 60%.

Action 3.A.3 - Assist lower-income residents to access healthcare

CDBG funded numerous projects that supported Access to Health Care. For example, Live Oak Adult Days Services' Senior Adult Day Care/Respite program provided 19,366 sessions of day care activities, 37 caregivers support group meetings, and 340 in-home assessments to 340 unduplicated participants. 93.5% of these participants demonstrated increased in socialization, and 96% avoided long-term and/or premature institutionalization. In total, projects funded in this category served 3,517 unduplicated participants exceeding its annual goal by 122%.

Action 3.A.4 – Assist lower-income residents to access legal services

CDBG funded projects that provided legal and fair housing services. For example, through Senior Adult Legal Assistance's Legal Assistance to Elders project, 2,050 hours of legal services were provided to 483 unduplicated participants. In total, projects funded in this category served 1,604 unduplicated participants, exceeding its annual goal of 1,410 individuals by 14%.

Leveraging of Resources:

As indicated in Goal #2 above, the Department was very successful at leveraging its federal funding sources to provide services to the highest number of individuals as possible.

Strategy #3B: Provide the public facilities and infrastructure needed to assure the health, safety, and welfare of the community

Need: Community Workshop participants expressed the need for ongoing maintenance and upgrades to local public facilities, such as parks, community centers, youth and senior centers, sidewalks and landscaping, recreation facilities, and others.

Five-Year Goals:

Action 3.B.1 – Remove public accessibility barriers

Source of funds: CDBG	Performance Measure: # individuals assisted in low-mod areas	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	0	0				0
Outcome Code: SL 1,3	Actual	0	0				0

Action 3.B.2 – Physical improvement and rehabilitation of public facilities

Source of funds: CDBG	Performance Measure: # individuals assisted in low-mod areas	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 28,000	Annual Goal	5,115	5,115				10,230
Outcome Code: SL 1,3	Actual	0	0				0

Action 3.B.3 – Code enforcement activities that eliminate blight and strengthen neighborhoods

Source of funds: CDBG	Performance Measure: # households / businesses assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 11,000	Annual Goal	2,360	2,360				4,720
Outcome Code: SL 1,3	Actual	14,707	189				14,896

Accomplishments / Impact:

General Context

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

Specific Performance Measures:

Actions 3.B.1 - Remove public accessibility barriers and 3.B.2 - Physical improvement and rehabilitation of public facilities

In FY 2010-2011, CDBG committed funding to four community development projects. Three of the projects were completed or substantially completed in FY 2011-2012. As a result of these projects, 167 ADA Curb Ramps were installed, 497 streetlights were converted to LED, and the Indian Health Center clinic rehabilitation project is substantially complete. In addition, a new Fire Truck has been purchased and is expected to be placed into service in January 2013.

Actions 3.B.3 - Code enforcement activities that eliminate blight and strengthen neighborhoods

In FY 2011-2012, housing inspection activities were the focus of the code enforcement project. While only 189 unduplicated housing units were inspected, 16,328 residential parcels were surveyed to determine the exterior conditions of each parcel. This has resulted in greater impact to the communities by creating a more suitable living environment. The significant decline in the reported number is the result of a change to the program in FY 2011-2012. Going forward, the City of San José will only report on the number of housing units inspected and will not include business inspections.

Leveraging of Resources:

All community development projects are 100% funded by CDBG.

Strategy #3C: Mitigate lead-based paint hazards

Need: Approximately 45,600 rental units occupied by extremely low-, low-, and moderate-income households in Santa Clara County may contain lead-based paint (LBP). In addition, approximately 6,000 low- and moderate-income homeowners may occupy units containing LBP. However, homes with lead-based paint do not necessarily pose a health hazard, if the property is in good condition and the paint well-maintained. In fact, there has been a relatively low incidence of lead poisoning among Santa Clara County children. In Santa Clara County in 2006, there were only 65 confirmed cases of elevated blood lead levels among children, accounting for 20 percent of all confirmed cases in the Bay Area that year.

Five-Year Goal:

Action 3.C.1 – Inspect affordable housing for lead-based paint

Source of funds:	Performance Measure:	Year 1	Year 2	Year 3	Year 4	Year 5	Total To - Date
NSP, first-time homebuyer program	# properties inspected	(2010 -11)	(2011 -12)	(2012 -13)	(2013 -14)	(2014 -15)	
2010-15 Five-Year Goal: 1,215	Annual Goal	270	114				384
Outcome Code: SL 1,3	Actual	131	68				199

Action 3.C.2 – Seek funding opportunities to mitigate lead hazards

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	Continue to implement	Continue to implement				
Outcome Code: SL 1,3; DH 1,2	Actual						

Accomplishments / Impact:

General Context

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

Specific Performance Measures:

Action 3.C.1 - Inspect affordable housing for lead-based paint

In fiscal year 2011-2012, the City’s Department of Housing tested over 68 homes for lead-based paint (LBP). The goal of 114 LBP tests was based on the Departments overall production goal to assist 210 households with rehabilitation services. Both the Program goals and outcomes were reduced in FY 2011-2012. The pool of homes requiring LBP testing was also less than anticipated. Between May 2000 and June 2012, City staff tested over 2,948 homes for lead-based paint. Historically, approximately one-third of the City’s older single family structures tested do contain some level of lead-based paint.

Action 3.C.2 - Seek funding opportunities to mitigate lead hazards

The Department continues to explore resources and seek additional funding to assist with lead-based paint testing and remediation.

Leveraging of Resources:

In 2011-2012 the Housing Department did not identify viable new funding for lead-based paint testing and remediation.

Strategy #3D: Support a Neighborhood Stabilization Program to strengthen neighborhoods affected by foreclosures

Need: Since 2007, San José has experienced a significant increase in the number of home foreclosures as a result of subprime loan programs, reduced home values, and increased unemployment. With entire neighborhoods being affected by the foreclosure crisis, San José intends to be proactive in devoting resources to increase stability and reduce blight in targeted areas hardest hit by the foreclosure crisis.

Five-Year Goal:

Action 3.D.1 – Purchase and rehabilitate foreclosed properties and resell as affordable housing units

Source of funds: NSP	Performance Measure: # units assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To – Date
2010-15 Five-Year Goal: 90	Annual Goal	45	32				77
Outcome Code: SL 1,3; DH 1,2	Actual	13	16				29

Action 3.D.2 – Provide support to the City’s ForeclosureHelp Initiative

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To – Date
2010-15 Five-Year Goal: N/A	Annual Goal	Continue to implement	Continue to implement				
Outcome Code: DH 2,3	Actual						

Action 3.D.3 – Provide support to the Don’t Borrow Trouble campaign

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To – Date
2010-15 Five-Year Goal: N/A	Annual Goal	Continue to implement	Continue to implement				
Outcome Code: DH 2,3	Actual						

Action 3.D.4 – Research best practices and policies to respond to the foreclosure crisis

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	Continue to implement	Continue to implement				
Outcome Code: DH 2,3	Actual						

Accomplishments / Impact:

General Context

The City’s federal and local funds enabled it to continue to address San José’s foreclosure challenges to the greatest extent possible. The challenge in the local single family real estate market continues to be the limited supply of foreclosed homes qualifying for NSP funding that are not quickly bought by all-cash investors. While this shows strength in our local market, it is a challenge from a program administration perspective. Nevertheless, NSP enabled the City to acquire and/or rehabilitate 33 homes for new buyers, helping to improve neighborhoods at the same time. City staff also continued working on two important initiatives to increase public awareness and to help victims of foreclosures and predatory lending.

Specific Performance Measures:

Action 3.D.1 - Purchase and rehabilitate foreclosed properties and resell as affordable housing units

Through the San José Dream Home Program, 10 single family properties were purchased in fiscal year 2011-2012 to bring the program total to 33. Three of the 10 homes are undergoing rehabilitation and seven properties are in the process of being sold. Also during this reporting period, Dream Home staff facilitated the complete rehabilitations of 23 Dream Home projects, expending a total of \$7,525,748 in acquisition and rehabilitation. Additionally, 23 Dream Homes were sold to low- or moderate-income homebuyers, generating over \$7.5 million in program income that will be reinvested into the Program.

Action 3.D.2 - Provide support to the City’s Foreclosure Help Initiative, 3.D.3 - Provide support to the Don’t Borrow Trouble campaign, and 3.D.4 - Research best practices and policies to respond to the foreclosure crisis

In 2011-2012, the City of San José continued to support both the ForeclosureHelp Initiative—which provides free and objective information to those undergoing or at risk of foreclosure—and the Don’t Borrow Trouble campaign—which brings many housing industry stakeholders together to increase the community’s awareness of the problems with predatory lending.

Leveraging of Resources:

The grant award requires the NSP2 Consortium to provide a funding match of \$2.5 million toward the project. The funding match will be allocated as follows:

Match Source	Program/Activity	Allocated Funding	Expended
HTSCC	Dream Home Property Acquisition	\$1,500,000	\$0
HTSCC	25% set-aside - Taylor Oaks	\$500,000	\$500,000
City	In-kind staffing costs	\$250,000	\$217,540
City	Homebuyer Education costs	\$250,000	\$336,060
Total		\$2,500,000	\$753,600

In addition to the match fund requirement, the City has allocated up to \$2.8 Million of its federal HOME funds toward the Dream Home Program to augment acquisition.

Goal #4: Expand economic opportunities for low-income households

Strategy #4A: Support economic development activities that promote employment growth, and help lower-income persons secure and maintain a job

Need: The California Employment Development Department (EDD) reported a 12.1 percent unemployment rate for Santa Clara County in January 2010. Accordingly, Consolidated Plan Workshop participants that the City assembled in 2010 stated the need for small business development, mentoring, and loan programs. While the County’s unemployment rate as of July 2012 declined to 8.7 percent, activities focusing on employment growth continue to be important to support the recovery of our local economy. These activities can help local entrepreneurs establish their businesses and lease space at more affordable rates during the down market. Participants also expressed the need for vocational programs that build basic job skills and train workers, especially youth, to enter or reenter the workforce. As a challenge, these services are often best addressed at a county or regional scale, given the relative scarcity of local funding.

