



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** September 10, 2021

Approved

Date

09/10/21

**SUBJECT: FY 2020-2021 CONSOLIDATED ANNUAL PERFORMANCE  
EVALUATION REPORT**

## **RECOMMENDATION**

- (a) Conduct a final public hearing on the FY 2020-2021 Consolidated Annual Performance Evaluation Report (CAPER); and
- (b) Accept the report on the progress towards achieving the housing and community development goals identified in the City's five-year Consolidated Plan (2020-2025) and the FY 2020-2021 Annual Action Plan regarding the use of federal funds from the U.S. Department of Housing and Urban Development (HUD) for submittal by the September 28, 2021 deadline.

## **OUTCOME**

Approval of the CAPER will ensure compliance with HUD reporting requirements and will enable the City to continue qualifying for much-needed federal funds for housing and community development programs.

## **EXECUTIVE SUMMARY**

This memorandum summarizes the accomplishments contained within the FY 2020-2021 CAPER. The CAPER describes the progress towards achieving the housing and community development goals identified in the City's five-year Consolidated Plan (2020-2025) and the FY 2020-2021 Annual Action Plan. Highlights include achievements in the four priorities identified in the five-year Consolidated Plan.

The 2020-25 Consolidated Plan's four spending priorities are to:

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. **Strengthen and Stabilize Communities** – Strengthen and stabilize communities' condition and help to improve residents' ability to increase their employment prospects and grow their assets.
4. **Promote Fair Housing** – Promote fair housing and lower barriers to housing.

The accomplishments reflect measures stated in grant agreements with contracted service providers, as well as the results of community development projects including nonprofit facility improvements and capital projects completed by various City departments. The CAPER summarizes only the goals associated with the City's federally-funded activities; it does not include activities carried out with local or State funds, so it is only part of the Housing Department's total accomplishments for the year.

For FY 2020-2021, the City expended over \$27 million in federal funds for both annual activities as well as COVID-19 response contracts. With the City's federal expenditures totaling \$13 million in FY 2019-2020, the \$27 million expenditure represents a 51% increase in spending over FY 2019-2020. With most of the CARES Act funding committed and contracted in late FY 2020-2021, the majority of the CARES funding will be expended in FY 2021-2022.

Given the significant strain placed on many service agencies this past year due to COVID-19 related service delivery, only a small number of agencies have been able to regularly report their outcomes on the City's requested schedule. Therefore, expenditures and outcomes reported in this report are preliminary and may be adjusted before the final draft is completed. In aggregate, HUD's federal funds enabled the following achievement in the four priority areas:

Respond to Homelessness and its Impact on the Community:

*2,929 households/individuals served, of which more than 839 were female heads of household<sup>1</sup>*

Increase and Preserve Affordable Housing Opportunities:

*788 households/individuals served*

Strengthen and Stabilize Communities:

*2,344 Participants served, of which 586 were female heads of household*

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<sup>1</sup> Not all agencies reported the extent to which female heads of household were served.

- 1,889 participants received direct services including leadership training, meals, childcare, and legal services.
- 394 participants received community development initiative work, including job training, emergency and home repairs.

Promote Fair Housing Choices:

*175 households received fair housing investigations or legal representation services. Of this total, 13 were female heads of household.*

**BACKGROUND**

As an entitlement community, San José receives federal funding each year directly from HUD through a formula allocation. Administered by the City's Housing Department, the federal funds are vitally-needed to support several City initiatives and to help the Department meet its mission to strengthen and revitalize San José's communities through housing and neighborhood investments.

To qualify for these funds, HUD requires that the City complete the following three documents:

1. A Five-Year Consolidated Plan, which documents the City's housing needs and its strategies for meeting those needs during a five-year period. For FY 2020-2021, the City was in its first year of its 2020-2025 Five-Year Consolidated Plan.
2. An Annual Action Plan (Action Plan), which details the investment strategy in each of the five years within a Consolidated Plan cycle to meet identified priorities. The City Council first approved the FY 2020-2021 Action Plan on August 11, 2020. On September 22, 2020, the City Council approved a substantial amendment to the plan adding \$32 Million in newly allocated Emergency Solutions Grant funds allocated by HUD under the CARES Act. On March 23, 2021, City Council approved the last substantial amendment to the FY 2019-2020 and FY 2020-2021 Action Plans, which appropriated the last allocation of CARES funding and reallocated a number of formula programs to redirect funds to prevent, prepare for, and respond to the coronavirus.
3. A CAPER, which summarizes the City's progress in meeting the objectives of each respective Annual Plan. The draft FY 2020-2021 CAPER is available on the [Housing Department's website](#).

The first two Plans guide the funding priorities for San José's federal housing grant programs that are administered by the City's Housing Department and overseen by HUD. This CAPER measures progress against the Plans. Even with the ongoing challenges to administer the expanded federal funding in FY 2020-2021, the deadline for submission of the FY 2020-2021 CAPER was not extended as it was the previous year. The deadline for submission remains September 28, 2021. The Housing and Community Development Commission and the City Council's meetings provide opportunities for public input on the report as required by the City's

adopted Citizen Participation Plan and for the City Council to consider approval of the CAPER prior to its submission to HUD.

