



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** April 13, 2021

Approved 

Date 04/15/21

**SUBJECT: PUBLIC HEARING ON THE DRAFT FISCAL YEAR 2021-22 ANNUAL ACTION PLAN**

## **RECOMMENDATION**

- (a) Conduct a public hearing on the draft Fiscal Year 2021-22 Annual Action Plan for the use of federal funds from the U.S. Department of Housing and Urban Development; and
- (b) Provide Housing Department staff with input on the Annual Action Plan.

## **OUTCOME**

The public hearing provides an opportunity to the City Council and the public to provide comment on the proposed funding priorities under the City's Fiscal Year (FY) 2021-22 Annual Action Plan (Action Plan) at this publicly noticed meeting.

The feedback provided by the City Council on the funding will inform the development of the City's FY 2021-22 Action Plan. Upon City Council adoption of the final Plan in May, the Housing Department will submit the final federally mandated document to HUD by the May 15, 2021 deadline. Meeting this deadline enables the City to remain eligible to receive approximately \$14.3 million in federal housing and community development funds in FY 2021-22.

## **EXECUTIVE SUMMARY**

This action requests input on the proposed funding that will help in the development of the City's 2021-22 Annual Action Plan, a yearly planning report that HUD requires of jurisdictions receiving federal funds via formula grant. This memorandum summarizes the strategies on the

use of approximately \$14.3 million in new funding that the City will receive in FY 2021-22. The report details an itemized description of the proposed activities and funding recommendations for each of the four federal funds. With City and Housing Department staff resources currently focused on programs and services related to COVID-19 relief, the FY 2021-22 funding priorities are based on stakeholder outreach conducted prior to the pandemic. The proposed activities are consistent with those approved by the City Council in the 2019-20 Annual Action Plan.

This memorandum summarizes the proposed uses for the funding received by the City for four federal programs which includes, \$8,761,415 in Community Development Block (CDBG), \$3,221,675 in HOME Investment Partnership Program (HOME), \$1,553,405 in Housing for Persons with AIDS (HOPWA), and \$763,052 in Emergency Solutions Grant (ESG) funding.

CDBG funding will be focused on three funding categories: 1) Public Services, including homeless services, neighborhood engagement/leadership development, senior services, fair housing, and other legal support services; 2) Community Development Initiatives (CDI), including enhanced Code Enforcement, minor home repairs, and community and infrastructure improvements; and, 3) Grant administration. HOME funds help create new affordable housing developments including some apartments for formerly homeless residents and for time-limited rent subsidies to help low-income residents to afford market-rate apartments. HOPWA funds will be directed to rent subsidies and supportive services. ESG funds will be targeted toward outreach to homeless residents in San José, and for homelessness prevention programs.

## **BACKGROUND**

As a HUD entitlement jurisdiction, San José 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. The Consolidated Plan assesses the City's current housing market; analyzes demographic, ethnic, 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.

In August 2020, the City adopted the Five-Year Consolidated Plan for the FY 2020-25 period. The City participated in a Countywide collaboration to analyze data on housing needs and to develop this cycle's Consolidated Plan. The City then refined and prioritized the identified broad regional objectives to establish its four major goals, which meet both regional and local priorities:

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.

The first three priorities are the same as for the previous Consolidated Plan cycle, 2015-20, as they continue to be of paramount importance for the City. While the fourth priority still allows for investment in community infrastructure as it did last cycle, it also allows for investments focused on improving residents' economic opportunities and resilience. It is a people-focused Plan. As the COVID-19 crisis has revealed weaknesses in our society, it has become all-too-apparent that the City must do all it can to strengthen the opportunities for residents in San José. The 2020-25 Consolidated Plan enables the City to pay for a range of services to help those who are unhoused, paying too much for housing, in need of legal assistance to keep their housing, and needing to improve their employment prospects.

In each of the five years in the Consolidated Plan, HUD requires entitlement jurisdictions to submit an Action Plan which identifies a one-year strategy for meeting the goals contained in the Five-year Plan. While FY 2020-21 would have been the first annual plan under the new five-year Consolidated Plan, priorities quickly shifted in early 2020 to address the growing impacts of COVID-19. In addition to the City's annual formula allocations of federal funds, this past year, the City received \$48,160,981 in one-time CDBG and ESG CARES Act funding as well as over \$30 million in Rental Assistance funds that the City of San José received directly from the U.S. Department of Treasury to address the effects and financial impact of COVID-19 on City residents.

