



Memorandum

TO: RULES AND OPEN
GOVERNMENT COMMITTEE

FROM: Councilmember Raul Perez

SUBJECT: SEE BELOW

DATE: April 11, 2018

Approved

Date

4/11/2018

SUBJECT: Update to the Sidewalks and Curb Ramps Financial Hardship Assistance Program

RECOMMENDATION

Direct City Staff to evaluate the Sidewalks and Curb Ramps Financial Hardship Assistance policy including budgetary and programmatic impacts and return to City Council with recommendations for consideration including:

1. Adjusting the income level requirement to allow a reasonable number of Low Income and Very Low Income households to be eligible.

BACKGROUND

Per State Law and our City's municipal code, property owners are responsible for the sidewalk and curb maintenance adjacent to their property. Our Sidewalks and Curb Ramps hardship assistance was created to provide relief to residents who are mandated to perform sidewalk and curb ramp maintenance but are experiencing financial hardships.

ANALYSIS

To qualify for financial assistance, "a property owner must occupy the residence where the maintenance activities or repairs are being performed, the residence must be a single-family home, and the property owner must demonstrate an annual income below twice the annual **federal** poverty rate for families of equal size."¹

We applaud the vast majority of homeowners who give their sweat, blood, and tears to maintain their home not only for themselves but for their community. It is in the best

¹ Larsen, H. (January 2014) Amendment to the Tree and Sidewalk Hardship Program. City of San Jose. Retrieve from <http://www.sanjoseca.gov/DocumentCenter/View/26229>

interest of our public health and safety that homeowners prevent blight from infiltrating their neighborhoods and that our pedestrian right-of-way are maintained. However, we must also be cognizant that while this long used formula of *twice the annual federal poverty rate* may have been sensible in the past, we are currently in an era of wide-spread disproportionate income levels throughout our region. Our standard of living has accelerated far beyond the current income levels for a vast majority of San Jose residents trying to simply survive in our brutal socioeconomic climate.

For example, a household of four is given a notice for sidewalk repair and would be required to either hire their own contractor or defer to the city to perform the work and be sent a bill. Often, the work can estimate up to thousands of dollars whether by a private contractor or by city services. One would assume a Very Low Income (VLI) family of four in our region making a **\$66,500²** would be able to appeal for financial assistance. However, as seen in Figure 1, being that our program requires an income rate of below twice the annual federal poverty rate, which for a family of four would be **\$50,200**, this family would be ineligible and denied.

This is one of many examples that are beginning to surface due to our outdated methods of evaluating what is considered financial hardship. We understand that there may be budget implications, however, we can explore creative solutions to supplement this need including evaluating certain funding sources or engage in private partnerships.

CONCLUSION

Currently, our Area Median Income is \$125,200 up from \$113,300 in 2017 and without a doubt we will see that AMI rise for years to come. Considering that many low income families and residents can devote up to 50% of their income to housing, a sidewalk repair notice could prove to be disastrous and potentially threaten their livelihood in San José. We must update our hardship assistance program to reflect the true cost of living in San José. Any reprieve that could be explored would go a long way, especially to support our struggling homeowners in fulfilling their municipal responsibility.

² FY 2018 Income Limits Summary.. U.S. Department of Housing and Urban Development. Retrieve from <https://www.huduser.gov/portal/datasets/il/il2018/2018summary.odn>

FIGURE 1 - Comparison of Local Income Limits to Federal Poverty Guidelines

| Household Size | 2018 Poverty Guidelines for the 48 Contiguous States and the District of Columbia | | FY 2018 Income Limits for San Jose-Sunnyvale-Santa Clara, CA HUD Metro FMR Area** | | |
|----------------|---|-----------------|---|-----------------|------------------|
| | Base | x2 | ELI | VLI | LI |
| 1 | \$12,140 | \$24,280 | \$27,950 | \$46,550 | \$66,150 |
| 2 | \$16,460 | \$32,920 | \$31,950 | \$53,200 | \$75,600 |
| 3 | \$20,780 | \$41,560 | \$35,950 | \$59,850 | \$85,050 |
| 4 | \$25,100 | \$50,200 | \$39,900 | \$66,500 | \$94,450 |
| 5 | \$29,420 | \$58,840 | \$43,100 | \$71,850 | \$102,050 |
| 6 | \$33,740 | \$67,480 | \$46,300 | \$77,150 | \$109,600 |
| 7 | \$38,060 | \$76,120 | \$49,500 | \$82,500 | \$117,150 |
| 8 | \$42,380 | \$84,760 | \$52,700 | \$87,800 | \$124,700 |

Source: FY 2018 Income Limits Summary. U.S. Department of Housing and Urban Development (HUD). Retrieved from <https://www.huduser.gov/portal/datasets/il/il2018/2018summary.odn>

 ELI = Extremely Low Income (< 30% AMI)

VLI = Very Low Income (31% - 50% AMI)

LI = Low Income (51% - 80% AMI)

** All income levels above the Federal Poverty Guidelines (x2) have been bolded and crossed-out denoting ineligibility.