For FY 2020-2021, the City received a total allocation of \$14.5 million in federal formula funding from Community Development Block Grants, HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grant (ESG) programs. Additionally, through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, the City received an additional \$48.1 million in federal stimulus grants disbursed by HUD in FY 2020-2021 and allocated through the FY 2019-2020 Annual Action Plan. The CARES Act grants were based on the same formulas HUD uses to allocate annual federal housing grants and on formulas using COVID-related risk factors.

Major accomplishments achieved during the fiscal year are highlighted in the following sections. Each set of annual goals in the FY 2020-2021 Annual Action Plan are measured against progress toward the goals set in the five-year Consolidated Plan. This past year, roughly 75% of the expenditures and outcomes were driven by formula funding used for both COVID-19 and non-COVID-19 programs. With most of the CARES Act funding committed and under contract in late FY 2020-2021, the majority of these funds will be expended in FY 2021-2022. Each of the federal grants has specific requirements on how funds can be used to meet the goals/areas of need. The main objective of each program is described below.

Community Development Block Grant (CDBG): As the largest and most flexible of the four federal grants, CDBG funds are divided into three categories of uses. These include Public Services, Community Development Investment Activities, and Administration. Federal regulations typically only allow 15% of CDBG funds to be used for public services. However, due to COVID-19, HUD issued a waiver which eliminated the public service cap for formula funds in FY 2019-2020 and FY 2020-2021 to allow jurisdictions greater flexibility in addressing the pandemic. Over the course of the year, HUD issued additional waiver relief on CDBG and HOME funds, including the limits on subsistence payments to individuals who need help with rent, utilities, food, and other necessities. The Community Development Investment category is further delineated into non-construction and construction projects.

HOME Investment Partnerships Program (HOME): These funds must be used to provide affordable housing opportunities. As with CDBG funding, HUD issued waivers on the use of HOME funds for FY 2019-2020 and 2020-2021. This allowed agencies a broad range of flexibility in how they documented income and other requirements associated with client eligibility in the tenant based rental assistance programs.

Emergency Solutions Grant (ESG): These funds must be used for solutions to address homelessness.

Housing Opportunities for Persons with AIDS (HOPWA): The HOPWA grant must be used to fund agencies that provide housing and support services to low-income individuals living with HIV/AIDS.

**ANALYSIS**

While the information detailed above describes the number of individuals and households that benefited from projects supported with federal funds, the impact of these services on the lives of those receiving services is described on the following pages. The federal resources supporting these services help to leverage local funding and to increase the City's impact in addressing the needs of the community.

A summary of the total federal funding expenditures by goal and program is provided in **Table A** below. Many of the COVID response activities did not expend funds before the end of this reporting period, therefore, they will show in next fiscal year's report.

<b>Table A: FY 2020-2021 Federal Expenditures</b>						
<b>Goal</b>	<b>CDBG</b>	<b>HOME</b>	<b>ESG</b>	<b>HOPWA</b>	<b>CARES</b>	<b>TOTAL*</b>
Respond to Homelessness and its Impacts on the Community	\$1,986,534	\$0	\$388,307	\$0	\$6,204,799	\$8,579,640
Increase and Preserve Affordable Housing Opportunities	\$4,566,010	\$7,565,863	\$0	\$1,532,030	\$495,481	\$14,159,384
Strengthen and Stabilize Communities	\$2,566,212	\$0	\$0	\$0	\$0	\$2,566,212
Promoting Fair Housing Choices	\$217,153	\$105,516	\$0	\$0	\$0	\$322,669
Administration**	\$1,081,296	\$190,384	\$246,320	\$52,900	\$670,000	\$2,240,900
<b>TOTAL</b>	<b>\$10,417,205</b>	<b>\$7,861,763</b>	<b>\$634,627</b>	<b>\$1,584,930</b>	<b>\$7,370,280</b>	<b>\$27,868,805</b>

*\*Note: The total expenditure amounts may differ from the amounts reflected in the annual budget due to timing differences regarding the treatment of program commitments and encumbrances. Numbers may not add due to rounding.*

*\*\*Note: The HOME administrative funds include both administrative expenses for the Housing Department and the City's nonprofit Tenant Based Rental Assistance program administrator.*

**COVID-19 Response**

On January 30, 2020, the World Health Organization declared COVID-19 a Public Health Emergency of international concern, and the following day the United States Secretary of Health and Human Services declared a Public Health Emergency. On February 10, 2020, the Santa Clara County (County) announced a local health emergency due to the spread of the novel coronavirus. With continued spread across the state, Governor Gavin Newsom issued a Proclamation of a State of Emergency in California on March 4, 2020. Days later, on March 13, 2020 the President issued a Proclamation on Declaring a National Emergency Concerning COVID-19 beginning on March 1, 2020. On March 6, 2020, the Director of the Office of Emergency Services of the City of San José issued a Proclamation of Local Emergency, pursuant to his powers under Chapter 8.08 of the San José Municipal Code, finding that the existence and threat of COVID-19 in the community give rise to conditions of extreme peril to the safety and

health of persons within the City. On March 16, Santa Clara County issued a shelter-in-place order, providing that individuals could only leave their residence to perform essential activities. On the same day, the City's Emergency Operations Center (EOC) reached full operation. Nineteen months later, the nation is still battling COVID-19 and its variants. The impacts of this pandemic will continue to be felt by our community long after the pandemic has subsided; particularly by our most vulnerable residents.