As City staff continues to implement new and complex programs and services to help alleviate the effects of COVID-19, the capacity to conduct robust community outreach and solicit feedback on potential new funding priorities is limited. Therefore, on December 15, 2020<sup>1</sup>, the City administration informed the City Council that it would continue funding the priorities consistent with the FY 2019-20 Action Plan, which was the last Action Plan to receive full community input and approval prior to the pandemic. The FY 2021-2022 funding priorities are based on stakeholder outreach conducted prior to the pandemic in conjunction with the FY 2019-2020 Action Plan. The proposed activities this fiscal year are consistent with those approved by the City Council for the 2019-20 Action Plan. While most contract renewals with grantees will be similar to those in previous years, some scopes of service may be altered to reflect current COVID-19 response priorities, and some performance measures may be changed to better demonstrate outcomes.

---

<sup>1</sup> 2019-2020 Consolidated Annual Performance Evaluation Report:  
<https://www.sanjoseca.gov/home/showpublisheddocument?id=67836>

***San José's Previous Use of HUD Funds and Proposed New Priorities***

The City's 2015-20 Consolidated Plan's approved uses for the City's four formula funding sources from HUD are listed in **Table 1**, as a point of reference.

**Table 1: San José's Federal Sources from HUD and Uses in Previous Consolidated Plan**

<b>Federal Funding Source</b>	<b>City's 2019-20 Approved Uses</b>
Community Development Block Grant (CDBG)	Childcare services Community Wireless Network Infrastructure Emergency meal provision Emergency shelter rehabilitation and operations Enhanced code enforcement Homeless outreach Hotel/motel vouchers for emergency shelter Legal services for low-income tenants and landlords Small business support /job retention and creation Minor and emergency home repair Neighborhood engagement and leadership training Neighborhood street and infrastructure enhancements Senior services Fair housing education and counseling Job training
HOME Investment Partnership (HOME)	Development of affordable housing and tenant-based rental assistance subsidies
Emergency Solutions Grant (ESG)	Homeless services focused on outreach and homelessness prevention
Housing Opportunities for Persons with Aids (HOPWA)	Rental assistance

**ANALYSIS**

On March 2, 2021 the City received notice of the formula allocation for FY 2021-22. In FY 2021-22, the City will receive a total of almost \$14.3 million in Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with HIV/AIDS (HOPWA), and Emergency Solutions Grants Program (ESG) entitlement grants. While the focus of this memorandum is the new federal allocations, the draft Action Plan will also provide a summary of anticipated carryover funding from previous years as well as program income from loan repayments. Table 2 below summarizes the FY 2021-22 federal funding levels:

**Table 2: FY 2021-22 Federal Funding Levels**

<b>Program</b>	<b>Amount</b>
<b>CDBG</b>	\$ 8,761,415
<b>HOME</b>	\$ 3,221,675
<b>HOPWA</b>	\$ 1,553,405
<b>ESG</b>	\$ 763,052
<b>Total</b>	<b>\$14,299,547</b>

**FY 2021-2022 Plan**

The FY 2021-22 draft Action Plan contains a description of all activities recommended for funding. Each of the activities detailed in the Action Plan are aligned with the four goals of the Consolidated Plan and contributes to the City's five-year objectives. The Action Plan aligns the City's available resources with the planned activities that will enable the City to meet its annual goals. Completing the annual plan helps the City stay on target to meet its five-year plan goals. The expenditure plans for CDBG, HOME, HOPWA, and ESG are provided below. All activities will be described in greater detail in the draft Action Plan.

**Community Development Block Grant (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. These include Public Services (PS), Community Development Improvements (CDI), and Administration activities. The CDI category is further delineated into construction projects and non-construction projects. Construction projects consist of capital projects that directly fund physical improvements such as facility or infrastructure improvements. Non-construction projects include programs and other services, such as job training, provided to Low- and Moderate-Income Households.

Table 3 below outlines the City's planned CDBG expenditures for the coming year by category and activity. Additional detail on these activities are provided in subsequent tables in this memo.