Five-Year Goal:

Action 4.A.1 – Funding for local employment development and workforce training

Source of funds:	Performance Measure:	Year 1	Year 2	Year 3	Year 4	Year 5	Total To - Date
CDBG	# jobs created	(2010 -11)	(2011 -12)	(2012 -13)	(2013 -14)	(2014 -15)	
2010-15 Five-Year Goal: 250	Annual Goal	54	54				108
Outcome Code: EO 1,3	Actual	41	41				82

Action 4.A.2 – Small business development and training

Source of funds: CDBG	Performance Measure: # individuals assisted	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 3,000	Annual Goal	640	640				1,280
Outcome Code: EO 1,3	Actual	524	570				1,094

Accomplishments / Impact:

General Context

In 2011-2012, the Department funded five economic development activities under this category. Three were funded by CDBG and two were funded by CDBG-R funds—an additional grant made available through the federal stimulus bill, the American Recovery and Investment Act of 2009—that were originally awarded to San José in FY 2009-2010.

Specific Performance Measures:

Action 4.A.1 - Funding for local employment development and workforce training

Action 4.A.1 is composed of three job creation programs. Funded by CDBG-R, the Clean and Green project funded the acquisition of equipment for four businesses utilizing clean and green technologies. Also funded by CDBG-R, the Assets for New Americans: Virtual Business Incubator provided microbusiness development assistance and training. In FY 2011-2012, 41 jobs have been created. Seventy-six percent of the job creation goal was met, or 41 jobs of the stated goal of 54 jobs. This outcome reflects some ongoing economic uncertainty which has negatively impacted decisions to hire, particularly for small business owners who are taking less risk and are postponing expansions or the opening of new businesses.

A notable economic development activity is the Smart Start San José Family Child Care Training Program, a successful job creation model. The program works to expand and retain early care and education spaces in family child care home businesses. Not only does the program provide school readiness opportunities to children, it also promotes economic self-sufficiency by training CalWORKS and low- to moderate-income residents to become quality, licensed family childcare providers.

Action 4.A.2 - Small business development and training

Action 4.A.2 is composed of two small business development activities – micro-credit services and micro-enterprise. 570 low- and moderate-income individuals were assisted under these programs. This accounts for 89% of the stated one-year goal.

Leveraging of Resources:

The Department funded over \$2.3 million in economic development activities as discussed above and leveraged and additional \$1.1 million of additional State, foundation and private funding.

Goal # 5: Promote fair housing choice – Affirmatively Further Fair Housing

Strategy #5A: Conduct outreach to the community regarding fair housing, in order to address local barriers to fair housing

Five-Year Goal:

Action 5.A.1 – Ongoing education and outreach regarding fair housing

Source of funds: N/A	Performance Measure: # presentations made	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	52	42				94
Outcome Code: DH 1	Actual	56	56				112

Action 5.A.2 – Fair Housing testing in local apartment complexes

Source of funds: N/A	Performance Measure: # tests in local apartment complexes	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	*	80				80
Outcome Code: DH 1	Actual	134	111				245

*Note: Contract goals were not established for tests in 2010-11.

Accomplishments / Impact:

General Context

The City of San José is committed towards mitigating or eliminating impediments to fair housing choice. Its fair housing effort incorporates three components: (1) recognize that fair housing is a regional issue; (2) leverage partnerships; and (3) strategically focus on the highest impacts especially given the need to adjust to limited and often diminishing resources. As a result, the City of San José funds or partners with regional fair housing agencies that have expertise in this area. Through this strategy, the City of San José met or exceeded each of its fair housing goals in FY 2011-2012.

Specific Performance Measures:

Action 5.A.1 - Ongoing education and outreach regarding fair housing

The City of San José provides funding to the regional Fair Housing Law Consortium to provide education and outreach regarding fair housing. The Consortium provided 56 fair housing presentations in FY 2011-12 and exceeded its goal of 42 presentations. Presentations are provided in English, as well as Spanish and Vietnamese depending on the location and the needs of the participants.

Action 5.A.2 - Fair Housing testing in local apartment complexes

Project Sentinel, which is a member of the Fair Housing Law Consortium and is the primary local organization that conducts fair housing tests, performed 111 tests in local apartment complexes in FY 2011-2012. Contract goals for this action were first established in FY 2011-2012 so no comparison of outcome versus goal is possible for the past year.

Strategy #5B: Ensure that City policies and programs promote fair and equal access to housing

Five-Year Goal:

Action 5.B.1 – Ensure local ordinances are in compliance with State and Federal fair housing laws

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	Continue to implement	Continue to implement				
Outcome Code:	Actual						-

Action 5.B.2 – Ensure zoning ordinances have procedures for reasonable accommodation requests

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	Continue to implement	Continue to implement				
Outcome Code:	Actual						

Action 5.B.3 – Language assistance for limited English speaking residents

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	Continue to implement	Continue to implement				
Outcome Code:	Actual						

Action 5.B.4 – Update local analysis of impediments

Source of funds: N/A	Performance Measure: Continue to implement	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: N/A	Annual Goal	Continue to implement	Continue to implement				
Outcome Code:	Actual						-

Accomplishments / Impact:

General Context

Actions 5.B.1 through 5.B.4 are ongoing items that do not have specific quantifiable goals due to the nature of the actions. For example, the City’s zoning ordinances and analysis of impediments comply with and facilitate fair housing laws. Therefore, Actions 5.B.1 and 5.B.2 are primarily complaint-driven actions that allow the City to respond to reports of potential violations of fair housing laws. On the other hand, Action 5.B.3 provides that the Housing Department provides language assistance on an ongoing basis for San José residents of limited English proficiency. The provision of language services or the need to respond to fair housing complaints is highly variable from year to year. The narrative in the specific performance measures section below seeks to capture the efforts of the Housing Department with regard to the actions identified under Goal #5B.

Specific Performance Measures:

Action 5.B.1 - Ensure local ordinances are in compliance with State and Federal fair housing laws

Regarding Action 5.B.1, City ordinances are designed to be in compliance with State and Federal regulations, including fair housing. Due to the significant number of local ordinances in San José, it is not feasible for City staff, given impacted staffing levels, to systematically review each ordinance. Rather, staff implements this action by reviewing ordinances on a case-by-case basis

as needed or as identified by City staff or by a third-party or agency. No cases regarding fair housing were identified or brought forth in FY 2011-2012. However, in FY 2010-2011, City staff responded to one case identified by the Fair Housing Law Project regarding the right to practice religion in one's home. Staff reviewed the City's ordinance and determined that the ordinance does not restrict the ability of residents to practice religion in their home.

Action 5.B.2 - Ensure zoning ordinances have procedures for reasonable accommodation requests

No cases regarding reasonable accommodation were brought forth in FY 2011-2012. However, City staff worked on the reasonable accommodation issue in FY 2010-2011, holding a study session on reasonable accommodation with the Planning Commission. The Planning Commission heard two planning decisions related to reasonable accommodation that year.

Action 5.B.3 - Language assistance for limited English-speaking residents

To support Action 5.B.3, the Department guided all sub-recipients of federal grant programs funded through the Department through the development and implementation of a Language Access Plan (LAP) that will provide limited English clients access to services. The City maintains a copy of each Agency's LAP at the City. In FY 2010-2011, each agency was required to submit a report on the actions taken to implement their specific LAPs before the last invoice was approved by the City. In FY 2011-2012, each Agency was required, as part of their contract with the City, to submit a narrative summary of their outreach efforts taken to reach out to all persons without regard to race, sex, color, age, religion, actual or perceived gender identity, sexual orientation, disability, ethnic or national origin, or familial status in the second and fourth quarterly performance reports. These reports will help ensure that all HUD-funded agencies are marketing and advertising their services to populations with limited English proficiency.

Recognizing San José's diverse community, the Rental Rights and Referrals Program (RRRP) provides all of its materials in English, Spanish, and Vietnamese. In FY 2011-2012, Program staff attended 19 public outreach events during this period. The Program's goal is to provide education to apartment owners and tenants and mobilehome park owners and residents of their rights and responsibilities under the City's rent control ordinances. Additionally, agendas for meetings held by the Housing Department, including for the Housing Commission, the Rental Rights Commission, and the Mobilehome Commission, announce the availability of language assistance if needed in Spanish, Vietnamese, and Chinese. Finally, all public notices related to the Consolidated Plan, including Substantial Amendments, are translated and published in local ethnic newspapers for Spanish, Vietnamese, and Chinese speakers.

Action 5.B.4 - Update local analysis of impediments

In 2010, City staff completed its 2010-2015 Consolidated Plan and its accompanying Analysis of Impediments to Fair Housing report. In 2011-2012, given that 2010 data remains relatively recent, no AI updates were made.

CDBG Funding for Fair Housing

Four projects that supported fair housing were funded by CDBG. One project funded through the San José Fair Housing Consortium is the Fair Housing Investigation and Enforcement Services project. This project provides comprehensive fair housing services that include legal representation, fair housing counseling and community outreach including multilingual forums and printed information. Of the 186 clients assisted, 80% received a favorable resolution toward access to housing of choice. The other projects supporting fair housing include the Legal Aid Society Fair Housing Counseling Project, Asian Law Alliance, and Senior Adults Legal Assistance.

Another project supporting fair housing but funded under the Access to Healthcare funding category is the Long-Term Care Ombudsman program. This project assists persons with mental and developmental disabilities to resolve legal problems, such as evictions and substandard living conditions, in residential care housing and independent living facilities. Of the 621 complaints received, 91% were resolved in a manner that prevented client homelessness.

Leveraging of Resources:

CDBG supported fair housing efforts with \$344,329 and leveraged over \$317,104 in other federal, State, foundation and private funding.

