

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (1) APPROVING THE CHANGES RELATING TO THE FIRST SUBSTANTIAL AMENDMENT TO THE FISCAL YEAR 2025-2026 ANNUAL ACTION PLAN TO INCORPORATE ADDITIONAL PROJECTS FUNDED WITH COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS, INCLUDING THE AUTHORITY TO: (1) APPROVE THE PROPOSED CHANGES SET FORTH IN THE FIRST SUBSTANTIAL AMENDMENT TO THE FISCAL YEAR 2025-2026 ANNUAL ACTION PLAN; AND (2) AUTHORIZE THE HOUSING DIRECTOR, OR HIS DESIGNEE, TO SUBMIT THE FIRST SUBSTANTIAL AMENDMENT TO THE FISCAL YEAR 2025-2026 ANNUAL ACTION PLAN TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the City of San José (“City”) receives annual formula funding from HUD through the CDBG Program to support eligible housing and community development activities that primarily benefit low- and moderate-income (“LMI”) households and neighborhoods, and, as a condition of receiving this funding, the United States Department of Housing and Urban Development (“HUD”) requires the City to prepare and submit an annual action plan identifying the specific activities and funding allocations for each program year; and

WHEREAS, the Annual Action Plan (“AAP”) governs the expenditure of funds and competitive grants that the City receives from the United States Department of Housing and Urban Development (“HUD”); and

WHEREAS, the City’s AAP details the funding strategy for the Community Development Block Grant (“CDBG”), Emergency Solutions Grant, HOME Investment Partnership, and Housing Opportunities for People with AIDS programs each year; and

WHEREAS, the AAP implements an entitlement jurisdiction's Five-Year Consolidated Plan and is developed through public engagement and input, analysis, and planning, and the AAP provides spending caps for the different programs or services that operate with federal funding sources; and

WHEREAS, on June 3, 2025, City Council approved the 2025-2030 Consolidated Plan and the FY 2025-2026 AAP, which established the City's five-year housing and community development priorities and outlined the planned use of federal CDBG, HOME Investment Partnerships, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS funds for the upcoming fiscal year; and

WHEREAS, in early fall 2025, the Housing Department issued a CDBG Request for Proposals for eligible nonprofit-led capital improvement projects and coordinated with various City departments to further identify eligible infrastructure improvement projects; and

WHEREAS, in accordance with section 24 of the Code of Federal Regulations, part 91, the City is amending their AAP because there is a substantial change in the use of CDBG funds, including the addition of new projects, and under the City's Community Participation Plan ("CPP"), such substantial amendments require a public review and comment period as well as a public hearing prior to City Council consideration and submission to HUD; and

WHEREAS, approval of the First Substantial Amendment to the FY 2025-2026 AAP would program existing CDBG funds that were previously reserved for Community Development Investment activities to support two projects: the Pedestrian and Traffic Safety Improvement Projects and the La Placita Facility Improvement Project, with a total of \$3,500,000 in CDBG funding proposed for the current fiscal year, including \$500,000 for the City's Transportation Department and \$3,000,000 for the School of

Arts and Culture at MHP, and where these actions result in no net change to the overall CDBG allocation amount approved for FY 2025-2026; and

WHEREAS, budget actions to reallocate funding in accordance with the AAP will be included in the 2025-2026 Mid-Year Budget Review scheduled for City Council review and approval on February 10, 2026; and

WHEREAS, the City Council desires to adopt this resolution for the reasons set forth in the memorandum dated December 1, 2025, from the Director of Housing, Erik L. Soliván, for the December 16, 2025, City Council meeting;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The following actions regarding a First Substantial Amendment to the existing Fiscal Year 2025-2026 Annual Action Plan are hereby approved to incorporate additional projects funded with Community Development Block Grant funds, including the authority to:

1. Approve the proposed changes set forth in the First Substantial Amendment to the Fiscal Year 2025-2026 Annual Action Plan; and
2. Authorize the Housing Director, or his designee, to submit the First Substantial Amendment to the Fiscal Year 2025-2026 Annual Action Plan to the United States Department of Housing and Urban Development.

ADOPTED this _____ day of _____, 2026, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk