



# Memorandum

**TO:** COMMUNITY & ECONOMIC  
DEVELOPMENT COMMITTEE

**FROM:** Jacky Morales-Ferrand

**SUBJECT: FIVE-YEAR  
CONSOLIDATED PLAN**

**DATE:** August 9, 2019

Approved

Date

August 16, 2019

## **RECOMMENDATION**

Accept the report and workplan to develop the Five-Year Consolidated Plan governing the use of federal funding from the U.S. Department of Housing and Urban Development over the 2020-25 period.

## **OUTCOME**

Members of the Community and Economic Development Committee will receive an update on the process involved in developing the City's federally-required Five-Year Consolidated Plan (Consolidated Plan) for 2020-25. Committee members will also better understand the community outreach that will occur as part of the effort to set future funding priorities under the new Consolidated Plan.

## **BACKGROUND**

The U.S. Department of Housing and Urban Development (HUD) requires jurisdictions that receive federal housing and community development grant funding to develop a Consolidated Plan that identifies priority needs, goals, actions, and funding strategies. The Consolidated Plan represents a comprehensive strategy for four federal funding programs:

1. Community Development Block Grant (CDBG)
2. HOME Investment Partnership (HOME)
3. Emergency Solutions Grant (ESG), and
4. Housing Opportunities for Persons with Aids (HOPWA).

The CDBG program is the most flexible of these funding sources and allows for investments in a variety of areas such as housing, economic development, and public service. Conversely, HOME, ESG, and HOPWA are targeted to specific activities and populations. The HOME

program funds the development of affordable housing and rental subsidies; ESG and HOPWA both target programs and housing programs that benefit people who are homeless. San José currently is completing approved activities under its 2015-20 Consolidated Plan and now is starting to develop the 2020-25 Consolidated Plan. The deadline to submit the new Consolidated Plan to HUD is May 15, 2020.

Additionally, the City must develop an Annual Action Plan each year to implement the Consolidated Plan. Further, the City must report back to HUD each year on how it performed under its previous Annual Action Plan, which is called the Consolidated Annual Performance Evaluation Report (CAPER). City Council approval is required for the Consolidated Plan, each Annual Action Plan, and each CAPER.

Jurisdictions that receive federal housing and community development grant funds must also affirmatively further fair housing to meet federal fair housing and civil rights laws. This requirement is typically informed through the preparation of a separate but related report called the Analysis of Impediments to Fair Housing (Analysis of Impediments). The Analysis of Impediments identifies barriers preventing individuals, households, and families from accessing housing opportunities, and identifies strategies to mitigate or eliminate those barriers. The AFH will be developed concurrently with the Consolidated Plan and the findings and strategies in the AFH will be incorporated into the Consolidated Plan as appropriate. (Refer to the staff memo on this Committee agenda on Affirmatively Furthering Fair Housing Plan for more information.)

## **ANALYSIS**

### *2020-25 Consolidated Plan Process*

The development of a new Consolidated Plan typically includes the simultaneous development of a first year Annual Action Plan for that cycle as well. In this case, the Consolidated Plan includes concurrent development of the FY 2020-21 Annual Action Plan, with subsequent annual plans developed in their respective years.

The Santa Clara County Office of Supportive Housing (OSH) convened a working group that includes representatives from OSH, the Santa Clara County Housing Authority, five local cities and the Housing Department. The County of Santa Clara, on behalf of the participating jurisdictions, issued a request for proposal as part of the selection process. Engaging a shared consultant will provide efficiencies with data analysis and outreach as each jurisdictions separate Consolidated Plan is developed. Additionally, the working group will help identify regional challenges, barriers, opportunities, and shared goals and actions. Participating jurisdictions will tailor each jurisdiction's Consolidated Plan to address their own local housing conditions and needs and to meet the federal Consolidated Plan requirements.

The consultant will complete a shared workplan and will perform add-on work for individual jurisdictions that includes regional community meetings and a countywide needs survey. The

consultant will be overseen by the working group, composed of staff from various jurisdictions, including San José Housing Department staff. Additional work for San José includes support for public meetings to be held locally, and the production of a separate Consolidated Plan and Annual Action Plan.

The working group has selected two consultants; one for the 2020-25 Consolidated Plan and the FY 2020-21 Annual Action Plan and one for the regional Assessment of Fair Housing. The County Board of Supervisors will consider for approval the two consultants recommended by the working group at their August 27, 2019 meeting. The consultants will begin working soon after.

2020-25 Consolidated Plan Timeline

**Table A: Consolidated Plan Timeline**

Activity	Date	Done
Convene Housing Working Group	September 2018	✓
RFP Released	Spring 2019	✓
County Awards Contract	August 27, 2019	
County and City Revenue Agreements	August – September 2019	
Public Outreach and Engagement	September 2019 – December 2019	
Funding Priorities to Housing and Community Development Commission & City Council Committees	Early 2020	
Consolidated Plan published for public comment	Spring 2020	
HUD Consolidated Plan and AFH to City Council	May 2020	
HUD Consolidated Plan and AFH Submitted to HUD	May 2020	

**EVALUATION AND FOLLOW-UP**

Staff will update NSE in October 2019 on the Consolidated Plan development process and any preliminary findings on funding priorities. Staff will return to both the CEDC and NSE with draft findings and funding priorities in early 2020.

**PUBLIC OUTREACH/INTEREST**

This memorandum will be posted on the City's website for the August 26, 2019 Community and Economic Development Committee meeting.

**COORDINATION**

This memorandum has been coordinated with the City Attorney's Office.

**COMMISSION RECOMMENDATION/INPUT**

Housing Department staff will present this update to the Housing and Community Development Commission on September 12, 2019.

**CEQA**

Not a project, Preliminary direction to staff and eventual action requires approval from decision-making body, Public Project number PP17-007.

/s/

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For questions please contact Ragan Henninger, Deputy Director, at (408) 535-3854.