Goal # 6: Promote environmental sustainability

Strategy #6A: Encourage the installation of energy- and water-efficiency measures in new and existing homes

Need: With energy efficiency, water conservation, and greenhouse gas reduction all growing policy concerns, local jurisdictions must further efforts to support environmentally-sustainable residential development. Moreover, existing homes should be upgraded to improve their energy and water efficiency.

Five-Year Goal:

Action 6.A.1 – Energy efficiency in multifamily new homes

Source of funds: HOME, 20% funds	Performance Measure: # units meeting Build It Green standards	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 946	Annual Goal	813	0				813
Outcome Code: SL 3	Actual	354	704				1058

Action 6.A.2 – Direct investment in energy- efficiency in owner-occupied housing – Rehabilitated homes

Source of funds: CDBG	Performance Measure: # units meeting build-it green standards	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 250	Annual Goal	50	18				68
Outcome Code: SL 3	Actual	39	16				55

Action 6.A.2 – Direct investment in energy efficiency in owner-occupied housing – Inclusionary/ Homebuyer Assistance programs

Source of funds: HOME, 20% funds	Performance Measure: # new construction green homes purchased by lower-income homebuyers	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 35	Annual Goal	5	37				42
Outcome Code: SL 3	Actual	30	5				35

Action 6.A.3 – CDBG-sponsored energy efficiency improvements

Source of funds: CDBG	Performance Measure: # energy efficiency improvements	Year 1 (2010-11)	Year 2 (2011-12)	Year 3 (2012-13)	Year 4 (2013-14)	Year 5 (2014-15)	Total To - Date
2010-15 Five-Year Goal: 1,600	Annual Goal	325	0				325
Outcome Code: SL 3	Actual	0	497				497

Accomplishments / Impact:

General Context

In FY 2011-2012, CDBG continued to fund the City’s installation of energy-saving LED streetlights. These lights both save energy and increase visibility—and hopefully, safety—in low- and moderate-income areas by providing brighter lighting. CDBG funding is utilized in conjunction with other funding and supports the City’s strategy to eventually convert all streetlights to LED.

Specific Performance Measures:

Action 6.A.1 - Energy efficiency in multifamily new homes

All units produced under the City's New Construction and Homebuyer Programs are required to conform to the City's Green Building Policy, revised by the City Council on March 6, 2007. This policy establishes sustainability as a City priority. It incorporates environmentally sensitive site planning, resource efficient building materials and superior indoor environmental quality. The 704 affordable housing units completed in 2011-2012 are included in the Actuals total.

In addition, some of the affordable housing projects go over and above the City's Green Building standards. For example, while the city requirements are certified at 45 points, Fourth Street Apartments by First Community Housing scored over 90 points (LEED). Fourth Street will be certified as a LEED Mid-rise Platinum building, the highest rating given by the U.S. Green Building Council. Features include a green, vegetated roof, a photovoltaic system, and LED light fixtures.

Action 6.A.2 - Direct investment in energy efficiency in owner-occupied housing – Rehabilitated homes

As shown in Action 6.A.2, at least 16 homes participating in the Housing Rehabilitation Program in the past year received energy efficiency upgrades in conjunction with other housing repairs or improvements. This number represents projects that were funded in full or in part with CDBG funding. In addition to funding energy efficiency through the City's CDBG funds, this last year the Housing Department has collaborated with the Environmental Services Department to administer energy efficiency utilizing two new joint programs. In addition to the 16 energy efficiency upgrades funded through CDBG, Housing Department Staff administered an additional six upgrades through the Better Building Program as well as the Municipal Whole House Rehab Pilot Program.

Action 6.A.2 - Direct investment in energy efficiency in owner-occupied housing – Inclusionary / Homebuyer Assistance programs

All new construction homes purchased by lower-income homebuyers using BEGIN funds conform to the City's Green Building Policy. Developers of projects containing new construction homes proposed to be funded by the Department using BEGIN funds are given fee reductions during the development process based on the green features contained in the development. During Fiscal Year 2011-2012, 19 BEGIN loans were approved and closed.

Action 6.A.3 - CDBG sponsored energy efficiency improvements

Action 6.A.3 reflects CDBG-funded energy efficiency improvements included as part of the LED streetlight conversion project. This project converted 497 streetlights in low moderate income areas to LED. The project will promote energy efficiency and improve safety within low-income areas

Leveraging of Resources:

The leveraged benefits resulting from the implementation of the City's Green Building Policy include lower energy and water costs, using building materials with fewer chemicals that have less of an impact on the environment, enhanced health, long term economic benefits to the community and reducing the impact on the environment.

As reported in an earlier section, the Housing Department accepted a \$370,000 Innovator Pilot grant from PG&E to implement a Municipal Whole House Rehab Pilot Program. The objective of this grant is to develop standard energy efficiency models based on Build It Green standards, effectively incorporating energy efficiency upgrades into standard housing rehabilitation. This funding will provide funding to upgrade between 50 and 80 homes for energy efficiency. In addition, the program will provide opportunity to test energy efficiency models against actual savings data. The outcome of this pilot will be proven standardized energy efficiency models that will maximize energy efficiency upgrades in city funded housing rehabilitation. These tested models will be shared with other municipalities across the State.

Additionally, the Housing Department has collaborated with the City's Environmental Services Department (ESD) to utilize the Better Building Program funded through the U.S. Department of Energy (DOE). The Better Building Program is designed to address Energy efficiency on a neighborhood wide scale. Homes within the Dorsa-Tockna neighborhood can receive a range of energy efficiency benefits directly through the BBP program or in conjunction with the Housing Rehabilitation Program.

SECTION 3 - PUBLIC HOUSING AND RESIDENT INITIATIVES

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

The City of San José offers financial assistance to Section 8 individuals and families to cover deposit and move-in costs. In FY 2011-2012, the City also supported the Family Self-Sufficiency program. Table 9 shows that the Housing Authority is assisting 12,676 households under Section 8 contracts as of July 24, 2011.

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

Income Category	Number of Persons in Family								Total Section 8
	1	2	3	4	5	6	7	8	
ELI (0-30%)	3,919	2,892	1,831	1,205	752	353	134	92	11,178
VLI (31-50%)	150	235	311	264	140	74	30	13	1217
LI (51-60%)	24	63	82	57	31	12	4	1	274
TOTAL	4,093	3,191	2,227	1,527	925	439	168	106	12,676

*As of July 24, 2012 a total of 7 households had an income category higher than LI.

Ethnicity	Total	Percent
Hispanic	4,028	32%
Non-Hispanic	8,648	68%
Total	12,676	100%

Race	Total	Percent
Caucasian	5,373	42%
Black/African American	1,778	14%
American Indian/Alaskan Native	193	2%
Asian	5,329	42%
Native Hawaiian/Other Pacific Islander	3	0%
Total*	12,676	100%

* Total count of household races is higher than total population of assisted families as participants may select more than one race.

Source: Housing Authority of the County of Santa Clara, July 2012

In April 2006, the Section 8 waiting list was opened for the first time in seven years and over 58,000 individuals signed up. Currently, there are 21,215 families on the Section 8 waiting list

for the Housing Choice Voucher Program for Santa Clara County. This program serves low-income households, including disabled persons (Mainstream Voucher Program) and families working towards economic independence (Family Self-Sufficiency Programs).

Demographic information for registrants from the current waiting list as of Summer 2012 for San José registrants is contained in the table below.

Section 8 Wait List Sign-ups		
Demographic Data for San José Registrants		
Race & Ethnicity	Quantity	Percentage
Hispanic	3,723	27%
Non-Hispanic	7,588	55%
Unknown	2,512	18%
Sub-total	13,823	
American Indian/Alaskan Native	360	3%
Black	1,023	7%
Hawaiian/Pacific Islander	1	0%
White	3,359	24%
Asian	5,875	42%
Unknown	3,427	24%
Sub-total	14,045	
Sex		
Male	4,554	33%
Female	7,241	52%
Unknown	2,028	15%
Sub-total	13,823	
Total from San José		32,818

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

In September 2007, the U.S. Department of Housing & Urban Development (HUD) granted approval to the HACSC for the disposition of its public housing properties, which will enable the agency to improve supportive services and rehabilitate the units using Low Income Housing Tax Credits. At the beginning of FY 2012, it is anticipated that the HACSC will have 20 public housing units located in San José remaining in its housing stock. During FY 2010, three of the HACSC’s family properties were renovated with a grant from the American Recovery and Reinvestment Program and the HACSC’s Capital grant funds.

In FY 2011, the HACSC transferred ownership of an additional 224 public housing units to the tax-credit limited partnership. During FY 2012, it is expected that 64 more units will transfer

ownership, including the San José public housing units. The HACSC anticipates that these remaining public housing properties will transfer ownership and convert to Project Based Vouchers (PBV) in FY 2013.

In January 2008, HUD designated the HACSC as a “Moving to Work” agency through June 30, 2018. The goal of the MTW program is to increase cost effectiveness, promote self-sufficiency, and expand housing options for low-income families. The MTW designation will provide more flexibility in use of funding sources and will support the transition to creating more efficient programs. The Moving to Work 2012 Annual Plan was adopted by the HACSC Board of Commissioners in Spring 2012.