The effects of COVID-19 and the local shelter-in-place led to residents and businesses facing numerous challenges and emergencies over the last 19 months. Since March 2020, the City has supported the continuity of essential City services (such as public safety) and provided emergency-related services.

In FY 2020-2021, the City administered assistance to 6,236 low-income residents between the four major priorities. Over 4,200 of the 6,136 residents received services directly related to the immediate impacts of COVID-19.

Despite the many challenges faced by the City's partners in conjunction with the pandemic in delivering both COVID and non-COVID related services, the majority of the agencies met their programmatic goals this past year. Specifically, 18 agencies met or exceeded their annual performance goals while 12 agencies narrowly missed their projected goals. The pandemic brought unprecedented challenges in service delivery for many of these agencies. These challenges included new service delivery models, logistic barriers, and unparalleled staffing challenges. Despite these challenges, these agencies collectively exceeded last year's performance goals in participants served and funding distributed to those in need.

### **Annual Progress on Priorities**

The following are summaries of each of the four priorities and outcomes from programs serving each of the four goals.

#### ***Respond to Homelessness and its Impacts on the Community***

The unprecedented harm that COVID-19 poses to people experiencing homelessness in San José demanded immediate actions, at a large scale, for our homeless residents. COVID-19 was a catalyst to immediately begin implementing a variety of strategies within the [Community Plan to End Homelessness](#). To address the public health crisis and the homelessness crisis, the Administration pursued an emergency response through three EOC Branches—one focused on meeting homeless housing needs, supportive services, and deep coordination with the County EOC, a second branch focused on emergency interim housing solutions that not only advanced State and County objectives to expand non-congregate shelter options (Emergency Interim Housing), but also responded to Council direction seeking to address the intersecting crises, and a third EOC branch focused on providing encampments trash service and large debris clean up. Working collaboratively with the Santa Clara County Office of Supportive Housing, the Housing Department expanded temporary housing and shelter capacity in response to public health orders. Over the last 18 months, over 790 motel/hotel rooms were reserved across eight cities in

the County (312 motel rooms are located in San José), over 385 temporary shelter beds were added across several sites including South Hall in downtown San José (Council District 3), Camden Community Center (Council District 9) and the County Fairgrounds (Council District 7), hours of operation were expanded at 10 shelters and safe parking sites, and bed capacity was used at existing Bridge Housing Communities, Plaza Hotel, and Casa de Novo. Since March 2020, over 8,300 individuals were placed in either congregate or non-congregate temporary shelters.

The City completed construction of three Emergency Interim Housing sites that added immediate capacity to serve populations at higher risk of severe illness if they contracted COVID-19, and which will add permanent interim housing capacity once the pandemic has receded. These three sites, located in Council Districts 2 and 6, add 321 beds to the overall system, and one of the sites specifically serves families with children.

In response to encampment abatement suspensions due to public health recommendations, City staff worked to provide increased hygiene supportive resources to improve sanitary conditions for those living in areas not meant for human habitation. This increase in resources included adding portable restrooms and hand-washing stations at large encampment locations throughout the City.

Additionally, per the expenditure plan of one-time ESG-CV federal stimulus funding approved by the City Council in June 2020, the Housing Department enhanced street-based supportive services starting in January 2021. A new program called Services Outreach Assistance and Resources (SOAR), focuses on 16 of the City's largest encampments and adds: comprehensive street-based services; hygiene and trash services; and housing and shelter opportunities for homeless encampment residents. The street-based services include: dedicated street outreach teams staffed by mental health clinicians; drug and alcohol counselors; and a storage program for encampment residents' personal belongings. SOAR has several housing and shelter opportunities including access to reserved shelter beds, motel vouchers and "housing problem solving," which is case management and financial assistance to help homeless identify immediate alternatives to shelter.

### Vulnerable Community Response

The impacts of COVID-19 in FY 2020-2021 were far reaching and the federal funds provided allowed the City to respond to a variety of community needs. The shelter-in-place orders instituted by the State of California and County of Santa Clara were felt by residents and businesses alike. Some impacts included job loss and inability to pay rent. Additionally, students were affected as schools turned to distance learning. The City responded by supporting local schools with access to the internet.

