



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Erik L. Soliván

SUBJECT: SEE BELOW

DATE: September 19, 2025

Approved

Date:

9/22/2025

SUPPLEMENTAL

SUBJECT: Fiscal Year 2024-2025 Consolidated Annual Performance and Evaluation Report

REASON FOR SUPPLEMENTAL

This supplemental memorandum summarizes comments received at the September 11, 2025, public hearing at the Housing and Community Development Commission on the Fiscal Year 2024-2025 Consolidated Annual Performance and Evaluation Report.

COMMISSION RECOMMENDATION AND INPUT

The Housing and Community Development Commission reviewed the Fiscal Year 2024-2025 Consolidated Annual Performance and Evaluation Report at its meeting on September 11, 2025. Commissioner Mowad made the following motion with a second by Commissioner Sapirman.

Recommend the City Council approve the Fiscal Year 2024-2025 Consolidated Annual Performance and Evaluation Report. The motion passed 9-0-2.

Yes	Finn, Jasinsky, Dawson, Mowad, Navarro, Escher, Moore, Sapirman, Gabrian (9)
No	None (0)
Absent	Salazar, Mok (2)

A full summary of the discussion by the Housing and Community Development Commission is summarized in the section below.

Commissioner Comments/Questions and Staff Responses

Commissioner	Comments/Questions	Staff Response
Commissioner Gabrian	What does ESG stand for, and what does it consist of?	Staff noted that ESG stands for the Emergency Solutions Grant. In Fiscal Year 2024-2025, the grant supported a portion of the Citywide Outreach for Unsheltered Populations program and the City's Rapid Rehousing program with Bill Wilson Center.
Commissioner Finn	In Spending Priority #2, critical and minor repair services for homeowners were mentioned. Last year, the California Department of Housing and Community Development visited my mobile home park mid-year, and one resident in the park lost her home because program staff was not willing to invest in needed repairs. Can we do more to support mobile home residents?	Staff recognized that there was limited funding available this past year. The Housing Department (Department) is dedicated to making a strategic shift with HOME funds in order to extend the services and increase the funds that are going toward the City's Minor Home Repair programs. HOME funds support the creation of affordable housing for low-income families. Utilizing the City's HOME allocation may unlock up to \$10 million for use toward mobile home preservation.
	Do we have federal funding for this year, or are we losing federal funding for our programs?	Staff reported that in the new fiscal year U.S Department of Housing and Urban Development (HUD) funding cycle, HUD has implemented new restrictions that City Council has directed staff not to accept. Under Manager's Budget Addendum #33, staff is currently determining if our current programs would violate new HUD provisions. While service-driven projects are affected by this pause, specific Community Development Initiative infrastructure projects are moving forward.

Commissioner Moore	Under the Enhanced Code Enforcement program for 660 housing units, six communities are listed to have received focused efforts. How were those communities selected?	Staff explained that the six neighborhoods were selected based on low- to moderate-income status of the area, as determined by American Community Survey census data. Federal requirements mandate that infrastructure projects and activities funded with HUD dollars primarily serve low- and moderate- income communities.
	The Commissioner explained that she works with owners in one of the program's target neighborhoods, and code enforcement was inconsistent. She requests that the program ensure consistency in enforcement and respect for grandfathered conditions. Particularly, warnings should be prioritized, as many owners and renters are minorities with limited resources.	Staff clarified that the Department does not oversee the Planning, Building, and Code Enforcement Department. While the Department provides HUD funding to support code enforcement activities, the Department cannot direct the Planning, Building, and Code Enforcement Department's enforcement decisions. Funding allocations and program oversight ultimately rest with the City Council.
Commissioner Escher	Great presentation. As you look back on the activity, are there areas you feel you did especially well in (i.e., efficiencies, cost benefits)? What were some lessons learned?	Staff noted that they are particularly proud of the Department's support of seniors through food and nutrition programs, particularly the Senior Access and Health Support program operated by the Portuguese Organization for Social Services and Opportunities. Staff also highlighted a highly successful community development program where participating microenterprise childcare providers received focused support to strengthen and grow their businesses. In addition, staff expressed excitement about the shift in HOME funds to provide assistance specifically for residents in mobile homes.

		Staff added that programs such as Rapid Rehousing and Bill Wilson Center's support for youth populations have demonstrated strong outcomes such as how temporary financial assistance has helped families and transitional-aged youth stabilize.
Chair Navarro	Based on the programs we have funded, are we in a good position for the upcoming Fiscal Year? When might we see service levels decline instead of improving? Are there strategic plans or priorities in place if conditions worsen?	<p>Staff explained that it is difficult to provide a definitive answer because of the timing of the federal budget and the continuing resolutions that have occurred over the last five years. The current federal budget process is still underway. To mitigate risk, the Department has built and maintained reserve funds that can be used to support well-performing programs in the event HUD delays or withholds disbursements. At present, reserves are sufficient to sustain existing programs for approximately 18 months.</p> <p>Staff added that service-based programs can be backfilled with limited non-federal Department funds when necessary. In this scenario, as reflected in Manager's Budget Addendum #33, the Department will prioritize emergency needs such as eviction assistance and senior food programs. Strategic planning around these contingencies is further reflected in the document. Additionally, the Department expects to utilize HOME fund reserves for mobile home residents in the coming months to keep Minor Home Repair programs with Rebuilding Together Silicon Valley and Habitat for Humanity moving forward.</p>

Public Comments:

One member of the public asked for clarification on services for low-income seniors, including nourishing meals and door-to-door transportation. Staff confirmed that the Portuguese Organization for Social Services and Opportunities provides these services to low-income housed seniors at no cost.

A concern was raised that code enforcement has not adequately addressed issues related to mold at a City of San José project.

Amber Martinez from Bill Wilson Center noted that the Consolidated Annual Performance and Evaluation Report shows San José invested \$8.3 million. She emphasized that Spending Priority #3 highlights a reliance on Community Development Block Grant funds, which are vital but temporary and uncertain. She encouraged the Housing and Community Development Commission to explore models such as a community investment trust and partnerships with nonprofits, which would allow residents and agencies to invest directly in housing, expand accessory dwelling units, and strengthen the workforce. She added that community-based funding strategies could complement Measure E and federal resources, helping residents achieve long-term stability.

COORDINATION

Comments regarding Code Enforcement services were shared with the Planning, Building, and Code Enforcement Department.

/s/
Erik L. Soliván
Housing Director

The principal author of this memorandum is Lauren DeCarlo, Interim Housing Policy and Planning Administrator, Housing Department. For questions, please contact Cupid Alexander, Deputy Director, Housing Department at cupid.alexander@sanjoseca.gov or (669) 314-3884.