SECTION 4 - OTHER POLICY ACCOMPLISHMENTS

The following chart highlights additional accomplishments made by the City of San José in the areas of policy and program development during Fiscal Year 2011-2012

PUBLIC POLICIES TO FOSTER AND MAINTAIN AFFORDABLE HOUSING

<i>Annual Goal</i>	Annual Accomplishment
<i>Continue implementation of a public outreach effort for affordable housing</i>	<p>Complete/Ongoing: Increasing awareness and educating residents on the value and need for affordable housing is important to the City’s efforts to increase affordable housing stock. Providing safe, decent, and affordable housing to meet the current and future needs of an increasing population, will help keep families from becoming homeless. Residents can often be cautious and concerned about the prospect of an affordable housing development in their neighborhood. Through targeted outreach and provision of key materials produced in three languages - English, Spanish and Vietnamese - the Department is able to address concerns by educating residents about the benefits of affordable housing. Additionally, the City sponsors and participates in workshops and community events that provide a forum for increasing the public’s awareness of what affordable housing is, the people who live in affordable housing and why it’s important to our community and economic growth. The Department continues to receive regional and national recognition of affordable housing developments for excellence in architectural design and green building. Working with the San José community, Department staff regularly participates in public events that include, but are not limited to, Affordable Housing Week, ForeclosureHelp and First Time Homebuyer workshops, community fairs, Project Homeless Connect, and grand openings. The Department strives to create public awareness on the many programs and services provided to residents, as well as share information on topics of interest, including mobilehomes, Renters Insurance, Fair Housing, Predatory Lending, and Foreclosures. Specific outreach forums include:</p> <ul style="list-style-type: none"> • ForeclosureHelp Center operations • Homebuyer and/or Home Repair Program Outreach to the Public <ul style="list-style-type: none"> ○ Homebuyer and Home Repair Program Presentation – seven workshops ○ Radio Talk Show – four airings ○ Home Repair Program ○ Video/Social Media Outreach – four multimedia platforms ○ CalHOME – 1,400 mailings to San José Residents ○ Eight-hour Certified Homebuyer Education Class/Project Sentinel – 23 classes

Annual Goal	Annual Accomplishment
	<ul style="list-style-type: none"> ○ Neighborhood Stabilization Program (NSP) Purchase Assistance Loan Outreach – 14 workshops • Homebuyer Education to Professional Trade Groups <ul style="list-style-type: none"> ○ Loan Officer and Real Estate Professional Trade – nine presentations ○ Lender Homebuyer Down Payment Assistance Loan Training – seven classes ○ Constant Contact Social Media – 16 e-blasts • Community Health and Wellness Fairs and farmer’s markets • Homebuyer Education Fair • Other neighborhood community group meetings
<p><i>Provide an ongoing, dedicated source of revenue for affordable housing efforts and direct homeless services</i></p>	<p>Ongoing: The Housing Department, in conjunction with the City’s State and federal representatives, continues to advocate for measures that would provide sources of funding for affordable housing. This work is consistent with the City’s <i>Five-Year Housing Investment Plan (2007-12)</i> in its endorsement of staff taking action to increase the funding available for affordable housing.</p> <ul style="list-style-type: none"> • Housing staff have compiled information to support advocacy efforts to maintain local redevelopment funds for housing, maintain funding levels for existing federal programs such as CDBG, HOME, the Low-Income Housing Tax Credit and Section 8, as well as support the creation of a National Housing Trust Fund. • Staff worked on the establishment of a new State-wide permanent source together with other housing groups. • Staff educated external partners on the need and details of how best to preserve housing assets in the context of redevelopment dissolution. • Staff attended trainings and worked with outside partners on potential replacements for redevelopment financing, such as infrastructure financing districts and New Markets Tax Credits. • The City remains an active participant in Destination: Home – an effort to end homelessness in ten years – which is advocating for new and an increase in existing funding sources for affordable housing for the homeless, such as focused use of federal rental vouchers.
<p><i>Educate residents on the life-threatening hazard of fixed window bars, and encourage replacement bars on sleeping-room windows</i></p>	<p>Ongoing: The Department of Planning, Building, and Code Enforcement (PBCE) continues to inspect multifamily dwellings for the ability of window bars to be released for egress. The City requires the remediation of all fixed window bars in sleeping rooms or rooms that could realistically be used for sleeping purposes. The Housing Department’s <i>Housing Rehabilitation Program</i> prioritizes the remediation of fixed window bars as an eligible expense either as a stand-alone repair item, or in conjunction with other health and safety</p>

<i>Annual Goal</i>	Annual Accomplishment
	repairs.

ACTIONS TO ELIMINATE GAPS IN INSTITUTIONAL STRUCTURE

Annual Goal	Annual Accomplishment
<i>Advocate changes in federal laws to improve San José's position in applying for scarce public dollars (such as modifying the eligibility requirements of certain federal programs that are based on age of housing stock or poverty level, which tend to give priority to older urban centers in the East, regardless of other need factors, such as expensive housing markets)</i>	<p>Ongoing: The Housing Department continued to advocate for changes to federal laws that would improve San José's position in applying for scarce public dollars. Examples include:</p> <ul style="list-style-type: none"> • Advocating for changes to the HOME program that are able to be administered with current and projected funding levels, and consistent with our local pattern of usage for project commitments. • Advocating for the allocation of federal funds based on need, as well as for funds to come directly to localities instead of through States. More specifically, the City advocated for this program change to be made for the National Housing Trust Fund. • Educating federal funding administrators about high-cost areas, and working to ensure that programs that are created or revised recognize the differences in the cost of housing around the nation.
<i>Improve coordination between local, State, and Federal Housing agencies to facilitate improved funding availability, create uniform income qualifications and similar guidelines</i>	<p>Ongoing: The Housing Department maintains an ongoing dialogue with elected officials through the City's Intergovernmental Relations Office, legislative program, and federal and State representatives. The Housing Department's solid working relationships with federal and State housing agencies, and elected officials enables it to actively participate in discussions impacting City housing programs and policies. Housing Department staff manage and coordinate legislation and advocacy, resulting in efficient and effective participation and coordination on the State and federal legislative processes.</p>
<i>Improve San José's position in applying for scarce public dollars for affordable housing</i>	<p>Complete and Ongoing: The Housing Department continues to seek future funding for affordable housing through the following strategies:</p> <ul style="list-style-type: none"> • Housing Trust Fund – Since June 2003, when the City of San José established a Housing Trust Fund, the City has managed the fund which also enables it to compete for funding specifically made available to Housing Trust Funds. • Legislation – The Housing Department worked with the Mayor, City Council, and City Manager's Office to analyze and support legislation that will improve San José's competitiveness in obtaining State and federal affordable housing resources. In FY 2011-2012, our departments worked together on advocacy for HOME, the LIHTC program, and on the State Cap & Trade program, a new system for the establishment of pollution caps under which the State will receive funds to be used for greenhouse gas reduction purposes.

Annual Goal	Annual Accomplishment
	<p>We also advocated for the overturn of the <i>Palmer</i> legal decision, which limits inclusionary housing implementation for rental projects, through State bill SB 184 (Leno).</p> <ul style="list-style-type: none"> Housing Element—The City of San José has continued to implement its Housing Element for 2007-14, which was certified by the State in July 2009. The Housing Element outlines specific tasks and efforts the city will undertake in the current planning period to remove barriers to the development of affordable housing. In the 2007-2011 period, the City had facilitated the development of 8,732 total housing units, including over 1,920 restricted affordable housing units, which together accounted for one-quarter of the total period’s goal. For the first five years of the RHNA cycle, affordable housing constituted about 22% of the City’s total number of residential units receiving building permits. This indicates a significant contribution by affordable housing to San José’s development activity during what has been, at times, a depressed real estate market.
<p><i>Implement a first-time homebuyer program</i></p>	<p>Completed and Ongoing: Local residents can also take advantage of these homebuyer programs - the Housing Department uses CalHOME funds for the WelcomeHOME first-time homebuyer program for lower-income households to purchase homes citywide. Funds are made available to assist low- and moderate-income homebuyers with down payment assistance loans to be used towards new construction units. Additionally, the City obtains funds from the State’s Building Equity & Growth in Neighborhoods (BEGIN) program to provide downpayment assistance for qualified first-time homebuyers interested in purchasing affordable units in newly constructed high-rises. The City also offers additional down payment assistance through the San José Dream Home Program which uses NSP2 funding. Through this program, private contracted developers purchase foreclosed homes in targeted census tract neighborhoods, renovate homes to meet health and safety codes, and resell to low- and moderate-income households.</p> <p>Approved in June of 1999, the Teacher Homebuyer Program (THP) which offered San José public school teachers a down payment assistance loan program offering up to \$50,000 to help purchase a home in San José, assisted 757 teachers before its elimination in 2011.</p>

Annual Goal	Annual Accomplishment
<p><i>Develop processes and procedures to maximize the delivery of housing services and to improve coordination between various City Departments as part of the City Council's direction to increase production by 50%</i></p>	<p>Complete and Ongoing: To promote smooth approval processes for affordable housing developments, Housing Department staff works closely with staff from other departments such as Planning, Building and Code Enforcement and Parks and Recreation on issues of direct concern to project feasibility and approvals. Overall, production is capped by amount of subsidy funding available.</p>

<p><i>Implement an aggressive surplus land acquisition program, and use this land for affordable housing.</i></p>	<p>Complete and Ongoing: The Housing Department pursues properties that are surplus to the needs of the City, County or other State and governmental agencies, and provides assistance in the acquisition of privately-owned vacant parcels. Over the last decade, the Housing Department has purchased a total of 15 surplus properties using the 20% fund. Following are updates on previous parcel purchases:</p> <ul style="list-style-type: none"> • On May 1, 2010, the Department purchased a 0.54-acre parcel on North 6th Street between Taylor and Jackson from the City's General Services Department for \$2.2 million. On January 20, 2011, the City Council adopted a resolution authorizing the Director of Housing to enter into Exclusive Negotiations Agreement between the City and First Community Developers for the development of this site with 74 affordable housing units called the Japantown Seniors Apartments. This parcel is fully entitled and the developer is seeking financing including a pre-development loan from the City. The developer is expecting to apply for LIHTCs in 2013. • Staff continued to work with Eden Housing, approved in 2008 as the developer for a 3.05-acre property on Ford Road near Monterey Highway, on a funding commitment and long-term ground lease for a 19-affordable unit Special Needs project and 74-affordable unit family apartment project. The project's special needs units were successful in competing for the San José Consortium's NSP2 funds in 2010, for which a HUD 811 loan was approved. On March 29, 2011, the City Council adopted a resolution approving a Disposition and Development Agreement, funding commitment, and a ground lease for the development of the Ford and Monterey Special Needs Apartments and the Ford & Monterey Family Apartments. A loan with the City and HUD for the Special Needs Apartments was closed in June 2012 and construction has started. Recently, Eden won an allocation of LIHTCs for its Ford & Monterey Family Apartments project and plans to close its financing and start construction in January 2013.
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	<ul style="list-style-type: none"> • Development of a six-acre parcel on Evans Lane that the Department owns continued on hold in 2011-2012 for both the proposed rental and for-sale projects. This is due to the Department's lack of funding, as well as continued weakness in demand for the for-sale component. Although entitlements were awarded jointly for both sites, the Planning Department will allow the rental project to proceed first if so desired. Assuming the projects proceed, the one-acre park to be built will likely coincide with the for-sale component's schedule. • Development by Habitat for Humanity of Silicon Valley of a single low-income for-sale home located on a 5,500 square-foot lot on Delmas Avenue is delayed due to significant contamination found on the site in 2010. The Housing Department purchased the site from the Valley Transit Authority in August 2006 and transferred ownership to Habitat in March 2008. Habitat is currently seeking funds to remediate the site.
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HOMELESSNESS