**Table 3: CDBG Activities for FY 2021-22**

<b>Category</b>	<b>CDBG Activities</b>	<b>Funding</b>
PS	Senior Services	\$200,000
PS	Neighborhood Engagement and Leadership Training	\$200,000
PS	Services for Homeless and Unhoused Populations	\$399,097
PS	Citywide Legal Services for Low-income Tenants and Landlords	\$475,115
PS/Admin	Fair Housing	\$200,000
CDI	Place-based Street and Infrastructure Enhancements	\$2,784,920
CDI	Targeted Code Enforcement	\$1,100,000
CDI	Minor Home Repair	\$1,650,000
CDI	Job Training for Homeless Individuals	\$500,000
Admin	Grants Management	\$1,652,283
<b>Programmed</b>		<b>\$9,161,415</b>
<b>Grant Allocation</b>		<b>\$8,761,415</b>
<b>Estimated FY 2021-22 Program Income</b>		<b>\$400,000</b>
<b>Total</b>		<b>\$9,161,415</b>

**CDBG – Public Services**

CDBG funds can pay for a variety of services for low-income individuals. Program regulations require that funding for Public Services be capped at 15% of the annual allocation combined with the prior year's Program Income. Program Income is primarily comprised of repayments of loans made from federal funds. Services are generally funded on a three- to five-year funding cycle to provide predictability in service delivery and to support organizational capacity of service providers.

Table 4 below lists existing services and service providers currently under contract. Staff is recommending to extend the following services through FY 2021-22. Individual funding levels will be comparable to their FY 2020-21 levels but may vary slightly based on grant allocation and program income differences.

**Table 4: Existing Service Providers in CDBG Contract Funding Cycle**

<b>Service Type</b>	<b>Agency</b>	<b>Program</b>	<b>FY 2021-22 (recommended)</b>
Senior Services	The Health Trust	Meals On Wheels – Senior Services	\$125,000
Senior Services	Portuguese Organization for Social Services Opportunities	Senior Access and Health Support	\$75,000
Legal Services	San José Housing Rights Consortium	Legal Services for Low-Income Tenants & Landlords	\$475,115
Neighborhood Engagement	SOMOS Mayfair	Home Grown Talent Project	\$150,000
Neighborhood Engagement	CommUniverCity	Community Leadership Development	\$50,000
Homeless Services	HomeFirst	Citywide Outreach & Shelter	\$399,097
Fair Housing	Law Foundation of Silicon Valley - Four Agency Consortium includes Project Sentinel, Asian Law Alliance, Senior Adults Legal Assistance and Law Foundation as lead agency	Fair Housing Services	\$100,000
<b>Total</b>			<b>\$1,374,212</b>

**CDBG - Community Development Investment Funds**

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. The proposed funding priorities in this category include the following CDI activities:

Priority Projects – Housing Department staff has coordinated with other City Departments to identify infrastructure and other capital projects eligible for CDBG that benefit the City’s lower-income communities. Since 2012, CDBG resources have leveraged investments in the Santee/McKinley, Mayfair, and Five Wounds/Brookwood Terrace neighborhoods to create clean, safe, and engaged neighborhoods. In FY 2018-19, the Housing Department broadened its neighborhood focus to link federal funds with City investments or programs to address underserved needs in a low-resourced neighborhood. Examples of this include providing infrastructure investments adjacent to the planned housing developments for formerly homeless residents at Evans Lane in FY 2021-22. The Department will continue to invest in neighborhoods where City programs are aligned and can be leveraged. The Plan allocates funds in FY2021-22 for the following proposed City projects.

**Table 5: CDI Place-based Projects**

<b>Project</b>	<b>Description</b>	<b>FY 2021-22 (recommended)</b>
Acquisition, Rehabilitation and Infrastructure for Affordable Housing Sites and Public Facilities	WiFi networks in the Oak Grove and Independence High Schools’ neighborhoods	\$2,484,920
<b>Total</b>		<b>\$2,484,920</b>

Additionally, the Housing Department is continuing work on projects that have been funded in past grant years.