The outbreak of COVID-19 and its continued effects resulted in an increased number of individuals that required home-delivered meals and/or groceries. In response, the City Emergency Operations Center (EOC) set up, administered, and staffed a countywide free food

distribution program for children, adults, and senior citizens impacted by the COVID-19 emergency.

Since the start of the pandemic, the Housing Department has provided approximately \$39 million in rental assistance through partnerships with organizations including Destination: Home, Sacred Heart, Catholic Charities, Bill Wilson Center, YWCA, and Next Door Solutions to Domestic Violence. This includes programs funded under the Emergency Rental Assistance Program which is not administered by HUD and not included in this report.

Table B below, summarizes major outcomes of federally-funded projects responding to homelessness.

<b>Table B: Responding to Homelessness and its Impacts on the Community</b>				
<b>Projects</b>	<b>Agency</b>	<b>Unduplicated Individuals/ Households Served</b>	<b>Outcomes</b>	<b>Source</b>
Motel Voucher Program – (COVID-19)	<i>LifeMoves</i>	142 Households	The COVID MVP program served 142 households. This consists of 40 households without children and 102 family households with a total of 157 children under the age of 18, including a total of 94 female heads of household.	CDBG CVI, ESG CVII
Motel Stays for DV Survivors - COVID-19	<i>Next Door Solutions to DV</i>	35 Households	Average length of stay was 11 days. Almost all clients received risk assessment and safety planning, and all received a shelter stay. Of the 35 households assisted, 27 were female head of household, and 21 were households with children under 18 years old, with a total of 53 children being assisted.	CDBG
Emergency Interim Housing - Operations (COVID-19)	<i>HomeFirst</i>	231 Individuals	Still reporting outcomes	ESG CV
Emergency Interim Housing - Operations –	<i>PATH</i>	72 Individuals	16 households with children	ESG CV



<b>Table B: Responding to Homelessness and its Impacts on the Community</b>				
<b>Projects</b>	<b>Agency</b>	<b>Unduplicated Individuals/ Households Served</b>	<b>Outcomes</b>	<b>Source</b>
Family (COVID-19)				
Citywide Outreach for Unsheltered Populations	<i>HomeFirst</i>	781 Individuals	Project provided outreach engagement, case management and rapid response assistance. Of the total clients served, 303 were female heads of household.	CDBG
Citywide Outreach for Unsheltered Populations	<i>PATH</i>	377 Individuals	Still reporting outcomes	ESG
Homelessness Prevention	<i>Bill Wilson Center</i>	41 Individuals	Provided rental assistance and intensive case management. Of these, 4 were female heads of household. Ten families with children were served.	ESG
Emergency Shelter Operations	<i>HomeFirst</i>	862 Individuals	This agreement included operations benefitting 235 female heads of household.	CDBG
WISH Program	<i>YWCA</i>	124 Households	Still reporting outcomes	CDBG
SOAR	<i>PATH</i>	72 Individuals	Still reporting outcomes	ESG CV
SOAR	<i>HomeFirst</i>	192 Individuals	Still reporting outcomes	ESG CV

***Increase and Preserve Affordable Housing Opportunities***

With the majority of available funds being directed to prevent, prepare for, and respond to the coronavirus, most of the available HOME funds and a significant amount of HOPWA funds were focused this past year on funding Tenant-Based Rental Assistance (TBRA) programs, Emergency Solutions Grant-funded Homeless Prevention program, and rental assistance programs. This past year, 688 households received rental assistance, help with utility payments, and housing support services such as housing search through the TBRA or other rental assistance programs.

Table C below, summarizes the awarded agencies of federally-funded projects creating more housing opportunities. These agencies' outcomes are still being reported.

<b>Table C: Create and Preserve Affordable Housing</b>				
<b>Projects</b>	<b>Agency</b>	<b>Unduplicated Individuals/ Households Served</b>	<b>Outcomes</b>	<b>Source</b>
HOME TBRA COVID-19 for DV Survivors	Next Door Solutions to DV	35 Households	Still reporting outcomes	CDBG/HOME
Rental Assistance for Youth & Families (COVID-19)	Bill Wilson Center	57 Households	Still reporting outcomes	CDBG/HOME
HOME TBRA COVID-19	Sacred Heart	346 Households	Still reporting outcomes	CDBG/HOME
Rapid Re-housing/TBRA COVID-19	Catholic Charities	230 Households	Still reporting outcomes	HOME
Housing for Health	TBRA/PSH	69 Households	Still reporting outcomes	HOPWA
Housing for Health	The Health Trust	38 Households	Still reporting outcomes	HOPWA
Housing for Health	San Benito	13 Households	Still reporting outcomes	HOPWA

***Strengthen and Stabilize Communities***

Activities pertaining to the priority to Strengthen and Stabilize Communities were solely funded through CDBG in FY 2020-2021. This category provides funding for programs, services and projects that contribute to viable urban communities through decent housing, suitable living environments, and expanded economic opportunities. These objectives were addressed in conjunction with the funding priorities identified by the community. These fall into the following three categories: 1) Public Services; 2) Community Development Investment (CDI) Non-construction Projects; and 3) CDI Construction Projects.

