

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Erik L. Soliván

SUBJECT: See Below

DATE: September 3, 2024

Approved



Date:

9/5/24

COUNCIL DISTRICT: Citywide

SUBJECT: Fiscal Year 2023-2024 Consolidated Annual Performance and Evaluation Report

RECOMMENDATION

- (a) Hold a public hearing to allow for public comment on the Fiscal Year 2023-2024 Consolidated Annual Performance and Evaluation Report.
- (b) Accept the report on the progress towards achieving the housing and community development goals identified in the City's Fiscal Year 2020-2025 Five-Year Consolidated Plan and the Fiscal Year 2023-2024 Annual Action Plan regarding the use of federal funds from the United States Department of Housing and Urban Development for submittal to the United States Department of Housing and Urban Development by the September 30, 2024 deadline.

SUMMARY AND OUTCOME

This memorandum summarizes the accomplishments outlined in the Fiscal Year (FY) 2023-2024 Consolidated Action Plan Evaluation Report (CAPER), describing the progress toward achieving the housing and community development goals identified in the City's FY 2020-2025 Five-Year Consolidated Plan and the FY 2023-2024 Annual Action Plan¹.

The City leveraged its FY 2023-2024 federal funding allocations with other funding sources to provide vital resources for activities identified as the areas of greatest need

¹The Annual Action Plan governs the expenditure of federal entitlement funds and competitive grants that the City receives from the United States Department of Housing and Urban Development.

in the FY 2020-2025 Five-Year Consolidated Plan. These needs focus on four overarching goals that inform the spending priorities in the FY 2020-2025 Five-Year Consolidated Plan. These goals are outlined below.

Spending Priority #1 – Respond to Homelessness and Its Impact on the Community: Increase housing opportunities and self-sufficiency for homeless populations and assist in the prevention of homelessness for at-risk individuals and families.

Spending Priority #2 – Increase and Preserve Affordable Housing: Create new affordable housing opportunities and preserve existing affordable housing.

Spending Priority #3 – Strengthen and Stabilize Communities: Strengthen and stabilize communities' conditions and help improve residents' ability to increase their employment prospects and grow their assets.

Spending Priority #4 – Promote Fair Housing Choices: Promote fair housing laws and lower barriers to access housing.

The City expended \$9,423,463 in federal funds for annual activities during FY 2023-2024, whereas the federal expenditures during FY 2022-2023 totaled \$23,000,000. The reduction in federal expenditures during FY 2023-2024 was primarily due to the reduced availability of rollover federal funds from the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, specifically, the Emergency Solutions Grant-Coronavirus (ESG-CV) and Community Development Block Grant-Coronavirus funds (CDBG-CV) and the conclusion of COVID-19 food distribution program funding.

BACKGROUND

CAPER Compliance

Approval of the FY 2023-2024 CAPER ensures compliance with the United States Housing and Urban Development (HUD) reporting requirements and enables the City to continue qualifying for critically needed federal funds that support various housing and community development programs and services.

The accomplishments in the FY 2023-2024 CAPER reflect the outcomes specified in grant agreements with contracted service providers and the results of community development projects, including nonprofit facility improvements, and capital projects undertaken by City departments. This memorandum summarizes accomplishments funded by federal funds. Activities funded by local or state funds are not included. As such, accomplishments in this memorandum reflect only a portion of the Housing Department's annual achievements.

HUD Formula Allocation for Federal Funding

All entitlement jurisdictions, such as the City of San José, receive federal funding from HUD annually through a formula allocation. The federal funds, administered by the City's Housing Department, support several City initiatives and help the Housing Department advance its mission to strengthen and revitalize San José's communities through housing and neighborhood investments.

Required Documents

To qualify for these federal funds, HUD requires the City to complete the three documents identified below.

- 1) A ***Consolidated Plan*** that documents the City's housing needs and its strategies for meeting those needs during a five-year period².
- 2) An ***Annual Action Plan*** that details the investment strategy in each of the five years within a consolidated plan cycle to meet identified priorities and objectives³.
- 3) A ***Consolidated Annual Performance and Evaluation Report*** that summarizes the City's progress in meeting the objectives of each respective annual action plan⁴.

ANALYSIS

HUD Federal Funding Achievements

HUD's federal funds enabled the following achievements as part of the City's identified spending priorities outlined in the FY 2023-2024 Annual Action Plan. Below lists the four spending priorities and funds spent on those and the Administration category.

