

District 1 — Roma Dawson  
District 3 — Barry Del Buono  
District 5 — Ruben Navarro  
District 7 — Victoria Partida (VC)  
District 9 — Don Jackson  
Mayor — VACANT  
Lived Experience (Mayor) — Sketch Salazar  
Lived Experience Alternate (Mayor) — VACANT

Alain Mowad — District 2  
Linh Vong — District 4  
Jen Beehler — District 6  
Huy Tran — District 8  
Roberta Moore — District 10  
Daniel Finn — CAAC MR  
(C) Ryan Jasinsky — CAAC ML

---

Commissioners are appointed by corresponding Council Members, but do not need to reside in that Council District.

---

## REGULAR MEETING AGENDA

April 11, 2024

Virtual [Zoom Link](#)

Start time: 5:45 PM

Web ID: **940 5398 8541**

Location: City Hall, Wing Rooms 118-120

**888-475-4499 (Toll Free)**

Members of the public have a choice to attend the meeting either in person at the location listed above, or to attend virtually, viewing and listening to the meeting by following the instructions below. Additional instructions are provided below to those members of the Public who would like to comment on items on the agenda.

Beginning Tuesday, February 6, 2024, the City of San José will limit verbal comment for Brown Act meetings to **in person only**. The public will still be able to watch live broadcasts of commission meetings on Zoom. The public may attend meetings in person to provide comment or may provide written comments on agenda items.

### How to attend the Housing & Community Development Commission Meeting:

- 1) **In person:** For participants that would like to attend in person, the physical location is listed on the upper left of this page.
- 2) **Electronic Device Instructions:** For participants who would like to join electronically from a PC, Mac, iPad, iPhone, or Android device, please click this URL: [Zoom Link](#).
  - a. Use a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer. Mute all other audio before speaking. Using multiple devices can cause an audio feedback.
  - b. Enter an email address and name to join the meeting.
- 3) **Telephone Device Instructions:** For participants who would like to listen to the meeting on their telephones, please dial **888-475-4499 (Toll Free)**.
- 4) **Public Comments prior to meeting:** If you would like to submit your comments prior to the meeting, please e-mail [mindy.nguyen@sanjoseca.gov](mailto:mindy.nguyen@sanjoseca.gov) or call **(408) 534-2961 by 12pm the day of the meeting**. Comments submitted prior to the meeting will be considered as if you were present in the meeting.

*Note that the times for items shown below are approximate and intended only to notify the Commission of the approximate amount of time staff expects each item might take. Please note that items may be heard before or after the times shown, and plan accordingly.*

<b>APPROX. TIME</b>	<b>AGENDA ITEM</b>
<b>5:45</b>	<p><b>I. Call to Order &amp; Orders of the Day</b></p> <ul style="list-style-type: none"> <li>A. Chair reviews logistics for Zoom meetings</li> </ul>
<b>5:46</b>	<p><b>II. Introductions and Roll Call</b></p>
<b>5:50</b>	<p><b>III. Consent Calendar</b></p> <ul style="list-style-type: none"> <li>A. <b>Approve the Minutes for the Regular Meeting of March 14, 2024</b> ACTION: Approve the March 14, 2024 action minutes</li> </ul>
<b>6:00</b>	<p><b>IV. Reports and Information Only</b></p> <ul style="list-style-type: none"> <li>A. Director</li> <li>B. Council Liaison</li> <li>C. Chair</li> </ul>
<b>6:10</b>	<p><b>V. Open Forum</b></p> <p><i>Members of the Public are invited to speak on any item that does <u>not</u> appear on today's Agenda and that is within the subject matter jurisdiction of the Commission. Meeting attendees are usually given two (2) minutes to speak during Open Forum; however, the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate due to a large number of speaker requests.</i></p>
	<p><b>VI. Old Business</b></p>
	<p><b>VII. New Business</b></p>
<b>6:15</b>	<p><b>A. Draft 2024-2025 Annual Action Plan (S. Gutowski, Housing Department)</b></p> <p><b>ACTION:</b> 1) Conduct a Public Hearing on Draft Fiscal Year 2024-2025 Annual Action Plan (Action Plan) and take public comment, as required by the U.S. Department of Housing and Urban Development (HUD); 2) Provide Housing Department staff with input on the draft Action Plan and proposed funding; and 3) Recommend that the City Council approve the draft Action Plan.</p>
<b>7:15</b>	<p><b>B. Housing Trust Fund Budget (K. Hemphill, Housing Department)</b></p> <p><b>ACTION:</b> Acting as the Housing Trust Fund Oversight Committee, recommend that the Acting Director of Housing approve the expenditure</p>

plan for the Housing Trust Fund of \$2,313,222 in homelessness priorities for Fiscal Year (FY) 2-24-2025.

**8:15 VIII. Open Forum**

*Members of the Public are invited to speak on any item that does not appear on today's Agenda and that is within the subject matter jurisdiction of the Commission (per [Section 2.08.2840](#) of the San José Municipal Code). Meeting attendees are usually given two (2) minutes to speak during Open Forum; however, the time limit is in the discretion of the Chair of the meeting, and may be limited when appropriate due to a large number of speaker requests.*

**8:20 IX. Meeting Schedule**

The next **Regular Meeting** for the Commission is scheduled to be held on **Thursday, May 9, 2024 at 5:45 p.m. in Wing Rooms 118-120 at San José City Hall, 200 E. Santa Clara St., San José, CA 95113**. Items tentatively expected to be heard are:

- Measure E Spending Plan
- Rent Stabilization Program Quarter 1 and Quarter 2 Report
- Rent Stabilization Program Quarter 3 Mobilehome Interaction Log
- Ad Hoc Report Back
- Commission Nominations/Elections

**8:25 X. Adjournment**

*The City's [Code of Conduct](#) is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, their Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.*

You may speak to the Commission about any discussion item that is on the agenda, and you may also speak during Open Forum on items that are not on the agenda and are within the subject matter jurisdiction of the Commission. Please be advised that, by law, the Commission is unable to discuss or take action on issues presented during Open Forum. Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the Commission unless listed on the agenda, which has been posted not less than 72 hours prior to meeting. Agendas, Staff Reports and some associated documents for the Commission items may be viewed on the Internet at <http://www.sanjoseca.gov/hcdc>. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Commission.

Correspondence to the Housing & Community Development Commission is public record and will become part of the City's electronic records, which are accessible through the City's website.

Before posting online, the following may be redacted: addresses, email addresses, social security numbers, phone numbers, and signatures. However, please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the Housing & Community Development Commission, will become part of the public record. If you do not want your contact information included in the public record, please do not include that information in your communication.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk, 200 East Santa Clara Street, 14<sup>th</sup> Floor, San José, California 95113, at the same time that the public records are distributed or made available to the legislative body. Any draft resolutions or other items posted on the Internet site or distributed in advance of the Commission meeting may not be the final documents approved by the Commission. Contact the Office of the City Clerk for the final document.

On occasion, the Commission may consider agenda items out of order.

The Housing & Community Development Commission meets every second Thursday of each month (except for July and sometimes December) at 5:45pm, with special meetings as necessary. If you have any questions, please direct them to the Commission staff. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

*The Levine Act* requires a Party in a Proceeding before the City of San José that involves any action related to their contract, license, permit, or use entitlement to disclose any campaign contributions to City elected or appointed officials totaling more than \$250 within the 12 months prior to the City decision. A Participant to a Proceeding may voluntarily report a campaign contribution. Please visit <https://www.sanjoseca.gov/your-government/appointees/city-clerk/levine-act> for updated forms and information.