### Public Services Projects

*Neighborhood Services:* Over the past several years, the City has funded two nonprofit agencies to provide leadership development training, basic needs services, and skill-building workshops for residents and future community leaders. While still providing these services, the agencies have expanded their work to include COVID-19 support services in their neighborhoods. One example is SOMOS Mayfair's efforts to provided 3,000 units of food distribution to the community, COVID-19 testing support (3,600 tests), support for 2,000 injections of a COVID-19 vaccine, and safety net services to 322 people. These emergency services were provided while still providing 67 units (502.5 hours) of leadership development training, 21 units (262.5 hours) of nonprofit/community leaders training, 19 units (285 hours) of child care owners and providers training.

*Senior Services:* The City provided CDBG funding for two services to support the needs of senior residents in San José. Last year, the City funded the Meals on Wheels Program and the Senior Access and Health Support Program. The two programs combined to serve over 26,600 meals, coordinated 459 assisted door-to-door transportation services, and provided 3,684 social visits and wellness checks. Together, the two programs served 198 low-income seniors in FY 2020-2021. While not counted as direct COVID-19 related services, these services were critical to helping prevent this vulnerable population from COVID exposure.

*Child Care Services:* In response to community needs related to COVID-19, the City funded a childcare program with FIRST 5 Santa Clara County to provide childcare subsidies to low income families impacted by COVID-19.

*Legal Services to Low-income Renters:* Additionally, the City funds a program that provides legal services for low-income tenants and landlords to assist the City in enforcing the Apartment Rent Ordinance and Tenant Protection Ordinance. The legal services program is operated by the San José Housing Rights Consortium, comprised of five different nonprofit agencies. The legal services consortium includes the Law Foundation of Silicon Valley, Bay Area Legal Aid, Project Sentinel, Senior Adult Legal Assistance, and Asian Law Alliance. Through this program over 1,150 households received services. 100% of clients represented by attorneys were able to stay in their housing or had additional time to bridge into new housing.

A summary of the obtained outcomes for addressing the goal of Strengthen and Stabilize Communities via public service projects is provided in Table D.

<b>Table D: Strengthen and Stabilize Communities – Public Services</b>				
<b>Projects</b>	<b>Agency</b>	<b>Unduplicated Individuals/ Households Served</b>	<b>Outcomes</b>	<b>Source</b>
Homegrown Talent	<i>SOMOS Mayfair</i>	436 individuals	The agency provided 3,000 units of food distribution to the community, COVID-19 testing support for 3600 tests, support for 2,000 injections of a COVID-19 vaccine, safety net services to 322 people, 67 units (502.5 hours) of leadership development training, 21 units (262.5 hours) of nonprofit/community leaders training, 19 units (285 hours) of child care owners and providers training, and 0 units of urban agriculture entrepreneurs training.	CDBG
Community Leadership Program	<i>SJSU Research Foundation</i>	72 individuals	This project hosted 27 outreach events, 325 (1-hour) training sessions for resident community leaders, and 60 community conversations.	CDBG
Meals on Wheels	<i>The Health Trust</i>	104 individuals	Project delivered 20,110 home meals, conducted 3580 social visits together with wellness checks to 104 unduplicated low-income seniors.	CDBG
Senior Access and Health Support	<i>POSSO</i>	94 Households	Project provided 459 one-way transportation trips and delivered 6585 of meals to 94 low-income seniors throughout the year.	CDBG
Child Care (COVID-19 Response)	<i>First Five</i>	31 Households	Enrollment: 35 children were enrolled in the program.	CDBG
Legal Services for Low-income households	<i>Law Foundation</i>	1,152 Individuals	The agency provided legal services to eligible clients. Goals were generally met with a few exceptions because the eviction moratorium reduced the demand for eviction-related legal services.	CDBG

### Community Development Investment (CDI) - Non-Construction Projects

*Minor Repair Program:* The City's Minor Repair Program funded two nonprofit agencies, Habitat for Humanity Silicon Valley and Rebuilding Together Silicon Valley. Despite the access limitations and other COVID-19 related barriers, these two agencies combined to exceed last year's performance by assisting 235 low-income San José residents with over 2,100 items of urgent, safety, and accessibility/mobility repairs to ensure safe and decent living environment. The key outcome of this program is 100% of all households have improved safety conditions in their home.

*Employment Development:* To respond to the disproportionately high unemployment numbers within the City's lower-income communities and the projected job needs post pandemic, the City solicited, through a Request for Proposal, agencies that can provide robust career training programs and develop partnerships with employers for job placements. At the end of FY 2019-2020, two nationally recognized agencies, the International Rescue Committee and Job Train, were selected to provide these services. In addition to employment development, these agencies provide a range of social service such as housing stability and connection to health care. While ramping up and recruiting, the two agencies trained and placed 18 participants into new, higher paying jobs (\$20+ per hour) this past year.

