



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: March 25, 2016

Approved

D. D. Syl

Date

3/25/16

**SUBJECT: AVAILABILITY OF THE 2016-2017 ANNUAL ACTION PLAN AND
30-DAY PUBLIC COMMENT PERIOD**

RECOMMENDATION

- 1) Conduct a Public Hearing on the Draft FY 2016-2017 Annual Action Plan (Plan), as required by the U.S. Department of Housing and Urban Development (HUD); and
- 2) Provide Housing Department staff with input on the FY 2016-2017 Annual Action Plan and funding priorities.

OUTCOME

The purpose of this item is for the Mayor and City Council to: 1) provide the opportunity for public input on the housing, public services, and community and neighborhood development priorities in San José; and 2) provide City staff with direction for the development of a final Plan to be considered for adoption at the May 3, 2016 City Council meeting. This action is required by HUD and will allow the City to continue receiving approximately \$12.6 Million in federal funding. Upon Council adoption, the final Plan will be submitted to HUD by the May 13, 2016 deadline.

BACKGROUND

The National Affordable Housing Act of 1990 requires each entitlement jurisdiction receiving federal housing funds to adopt a Consolidated Plan that outlines a community's plan for addressing its housing and community development needs. In 2015, the City Council approved the 2015-2020 Five-Year Consolidated Plan. The Five-Year Consolidated Plan assesses the City's current housing market, analyzes demographic, ethnic and socio-economic conditions, and identifies the City's greatest community and housing needs for various populations, including seniors, families, persons who are homeless or at risk of homelessness, and persons with disabilities. It also defines the City's priority needs, strategies, and objectives for reducing the

most prevalent barriers to housing and services in our community. This prioritization provides the basis for the City's strategy in allocating the following federal dollars:

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

In each of the five years, HUD requires entitlement jurisdictions to submit an Annual Action Plan, which provides a one-year strategy for meeting the goals stipulated in the Five-Year Plan. The current Annual Plan under consideration covers FY 2016-17.

ANALYSIS

The FY 2016-17 Annual Action Plan implements the four major goals in the 2015-2020 Five-Year Consolidated Plan as follows:

1. Assist in the creation and preservation of affordable housing for lower-income and special needs households
2. Support activities to end homelessness
3. Strengthen neighborhoods
4. Promote fair housing choice

In early August 2015, the Housing Department staff kicked off the planning and development process for the FY 2016-2017 Annual Action Plan. Staff held a series of stakeholder and community meetings to help identify opportunities for investment and solicit input on the four goals and potential funding priorities. After receiving input from the public and members of the Housing and Community Development Commission (HCDC), City staff finalized the service priorities and proposed funding strategy for the FY 2016-2017 Annual Action Plan. The

proposed priorities and funding strategy were approved by the Neighborhood Services and Education Committee on December 10, 2015.

The Draft FY 2016-2017 Action Plan includes the services identified through the planning and development process as well as capital projects that address City and community needs and priorities. All agencies providing these services have not been identified. The Housing Department released a new Request for Proposal (RFP) for five federally funded services on February 11 that include:

- Fair Housing
- Neighborhood Engagement
- Housing Opportunities for People With Aids
- Job Training for Homeless and Youth
- Minor Repair Services for Owner Occupied Single-Family and Mobilehomes

The agencies will be selected in early April. Award recommendations will be included in the May 3, 2016 report to City Council as part of the final Annual Action Plan approval. Through a Request for Proposal Process (RFP), the City began a new funding cycle for homelessness service in FY 2015-16. Based on feedback from the community, stakeholders and HCDC, the Housing Department has included funding for the existing Senior Isolation and Meals on Wheels programs in the Draft FY 2016-17 Action Plan. A copy of the Draft Plan is provided on the Housing Department's website (<http://www.sanjoseca.gov/housingconplan>).

EVALUATION AND FOLLOW-UP

Staff will consider the public comments received as it develops the final draft of the Plan. The revised document will be brought back to the Mayor and City Council for final approval on May 3, 2016. The approved Plan must be submitted to HUD by May 13, 2016.

POLICY ALTERNATIVES

The Annual Action Plan is a requirement for jurisdictions to receive federal funds from HUD.

PUBLIC OUTREACH

The City has taken proactive steps to provide information on opportunities for public comment. Federal law requires entitlement jurisdictions to hold at least two public hearings for the Annual Action Plan: one during the development of the draft Plan and another during the 30-day public comment period held after the Plan has been published for public review. Information regarding the public process must be published in English and applicable non-English newspapers with

information about how the public can make comments, attend public hearings, and receive copies of the draft Plan.

For the FY 2016-17 Annual Plan, the City will hold a total of 4 public meetings with a 30-day public comment period to seek public input per the following schedule:

- March 10, 2016 – HCDC
- April 5, 2016 – City Council
- April 14, 2016 – HCDC
- May 3, 2016 – City Council

All meeting times and locations were published in the Mercury News, as well as in local Spanish, Vietnamese, Chinese and Tagalog language newspapers in conformance with San José's adopted Citizen Participation Plan. Additionally, an email announcement was sent to approximately 2,600 organizations and individuals on the City's distribution list who have indicated interest in engagement with community development and affordable housing matters.

The draft 2016-2017 Plan will be available to the public from April 1, 2016 through May 3, 2016. Copies can be obtained at the City's Housing Department, on the Housing Department's website (<http://www.sanjoseca.gov/housingconplan>), or by mail at the public's request.

COORDINATION

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

COST SUMMARY/IMPLICATIONS

Once approved, the FY 2016-2017 Annual Action Plan will allow the City to remain eligible for important federal housing and community development funds, including CDBG, HOME, HOPWA and ESG funds.

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CEQA

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

/s/

JACKY MORALES FERRAND

Director of Housing

For questions, please contact Jacky Morales-Ferrand, Director of Housing, at (408) 535-3855.