Annual Goal	Annual Accomplishment
<p><i>Continue to support the implementation of a jobs program and focus on job development for the homeless in San José</i></p>	<p>Complete and Ongoing: The City worked actively as a partner in the past year in the Santa Clara County Workforce Investment Network. The Workforce Investment Act was created to address the needs of the nation's businesses, job seekers, and persons interested in furthering their careers, through the implementation of local employment and training programs. In April 2000, the State of California designated Santa Clara County as a Workforce Investment Area. In July 2000, San José, in partnership with seven surrounding cities, created the San José Silicon Valley Workforce Investment Network (WIN) to act as Silicon Valley's regional Workforce Investment Board (WIB). Locally managed, WIN brings together job seekers, local employers, educators, labor representatives, and program administrators to sustain and maximize the relationships between employers and the region's prospective labor market.</p>

<p><i>Develop a Five-Year Homeless Strategy for the City of San José</i></p>	<p>Complete and Ongoing: In September 2003, the Mayor and City Council adopted a Ten-Year Homeless Strategy describing the City’s plan to end chronic homelessness in San José. Specifically, the Homeless Strategy outlines the extent of the homeless problem in San José, describes City programs and policies related to homelessness, and proposes policies and actions for the City to take towards the goal of eliminating chronic homelessness in San José within ten years, including prevention, rapid re-housing, wraparound services, and proactive efforts. The Strategy was created as a result of the County’s Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis. The City and its other partners throughout the County—including Destination: Home, a public-private partnership formed in 2008 to implement the initiatives identified by the Blue Ribbon Commission—continued their efforts in the past year towards meeting those goals and objectives.</p>
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SENIORS

Annual Goal	Annual Accomplishment
<p><i>Pursue the establishment of a centralized waiting list for all subsidized senior housing</i></p>	<p>Ongoing: In FY 2011-2012, the City continued to successfully contract with the Non-Profit Industries, Inc. for operation of the countywide “SocialServe” housing locator services database. The database provides residents with timely and comprehensive information on affordable housing available throughout the county, and provides search criteria specific to senior housing. Since its launch in FY 2010-2011, City staff has worked with property management companies that are operating the City’s subsidized affordable rental projects to list available units in SocialServe.</p>

SECTION 5 - LEVERAGING RESOURCES

All of the projects carried out during FY 2011-2012 involved the leveraging of other funding sources. Table 9 shows the total amount of funds for each formula grant that was committed or expended during FY 2011-2012:

Table 9: FY 2011-2012 Amounts Expended/Committed

Program	Amount Expended	Amount Committed	Amount Leveraged
CDBG - (excluding housing rehab)	\$9,669,264	\$11,939,544	\$36,081,708
CDBG – Housing Rehab	\$1,783,722	\$2,369,879	\$1,810,786
HOME – Multifamily rental	\$3,671,323	\$0	\$0
HOME – Homebuyer	\$1,461,102	\$1,461,102	\$1,160,802
HOPWA	\$966,199	\$1,018,363	\$8,000,000
ESG	\$548,513	\$716,407	\$8,118,630

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

Although there was \$3.6 million expended for existing commitments of HOME for multifamily projects, no funds were committed to new projects in the past year. The leveraged amounts are based on commitments, thus no amount is stated in the leveraged portion of the table above. The leveraged amounts for projects that expended funds in this year are noted in previous CAPERs, when the projects were funded / committed. HOME funds for the Homebuyer Programs were leveraged by two other funding sources – CalHome funds leveraged \$243,500 and NSP2 funds leveraged \$917,302 for a total leverage amount of \$1,160,802.

SECTION 6 - CITIZEN PARTICIPATION PROCESS AND COMMENTS

As part of the Consolidated Plan/CAPER process, jurisdictions are required to hold public review of the documents for comment. The Consolidated Plan is required to be open for a 30-day review period, while the CAPER is required to be made available for a 15-day public review period. The public review period for the FY 2011-2012 CAPER was held from August 27, 2012 to September 12, 2012. A notice regarding the 15-day public comment period was sent out to about 460 agencies, nonprofits, and individuals concerned about housing and community development issues. The notice was also printed in the *San José Mercury News* on August 17th 2012 and translated and printed in *El Observador*, *Thoi Bao*, *China Press*, and *Phillipine News* also on August 17. Additionally, the public notice was translated and posted for Spanish speakers on the website of *La Oferta* on August 17, and printed in the hard copy newspaper on August 24, 2012. Copies of the draft CAPER were made available at the City of San José Department of Housing, and sent to citizens via e-mail or mail upon request. Below is a schedule of events and hearings held during the FY 2011-2012 CAPER preparation process.

<u>Action</u>	<u>Date</u>
Notices e-mailed and mailed to over 460 organizations and individuals announcing the public review process	August 20, 2012
Start of the 15-day public review – Draft copies available at the Housing Department, 200 E. Santa Clara, 12 th Floor, San José, CA 95113	August 27, 2012
End of 15-day public comment period	September 12, 2012
Housing Advisory Commission public hearing	September 13, 2012
City Council Public Hearing	September 18, 2012
CAPER due to HUD	September 30, 2012

SECTION 7 - SELF-EVALUATION

In 2010, all grants programs were consolidated into one team, the Grants Administration Team, which created efficiencies and enhanced consistency in contract management and monitoring functions. The Team's creation also eliminated administrative redundancies for both the Department and the nonprofit sub-recipients. A two-year funding cycle (FY 2010-2011 and 2011-2012) was implemented, which eliminates the annual application submission for ongoing programs. This streamlined approach allows staff to focus on technical assistance and the CBOs to focus on outcomes and performance. The new organization has proved effective, particularly given that the programs are frequently audited and come with significant regulation and oversight.

The Department continues to support the City's grant management continuous improvement efforts, and participates in the City-wide Grant Management Working Group to create more effective and efficient systems and processes to grant management. In Fall 2008, the City launched the City-wide Grant Management Policies and Procedures Handbook and began the business development and testing phases of the Grants Management Database. The database was launched in January 2010. Starting in FY 2010-11, CDBG, ESG and HOPWA projects were established in the system. The Grant Management Working Group consists of representatives from all city departments receiving federal, State and other grant funds.

With the centralized grants management, an aggressive training program was essential to provide the grant program managers the knowledge and skills necessary to effectively manage the entitlement, competitive and stimulus federal funding. This training included the HOME Certification Program, Basically CDBG for nearly all staff, IDIS, NSP, and DRGR. Additionally, staff participated in local and regional training, including analysis of nonprofit financial statements. This training provided staff with a holistic view of the nonprofit financial statements to better understand the agencies financial health and how it impacts projects funded by the City, including those funded with HUD funds.

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

SELF-EVALUATION – CDBG

During the FY 2010-2011 and 2011-2012 planning phase, the City's CDBG staff 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 José, and were used in the development of the four funding categories for FY 2010-2011 – 1) Basic Needs, 2) Access to Health Care, 3) Self-Sufficiency, and 4) Legal Services/Fair Housing.

In addition to a variety of essential public services, the City of San José also provided CDBG funding for community development activities in the areas of 1) physical improvement projects that supported the delivery of services to the City’s low and moderate-income residents, 2) housing rehabilitation, 3) code enforcement, and 4) economic development/microenterprise. The clientele served through these programs are low- and moderate-income residents including seniors, youth, persons with disabilities, homeless and unemployed persons.

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

In fiscal year 2011-2012, CDBG funded 41 public service programs that served over 53,000 low- and moderate-income participants. One hundred percent of public service programs met their participation goals. To qualify as substantially meeting their project goals, a program must meet approximately 90% of its productivity and targeted outcome goals.

In FY 2011-2012, CDBG funded nine community development projects—including three housing rehabilitation programs, four economic development projects (one funded by CDBG-R), one code enforcement, and one fire truck purchase. Of these projects, one housing project and four economic development projects met their goals.

Further, 13 of the 15 construction projects either currently funded, or funded in prior years, have been completed, while one street improvement project was cancelled in FY 2010-2011. The table below details the community development construction projects funded in prior years (with either CDBG or CDBG-R funds) and notes whether they have been completed.