*Targeted Code Enforcement:* The City funded targeted Code Enforcement in Santee, Five Wounds/Brookwood Terrace, Roundtable, Hoffman/Via Monte, Foxdale, and Cadillac neighborhoods in FY 2020-2021. Within these areas, Code Enforcement performed enhanced multifamily services beyond those typically provided. The code enforcement efforts included 122 inspections and re-inspections, which resulted in 99 violations corrected.

As a result of the March 2020 shelter-in-place order issued by the County, staff worked remotely and followed up on outstanding cases. To comply with the Center for Disease Control's guidelines, staff developed an alternative process to inspect units for which a complaint had been filed. This included a new process of video/virtual inspections using a Zoom platform to continue the CDBG Enhanced Inspections through FY 2020-2021. There are three options to conduct the Enhanced Routine Inspections; 1) remote video/virtual inspection with the property owner/manager; 2) remote video/virtual inspection with the occupant; or 3) in-person inspection with the occupant or property owner/manager. For in-person inspections, Code Enforcement Inspectors wear appropriate personal protective equipment (PPE) and maintain social distancing protocols. As a result of these access limitations, Code Enforcement inspections were significantly down in FY 2020-2021.

A summary of the obtained outcomes for addressing the goal of Strengthen and Stabilize Communities via Community Development Investment (CDI) Non-Construction projects is provided in Table E.

<b>Table E: Strengthen and Stabilize Communities – CDI Non-Construction Projects</b>				
<b>Projects</b>	<b>Agency</b>	<b>Unduplicated Individuals/ Households Served</b>	<b>Outcomes</b>	<b>Source</b>
Rebuilding Minor and Limited Repairs Program	<i>Rebuilding Together Silicon Valley</i>	191 Households	The project provided 1501 units of minor repairs, and 101 units of limited repairs to 191 unduplicated property and benefitted 191 unduplicated households. Also provided 24 units of limited repairs such as replacement HVAC, and water heaters. Of the 191 residents served, 117 were female heads of household.	CDBG
Emergency Minor and Limited Repairs Program	<i>Habitat for Humanity</i>	44 Households	The project provided 161 units of minor repairs and provided 168 units of limited repairs such as replacement HVAC, and water heaters for 44 unduplicated low-income senior households.	
Work Experience Program	<i>Downtown Streets Team</i>	19 Jobs Created or Retained	The project is to transition currently homeless and recently housed individuals into employment. 2020-2021 was the last year of the DTS Program. Job Train and IRC have been selected to administer employment development services for the City	CDBG
Employment Development & Housing Stability (EDHS)	<i>Job Train</i>	9 Jobs Created or Retained	The project provides Rapid employment, career training, supportive services, case management, Job Placement, Job retention, employer partner recruitment	CDBG
Employment Development & Housing	<i>International Rescue Committee</i>	9 Jobs Created or Retained	The Employment Development & Housing Stability is to provide 30 unduplicated participants with	CDBG

<b>Table E: Strengthen and Stabilize Communities – CDI Non-Construction Projects</b>				
Stability (EDHS)			Employment development and housing stability. The ramp up had a slow start and is currently at about 70 percent service provided.	
Microenterprise Business Grant Program	<i>Opportunity Fund</i>	61 Grants to Microenterprises	Project provides grants to microenterprises with 5 or fewer total full-time equivalent employees impacted by the COVID-19 crisis to cover working capital and business re-startup needs.	CDBG
Enhanced Code Enforcement	<i>PBCE</i>	122 Inspections	Resulted in 99 violations	CDBG

Community Development Investment - Capital Improvement Projects

Capital improvement projects improve the infrastructure of low-income neighborhoods. Due to the complexity of planning, procurement, and construction, capital projects often span multiple fiscal years. Last year, a significant amount of staffing and fiscal resources was directed to COVID-19 related services. As a result, the City did not solicit for new capital projects in FY 2020-2021. One of the ongoing funding priorities for the City continues to be the expansion of community wireless networks within lower income neighborhoods in an effort to close the digital divide. The City also committed funding to a number of projects including street and infrastructure enhancements, nonprofit facility improvements, and public facility improvements, which are outlined in Table F.

<b>Table F: Community Development Investment (CDI) Projects</b>		
<b>Project</b>	<b>Description</b>	<b>Project Completion</b>
Evans Lane Road Hump installation	After several year of planning, the City’s Department of Transportation was able to complete a long-awaited project to increase pedestrian safety in the Canoes Garden Neighborhood on Evans Lane. This included CDBG funded road Humps at Evans Lane.	Completed
Community Wireless Infrastructure (COVID-19 response)	Developments of Community Wireless Network Infrastructure for two low income neighborhoods providing internet access and services to underserved students at Independence and Oak Grove High School’s in the East Side Union High School district (ESUHSD). The project will facilitate advancing academic achievement	For Phase I, a consultant was hired to design the network. The design work has been completed. Phase II bidding and construction

<b>Table F: Community Development Investment (CDI) Projects</b>		
<b>Project</b>	<b>Description</b>	<b>Project Completion</b>
	through internet-based learning technologies. This project will have two phases: Phase I for network design and Phase II for the Construction of the network.	will begin in September 2021.