**To request translation or interpretation services, accommodation, or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events, or printed materials, please call (408) 535-1260 as soon as possible, but at least three business days before the meeting. Please direct correspondence, requests, and questions to:**

City of San José Housing Department  
Attn: Mindy Nguyen  
200 East Santa Clara Street, 12<sup>th</sup> Floor  
San José, California 95113  
Tel: (408) 534-2961  
Email: [mindy.nguyen@sanjoseca.gov](mailto:mindy.nguyen@sanjoseca.gov)

**Para residentes que hablan español:** Si desea mas información, favor de llamar a Luisa Cantu al 408-535-8357.

**Tiếng Việt:** Xin vui lòng liên lạc Janie Le tại 408-975-4462.

**對於說華語的居民:** 請電 408-975-4450 向 Ann Tu 詢問詳細事宜。



**HOUSING & COMMUNITY DEVELOPMENT COMMISSION**  
**MEETING ACTION MINUTES**

**March 14, 2024**

<b>MEMBERS PRESENT:</b>	Roma Dawson	Commissioner (D1)
	Alain Mowad	Commissioner (D2)
	Barry Del Buono	Commissioner (D2)
	Ruben Navarro	Commissioner (D5)
	Jen Beehler	Commissioner (D6)
	Victoria Partida	Vice Chair (D7)
	Don Jackson	Commissioner (D9)
	Vacant	Mayor (CW)
	Ryan Jasinsky	Chair (ML)
	Daniel Finn	Commissioner (MR)
<b>MEMBERS ABSENT:</b>	Linh Vong	Commissioner (D4)
	Huy Tran	Commissioner (D8)
	Roberta Moore	Commissioner (D10)
	Sketch Salazar	Lived Experience (CW)
<b>STAFF PRESENT:</b>	Rosalynn Hughey	Deputy City Manager and Acting Housing Director
	Rachel VanderVeen	Assistant Director of Housing
	Mindy Nguyen	Development Officer, Housing
	Karly Wolak	Senior Supervisor, Housing
	Kristen Clements	Division Manger, Housing
	Jerad Ferguson	Principal Planner, Planning, Building, and Code Enforcement
	Emily Hislop	Division Manager, Housing
	Brittany Stafford	Senior Development Officer, Housing
	Noel Padilla	Senior Analyst, Housing

**(I) Call to Order & Orders of the Day**

- A.** Chair Jasinsky called the meeting to order at 5:47 p.m. and reviewed logistics for Zoom meetings

**(II) Introductions – Commissioners and staff introduced themselves.**

**(III) Consent Calendar**

- A. Approve the Consent Calendar which includes Minutes for the Regular Meeting of February 8, 2024.**

Commissioner Finn made the motion to approve the Consent Calendar with a second by Commissioner Beehler. The motion passed 9-0.

**Housing & Community Development Commission  
DRAFT Minutes – Regular Meeting of March 14, 2024**

Yes	Finn, Jasinsky, Dawson, Mowad, Del Buono, Navarro, Beehler Partida, Jackson (9)
No	None (0)
Absent	Vong, Tran, Moore, Salazar (4)

**(IV) Reports and Information Only**

- A. Chair:** Chair Ryan Jasinsky reviewed logistics and guidelines for participation.
- B. Director:** Ms. Rachel VanderVeen shared that Cupid Alexander has filled the Deputy Director position for the Housing Department. Mr. Alexander will be starting on April 2, 2024.
- C. Council Liaison:** No updates were given as the Council Liaison was not present.

**(V) Open Forum**

**(VI) Old Business**

**(VII) New Business**

**A. Housing Catalyst Work Plan and Housing Element Annual Progress Report  
(K. Clements, Housing Department, J. Ferguson, Planning, Building, and Code Enforcement)**

**ACTION:** Review Housing Catalyst Work Plan Report and Housing Element Annual Progress Report and make possible recommendations to staff and/or the City Council.

Commissioners asked clarifying questions and gave feedback to staff. No motions were made.

**B. Rent Stabilization Program Budget and Fee Recommendations  
(E. Hislop, Housing Department)**

**ACTION:** Review and provide possible recommendations on the Rent Stabilization Program’s proposed fee structure for Fiscal Year 2024-2025 based on current projects:

1. Annual Apartment Rent Control Fee: increase from \$72.00 per unit to \$76.00 per unit;
2. Annual Apartment Non-Rent Control Fee: increase from \$23.00 per unit to \$28.00 per unit;
3. Annual Mobilehome Rent Control Fee: decrease from \$33.00 per unit to \$30.00 per unit; and

**Housing & Community Development Commission  
DRAFT Minutes – Regular Meeting of March 14, 2024**

4. Fees in connection with withdrawal of a building under the Ellis Act Ordinance: to maintain \$2,833 per unit for up to 10 units and \$951 per unit for over 10 units.

Commissioners asked clarifying questions and gave feedback to staff. Commissioner Dawson made the motion to approve the Rent Stabilization Program Budget and Fee Recommendations with a second by Commissioner Finn. The motion passed 6-3.

Yes	Finn, Dawson, Del Buono, Navarro, Partida, Jackson (6)
No	Jasinsky, Mowad, Beehler (3)
Absent	Vong, Tran, Moore, Salazar (4)

**C. Commission Letter to City Council on Recent Public Participation Changes  
(R. Jasinsky, Housing and Community Development Commission)**

**ACTION:** Review and approve Commission Letter to City Council on recent public participation changes

Commissioners revised the letter. Commissioner Navarro made the motion to approve the Commission Letter as revised with a second by Commissioner Beehler. The motion passed 9-0.

Yes	Finn, Jasinsky, Dawson, Mowad, Del Buono, Navarro, Beehler Partida, Jackson (9)
No	None (0)
Absent	Vong, Tran, Moore, Salazar (4)

**(VIII) Open Forum**

*Members of the Public are invited to speak on any item that does not appear on today’s Agenda and that is within the subject matter jurisdiction of the Commission. Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Commission.*

**(IX) Meeting Schedule**

The next Regular Meeting for the Commission is scheduled to be held on **Thursday, April 11, 2024 at 5:45 p.m., Wing Rooms 118-120, at San José City Hall, 200 E. Santa Clara St., San José, CA 95113.** Items expected to be heard are (updated):



**Housing & Community Development Commission**  
**DRAFT Minutes – Regular Meeting of March 14, 2024**

- Draft 2024-2025 Annual Action Plan
- Housing Trust Fund Budget
- Measure E Spending Plan

**(X) Adjournment**

Chair Jasinsky adjourned the meeting at 7:28 p.m.



# Memorandum

**TO:** HOUSING AND COMMUNITY  
DEVELOPMENT COMMISSION

**FROM:** Ragan Henninger

**SUBJECT: SEE BELOW**

**DATE:** March 28, 2024

---

Approved

Date

---

**SUBJECT: PUBLIC HEARING OF THE DRAFT FISCAL YEAR 2024-2025  
ANNUAL ACTION PLAN**

## **RECOMMENDATION**

- 1) Conduct a Public Hearing on the Draft Fiscal Year 2024-25 Annual Action Plan (Action Plan) and take public comment, as required by the U.S. Department of Housing and Urban Development (HUD);
- 2) Provide Housing Department staff with input on the draft Action Plan and proposed funding; and
- 3) Recommend that the City Council approve the draft Action Plan.

## **SUMMARY AND OUTCOME**

This publicly noticed hearing on the Fiscal Year (FY) 2024-2025 Annual Action Plan (Action Plan) provides an opportunity for the Housing and Community Development Commission and the public to provide comments on the Action Plan before it is submitted to the U.S. Department of Housing and Urban Development (HUD).

## **BACKGROUND**

As a HUD entitlement jurisdiction, the City receives federal formula grants each year from HUD for housing and community development activities. The funding is allocated to the City based on several factors including population, poverty, and housing statistics.