Nonprofit Facility Rehabilitation – Community-based organizations provide vital services for the residents of San José. They offer services that are often not feasible for public or private organizations to administer. Many organizations struggle to raise the revenue needed to provide basic essential services for the City’s most at-risk residents. This ongoing lack of resources leaves many agencies with the inability to maintain or improve the facilities where their staff are located and where direct services to clients are provided. CDI funding for nonprofit facilities has been identified as a critical need by many of the nonprofit agencies in San José and has been listed as a priority by the Silicon Valley Council of Nonprofits. Accordingly, the Plan identifies that funds be allocated for the purposes listed in Table 6.

**Table 6: CDI Nonprofit Facility Rehabilitation**

<b>Agency</b>	<b>Program</b>	<b>FY 2021-22 (recommended)</b>
Bill Wilson Agency	Continued rehabilitation of Bill Wilson Enclave Youth Shelter	\$300,000
<b>Total</b>		<b>\$300,000</b>

CDI-funded Non-construction – Non-construction CDI projects include programs and other indirect services benefitting low- and moderate-income individuals and households. Enhanced Code Enforcement and Job Creation are two of the only “service” activities that can be funded with CDI funds. For Code Enforcement to be eligible, it must be linked with a special program such as the City’s Place-Based Neighborhood Initiative and Project Hope I and II. Code Enforcement will use CDBG resources in four specific neighborhoods that include Santee, Five Wounds/Brookwood Terrace, Cadillac/Project Hope, and the newly added Round Table/Project Hope II. Table 7 provides a list of the programs to be funded under the CDI category:

**Table 7: CDI Non-construction Projects**

<b>Agency</b>	<b>Program</b>	<b>FY 2021-22 (recommended)</b>
City Code Enforcement	Enhanced Code Enforcement in targeted neighborhoods	\$1,100,000
Rebuilding Together Silicon Valley	Minor Repair and Limited Rehab for Low-Income Homeowners Program	\$1,100,000
Habitat for Humanity	Minor Repair and Limited Rehab for Low-Income Homeowners Program	\$550,000
Job Train	Job training for homeless and at risk individuals	\$360,000
International Rescue Committee	Job training for homeless and at risk individuals	\$140,000
<b>Total</b>		<b>\$3,250,000</b>

Administrative: 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 Service category. In FY 2021-22, 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 the Department of Planning, Building and Code Enforcement’s work to provide required environmental review support for all federally funded projects.

**Table 8: CDBG Administrative**

<b>Agency</b>	<b>Program</b>	<b>FY 2021-22 (recommended)</b>
Housing Department	CDBG Administration	\$1,500,283
City Attorney’s Office	Legal Staffing	\$20,000
Planning Department	Environmental Reviews	\$32,000
Law Foundation of Silicon Valley - Four Agency Consortium	Fair Housing	\$100,000
<b>Total</b>		<b>\$1,652,283</b>



**HOME Program**

The HOME program provides 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. Tenant-based rental assistance will be provided within the City's Rapid Rehousing program.

**Table 9: Proposed FY 2021-22 HOME Activities**

<b>Project</b>	<b>Allocated Amount</b>
New Affordable Housing Development (including project delivery)	\$ 647,273
Tenant-Based Rental Assistance (TBRA)	\$ 2,252,235
Program Administration	\$ 122,167
Fair Housing Services	\$ 200,000
<b>Total HOME</b>	<b>\$ 3,221,675</b>

New Affordable Housing Development: It should be noted that 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, the Housing Department must sometimes hold a significant portion of funds until a project is almost ready to start construction. In FY 2019-20 staff released a Notice of Funding Availability (NOFA) and continues to commit available funding to the project selected.

Tenant Based Rental Assistance Program: Anticipating the long-term effects that the COVID-19 Pandemic has had on many low-income families, the Department will be developing a Tenant-Based Rental Assistance (TBRA) Program to provide time-limited subsidies for low-income families. The City currently does not have a service provider under contract for a general TBRA Program. The Housing Department will procure one or more agencies once the plan is approved by City Council.

**Housing Opportunities for Persons with HIV/AIDS (HOPWA) Program**

The HOPWA program provides local jurisdictions and nonprofits with resources and incentives to support long-term strategies for meeting the housing needs of low-income individuals living with HIV/AIDS and their families.