**Promoting Fair Housing Choices**

The Fair Housing Act, which is enforced by HUD, prohibits discrimination when renting, buying, or securing financing for any housing. Federal protection covers discrimination because of race, color, national origin, religion, sex, disability, and the presence of children. Fair Housing covers most housing whether publicly or privately funded. As an entitlement city, San José must ensure that all programs are administered in a manner that affirmatively furthers the Fair Housing Act.

San José has funded the services of a nonprofit fair housing consortium comprised of four different nonprofit agencies to help fulfill the City’s Fair Housing requirements. The consortium includes the Law Foundation of Silicon Valley, Project Sentinel, Senior Adult Legal Assistance, and Asian Law Alliance. The Consortium offers a comprehensive and coordinated Fair Housing Program that includes discrimination complaint intake and investigation, enforcement and litigation services, and general fair housing education.

A summary of the obtained outcomes for addressing the goal of Promoting Fair Housing Choices is provided in Table G.

<b>Table G: Fair Housing Choices</b>				
<b>Projects</b>	<b>Agency</b>	<b>Unduplicated Individuals/ Households Served</b>	<b>Outcomes</b>	<b>Source</b>
Fair Housing Consortium	<i>Law Foundation</i>	175 Individuals	The goal of 40 fair housing investigations was met. On average, 97% of participants gained knowledge of their rights as tenants/landlords.	CDBG/HOME

**Overall Progress Toward the 5-Year Goals**

City staff and consultants began the development of the Five Year (2020-2025) Consolidated Plan in early 2019, prior to the start of the pandemic. While the plan was finalized at the height of the pandemic, a significant amount of the CARES funding had not yet been allocated to San



José and incorporated into the Consolidated plan or the corresponding Annual Actions Plans. Many of the 5-year performance goals will need to be adjusted to account for the shift in priorities to COVID-19 related programs and services. While several of the 5-year goals will fall short as a result of the shift in funding priorities, many others are still on target to meet or exceed the 5-year goals currently targeted in the 5-year Plan. Below are some of the key programs and services along with the two-year progress toward the overall 5-year goals in each of the four priorities:

***Responding to Homelessness and its Impacts on the Community*** – While a significant amount of the City’s homelessness response is funded through State and local funds, the City dedicates a large portion of its federal formula funding towards homeless programs and services. The principle priorities of these programs and services include street outreach, prevention, and shelter.

<b>Responding to Homelessness and its Impacts on the Community – Progress toward 5-year goal</b>			
Priority	5-year goal	Year-1 Progress	Percent Achieved
Street Outreach	3,350 individuals	1,422 individuals	42%
Sheltered	300 individuals	1,342 individuals	447%
Prevention	150 households	41 households	27%

As a result of COVID-19 and the shelter in place orders, funding shelter became a high priority and significant focus of the CARES funding resulting in exceeding the five-year goal.

***Create and Preserve Affordable Housing*** – the primary funding priorities include new affordable development and Tenant Based Rental Assistance (TBRA). As a result of the pandemic, TBRA has become a high priority to ensure lower-income residents impacted by COVID-19 were able to remain in their homes. Although no new HOME funded affordable units were completed over the past two years, several developments are in the queue.

<b>Create and Preserve Affordable Housing – Progress toward 5-year goal</b>			
Priority	5-year goal	Year-1 Progress	Percent Achieved
Rental Development	250 new units	0 new units	0%
TBRA/Rental Assistance	405 households	788 households	195%

***Strengthen and Stabilize Communities***- the broadest of the four priorities, Strengthen and Stabilize Communities includes a range of public services such as legal services, childcare, senior services, meals programs, and community engagement/leadership training. This priority also includes non-construction CDI (community development initiatives) such as homeowner minor repair programs, enhanced code enforcement, and employment development.

<b>Strengthen and Stabilize Communities – Progress toward 5-year goal</b>			
Priority	5-year goal	Year-1 Progress	Percent Achieved
Public Services	4,200 individuals	1,189 individuals	28%
Minor repairs	1,442 households	235 households	16%
Enhanced Code Enforcement	2,235 inspections	122 inspections	5%
Employment Development	200 jobs	37 jobs	19%

Code inspections were limited due to COVID-19 shelter in place restrictions. Two new service agencies were selected through a Request for Proposal in late FY 2020-2021 to provide employment services including job/career training, job placement, and supportive services, these contracts will have more results next fiscal year.

**Promote Fair Housing Choices** - The primary purpose of the San José Fair Housing Legal and Education Services Collaborative Project is to build inclusive sustainable communities free from discrimination through complaint-based investigation, systematic testing, and legal representation designed to help victims of housing discrimination to access or maintain the housing of their choice.