Every five years, HUD requires entitlement jurisdictions to develop a Five-Year Consolidated Plan (Consolidated Plan). The Consolidated Plan assesses San José's current housing market, analyzes demographic, race, and socio-economic conditions, and identifies populations within

the City that have the greatest community and housing needs. It also defines the City's priority needs, strategies, and objectives for reducing the most prevalent barriers to housing and services in our community.

1. **Prevent and Address Homelessness** – Increase housing opportunities and self-sufficiency for homeless populations and assist in the prevention of homelessness for at-risk individuals and families.
2. **Create and Preserve Affordable Housing** – Create new affordable housing opportunities and preserve existing affordable housing.
3. **Promote Fair Housing** – Promote fair housing and lowered barriers to housing.
4. **Strengthen and Stabilize Communities** – Strengthen and stabilize communities' conditions and help to improve residents' opportunities such as the ability to increase their employment prospects and grow their assets.

## ANALYSIS

The City will receive approximately \$14.3 million in Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for People with AIDS (HOPWA), and Emergency Solutions Grant (ESG) entitlement grants. Congress typically takes final action on the federal budget in June and the exact amount of federal entitlement funds will be known then. Funding from HOME American Rescue Plan (HOME ARP) of \$11.7 million and HOPWA Permanent Supportive Housing (PSH) of \$1.3 million have been included in the FY 2024-2025 Action Plan. The focus of this memorandum is the expenditure plan for the new annual federal allocations. However, the FY 2024-2025 Action Plan also provides a summary of anticipated carryover funding from previous years as well as program income from loan repayments. The Housing Department has not received the FY 2024-2025 allocation from HUD.

Table 1 below summarizes the total federal funding levels for FY 2024-2025 using FY 2023-2024 as a baseline. In 2021, the Housing department was awarded \$11,676,334 in HOME ARP funds. The Housing department presented the HOME ARP Allocation Plan to City Council on March 28, 2023<sup>1</sup> and upon City Council approval, to HUD for approval. HOPWA PSH was awarded in September 2023.

**Table 1: FY 2024-2025 Federal Funding Levels**

<b>Program</b>	<b>Actual FY 2023-2024 Allocation</b>	<b>Est. FY 2024-2025 Allocation</b>	<b>Fund Balance *</b>	<b>Program Income*</b>	<b>Total Program</b>
<b>CDBG</b>	\$8,350,201	\$8,350,201	\$5,899,853	\$133,785	\$14,383,839
<b>HOME</b>	\$3,380,549	\$3,380,549	\$12,147,464	\$265,501	\$15,793,514

<sup>1</sup> First Substantial Amendment to FY2021-2022 AAP to Report the HOME ARP Allocation Plan Awarded by HUD  
<https://sanjose.legistar.com/View.ashx?M=F&ID=11749053&GUID=EEB69629-9C35-4908-9946-4C4E3A0A86C1>

<b>HOME-ARP**</b>		\$11,676,334	\$0		\$11,676,334
<b>HOPWA</b>	\$1,797,713	\$1,797,713	\$1,562,639		\$3,360,352
<b>HOPWA PSH**</b>		\$1,325,991	\$0		\$1,325,991
<b>ESG</b>	\$743,071	\$743,071	\$101,446		\$844,517
<b>Total</b>	<b>\$14,271,534</b>	<b>\$27,273,859</b>	<b>\$19,711,402</b>	<b>\$399,286</b>	<b>\$47,384,547</b>

\*Ending HUD fund balance and program income as of 3/19/24

\*\*New Funding for FY 2024-2025

### **FY 2024-2025 Action Plan**

The FY 2024-2025 Action Plan contains a description of all activities recommended for funding. Each of the activities detailed in the draft FY 2024-2025 Action Plan are aligned with the four goals of the Consolidated Plan and contribute to the City's five-year objectives. The draft FY 2024-2025 Action Plan aligns the City's available resources with the planned activities that will enable the City to meet its annual goals. Completing the required annual plan enables the City to stay on target to meet its five-year plan goals. The expenditure plans for CDBG, HOME, HOME ARP, HOPWA, HOPWA PSH, and ESG are provided below.

The Housing Department invited qualified organizations to submit proposals to oversee various programs funded by the CDBG, HOPWA, and ESG Program funds, for FY 2023-2024, and FY 2024-2025. This Notice of Funding Availability (NOFA) sought to contract with multiple organizations to manage different programs. Qualified organizations applied for only the programs they were interested in administering. Applications were accepted and approved for the following programs:

- Neighborhood Engagement (CDBG)
- Fair Housing- Legal Services (CDBG)
- Senior Nutrition (CDBG)
- Minor Home Repair (CDBG)
- Rental Assistance and Support Services (HOPWA)
- Homeless Outreach (ESG and CDBG)

In March 2024, The Health Trust (THT) notified the Housing Department that the agency will no longer be providing direct services. This will impact CDBG Senior Nutrition Meals on Wheels and the HOPWA programs. Grants Management staff is currently working with POSSO to manage the Meals on Wheels program since they are a current provider of meal services and a successful respondent to the previous procurement for these services. There was not another qualified service provider in the last procurement for the HOPWA programs, therefore a new Request for Proposal (RFP) for HOPWA will be completed in April 2024 for service in FY 2024-2025.

The Legal Services program will be divided into two service areas in FY 2024-2025. There will be a Citywide Legal Service for Low-Income Tenants program and a Neutral Tenant/Landlord

Counseling and Dispute Resolution Services program. An RFP will be completed in April 2024 for services in FY 2024-2025.

### **CDBG Program**

CDBG is a flexible funding source 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.

As the largest and most flexible of the four federal grants, CDBG funds are divided into three categories of eligible uses. These include Public Services, Community Development Investment (CDI), and Administrative activities. Public services are limited to 15% of the annual allocation plus the previous year's program income, and Administrative activities are limited to 20%. The CDI category includes two types of activities: construction projects and non-construction projects. Non-construction projects include programs and other services, such as minor home repair, provided to low- and moderate-income households. Construction projects consist of capital projects that directly fund physical improvements such as facility or infrastructure improvements.

### **CDBG – Public Service Programs**

CDBG funds can be used for a variety of services for low-income individuals. Program regulations limit funding for public services to 15% of the annual CDBG allocation combined with the prior year's program income from loan repayments. The amounts allocated reflect the actual program delivery and staff costs to deliver eligible programs of the grantee organizations.

Table 2 below outlines the City's planned CDBG Public Service expenditures for the coming year by category and activity

**Table 2: Proposed CDBG - Public Service Programs**

<b>CDBG Activity</b>	<b>Agency</b>	<b>Description</b>	<b>FY 2024-2025 Funding</b>	<b>Proposed Outcome</b>
Senior Nutrition	POSSO	Provide seniors with nutritious food and wellness support.	\$302,530	Propose serving 300 seniors and 600 door-to-door transportation trips
Neighborhood Engagement	SOMOS Mayfair	Provide community-based leadership training and support.	\$150,000	Propose to serve 188 individuals, 40 families with translation services.

Neighborhood Engagement	VIVO	Provide cultural, educational, and health services.	\$50,000	Propose to serve 300 individuals.
Homeless City-wide Outreach	HomeFirst	Provide basic needs and housing eligibility assessments	\$350,000	Propose to complete 130 eligibility assessments.
Legal Services	TBD	Citywide legal service for low-income tenants	\$200,000	Propose to serve 100 individuals.
Legal Services	TBD	Neutral tenant/landlord counseling and dispute resolution services	\$200,000	Propose to serve 100 individuals.
<b>TOTAL</b>			<b>\$1,252,530</b>	

*Senior Nutrition – Portuguese Organization for Social Services and Opportunities (POSSO)  
Senior Access and Health Support*

POSSO will provide its core senior nutrition and general health and wellness support services to socioeconomically burdened seniors in San José that will promote aging in place, prevent isolation, and improve the quality of life of these individuals. The program will focus on the needs of limited English speaking, low-income immigrant and ethnic minority seniors, a population that is “high risk”, underserved, and isolated. It is important to note that POSSO is the only language accessible source of senior services in San José - including nutrition, transportation, and wellness services – for Portuguese seniors. POSSO will also be managing the Meals on Wheels participants in FY 2024-2025.