Category	Projects Funded in Prior Years	Projects Completed
<u>Public Facilities</u>	1	1
1. F102 Yu-Ai-Kai		
<u>Handicapped Centers</u>	1	1
1. F109 Santa Clara Valley Blind Center Improved Access to Blind Rehabilitation Services		
<u>Senior Centers</u>	1	0
1. F112 Korean American Community Services Community Center Renovation		
<u>Other Public Facilities</u>	5	5
1. F108 San José Conservation Corps Cafeteria & Nutrition Center, and Seismic Retrofit Project		
2. F113 San José Conservation Corps Seismic Retrofit Project		
3. G81 ADA Rehabilitation Program		
4. F114 St. Elizabeth’s Day Home Preschool Renovations		
5. F111 Indian Heath Center of Santa Clara		

Valley – Meridian Facility Rehabilitation

<u>Fire Station Equipment/Apparatus</u>	1	1
1. <u>CDI-10-007 Fire Equipment/Apparatus in LMA Station</u>		
<u>Street Improvements</u>	6	5
1. CDI-10-005 LED Streetlight Conversion		
2. CDI-10-006 ADA Accessibility Curb Ramps in Low-Mod Areas		
3. CDI-10-012 Alexander Avenue Curb, Gutter & Sidewalk Installation (Cancelled)		
4. CDBG-R LED Streetlight Conversion		
5. CDBG-R – Grand/Alviso Storm Drain Project		
6. CDBG-R – Moffet/Alviso Storm Drain Project		
Total	15	13

In addition, as stated in the *Assessment of Strategic Plan Goals and Objectives*, Action 1.C.1 Accomplishment/Impact, the Housing Department ably managed its Housing Rehabilitation Program and changed some aspects of program delivery in the in the past year to meet changing conditions. Improvements included a shift towards issuing more loans than grants in order to enhance the program’s sustainability. To help offset the adverse effect of market conditions—decreased home values and the high unemployment rate—that made lending more challenging, the Department also increased its marketing and outreach efforts to solicit interest in neighborhoods with a high concentration of low- and moderate-income households. This flexibility in program execution demonstrates the Department’s efforts to make wise use of valuable federal funds.

SELF-EVALUATION – HOME

In FY 2011-2012, the City had four HOME-funded rental projects under construction. Due to the continued economic stress, and the estimated construction start dates changing due to closing issues, the goal of 105 units was not met. One project, Archer Studios, was fully completed and leased-up. The other three projects are now completing lease-ups and are expected to be closed-out in IDIS in the next fiscal year, giving the City 92 HOME units in FY 2012-2013.

As discussed above, given the TBRA program’s reevaluation, its goal of 285 assisted households was reduced to 100 in anticipation of the program’s wind-down in 2013. However, in early 2012, it was determined that the need for TBRA was too great to end the program and that a new special needs population – homeless people with addiction disorders – should be targeted.

Further, the City expanded its focus on the large numbers of homeless people living in encampments in the past year. To support encampment clean-ups, the City decided to expand TBRA further to allow 40 additional participants, increasing its overall TBRA goal to 140 participants. As of July 31, 2012, the program has assisted 85 participants and anticipates adding another 55 by December 2012.

The Homebuyer Program has also seen a decrease in demand. The program assisted 37 households in the past year, 40 short of the 77 goal. Due the resurgence of the real estate market, the City has seen much of the affordable home inventory go to investors who have out-bid HOME-eligible buyers. The tightening of underwriting guidelines from lenders has also helped to reduce the Homebuyer Program's volume.

Due to the elimination of the redevelopment tax increment, HOME dollars were slated to assist our highly-successful Rehabilitation Program in FY 2011-2012. However, due to the increase in other available Rehabilitation Program funding, HOME dollars were instead redirected to assist the City's NSP2 Program for home acquisition costs. NSP funds will supplement those HOME funds and be used to fund property acquisition, rehabilitation, and down payment assistance. Further, given the increased need for more affordable rental housing in San José, more funds will be set aside for Community Housing Development Organizations (CHDOs) to develop such housing.

With the above-described changes and improvements to the City's HOME program administration, a greater number of low-income households will benefit from federal funds.

SELF-EVALUATION – ESG, HOPWA

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

The administration of ESG and HOPWA continues to be centralized under the Grant Administration unit to enhance contract management efficiencies.

SECTION 8 - MONITORING AND COMPLIANCE

MONITORING

In FY 2011-2012, monitoring was conducted through site visits and review of monthly or quarterly invoices and quarterly performance reports. These efforts allowed city staff to identify any performance or financial issues that required intervention. When identified, staff provided technical assistance to the sub-recipient to determine ways in which to correct the problem. When problems were not corrected, issues were forwarded to management for follow-up. As a result of this work, city staff was able to immediately address any problems and take the corrective steps necessary to prevent future reoccurrence.

Rental Housing

Housing Department inspectors perform annual on-site inspections of HOME-assisted rental housing to determine compliance with applicable property standards. As part of the monitoring process, the Housing Department verifies information maintained by the property owners concerning leases, tenant incomes, rents, and utility allowances, and verifies compliance with the provisions stated in written agreements and HOME regulations.

Homebuyer

Homebuyer Program staff annually sends out affidavits to clients in order to confirm continual owner-occupancy and program compliance.

TBRA Program

The City has retained a new nonprofit to administer the TBRA Program. Abode Services will provide housing search services, application review and approval, inspections and other services related to TBRA. City staff will continue to monitor reimbursement requests, eligibility of rent increases, client income changes, and other related issues. The City also has a Memorandum of Agreement with the County of Santa Clara Mental Health Department and the County's Department of Alcohol and Drugs to provide case management to TBRA clients.

COMPLIANCE

Affirmative Marketing

The City reviews the marketing plans of HOME-funded projects and checks for property management companies' compliance with affirmative marketing requirements and their procedures prior to the initial lease-up of a property. Staff also checks on compliance annually if there are changes to the property management plan. To meet affirmative marketing requirements, project sponsors or their property management companies usually mail notices to nonprofits serving income-eligible clients and place advertisements in local newspapers announcing the availability of units. City Council offices also highlight units' availability through their newsletters to constituents, as does the Housing Department's website. Typically, project sponsors receive several times the number of eligible applicants as there are affordable

units to fill. Eligible applicants who do not receive a unit are put on a waiting list that is maintained indefinitely and updated every six months. As new applicants learn of existing properties and contact those property management companies, they are added to property waiting lists.

Section 3 and MBE/WBE Requirements

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

SECTION 9 - OUTREACH AND MARKETING

Through targeted outreach and the provision of key materials produced in three languages—English, Spanish and Vietnamese—the Department is able to address concerns by educating residents about the benefits of affordable housing. Public notices are also provided in a fourth language, Tagalog.

Additionally, the City sponsors and participates in workshops and community events that provide forums for increasing the public’s awareness of what affordable housing is, the people who live in affordable housing, and why it’s important to our community and economic growth. Working with the San José community, Department staff regularly participates in public events that include, but are not limited to, Santa Clara County’s Affordable Housing Week, Foreclosure Help Center, First-time Homebuyer workshops, community fairs, Project Homeless Connect events, and subsidized project ground breakings and grand openings. The Department strives to create public awareness on the many programs and services provided to residents as well as share information on topics of interest, including mobilehomes, Renters Insurance, Fair Housing, Predatory Lending, and Foreclosures. Specific outreach initiatives are detailed in Section 4, under Public Policies to foster and maintain affordable housing.

Affirmative Marketing

The City is committed to ensuring fair, equal, and open access to affordable housing in compliance with federal, State, and local housing laws. To further this goal, in September 2010, the City adopted an Affirmative Fair Housing Marketing Plan (the “Plan”) in order to further its commitment to fair housing. The purpose of the Plan is to require subrecipients that receive federal funding from HUD, for the purposes of housing assistance, to adopt marketing procedures and requirements for both rental and homeownership programs. The Plan requires that residential units be marketed in a manner in which individuals or households of similar income levels in the same housing market area have available to them a like range of housing choices.

As required, any developer of a rental or ownership project that has 5 or more residential units funded with federal funds must adhere to the Plan. Below lists some, but not all of these requirements. Please refer to the attached Affirmative Fair Marketing Plan.

1. Train property management staff on all relevant Fair Housing regulations and provisions.
2. Ensure affirmative promotion of fair and equal opportunity to housing by not discriminating against an individual or family because of race, color, national origin, religion, gender, disability, familial status or presence of children in a household.
3. Provide reasonable accommodations to all disabled persons pursuant to the City’s municipal ordinance for reasonable accommodations.
4. Place advertisements in a local city-wide newspaper of general circulation in order to advertise housing opportunities to the general public. Advertisements are to be placed in newspapers or periodicals that serve racial and ethnic minorities and other protected classes under housing laws. At a minimum, Spanish, Vietnamese, and Chinese language

advertisements must be posted in accordance to HUD's and the City's Language Access Plan (LAP) fair housing requirements

Homebuyer Workshops

Housing Department staff provides information on the City's Homebuyer programs during the City sponsored, 8-hour homebuyer education classes offered to individuals interested in purchasing homes assisted with federal funding such as NSP and HOME. Each class averages just over 21 households. Department staff hosted 7 workshops on the City's homebuyer programs at the local libraries in FY 2011-2012, in addition to quarterly presentations to the Santa Clara County Association of Realtors. Three of the Department's partners in the delivery of the homebuyer education classes, Project Sentinel, NHSSV and the Housing Trust of Santa Clara County provided 31 homebuyer education classes throughout the year. Also, the Department hosted monthly alternating Lender and Realtor Forums to explain the programs to outside professionals and to provide a forum for them to discuss programmatic opportunities and challenges.

Housing Referrals

The City of San José and the Santa Clara County jointly launched a housing locator tool in July 2010. SCCHousingSearch.org provides detailed information about rental properties in Santa Clara County. The service can be accessed at no cost online 24 hours a day or through a toll-free, bilingual call center.

The fast, easy-to-use search lets people look for rental housing using a wide variety of criteria and special mapping features. Housing listings display detailed information about each unit. The service also provides links to housing resources and helpful tools for renters such as an affordability calculator, rental checklist, and information about renter rights and responsibilities.

Property owners and managers, including Housing Authorities and private landlords, can use this service to manage their property listings free of charge. Listings can include pictures, maps, and information about nearby amenities.