Spending Priority #1 – Respond to Homelessness and its Impact on the Community: To address homelessness, targeted outreach efforts provided case management and essential support services to 684 households and individuals. These efforts provided critical assistance to those in need and strengthened the capacity of service providers in San José. Federal funds were also used to support the usage of the County of Santa Clara's Homeless Management Information System (HMIS). This funding support enabled 400 users, (i.e., City staff as well as non-profit partner staff

²For FY 2023-2024, the City was in the fourth year of its FY 2020-2025 Five-Year Consolidated Plan cycle.

³The Annual Action Plan for FY 2023-2024 was approved by City Council on April 25, 2023. | Web Link: <https://records.sanjoseca.gov/Resolutions/RES2023-125.pdf>.

⁴The draft FY 2023-2024 CAPER is available on the Housing Department's website. | Web Link: <https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/hud-reports>.

members) to track and manage data in a centralized database system to ensure homeless services efficiently meet the needs of the unhoused community.

Spending Priority #2 – Increase and Preserve Affordable Housing: Affordable housing, rental assistance, and supportive services were delivered to 82 low-income households affected by Human Immunodeficiency Virus (HIV) and Acquired Immunodeficiency Syndrome (AIDS) ensuring stable living conditions and comprehensive supportive services.

Spending Priority #3 – Strengthen and Stabilize Communities: A range of services, including safety net programs, leadership development workshops, immigrant education sessions, senior transportation services, and legal assistance were delivered to 1,869 individuals, contributing to strengthening and stabilizing the community. Additionally, community development investments programs were administered to improve and preserve affordable housing units for San José residents. These programs provided 148 households with critical home repair services.

Spending Priority #4 – Promote Fair Housing Choices: Fair housing investigation and legal representation services were provided to 145 households. Specifically, 24 households received fair housing investigation services, 42 received legal representation, and 142 were assisted with brief legal services. Additionally, 35 education and outreach presentations were conducted to raise awareness and promote fair housing practices.

The information outlined in these four spending priorities highlights the impact of federal funding in addressing the needs of San José community. These federal resources support numerous individuals and households and enhance the City's efforts by leveraging local funding sources. Furthermore, this use of federal funds has significantly strengthened the City's capacity to tackle critical community issues, reduce homelessness, and enhance the overall quality of life for all residents.

Administration: Although the Administration category is not a spending priority in the FY 2023-2024 Annual Action Plan, it is a spending category necessary for staff to administer, monitor, and manage the federal funding allocation awards to grantees. During FY 2023-2024, \$1,692,155 was expended in the Administration category.

FY 2023-2024 Federal Entitlement Fund Allocation

During FY 2023-2024, the City received a total allocation of \$14,271,534 in federal funding from the following sources⁵:

⁵This list of four federal entitlement funds includes funding programs that received new funding allocations for FY 2023-2024. As such, CDBG-CV and ESG-CV entitlements funds are not listed because the City did not receive any new CDBG-CV or ESG-CV allocations for FY 2023-2024; any reference to CDBG-CV or ESG-CV funding allocations in this memorandum are rollover funds from FY 2022-2023

- Community Development Block Grant (CDBG);
- HOME Investment Partnerships Program (HOME);
- Emergency Solutions Grants (ESG), and
- Housing Opportunities for Persons with AIDS Program (HOPWA).

The City expended \$9,423,463 of the total allocated federal funds. The remaining balance of FY 2023-2024 federal funds will be used for priority City projects and programs. The Housing Department is working with internal department partners to identify City construction projects to expend the CDBG balance and intends to expend the balance of HOME funds for the Housing Department's Tenant-Based Rental Assistance Program.

Table 1 below details how these federal funds were utilized during FY 2023-2024 in alignment with the City's four spending priorities outlined in the FY 2023-2024 Annual Action Plan.

Table 1: FY 2023-2024 Federal Expenditures for Community Development and Housing Initiatives						
Spending Priority #1 – Respond to Homelessness and its Impacts on the Community						
CDBG	HOME	ESG	HOPWA	CDBG-CV*	ESG-CV*	TOTAL**
\$400,000	-	\$581,047	-	-	\$1,112,706	\$2,093,753
Spending Priority #2 – Increase and Preserve Affordable Housing						
CDBG	HOME	ESG	HOPWA	CDBG-CV*	ESG-CV*	TOTAL**
-	-	-	\$1,624,348	-	-	\$1,624,348
Spending Priority #3 – Strengthen and Stabilize Communities						
CDBG	HOME	ESG	HOPWA	CDBG-CV*	ESG-CV*	TOTAL*
\$3,677,706	-	-	-	\$47,470	-	\$3,725,176
Spending Priority #4 – Promote Fair Housing Choices						
CDBG	HOME	ESG	HOPWA	CDBG-CV*	ESG-CV*	TOTAL**
\$26,202	\$261,829	-	-	-	-	\$288,031
Administration⁶						
CDBG	HOME	ESG	HOPWA	CDBG-CV*	ESG-CV*	TOTAL**
\$1,240,804	\$137,549	\$94,395	\$120,551	\$98,856	-	\$1,692,155
TOTAL EXPENDITURES						\$9,423,463

*The City did not receive any new CDBG-CV or ESG-CV allocations for FY 2023-2024. The amounts reflected in Table 1 are rolled over from FY 2022-2023.