*Neighborhood Engagement-SOMOS Mayfair*

To address the challenges of the Mayfair and surrounding East San Jose areas, SOMOS Mayfair proposes to engage in community and power-building activities through the Eastside Neighborhood Development Program, which will offer community-based, resident- centered leadership training and basic needs support. These programs will enhance resident advocacy skills that will in turn position residents in places and at tables where decisions are made about their families, their homes, and their communities.

*Neighborhood Engagement- Vietnamese Voluntary Foundation (VIVO)*

The mission of VIVO is to empower refugees and immigrants, low-income ethnic families to become productive participating citizens, to benefit themselves, their families, and their communities through providing comprehensive community cultural, educational, health and

social services. VIVO proposes to provide English as a Second Language (ESL) workshops, basic computer, and digital literacy classes as a first step for settlement. VIVO will also provide civic awareness and engagement programs with workshops on community and social issues.

### *Homeless Outreach-HomeFirst*

Homeless Outreach and Engagement program will offer individualized support to high-needs individuals and households living on the streets and in encampments in San José. Services are participant-centered and may include retrieving important documents, connecting to behavioral health services, and providing basic needs supplies, such as hygiene items, food, water, and clothing.

### *Legal Services-TBD*

Legal Services will be offering two programs. Citywide Legal Services for Low-Income Tenants and Neutral Tenant/Landlord Counseling and Dispute Resolution. Housing is completing an RFP to secure an agency to provide both programs to our qualifying residents.

Citywide legal services for low-income tenants program will be offering the following areas of legal services: Housing Development and Management; Real Property laws and codes, federal subsidy programs, and eviction diversion and mediation strategies. Services may only benefit persons of low-to-moderate income (income at or below 80% of the area median income) and residing in the service area.

Neutral tenant/landlord counseling and dispute resolution services program will engage in several community education approaches to increase community awareness of the laws and issues surrounding fair housing and rental rights. Recommended methods include fair housing workshops for members of the housing industry, educational workshops to assist property owners and/or managers who have been found through complaint investigation to discriminate in rental housing, regular publicity of fair housing services through local media, and speaking appearances before appropriate groups and organizations.

### CDBG – CDI Non-Construction

Non-construction CDI projects include programs and other indirect services benefitting low- and moderate-income individuals and households. Generally, per HUD, low income is considered to be 50% or less of area median income, moderate income is 80% of area median income. Enhanced code enforcement and job creation are two of the only “service” activities that can be funded with CDI funds. For enhanced code enforcement to be eligible, it must be proactive and linked with a special program, such as Project Hope I and II. The City’s Planning, Building and Code Enforcement (PBCE) Department will use CDBG resources for enhanced code enforcement in four specific neighborhoods that include Santee, Five Wounds/Brookwood Terrace, Cadillac/Winchester - Project Hope, and Roundtable - Project Hope II.

City provides emergency and minor repairs to homeowners who meet eligibility requirements under the CDBG requirements. CDBG benefits low- and-moderate- income persons. The goal is to keep low- and moderate-income persons in their homes. Minor repairs are completed at no charge to the homeowner and the home can be any type of owner-occupied housing, such as single-family house, mobile home, or condominium. Services provided under the “minor” category is intended to address health and safety deficiencies that do not elevate to “emergency,” but that the homeowner simply cannot pay for on their own. Deficiencies include, but are not limited to, debris removal, replacement of doors, windows, installation of ramps/lifts, ADA improvements to bathroom(s), lighting improvements, flooring repairs/replacements accessibility improvements, replace broken windows, doors, and other minor repairs.

Table 3 below outlines the City’s proposed CDBG – CDI Non-Construction Project expenditures for the coming fiscal year by category and activity.

**Table 3: Proposed CDI Non-construction Projects**

<b>CDBG Activity</b>	<b>Agency/ Department</b>	<b>Description</b>	<b>FY 2024- 2025Funding</b>	<b>Proposed Outcome</b>
Enhanced Code Enforcement	PBCE	Providing code enforcement in targeted neighborhoods	\$1,100,000	Provide 400 initial inspections.
Home Repair	Rebuilding Together	Providing emergency and minor home repairs to homeowners.	\$1,150,000	Propose to service 170 households.
Home Repair	Habitat for Humanity	Providing emergency and minor home repairs to homeowners.	\$500,000	Propose to serve 40 households.
<b>TOTAL</b>			<b>\$2,750,000</b>	

#### CDBG – CDI Construction

CDBG Community Development Investment (CDI) funds can be used to fund public infrastructure and other needs that serve low-income individuals. There is no limit on the amount of funding that may be dedicated to the CDI category. Housing Department staff coordinates with other City departments to identify infrastructure and other capital projects eligible for CDBG that benefit the City’s lower-income communities. A key consideration for project eligibility is the requirement to spend funds timely. In accordance with CDBG regulations, the Housing Department must have a balance no greater than one and one-half (1.5) times, which is roughly \$13 million, in the Line of Credit, 60 days prior to the end of the program year. Given that many capital projects take multiple years to develop, design, and construct, the amount of



CDBG funding that is practically able to be allocated to City infrastructure projects is relatively limited. The proposed funding priorities in this category include the following CDI activities:

- The Fair Swim Center project consists of building improvements at the Fair Swim Center and renovation of the adjacent tot lot playground. The project will improve day to day operations of the Fair Swim center and provide enriching activities for the East San José residents. The tot lot project scope will include demolition of outdated play equipment, installation of new play equipment geared for early childhood development, new resilient surfacing for improved accessibility, and minor enhancements to perimeter fencing and landscape areas. The Fair Swim Center building improvements would include interior restroom enhancements', restoration and extending life of building exterior and painting, exterior signage for improved wayfinding and increased attendance and use of the Swim Center, and site aquatics equipment procurement. Implementing these site improvements will promote and provide recreational activities that will create a lasting impact for residents for a safe, welcoming, dynamic, and enjoyable location to serve the community. This project was approved in the FY 2022-2023 Annual Action Plan. A total of \$300,000 was appropriated in the FY 2022-2023 Mid-Year Budget Review. Environmental review has been completed and the project started to renovate the tot lot. A total of \$516,000 was approved in FY 2023-2024 and \$396,065 will be needed in FY 2024-2025.

Housing completed an internal Notice of Funding Availability (NOFA) for possible CDI projects for FY 2024-2025 in December 2023. The City Manager's Office, Public Works Department, Department of Transportation, and Parks Recreation and Neighborhood Services Department were informed of the availability of CDBG funding. The following submitted projects are eligible to receive CDBG funding and were approved:

- Accessible Pedestrian Signal (APS) Community Improvement Project (DOT):  
The City's Department of Transportation (DOT) desires to install Accessible Pedestrian Signals (APS) at signalized intersections in order to improve accessibility and safety, particularly for our most vulnerable users. An APS is an accessibility device installed at a traffic signal that provides audible and vibrotactile cues to let pedestrians (especially visually-impaired pedestrians) know when the traffic signal is in its "WALK" or "DON'T WALK" intervals. These devices provide clear feedback in multiple formats when it is safe to enter a crosswalk at an intersection.