Language Access Plan (LAP)

Under the Office of Fair Housing and Equal Opportunity Voluntary Compliance Agreement of 2007, the City agreed to create a LAP to ensure that limited English proficient clients have access to services provided by federally funded programs by affirmatively marketing efforts to all persons regardless of , race, sex, color, age, religion, actual or perceived gender identity, sexual orientation, disability, ethnic or national origin, or familial status pursuant to anti-discrimination laws including Title VI of the Civil Rights Act of 1964 and the Fair Housing Act, Section 109 of the Housing and Community Development Act of 1974, and Section 504 of the Rehabilitation Act of 1973.

In FY 2010-2011, all federally-funded nonprofit agencies were required to fully develop and implement an agency LAP. Training was provided to all agencies along with a template to create their LAP. All agencies provided a year-end narrative on the steps taken to outreach to all

persons. Grant Agreements were also revised to inform the nonprofit agencies that if they do not comply with this requirement, the City will withhold any and all federal funding until such time the agency is in compliance.

SECTION 10 - PROGRAM NARRATIVES

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG) PROGRAM

Assessment of Relationship of CDBG funds to Goals and Objectives:

During FY 2011-2012, CDBG funds were used for a variety of public services and community development improvements. Expenditures of CDBG funds were disbursed as follows:

CDBG Allocations FY 2011-2012

Category	Funds	Percentage of CDBG
General Administration, Planning and Fair Housing	\$1,970,168	19%
Public Service	\$1,460,811	15%
Community Development Improvements		
• <i>Fire Station Equipment</i>	\$550,000	5%
• <i>Housing Rehabilitation</i>	\$3,124,571	31%
• <i>Economic Development</i>	\$799,774	8%
• <i>Code Enforcement</i>	\$2,226,914	22%
TOTAL	\$10,132,238	100%

The goal of the City of San José’s CDBG program is “to implement housing and community development projects throughout the City.” The City’s CDBG program objectives are principally for the benefit of low- and moderate-income persons, and for the elimination and prevention of slums and blight. San José’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.

During the FY 2010-2011 planning phase, CDBG surveyed residents to identify funding priorities that would meet the most critical community needs. This effort sought to identify the public service needs of communities located within San José, and its outcomes were used to develop the four funding categories used for the current two-year funding cycle for public service uses, 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.

Through this survey, the Housing Department also identified community development projects that would create the most impact within neighborhoods. These include street improvements, housing rehabilitation, fire station equipment/apparatus, and code enforcement activities.

FY 2011-2012 was the second year of a two-year CDBG funding cycle, which was implemented to eliminate the annual application submission for ongoing programs. This allowed staff to focus on technical assistance and allowed the grant recipients to focus on maximizing outcomes and performance in the past fiscal year.

CDBG continues to participate in a Citywide effort to review the financial health of all nonprofit subrecipients receiving grant funds totaling \$250,000 or more. The City continues to use the Financial Statement Dashboard, developed and implemented with other County funders, which enables both nonprofits and their funders to assess the agencies' financial health at a glance. The City requires an updated Dashboard at a minimum of once a year, but within 150 days of the close of an agency's fiscal year.

During the FY 2011-2012 reporting period, the Housing Department made every effort to keep CDBG subrecipients informed about all proposed changes in policies, procedures, and program administration. Information workshops/presentations continue to be provided on all phases of the CDBG cycle. Additionally, City staff trained subrecipients on the development and implementation of a Language Access Plan (LAP) to meet an OFHEO audit requirement.

The City works with each CDBG-funded agency to establish annual performance evaluation measures and methodologies. Each agency's performance is measured quarterly and at the end of the year to ensure projects are on target. City CDBG staff provides the agencies with technical assistance and program guidance as needed. The City's subrecipients were highly successful, as recipients in nine out of ten categories met or exceeded 90% of the goals for 2011-2012.

CDBG Goals and Accomplishments FY 2011-2012

CDBG-funded Category	Measure	Goal (Low/Mod Persons, Jobs or Housing Units)	Actual (Low/Mod Persons, Jobs or Housing Units)	% of Goal*
Economic Development: Special Economic Dev Microenterprise	Jobs	0	41	410%
	People	540	570	105%
Services for Seniors	People	6,723	10,688	159%
Services for Persons with Disabilities	People	1210	1,241	103%
Youth Services	People	947	1,229	130%
Fair Housing	People	360	534	148%
Childcare	People	48	48	100%

2011-2012

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CDBG-funded Category	Measure	Goal (Low/Mod Persons, Jobs or Housing Units)	Actual (Low/Mod Persons, Jobs or Housing Units)	% of Goal*
Public/Employment/Battered Spouses Services	People	5,320	20,779	344%
Legal Services	People	768	1,418	185%
Housing Improvement	Units	200	274	137%

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

With a commitment to continuously improve the service to our partnering nonprofits, the CDBG staff set out to meet the other critical performance goals. These measures included timely completion of the grant agreements prior to the start of the fiscal year, and dedicated monitoring of agency performance. Fiscal measures included timely reimbursements to the agencies and overall program expenditure efficiency. The table below demonstrates our commitment to improve relationships with our nonprofit partners. As San José has a two-year grant funding cycle—FY 2010-2011 and FY 2011-12—no new sub-recipient contracts were executed last year.

Measure	Goal	Actual June 2012
% CBO Contracts Completed by June 30 th	100%	N/A
% Invoices Processed and Paid Within 30 Days of Receipt of Complete Documentation	90%	99%
April 30 th Expenditure Ratio	<150%	103%

HOME INVESTMENT PARTNERSHIP PROGRAM (HOME)

During FY 2011-2012, HOME Funds were used for the acquisition and rehabilitation of multifamily rental housing, tenant-based rental assistance, administrative expenses, and downpayment assistance for lower-income homebuyers. Expenditures of City HOME funds were disbursed as follows:

Table 1: HOME-funded Projects FY 2011-2012

<i>Homeownership Programs:</i>	
Homebuyer Assistance (Welcome HOME)	\$ 571,000
Homebuyer Assistance (NSP2 DP Assistance)	\$ 840,102
<i>Rental Housing Assistance Programs:</i>	
Bill Wilson	\$1,065,125
Fourth Street	\$ 394,032
Archer Studios	\$ 333,000
Kings Crossing	\$1,879,166
TBRA	\$ 689,709
<i>Administrative Expenses</i>	\$ 418,226
<i>CHDO Operations</i>	\$ 200,000
TOTAL	\$6,390,360

Distribution of FundsHomebuyer

The City’s Welcome HOME Homebuyer program assisted 24 households in FY 2011-2012. The average assistance per household was \$23,792 for a total of \$571,000 in homebuyer assistance. The City’s NSP2 Down Payment Assistance program assisted 16 homebuyers in FY 2011-2012. The average assistance per household was \$52,506 for a total of \$840,102 in homebuyer assistance.

Rental Housing

High-Cost Area Impacts – One of the major barriers to the construction of rental housing in San José is the high cost of development. The cost of land—zoned for significant density—combined with high construction costs, due partly to prevailing wages, continue to make the feasibility of affordable housing projects difficult. The challenge is pronounced with those projects targeted towards special needs populations and ELI households, as rents that can be charged are determined by local incomes and bear no relation to development costs. The need for rental subsidy for those populations makes the cost to build even higher. Even though City funds are leveraged with others, and even though LIHTC pricing is high once again, the gap between the cost to build and the rents from restricted affordable apartments remains significant.

The significant reduction in the City’s annual HOME allocation for 2012-2013 will likely not be felt until the following year, as the City typically spends its entitlement funds one year in arrears. It has been somewhat difficult in the past couple of years to spend the majority of the City’s HOME funds on the construction of major rental projects, which have been delayed as one or two-years’ worth of HOME subsidy was insufficient to subsidize one project in full without additional redevelopment funds being available. However, the City has one major project, Japantown Seniors, in line to begin construction in late 2013 or early 2014 if LIHTCS are successfully obtained. After funds are committed to this project, it is anticipated that the impact of this coming year’s reduction will have a tremendous negative effect on the City’s ability to

fund further new construction projects, especially with the loss of new redevelopment tax increment for affordable housing creates its own funding gap in projects' layered financing.

The three HOME-funded Affordable Housing Projects currently leasing up demonstrate the significant need for more low-income housing in San José. All projects were leased-up within 60 days and a large waitlist per project is being expanded. Not only do the projects restrict the required number of units at the proper HOME levels, but in most cases, the balance of the units in each project are restricted at lower income levels than required by HOME due to LIHTC restrictions. The City also grants a small amount of its HOME funds to assist qualified CHDOs with operating expenses.

TBRA

The TBRA program disbursed \$689,709 in FY 2011-2012. With the new special needs population—homeless households with substance abuse issues—being added to the program, and the addition of the new administrator, it is anticipated that the TBRA program will continue to fill the need to house the most difficult to house: the homeless. The goal of adding another 55 participants should be attainable by December 2012.

Meeting Deadlines

While the decreased demand for the City's Homebuyer program and delays in closing construction for HOME-funded rental housing projects made it challenging to meet commitment and expenditure deadlines for FY 2011-2012, all HOME program deadlines (including the start of construction, commitment of funds, etc.) were met. The City continues to improve the strategic planning process for the use of future HOME allocations. The prospect of two new upcoming rental developments (Japantown Seniors and Donner Lofts), the NSP2 Acquisition Assistance Program, and collaborating with NSP2 homebuyers should help the City to continue meeting its deadlines in FY 2012-2013.

Community Housing Development Organization (CHDO) Participation

The City consistently has reserved 37% of its HOME allocation for CHDOs, well above the minimum of 15%. The City also provides CHDO Operating funds to its CHDOs at or just below the maximum amount allowed by HOME. Of the four projects mentioned above, three are being developed by CHDOs.

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)

During FY 2011-2012, the City's HOPWA programs provided tenant-based rental subsidies, supportive services, and housing placement assistance to foster independence for people living with HIV/AIDS in the Counties of Santa Clara and San Benito. The HOPWA programs promote permanence, independence, and dignity, and improve the overall quality of these residents' lives.