The Health Trust was selected through a previous federally funded services RFP to provide rental assistance and supportive housing services. Staff is recommending continuing funding The Health Trust to administer HOPWA activities at the following levels through FY 2021-22. Additionally, as the nearest metropolitan statistical area, the City of San José administers the HOPWA grant funding for San Benito County. The Housing Department coordinates with San Benito County staff who to administer approximately \$70,000 in rental assistance in that County.

**Table 10: Proposed FY 2021-22 HOPWA Activities**

<b>Project</b>	<b>Allocated Amount</b>
Rental Assistance and Supportive Services	\$ 1,398,065
Grantee Administration	\$ 108,738
City Administration	\$ 46,602
<b>Total HOPWA</b>	<b>\$ 1,553,405</b>

**Emergency Solutions Grant (ESG) Program**

The ESG program provides matching grants to help pay for shelter operating expenses and for other essential services to serve individuals and families experiencing homelessness. Activities proposed for FY 2021-22 include:

**Table 11 Proposed FY 2021-22 ESG Activities**

<b>Proposed Activity</b>	<b>Description</b>	<b>Amount</b>
Street Outreach	Street-based outreach, engagement and case management for the unhoused population	\$428,823
Homeless Prevention Program for Youth and Families	Rental assistance and support for households at risk of becoming homeless, including victims of intimate partner violence	\$127,000
County HMIS	Operation of the Homeless Management Information System (secure web-based database) in compliance with HUD	\$150,000
City Administration	City grant administration, compliance monitoring, environmental review, and legal service support	\$57,229
<b>Total Programmed</b>		<b>\$763,052</b>

In FY 2018-19, staff issued a Request for Proposals (RFP) for outreach and homeless prevention services. Contracts were awarded to People Assisting the Homeless (PATH) and Bill Wilson Center. Staff is recommending to continuing funding PATH and Bill Wilson Center to administer ESG activities at the following levels through FY 2021-22.

**Table 12: Proposed FY 2021-22 ESG Activities**

<b>Service Type</b>	<b>Agency</b>	<b>Program</b>	<b>FY 2021-22 (recommended)</b>
Homeless Services	People Assisting the Homeless (PATH)	San José Outreach and Engagement	\$428,823
Homeless Services	Bill Wilson Center	Homeless Prevention Program for Youth and Families	\$127,000
Homeless Services	County of Santa Clara	Homeless Management Information System (HMIS)	\$150,000
Administration	City	ESG Administration	\$57,229
<b>Total</b>			<b>\$763,052</b>

**Meeting the Needs of Families**

The proposed FY2021-22 Consolidated Plan provides over \$10 million in funding for 12 programs serving families (see Table 13 below). The Housing Department holds regular meetings with the Santa Clara County Office of Education (SCCOE) McKinney Vento staff to identify services gaps both as a result of COVID-19 and beyond. The current health crisis has exacerbated existing conditions for homeless children and their families. The leadership at SCCOE report that homeless youth are struggling with online school classes, as library closures mean they lack computer access, secure storage for laptops, hotspots for portable broadband access, power sources, and safe spaces to attend online classes and do homework. The Housing staff also has regular conversations with domestic violence services providers to identify their needs. The domestic violence service providers reported that levels of violence are escalating during the health crisis and they are in need of additional motel vouchers to safely shelter victims. As a result of the conversations with SCCOE and domestic violence service providers, the Housing Department has funded community wireless network, emergency motel vouchers for families and childcare services.<sup>2</sup>

The 2021-22 Annual Action Plan Family Serving Programs (Table 13):

<b>Grantee</b>	<b>Purpose</b>	<b>Amount</b>
Somos Mayfair	Home Grown Talen, neighborhood engagement	\$150,000
CommUniversity	Neighborhood engagement	\$50,000
San Jose Housing Rights Consortium	Legal services for low income tenants	\$475,115
Law Foundation Silicon Valley	Fair housing services	\$200,000
Community Wireless Network	Wireless network	\$2,484,920
Code Enforcement	Enhanced code enforcement in Project Hope neighborhoods	\$1,100,000
Rebuilding Together & Habitat for Humanity	Single family home repairs	\$1,650,000
To be determined	Tenant based rental assistance	\$2,252,235
Bill Wilson Center	Family homeless prevention	\$127,000
The Health Trust	Tenant based rental assistance (HOPWA)	\$1,398,065