San José has almost 1,000 traffic signals throughout the city. Approximately 32% of our signals are currently equipped with APS. In order to equitably provide all pedestrians, the ability to safely cross the streets, DOT would like to continue to install APS at priority locations. CDBG funding would allow for significant progress to be made in installing APS in the City's Low-Income Neighborhood Areas, many of which are also located in existing or emerging Project Hope Areas. Project Hope is an innovative neighborhood engagement and empowerment program that aims to improve the quality of life in the City of San José by promoting creation of neighborhood associations in underserved areas stressed by crime, blight, and violence. This project aims to provide inclusivity, benefit, and safety to all users of our transportation network, particularly those that need

it the most. Total cost of the project is \$927,652. DOT is requesting \$559,374 in FY 2024-25 and \$275,513 in FY 2025-26. DOT will contribute \$92,765.

The proposed project will install APS at 108 locations throughout San José. All project locations are in CDBG Low-Mod Census Tracts. Many project locations are in existing and emerging Project Hope Areas. The list of project locations is in Attachment A.

- **African American Community Services Agency-Window Replacement (PW)**  
The African American Community Services Agency facility located at 304 N 6th Street and provides educational, cultural, social, and recreational programs, services, and activities to the community. This facility serves as a site for training, resource distribution, and community gatherings. The upgrades to the existing windows, which are believed to be the original windows, would prevent water intrusion from the rains during storm events, ensure the efficiency of the heating and cooling systems as well as contribute to the beautification of the building and its neighborhood. The total cost of the project is \$300,000. Public Works has appropriated \$180,000 towards this project. \$120,000 in CDBG funds is needed to complete the window replacements.
  
- **San José Fire Station Exterior LED Installation (PW)**  
The exterior lighting at the listed fire stations is antiquated, provides poor visibility, and most of the lighting is low pressure sodium which has been phased out due to environmental reasons. The purpose of this project is to replace the exterior lighting at these fire stations so staff and public can have good visibility when accessing the locations. \$350,000 is requested to complete the LED replacement in FY 2024-25.

Fire stations requesting updated lighting:

- Fire Station #3 98 Martha St., San José, CA 95112
- Fire Station #5 1380 N. 10th St., San José, CA 95112
- Fire Station #7 800 Emory St., San José, CA 95126
- Fire Station #16 2001 S. King Rd., San José, CA 95122
- Fire Station #18 4430 Monterey Rd., San José, CA 95111
- Fire Station #20 1120 Coleman Ave, San José, CA 95110
- Fire Station #26 528 Tully Rd., San José, CA 95111
- Fire Station #30 454 Auzerais Ave., San José, CA 95126
- Fire Station #34 1634 Las Plumas Ave., San José, CA 95133
- Fire Station #35 135 Poughkeepsie Rd., San José, CA 95123

The Housing Department evaluates CDI capital projects based on funding availability, project readiness, public feedback, and uses' alignment with stated Five-Year Consolidated Plan objectives and CDBG eligibility rules. Readiness includes the ability to spend all allocated funds promptly, preferably within the fiscal year, including obtaining project environmental clearances for the use of federal funds prior to funding commitment.

Table 4 below outlines the City’s proposed CDBG – CDI Construction Project expenditures for the coming fiscal year by category and activity.

**Table 4: Proposed CDI Construction Projects**

<b>CDBG Activity</b>	<b>Description</b>	<b>FY 2024-2025 Funding</b>	<b>Proposed Outcome</b>
Fair Swim Center/Tot Lot Rehab	Rehabilitate the tot lot next to the swim center	\$396,065	Enhance the tot lot playground designed for ages 2-5 years old.
Accessible Pedestrian Signal (DOT)	Accessibility device installed at a traffic signal that provides audible and vibrotactile cues	\$559,374	Provide clear feedback in multiple formats when it is safe to enter a crosswalk at an intersection.
African American Community Services - Windows (PW)	Window replacement	\$120,000	Prevent water intrusion from the rains during storm events, ensure the efficiency of the heating and cooling systems
Fire Stations LED Replacement (PW)	LED replacement fixtures	\$350,000	Replace the exterior lighting at these fire stations so staff and public can have good visibility
<b>TOTAL</b>		<b>\$1,425,439</b>	

**CDBG-Microenterprise Program – BOOST Program**

The CDBG definition of a microenterprise is a business that has five or fewer employees, one or more of whom owns the enterprise. All part-time and full-time employees on the business payroll at the time of assistance must be counted. Eligible microenterprise assistance activities refer to technical assistance and/or general support services to Low and Moderate Income (LMI) business that directly led to the establishment of either new businesses or the expansion of existing businesses (e.g., new employees, higher sales volume, or revenue, etc.)

**Table 5: Proposed Microenterprise Program**

<b>CDBG Activity</b>	<b>Agency/Department</b>	<b>Description</b>	<b>FY 2024-2025 Funding</b>	<b>Proposed Outcome</b>
Microenterprise Program	BOOST Program	Provide comprehensive business and technical support to participating microenterprise childcare providers	\$1,048,394	Serve 125 business households
<b>TOTAL</b>			<b>\$1,048,394</b>	

The goal of the BOOST Program is to provide comprehensive business and technical support to participating microenterprise childcare providers, contributing to the establishment and maintenance of a robust and sustainable local childcare ecosystem. This enhances the overall sustainability of LMI providers through operational stabilization and revenue maximization, which, in turn, improves the quality of life of the families they serve.

### **CDBG - Administrative Services**

Recognizing the significant requirements associated with managing CDBG funds, HUD allows funding of administrative planning and oversight using up to 20% of the sum of the annual allocation plus the current year's program income. In addition to grant planning and oversight, fair housing is the sole service that can be paid from the Administrative category as well as the Public Services category. In FY 2024-2025, some Administrative funds will go towards fair housing programs listed below and will pay other City departments' staff's work on CDBG-related activities. This includes the City Attorney's Office work to perform legal reviews of all federal contracts, and PBCE's work to provide required environmental review support for all federally funded projects. The Housing Department line item also includes staff work on the Assessment of Fair Housing and Housing Element.

Table 6 below outlines the City's proposed CDBG – Administrative Activities expenditures for the coming fiscal year by category and activity.

**Table 6: Proposed CDBG Administrative Activities**

<b>Agency/Department</b>	<b>Program</b>	<b>FY 2023-2024 Funding</b>
Housing Department	CDBG Administration	\$1,605,248
City Attorney's Office	Legal Staffing	\$19,493
PBCE	Environmental Reviews	\$49,097
Law Foundation of Silicon Valley - Four Agency Consortium	Fair Housing	\$200,000
<b>TOTAL</b>		<b>\$1,873,838</b>

### **HOME Program**

The HOME program may provide 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. HOME rules require that new affordable housing developments must have all other financing obtained and be able to start construction within one year of committing the funds. For this reason, for certain projects, the Housing Department must hold a significant portion of funds until a project is almost ready to start construction. On October 10, 2023, Housing released a \$50 million new construction NOFA. The NOFA made funding available to assist with the construction of affordable multifamily rental housing for extremely-low-, very-low-, and low-income individuals and families. Four proposals were selected from 17 applications to move forward to City Council for funding commitments pending completion of environmental review, followed by closings of financing and construction. The selected developments all include set-asides for supportive housing units that are restricted as Permanent Supportive Housing for chronically homeless individuals and families; Rapid Re-Housing for people experiencing homelessness; Transitional-Aged Youth housing for young adults; and No Place Like Home units for adults with serious mental illness who are experiencing homelessness. The selected developments will bring 115 apartments of new supportive housing and more than 338 apartments of new affordable housing to San José.

HOME funds are required to be committed right before construction closes on a development. At least 15 percent of HOME funds must be set aside for specific activities to be undertaken by a special type of nonprofit called a Community Housing Development Organization (CHDO). A CHDO is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience.

Housing Production and Preservation Division has identified a development to use HOME funds in FY 2024-2025. The development located on 1860 Alum Rock will use \$5,625,000 in HOME funds.