<b>Promote Fair Housing – Progress toward 5-year goal</b>			
Priority	5-year goal	Year-1 Progress	Percent Achieved
Fair Housing Legal Services	750 individuals	175 individuals	23%

***Administration***

Finally, for each federal funding source, the City funds administrative activities within federally-regulated limits. Staff activities funded with administrative funds include planning, grant management, monitoring, reporting, legal services, and environmental review. The City expended \$2,240,900 in federal funding in FY 2020-2021 to administer the four federal formula programs as well as the one-time CARES funding allocated by HUD. The breakdown by source is in Table A.

**Beneficiary Demographics**

The City is dedicated to ensuring the needs of the community are met and that those with the greatest need are provided with access and opportunity. As a major funder within the City, the Housing Department is dedicated to ensuring that resources are tracked and thoughtfully administered with respect to the race and ethnicity of beneficiaries.

***Assistance provided by Race and Ethnicity***

For the HUD-funded activities in which the City’s grantees reported race and ethnicity of clients served, Table H provides the overall race and ethnicity distribution in FY 2020-2021:

<b>Table H: Overall Race and Ethnicity Data</b>		
<b>Race/Ethnicity</b>	<b>Race</b>	<b>Ethnicity (Hispanic/Latina/o)</b>
White	3,126	371
Black/African American	628	35
Asian	609	41
American Indian/Alaska Native	341	43
Native Hawaiian/Pacific Islander	77	8
American Indian/Alaska Native and White	23	5
Asian and White	17	2
Black or African American and White	11	1
American Indian or Alaskan Native AND Black	16	2
Other	1388	116
<b>Total</b>	<b>6,236</b>	<b>624</b>

***Women and Children***

In addition, over 1,400 female-headed households were served with a variety of services, from fair housing to rental assistance to shelter. As data continues to be finalized, this number will increase. Female-headed households is a subpopulation that HUD asks grant recipients to identify, as they have a greater likelihood of experiencing housing barriers.

Finally, almost 662 households with children under the age of 18 received services, with nearly 812 children benefiting directly or indirectly from the services as well.

***Income Data***

<b>Income Level</b>	<b>Program Participants</b>
Extremely Low-income	5,160
Very Low-income	436
Low-income	611
Non-Low-income (ineligible)	29
<b>Total</b>	<b>6,236</b>

**CONCLUSION**

Acceptance of the Consolidated Annual Performance and Evaluation Report (CAPER) will ensure compliance with HUD’s reporting requirements and will enable the City to continue qualifying for much-needed federal funds for housing and community development programs.

## **EVALUATION AND FOLLOW-UP**

Upon City Council approval, staff will submit the CAPER to HUD by the September 28, 2021 due date. The draft and final CAPER documents will be posted on the [Housing Department's website](#).

## **CLIMATE SMART SAN JOSE**

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

## **PUBLIC OUTREACH**

Per the City's Citizen Participation Plan and in accordance with federal regulations, the CAPER must be made available to the public for a 15-day review and comment period. Additionally, the City must hold at least two public hearings in person or virtually to provide the public an opportunity to provide feedback on the accomplishments enumerated in the CAPER.

The City published the CAPER for public review and comment on September 6, 2021. The City is accepting public comments for 16 days until September 21, 2021. The following public hearings were/will be held for public input:

- Housing and Community Development Commission meeting on September 9, 2021
- City Council meeting on September 21, 2021.

To meet the federal requirements, the Housing Department sent an e-blast to inform the public of the CAPER's scheduled public hearings directed to approximately 1,500 email recipients and posted notifications of the public meeting on social media. The public notices contained translations in four additional languages (Spanish, Vietnamese, Chinese and Tagalog), per the City's Language Access Plan,<sup>2</sup> of how recipients can get more information. The City will also post a notice in local newspapers circulated at least daily.

A public notice regarding the aforementioned public review and comment period was published in five languages on September 13, 2021. The newspapers that carried the notices were the *San José Mercury News*, *San Jose Post Record*, *El Observador*, *Vietnam Daily News*, *The World Journal* (Chinese), and the *Philippine News*.

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<sup>2</sup> City of San José's Language Access Plan, <https://www.sanjoseca.gov/your-government/departments/housing/memos-reports-plans/hud-reports>.

## **COORDINATION**

The preparation of this memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

## **COMMISSION RECOMMENDATION/INPUT**

Housing Department staff will present the draft CAPER to the Housing and Community Development Commission on September 9, 2021. Because the CAPER is being presented to the Commission concurrently with the required submittal date for this memorandum, a supplemental memorandum documenting any comments received at the HCDC meeting will be provided to City Council prior to the September 21, 2021 meeting.

## **COST SUMMARY/IMPLICATIONS**

Without an approved CAPER, the City of San José will not qualify for future HUD funding including CDBG, HOME, HOPWA, and ESG programs that are essential for supporting vital housing and community development investments.

## **CEQA**

Not a Project, PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/

JACKY MORALES-FERRAND  
Director of Housing

For questions, please contact Jacky Morales-Ferrand, Director of Housing, at (408) 535-3855.