The fatality rate due to HIV/AIDS has significantly declined since 1995. Many people with HIV/AIDS are living longer, healthier lives, and therefore require assistance for a longer period

of time. These individuals are increasingly lower-income and homeless, have more mental health and substance abuse issues, and require basic services such as housing and food in order to ensure they adhere to the medications necessary to prolong their lives.

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

Below is a summary of the number of households assisted through the HOPWA program.

Activity	Persons Assisted Goal	Persons Assisted Actual
Tenant Based Rental Assistance	75	139
Persons assisted with supportive services	175	182
Persons receiving placement assistance	40	55
Persons Receiving Short-Term Emergency Assistance	12	5
Total	226	279

In FY 2010-2011, the City’s renewal application for \$1.2 million for the Housing Opportunities for Persons with AIDS (HOPWA) Special Project of National Significance (SPNS) in partnership with the Health Trust was approved for an additional three years. This funding will continue to support affordable housing opportunities and supportive services to very low- and low-income Santa Clara County residents disabled by HIV/AIDS. The funds will be allocated in three equal amounts for each program year.

EMERGENCY SHELTER GRANT (ESG)

The City’s ESG funds provide support to agencies operating emergency shelters and/or supportive services to the homeless or those at risk of becoming homeless. ESG funds are used for emergency shelter operations, essential services, and homeless prevention. During FY 2011-2012, 10 programs were awarded ESG funds for a total of \$394,000. FY 2011-2012 was the second year of a two-year funding cycle. The City’s ESG program assisted over 12,000 individuals under the two funding priorities for FY 2011-2012 as detailed below.

Essential Services – Twelve percent, or \$47,280 of the ESG allocation was allocated to 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.

Operating costs – Eighty-eight percent, or \$346,720 was allocated to shelter operations, including 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.

HOMELESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)

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

The City issued a joint Request for Proposals (RFP) with Santa Clara County for the administration of both jurisdictions' HPRP funds. The two jurisdictions issued a joint RFP in order to create a coordinated network of homelessness prevention and rapid re-housing services.

The awarded agencies continue to successfully implement this program that has provided additional support to families and individuals at risk of homelessness. The funding was allocated as follows:

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

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

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

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

HPRP continues to be a successful program as evidenced by the number of persons and households served in FY 2010-2011 and FY 2011-2012 as detailed in the table below.

# of Person and Households Served	Homelessness Prevention		Homeless Assistance	
	Persons Served To Date	Households Served To Date	Persons Served To Date	Households Served To Date
Unduplicated Clients	815	320	205	100
Rental Assistance	759	302	162	82
Security & Utility Deposits	138	49	119	54
Utility Payments	291	99	33	12
Moving Costs	13	4	15	6
Motel & Hotel Vouchers	0	0	5	1
Case Management	759	304	180	90
Outreach	53	23	6	3
Housing Search & Placements	12	6	5	4
Credit Repair	38	16	3	2
Legal Services	36	21	8	5

NEIGHBORHOOD STABILIZATION PROGRAM (NSP 1 & NSP 2)

Since October 2009, the City of San José has overseen implementation of its award of federal Neighborhood Stabilization Program (NSP1) funds for single-family acquisition, rehabilitation, and resale program under the Housing and Economic Recovery Act, 2008 (HERA). San José was awarded approximately \$5.6 Million as an entitlement city.

In early 2009, the City of San José along with the Housing Trust of Santa Clara County and Neighborhood Housing Services of Silicon Valley formed a NSP 2 Consortium to apply for a federal grant under the American Recovery and Reinvestment Act (ARRA) of 2009. In late 2009, the Consortium was awarded a \$25M grant to implement the funding strategies outlined in the Consortium’s funding application. As with NSP1, the overall objective of this grant is to restore neighborhood stability and eliminate blight in the areas severely affected by foreclosure.

The activities outlined under the Consortium’s Program Agreement executed with the Department of Housing and Urban Development include 1) providing homeownership assistance to low and moderate income home buyers purchasing foreclosed homes in the NSP designated areas and 2) Acquisition and development or rehabilitation of foreclosed properties in the designated census tracts to be either rented or resold to income eligible families. In accordance with the funding application and Consortium Agreement, the Housing Trust is responsible for

implementing and managing the first activity, while the City's Housing Department is responsible for implementing and managing the second activity including the 25% set-aside requirements under this grant. The 25% set-aside requirement mandates that 25% of the overall grant funds are to be used to house households earning 50% AMI. Under the Program Agreement, the Consortium is required to meet a combined goal of 205 assisted units.

NSP1

With the City's NSP1 grant winding down, there is very little activity to report during this reporting period. With the program income already fully recycled and utilized to the fullest extent possible for acquisition and rehabilitation, the City does not anticipate the purchase of any additional properties under the NSP1 grant. With NSP1 funds, the City purchased, rehabilitated and sold 14 single family homes to low- and moderate-income homebuyers.

Under the 25% set-aside requirement the City purchased and renovated two four-plex buildings with the intent to sell or rent the units to a service provider assisting the required income target. Renovation of both buildings was complete this past year. The City is working with a nonprofit service provider to lease the building for permanent housing targeted at the requisite very low-income target. It is anticipated that the lease will be executed in July 2012. Once the lease is executed, the units will be occupied, satisfying the 25% set-aside requirements under this grant.

NSP2

Housing Department staff continues to implement two of the major components of the NSP2 grant 1) the single family acquisition, rehabilitation and resale program known as the San José Dream Home Program and 2) the 25% set-aside requirement projects.

San José Dream Home Program

From January 2011 to July 2012, the San José Dream Home Program successfully purchased 33 foreclosed and vacant homes. During the 2011-2012 fiscal year, Dream Home staff facilitated the complete rehabilitations of 23 Dream Home projects, expending a total of \$7,525,748 in acquisition and rehabilitation. Additionally, 23 Dream Homes were sold to low- or moderate-income homebuyers generating just over \$7.5 million in program income that will be reinvested into the program. Three of the other 10 homes are undergoing rehabilitation and seven properties are in the process of being sold.

25% Set-aside Program

After publishing a Notice of Funding Availability (NOFA) to seek projects fitting the 25% set-aside requirements under the NSP2 grant, the City and NSP Consortium selected and approved funding for two multifamily rental projects. The first is the new construction of 20 special needs apartments located near Ford and Monterey Roads. During this reporting period, the project obtained the necessary environmental clearances, completed the development and permitting process, and broke ground on construction. The developer, Eden Housing, anticipates completion by early 2013.

The second project funded under this set-aside requirement is the acquisition and rehabilitation of Taylor Oaks Apartments. Located near East Capitol and Story Road, Taylor Oaks is a 60-unit apartment complex purchased through foreclosure. The Developer, For the Future Development, is near completion on rehabilitation of all unit interiors as well as seismic and façade improvements. Construction is scheduled for completion in August of 2012. Under the current grant requirements, these two projects will fulfill the 25% requirements once fully occupied.

BEDI GRANTS AND SECTION 108 LOANS

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

FMC Purchase:

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

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

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

In July 2009, the first six gates in the new Terminal B concourse were activated. The entire Terminal B concourse and Consolidated Rental Car Center and Public Parking Garage, providing 3,000 spaces for all rental car operations based at the Airport, as well as 350 public parking spaces at street level, completed and opened for operation in July 2010. Terminal B was integrated with the Terminal B concourse for a total of 12 aircraft gates served by new ticket counters, security checkpoint, baggage claim, an automated inline baggage screening system along with new retail and restaurants. In addition, Terminal A was expanded and renovated with new shops and restaurants. The City continues to work on meeting the proposed 836 jobs creation goal. To date, 316 jobs have been created, of which 223 were full-time equivalent (FTE) jobs. Of those 223 FTE jobs, 176 jobs were held by low- and moderate-income persons.

The City has designated a portion of the 23.23 acres for a major league soccer-specific stadium. However, uses related to professional sports teams do not qualify as an eligible activity with HUD funds. The City worked closely with HUD to substitute the soccer stadium and recreational soccer facility acres with a former landfill site, in order to meet the necessary 1.2

loan-to-value HUD collateral requirement. In this past year, the City received consent from HUD to the substitute properties for collateral, which is expected to occur next fiscal year. This HUD Section 108 loan will be paid off in 2024.

APPENDIX

PUBLIC COMMENTS

AWARDS

CERTIFICATIONS

ADDITIONAL INFORMATION

PUBLIC COMMENTS

Public Comments on the Draft 2010-2011 CAPER and City Responses

Summary of Public Hearing

September 13, 2012

Housing and Community Development Advisory Commission

<u>Comment</u>	<u>Response</u>
1.	
2.	

Summary of Public Hearing

September 18, 2012

San José City Council

<u>Comment</u>	<u>Response</u>
1.	
2.	
3.	

Other Public Comments (Public Comment period from 8/27/12 to 9/12/12)

AWARDS

The Department, its programs, and its developments continue to receive regional and national recognition in the affordable housing industry. Following is a list of the awards obtained in the past year:

Year	Awarding Organization	Award	Recipient
August 2011	National Association of Housing and Redevelopment Officials	Award of Excellence	Casa Feliz
September 2011	Urban Land Institute	The first Robert C. Larson Workforce Housing Public Policy Award	Housing Department
December 2011	California Redevelopment Agency	Award of Excellence in Sustainable Development	Casa Feliz
January 2012	Boston Chapter, American Institute of Architects	2011 John Clancy Award	Casa Feliz
May 2012	California Housing Consortium	Hall of Fame Award	Director – Leslye Corsiglia

ADDITIONAL INFORMATION

The following additional information covers these programs:

- 1. HOME**
- 2. HOPWA**
- 3. SECTION 3 REPORTING**
- 4. MBE/WBE REPORTING**
- 5. PUBLIC NOTICE & PUBLICATIONS**