HOME funds are also used to fund the Fair Housing program. \$200,000 is allocated to the Law Foundation for this service

Table 7 below indicates that HOME funds will be used mostly for new affordable apartments, but also for fair housing services and program administration. In FY 2024-2025, Housing Department may use up to 10% of the annual allocation for administrative and planning costs. The FY 2024-2025 allocation will be added to the existing fund balance of \$12,147,464 for a new balance of \$15,793,514. The current new affordable housing development amount noted is the balance of HOME after admin, CHDO set aside, and Fair Housing allocations have been made,

**Table 8: Proposed HOME Activities**

Agency/Department/ Project	Project	FY 2024-2025 Funding	Proposed Outcome
New Affordable Housing Development (including project delivery)	Affordable Housing Development	\$2,335,409	New Affordable Housing Development
Housing Department	HOME Administration	\$338,058	Administration and Planning
New Affordable Housing Development	CHDO Set Aside	\$507,082	New Affordable Housing Development
Law Foundation of Silicon Valley - Four Agency Consortium	Fair Housing	\$200,000	Propose to serve 145 individuals
<b>TOTAL</b>		<b>\$3,380,549</b>	

**HOME-ARP Program**

In 2021, the City of San José was awarded \$11,676,334 in HOME Investment Partnerships Program American Rescue Plan (HOME-ARP) funds. The ARP provides funding to assist individuals or households who are experiencing homelessness, at risk of homelessness, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter, to reduce homelessness and increase housing stability. The funds are being administered through HUD's HOME Program.

Housing completed a HOME-ARP Tenant Based Rental Assistance (TBRA) Request for Proposal (RFP) in March 2024. Proposal submissions are currently being evaluated. Housing is seeking qualified nonprofit organizations to administer a TBRA program for Qualified Populations (QPs), provide enhanced supportive services, and ensure compliance with HUD regulations and program requirements. Clients will receive rental assistance for one year, with the option to extend one additional year. Housing would like a model in which clients continue to receive relevant and person-centered supportive services after the period of rental assistance is over. The goal of these activities is to reduce the frequency and severity of homelessness in San José through rental subsidies and deposits along with targeted supportive services. This is a five year program.

QPs for this program are listed below:

1. Homeless,
2. At risk of homelessness,
3. Fleeing or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking,
4. Veterans and families that include a veteran family member
5. Other populations where providing supportive services or assistance would prevent the family's homelessness or serve those with the greatest risk of housing instability.

Table 8 below outlines the City’s proposed HOME-ARP Activities expenditures for the coming fiscal year by activity.

**Table 8: Proposed HOME ARP Activities**

<b>HOME ARP Activity</b>	<b>Description</b>	<b>FY 2024-2025 Funding</b>	<b>Proposed Outcome</b>
Tenant Based Rental Assistance (TBRA) - TBD	Rental Assistance	\$4,500,000	Provide assistance to 50 households
Supportive Services - TBD	Provide client-centered supportive services.	\$5,424,884	Provide assistance to 50 households
Housing Department	HOME ARP Administration	\$1,751,450	
<b>TOTAL</b>		<b>\$11,676,334</b>	

**HOPWA Program**

Housing Opportunities for Persons with AIDS (HOPWA) is the only federal program dedicated to addressing the housing needs of low-income people living with HIV/AIDS and their families.

THT notified the Housing staff in March 2024 that the agency will no longer provide direct services. THT will be closing their services at the end of FY 2023-2024. Housing staff is completing an RFP for HOPWA services in April 2024 for services to be provided in FY 2024-2025.

Additionally, as the nearest metropolitan statistical area, the City administers the HOPWA grant funding for San Benito County. The Housing Department coordinates with San Benito County staff to administer approximately \$150,000 in rental assistance in that County. Housing Department may use up to 7% of the annual allocation for administrative and planning costs.

HOPWA-PSH provides eligible households with permanent housing and ongoing access to appropriate supportive services through qualified providers. “Permanent housing” means housing in which the eligible person has a continuous legal right to remain in the unit established by a lease or legally binding occupancy agreement. The lease must be renewable after the first year of occupancy. Additionally, the clients receiving permanent supportive housing assistance must also have ongoing access to appropriate supportive services provided through qualified service providers in the area.

Table 9 below outlines the City’s proposed HOPWA Activities expenditures for the coming fiscal year by category and activity.

**Table 9: Proposed HOPWA Activities**

HOPWA Agency	Activity	FY 2024-2025 Funding	Proposed Outcome
TBD	Rental Assistance and Supportive Services	\$1,521,873	Propose to provide service to 84 households.
San Benito County	Rental Assistance and Supportive Services	\$150,000	Propose to provide service to 8 households.
Housing Department	HOPWA Administration	\$125,840	
<b>TOTAL</b>		<b>\$1,797,713</b>	

HOPWA PSH Agency	Activity	FY 2024-2025 Funding	Proposed Outcome
TBD	Permanent Supportive Housing and Supportive Services	\$1,325,991	Propose to provide service to 16 households.
<b>TOTAL</b>		<b>\$1,325,991</b>	

**ESG Program**

The focus of ESG is to assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. \$445,843 in ESG funds will be used in FY 2024-2025 to assist in Citywide outreach. Services include case management, financial assistance, and homelessness prevention workshops. Funding will also be provided to the County to operate and maintain a database that is required by HUD. The Housing Department may use up to 7.5% of the annual allocation for administrative and planning costs.

Table 10 below outlines the City's proposed ESG Activities expenditures for the coming fiscal year by category and activity:



**Table 10: Proposed ESG Activities**

<b>ESG Activity</b>	<b>Description</b>	<b>FY 2024-2025 Funding</b>	<b>Proposed Outcome</b>
Homeless Citywide Outreach- HomeFirst	Street-based outreach and engagement, for people experiencing unsheltered homelessness	\$445,843	Propose to serve 190 individuals, with basic needs supplies and assistance completing housing eligibility assessments
County Homeless Management Information System	Operation of the Homeless Management Information System (secure web-based database) in compliance with HUD	\$241,498	Provide funding for web-based homeless shelter software.
Housing Department	ESG Administration	\$55,730	
<b>TOTAL</b>		<b>\$743,071</b>	

**CONCLUSION**

The public hearing provides an opportunity to the Housing and Community Development Commission and the public to provide comment on the proposed funding priorities and the draft FY 2024-25 Annual Action Plan at this publicly noticed meeting.

The feedback provided by at this meeting on the draft Action Plan will inform the development of the City's FY 2024-2025 Action Plan. Final approval by the City Council of the FY 2024-2025 Action Plan will enable staff to submit the federally mandated document to HUD by the May 15, 2024 deadline. Meeting this deadline will enable the City to remain eligible to receive approximately \$14.3 million in federal housing and community development funds in FY 2024-2025. Upon City Council adoption of the final Plan in April, the Housing Department will submit the final document to HUD by the May 15, 2024 deadline.

**EVALUATION AND FOLLOW-UP**

Once the FY 2024-2025 Action Plan is approved by the City Council, staff will work with service providers to develop agreements that include finalized scopes of service, contract budgets, performance measures, goals, and outcomes. The Action Plan will be submitted to HUD by the May 15, 2024 deadline. Once approved by HUD, the final Action Plan will be available on the Housing Department's website ([www.sanjoseca.gov/housingconplan](http://www.sanjoseca.gov/housingconplan)), or by U.S. mail at the public's request.

Additionally, capital projects identified in the FY 2024-2025 Action Plan will require further development and review. Upon approval of the FY 2024-2025 Action Plan by the City Council, staff – a collaborative effort led by the Housing Department in close coordination with the City Manager’s Budget Office – will work with City departments to develop the final project scopes and will take all necessary steps to ensure compliance with funding and project requirements. Staff will coordinate environmental reviews in compliance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act clearances before final commitment of funds via contract.