<sup>2</sup> Substantial Amendments to FY2019-20 and FY2020-21 Annual Action Plans:

<https://www.sanjoseca.gov/home/showpublisheddocument?id=70580>

HomeFirst	Homeless outreach and engagement (citywide)	\$399,097
PATH	Homeless outreach and engagement (downtown)	\$428,823
<b>Total</b>		<b>\$10,715,255</b>

### **Plan Implementation**

Once the Action Plan is approved by the City Council, staff will work with service providers to develop or extend agreements that include finalized scopes of service, contract budgets, performance measures, goals, and outcomes. Upon approval of the Annual Plan by HUD, staff will work with agencies to finalize service agreements in preparation for execution on or about July 1, 2021.

Additionally, capital projects identified in the Action Plan will require further development. Upon approval of the Action Plan by the City Council, staff will work with stakeholders 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 (NEPA) clearances before final commitment of funds via contract.

### **PUBLIC OUTREACH**

Federal regulations require that jurisdictions hold at least two public hearings to receive public comment for the Plan and funding priorities. The City's adopted Citizen Participation Plan requires three public hearing including one prior to the release of the draft Action Plan. This year, the City will hold a total of four public hearings on the FY 2021-22 Action Plan. The first public hearing was held before the Housing and Community Development Commission (HCDC) on April 8, 2021, where the Housing Department presented the draft funding strategies and priorities to solicit feedback. The second hearing on April 22, 2021 was also at the Housing and Community Development Commission and included the draft Action Plan for comment. The final public hearing is May 11, 2021. The Housing Department will submit the Action Plan to HUD for the May 15, 2021 deadline.

City staff also sent an e-mail announcement of the public hearings on the draft Action Plan to over 2,600 organizations and individuals concerned about affordable housing and community development issues. Staff also published a notice in the *San José Mercury News* and *San José Post Record* of the public meetings. These notices were translated into Spanish, Vietnamese, Chinese, and Tagalog and also were published in the *El Observador*, *Vietnam Daily News*, *World Journal*, and *the Asian Journal* newspapers.

All public comments provided to the City both verbally and in writing will be included in the appendices of the Action Plan together with staff's response when the Action Plan is submitted to HUD.

## **CONCLUSION**

The public hearing provides an opportunity to the City Council and the public to provide comment on the proposed funding priorities and the draft Fiscal Year (FY) 2021-22 Annual Action Plan at this publicly noticed meeting.

The feedback provided by the City Council on the funding priorities draft Action Plan will inform the development of the City's FY 2021-22 Action Plan. Final approval of the FY 2021-22 Action Plan will enable staff to submit the federally mandated document to HUD by the May 15, 2021 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 2021-22. Upon City Council adoption of the final Plan in May, the Housing Department will submit the final document to HUD by the May 15, 2021 deadline.

## **EVALUATION AND FOLLOW-UP**

Staff will consider the public comments received as it develops the final draft of the Plan. The revised Plan will be brought back to the City Council for final approval on May 11, 2021. The approved Plan must be submitted to HUD by May 15, 2021. Once approved, the FY 2021-22 Annual Action Plan will be available on the Housing Department's website (<http://www.sanjoseca.gov/housingconplan>), or by U.S. mail at the public's request.

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 2021-2022 CAPER in the Fall 2022.

## **CLIMATE SMART SAN JOSÉ**

The recommendation in this memo has no effect on Climate Smart San José energy, water, or mobility goals.

## **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 2021-22.

### **COST SUMMARY/IMPLICATIONS**

This report summarizes the expenditure plan for the City's federal funds received from HUD.

### **BUDGET REFERENCE**

Commitments proposed in this Plan will be appropriated as part of the FY 2021-2022 budget process. Subject to City Council approval, some multi-year Community Development Infrastructure expenditures will be included in the City's FY 2021-2022 budget process.

### **COORDINATION**

This item has been coordinated with the Budget Office and City Attorney's Office.

### **CEQA**

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. Specific development projects that are funded as a result of the Consolidated Annual Action Plan are subject to project specific CEQA clearance.

/s/

JACKY MORALES FERRAND

Director of Housing

For questions, please contact Ragan Henninger, Deputy Director, at [ragan.henninger@sanjoseca.gov](mailto:ragan.henninger@sanjoseca.gov).