At the end of each Action Plan period, the City is required to submit its Consolidated Annual Plan Evaluation Report (CAPER) which summarizes the City’s progress in meeting its goals as indicated in the prior year Annual Action Plan. The Housing Department will present the FY 2023-2024 CAPER in September 2024.

### **PUBLIC OUTREACH**

- This memorandum will be posted on the HCDC Agenda website for the April 11, 2024 Commission meeting.
  
- Outreach was undertaken for this item in addition to the agenda posting described above. These outreach efforts are described below.

Federal regulations require that jurisdictions hold at least two public hearings to receive public comment for the FY 2024-2025 Action Plan and funding priorities. The City’s adopted Citizen Participation Plan requires three public hearings including one prior to the release of the draft FY 2024-2025 Action Plan. The Housing Department presented the draft funding strategies and priorities to solicit feedback to the Housing and Community Development Commission on February 8, 2024. The Commission will hear the draft FY 2024-2025 Action Plan on April 11, 2024. The April 30, 2024 action is the final public hearing, at which time the City Council must adopt the final FY 2024-2025 Action Plan. The Housing Department then will submit the FY 2024-2025 Action Plan to HUD in time to meet its deadline.

All public comments provided to the City both verbally and in writing will be included in the appendices of the FY 2024-2025 Action Plan together with staff’s responses when the FY 2024-2025 Action Plan is submitted to HUD.

### **COMMISSION RECOMMENDATION/INPUT**

This item is scheduled to be heard by the City Council at its meeting to be held on April 30, 2024 starting at 1:30 p.m. A Supplemental Memorandum summarizing the Commission’s feedback and approval will be included for this action.

## **FISCAL/POLICY ALIGNMENT**

This action is consistent with the City's *Consolidated Plan 2020-25*, adopted by the City Council on August 11, 2020, and with the City's Adopted *Housing Element 2014-2023*, in that the action provides services to very low-income households. It also furthers the advancement of the *Community Plan to End Homelessness* approved by the City Council in February 2020. The timely submittal of the Plan to HUD will enable the City to receive and distribute approximately \$14.3 million in entitlement funds for the CDBG, HOME, HOPWA, and ESG programs for FY 2024-2025.

## **SECTION 84308 GENERALLY**

In 2022, the California Legislature passed SB 1439, a bill that amended Section 84308 of the Political Reform Act (“the Act”)

Section 84308 prohibits certain officials from taking part in an entitlement for use proceeding if the official has received a contribution exceeding \$250 from a party or participant in the proceeding within the preceding 12 months. An official is also prohibited from accepting, soliciting, or directing a contribution exceeding \$250 from a party or participant in the proceeding for a certain period of time after a final decision is rendered in such a proceeding.

A “party” is any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use. A “participant” is person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use, and has a financial interest in the decision.

A party to a proceeding before an agency involving a license, permit, or other entitlement for use must disclose on the record any contribution in an amount of more than two hundred fifty dollars (\$250) made within the preceding 12 months to an official of the agency

RAGAN HENNINGER  
Deputy, Housing Department

The principal author of this memorandum is Stephanie Gutowski, Housing Policy and Planning Administrator-Grants Management. For questions, please contact Ragan Henninger, Deputy Director, at [ragan.henninger@sanjoseca.gov](mailto:ragan.henninger@sanjoseca.gov).



# Memorandum

**TO:** HOUSING AND COMMUNITY  
DEVELOPMENT COMMISSION

**FROM:** Kelly Hemphill

**SUBJECT:** SEE BELOW

**DATE:**

---

Approved

Date

---

**SUBJECT: HOUSING TRUST FUND BUDGET FOR FISCAL YEAR 2024-25**

## **RECOMMENDATION**

Acting as the Housing Trust Fund Oversight Committee, recommend that the Acting Director of Housing approve the expenditure plan for the Housing Trust Fund of \$2,313,222 in homelessness priorities for Fiscal Year (FY) 2024-25.

## **SUMMARY AND OUTCOME**

Commissioners will be updated on the City's efforts to address homelessness using the Housing Trust Fund resources in FY 2024-25.

## **BACKGROUND**

In 1993, the San José ("City") City Council established the Housing and Homeless Fund as the repository of funds that the City's Housing Department receives from time to time. The fund was set up with relatively few requirements. In June 2003, the City Council approved the conversion of the HHF into a Housing Trust Fund ("HTF") (see Ordinance Number 26920, Part 46 of Chapter 4.80 of Title 4 of the San José Municipal Code) to allow the City to seek additional revenue sources to ensure an ongoing source of funding for affordable housing programs. The primary goals of the Fund were 1) to meet the needs of low- and moderate-income households; and 2) to enable the City to qualify for additional funding opportunities for its programs and housing for San Jose low- and moderate-income residents. HTF was to be funded by a variety of sources, including revenues received from tax credit application review fees, repayments of specially funded loan programs, administrative fees from City multifamily housing bond issues, and other outside sources such as the State's Proposition 46 Local Housing Trust Fund Matching Grant Program.

Most funds received by the Housing Department have regulatory requirements that define eligible activities. One of the largest buckets of funding from the U.S. Department of Housing

and Urban Development (“HUD”) grants is limited to assisting homeless households with permanent housing options. For years, the only funding available for crisis response intervention programming, such as emergency shelters or street-based basic needs services, was local funds, such as the HTF. More recent funding from the State, including the Homeless Housing, Assistance and Prevention Program (HHAP), is flexible in its uses but requires strategic planning. The HTF allows for the opportunity to leverage existing programs and create or launch new programs and initiatives throughout the year. The HTF is an important ongoing source of flexible funding that helps fund the Department’s strategic priorities specifically around homelessness.

The Municipal Code<sup>1</sup> specifies that there be a committee to advise the Director of Housing or their designee on the use of HTF funds. By Resolution 74810, the City Council named the Housing and Community Development Advisory Commission (and, by extension, the Housing and Community Development Commission) to act as that committee.

## **ANALYSIS**

### **Funding Priorities**

In August 2020, the City Council endorsed the 2020-2025 Community Plan to End Homelessness (Community Plan), which serves as the strategic roadmap for ending homelessness in Santa Clara County. The Community Plan is organized around three main strategies:

1. Address the Root Causes of Homelessness Through System and Policy Change
2. Expand Homelessness Prevention and Housing Programs to Meet the Need, and
3. Improve Quality of Life for Unsheltered Individuals and Create Healthy Neighborhoods for All.

The HTF will prioritize funding programs under two of the three strategies. Strategy 1 includes providing training, internships, and mentorships to help obtain access to living wage jobs and investing in social enterprises that train and employ individuals experiencing homelessness. Strategy 3 includes meeting the basic needs of people living in unsheltered conditions (including temporary housing programs) and addressing community concerns regarding the impacts of unsheltered homelessness. The strategy seeks to increase street outreach, hygiene services, and transportation options to match the needs of unsheltered residents, and build new partnerships to host emergency shelter, and safe places to park. Since the most recent homeless census and survey counted 6,650 persons experiencing homelessness in San José, with 75% sleeping outdoors on the street, in parks, tents, encampments, vehicles, abandoned properties and/or bus and train stations, street-based programs are a priority for the Housing Department. The City leads the region’s efforts on this strategy. Staff proposes using HTF to continue funding programs that provide bus passes, motel stays for survivors of a natural disaster, and safe parking.

---

<sup>1</sup> [Part 46 - CITY OF SAN JOSÉ HOUSING TRUST FUND](#)

Within each strategy there is a priority to gain input from people with lived experience of homelessness to shape how we address homelessness in our community. Housing staff proposes using HTF to continue funding an engagement evaluation program that focuses on anonymous and confidential feedback focused on listening and building provider/participant trust.

### Proposed Funding Plan

Each year, the Housing Department presents the Housing and Community Development Commission (“Commission”) with the proposed HTF budget for the upcoming fiscal year. In order to provide context and trends for the proposed FY 2024-25 expenditures, the HTF budget for the previous year is included with this memorandum as an attachment. High-level summaries of the complete HTF budgets are provided as **Attachment A** for FY 2023-24 and **Attachment B** for FY 2024-25.

The main source of revenue for the HTF is over \$1 million in multifamily bond administration fees collected annually. The Housing Department has shifted both its asset management program staffing expenses and also other associated fee revenue, collected by the asset management program, from the Multi-Source Fund to the HTF beginning in the FY 2024-25 budget. To offset this action, Homelessness Response Division staffing expenses have been shifted out of the HTF elsewhere into eligible Multi-Source Fund and Homeless Housing, Assistance and Prevention Fund budgets. This is a net zero funding shift to that realigns revenue and expenses within the Housing Department. There are no resulting staffing impacts to the homeless response team. Non-staffing related expenditures for homelessness priorities will remain in the HTF due to the flexible nature of this funding source.

The HTF budget for FY 2024-25 is a significant reduction in funding from previous years due to a reduction in bond issuance revenue being carried forward as the City has issued fewer multifamily housing bonds. Most of the proposed programs to be funded in FY 2024-25 are a continuation of services. Below are details for the proposed HTF budget for FY 2024-25:

- **Homeless Initiatives**

- UPLIFT – Transit Passes (\$250,000)

Administered by the County of Santa Clara Office of Supportive Housing, the United Pass for Life Improvement from Transportation (UPLIFT) Transit Pass Program provides free transportation to case managed homeless adults, on any standard Valley Transportation Authority (VTA) bus and light rail lines. UPLIFT pass recipients must be working with a case manager at one of the participating agencies to qualify for the program. The participant must meet with their case manager at least once per month and be working towards attaining their specified goals. The County contributes the staff time necessary to run the program plus funds for purchasing the transit passes. This funding will assist with 4,000 bus passes.

- **Housing and Homeless Projects Homeless Services Campaign Initiatives**

In the upcoming year, \$350,000 in Housing Trust Funds are set aside as a contingency to be used to supplement or enhance existing programs, or to fund new campaigns, initiatives or programs that will assist homeless households with the end goal of attaining permanent housing.

- Engagement Evaluation Program (\$75,000)

In partnership with Pulse for Good, the program provides and maintains physical kiosks as an opportunity for program participants to share confidential feedback regarding the assistance they receive through a digital survey replacing paper surveys. Responses are automatically consolidated into a data dashboard, allowing filters and splicing of data to analyze trends and anomalies in real time, which is used to improve programming and experiences. The program would add more kiosks to additional City-funded shelters, interim housing projects and permanent supportive housing programs for one year. The HTF funding will cover the setup, maintenance, warranty, and customer service.

- **Disaster/Emergency Assistance**

- Disaster Assistance (\$174,000)

In the upcoming year, \$174,000 in Housing Trust Funds are set aside to support those impacted by a disaster. In the event of a disaster, this funding provides the Housing Department the flexibility to pay for a variety of expenses such as taxi rides to a shelter, etc. to support individuals impacted by disasters.

- Emergency Assistance (\$130,000)

In the upcoming year, \$130,000 in Housing Trust Funds are set aside to support the motel voucher program operator to pay for hotel rooms for those who survive an emergency, such as a fire or condemnation, etc.

- **Non-Personal Costs**

- Homelessness Response Team staff development (\$128,200)

The non-personal funding allows for the Homelessness Response Division to enhance and invest in staff retention. The funding will pay for costs such as staff trainings.

- **City Staffing and Overhead**

- Residential Development Division salaries (\$1,181,762)

This funding will pay for full time positions whose duties are related to Asset Management, which ensures compliance with regulatory agreements and enforces financial and development agreements. Asset Management reviews annual fair

housing practices, rent charges, reviews property budgets and financials, and conducts physical inspection and field audits. In addition, a minimal amount of funding within this allocation is set aside for the City Attorney's Office for legal services associated with these services.

A representative from the Department's Homelessness Response Team will be at the Commission meeting on April 11, 2024, and will be available to answer any questions.

### **CONCLUSION**

Approval of this item will implement the expenditure plan for the Housing Trust Fund for FY 2024-25.

### **PUBLIC OUTREACH**

This memorandum will be posted on the Commission's Agenda website for the April 11, 2024 meeting.

### **COMMISSION RECOMMENDATION/INPUT**

The Commission's acceptance of this report will conclude the reporting activities for FY 2024-2025. Recommendations from the Commission on the report will be received and reviewed for consideration.

/s/  
KELLY HEMPHILL  
Division Manager, Housing Department

The principal author of this memorandum is Alejandra Tlalli-Miles, Development Officer on the Homelessness Response Team. For questions, please contact Kelly Hemphill, Division Manager, at [Kelly.hemphill@sanjoseca.gov](mailto:Kelly.hemphill@sanjoseca.gov) or (408) 975-4483.

### **ATTACHMENTS**

**Attachment A** – Housing Trust Fund FY 2023-24 Budget  
**Attachment B** – Housing Trust Fund FY 2024-25 Budget



**Attachment A**

**HOUSING TRUST FUND  
FY 2023-24 BUDGET**

**SOURCE OF FUNDS**

<b>ADOPTED FY 2023-24 BEGINNING FUND BALANCE</b>	<b>\$3,711,220</b>
<b>PROJECTED FY 2023-24 Revenue</b>	<b><u>\$906,750</u></b>
<b>TOTAL</b>	<b><u>\$4,617,970</u></b>

**USE OF FUNDS**

Homeless Initiatives	
• UPLIFT - Transit Passes (\$100,000)	\$100,000
Housing and Homeless Projects	\$1,545,000
• Safe Parking Program (\$750,000)	
• Engagement Evaluation Program (\$65,000)	
• Employment Initiative (\$125,000)	
• Homeless Services, Campaigns, Initiatives (\$605,000)	
Disaster/Emergency Assistance	\$400,000
• MVP (\$400,000)	\$25,000
Non-Personnel	\$24,240
Transfers	\$1,056,600
City Staffing and Overhead	
<b>TOTAL</b>	<b><u>\$3,150,840</u></b>
<b><u>PROJECTED FY 2023-24 ENDING FUND BALANCE</u></b>	<b><u>\$1,467,130</u></b>

**Attachment B**

**HOUSING TRUST FUND  
FY 2024-25 BUDGET**

**SOURCE OF FUNDS**

<b>PROJECTED FY 2024-25 BEGINNING FUND BALANCE</b>	<b>\$1,467,130</b>
<b>PROJECTED FY 2024-25 Revenue</b>	<b><u>\$1,462,594</u></b>
<b>TOTAL</b>	<b><u>\$2,929,724</u></b>

**USE OF FUNDS**

Homeless Initiatives	
• UPLIFT - Transit Passes (\$250,000)	\$250,000
Housing and Homeless Projects	\$425,000
• Homeless Services, Campaigns, Initiatives (\$350,000)	
• Engagement Evaluation Program (\$75,000)	
Disaster/Emergency Assistance	\$304,000
• Disaster Assistance (\$174,000)	
• Emergency Assistance (\$130,000)	
Non-Personnel	\$128,220
Transfers	\$24,240
City Staffing and Overhead	\$1,181,762
<b>TOTAL</b>	<b><u>\$2,313,222</u></b>
<b>PROJECTED FY 2023-24 ENDING FUND BALANCE</b>	<b>\$616,502</b>