⁶Administration of the federal fund allocation is not considered a spending priority in the FY 2023-2024 Annual Action Plan; however, it is included in Table 1 (and elsewhere in this memorandum) to display the amount of funds allocated for staffing resources to administer, monitor, and manage federal funding allocation awards to grantees.

***The total expenditure amounts may differ from the amounts reflected in the City's approved budget due to timing differences in program expenditures reflected in HUD's Integrated Disbursement and Information System.*

Annual Progress on Spending Priority Outcomes

The following summaries of the four spending priorities highlight outcomes of the programs and services supporting each spending priority.

Spending Priority #1 – Respond to Homelessness and its Impacts on the Community

The federally funded programs highlighted in Spending Priority #1 provide critical infrastructure to address homelessness and its impact on the community, which allow the City to meet immediate needs of residents while also laying the foundation to invest in longer-range solutions. However, these federally funded programs represent only a portion of the City's broader efforts. The City's various initiatives also include several state and locally funded programs and services, which further strengthens the City's ability to support individuals and families experiencing homelessness. **Table 2** represents a data sample of the federally funded programs that responded to homelessness in FY 2023-2024 and highlights program outcomes⁷.

Table 2: Responding to Homelessness and its Impact on the Community				
Program/ Service/ Project	Agency	Amount/ Funding Source	Projected Number Served	Outcome
Citywide Outreach for Unsheltered Populations	HomeFirst Services of Santa Clara County	\$445,842 ESG \$400,000 CDBG	600 Individuals	684 individuals received individualized support through street outreach interactions and 198 of those individuals exited to permanent or temporary housing placements.
HMIS	County of Santa Clara	\$200,000 ESG	400 Users	HMIS access for 400 users to maintain standardized data collection, coordination, and analysis in a centralized database system.

⁷The Service, Outreach, Assistance, and Resources program, commonly referred to as the SOAR program, provided outreach services through two service providers PATH and HomeFirst of Santa Clara County, to the City's largest homeless encampments. The PATH SOAR program served 26 households with \$171,000 in ESG-CV2 funding and the HomeFirst SOAR program served 607 individuals with \$2,150,000 in ESG-CV2 funding. Although the SOAR program has ended, similar outreach services will now be conducted through the Targeted Outreach and Engagement Program, also carried out by the same service providers.

Citywide Outreach for Unsheltered Populations – HomeFirst Services of Santa Clara County

The Citywide Outreach for Unsheltered Populations program⁸ aimed to respond to individuals experiencing homelessness by offering street-based case management and connecting them to basic needs services, including providing referrals to shelter and housing. HomeFirst Services of Santa Clara County's projected target was to engage 600 individuals through its street outreach services. HomeFirst Services of Santa Clara County exceeded its target goal and served 684 individuals, successfully housing⁹ 198 individuals or 29% of those participants. This surpassed the contract goal of housing 20% of participants with placements.

HMIS – County of Santa Clara

HMIS is a secure web-based data warehousing system that serves as the primary client data collection and management tool in Santa Clara County. Funding for HMIS is used for software licensing, user training, data quality monitoring, reporting, performing regular maintenance, and installing upgrades as necessary to ensure optimal performance of the information system. This information system is crucial to measuring outcomes and ensuring data is collected and reported accurately. A total of 400 users, including City of San José employees and non-profit partner staff members, throughout San José obtained or maintained access to HMIS as a result of the FY 2023-2024 federal funding allocation.

Spending Priority #2 – Increase and Preserve Affordable Housing

The Housing Department did not allocate any HOME funds for its Tenant-Based Rental Assistance program during FY 2023-2024. HOME funds will be used in future tenant-based rental assistance programs.

The Housing Department's Housing for Health Program utilized HOPWA funds for affordable housing opportunities. **Table 3** represents a data sample of the number of individuals with HIV/AIDS who received supportive housing services in FY 2023-2024 as a result of the FY 2023-2024 federal funding allocation¹⁰.

⁸The Citywide Outreach for Unsheltered Populations program was designed as a reactive program model based on complaints and community-driven reports.

⁹Housing placements included permanent and temporary housing, foster care, or long-term care.

¹⁰As the nearest metropolitan statistical area qualified to receive and administer HOPWA entitlement funds, the City administers HOPWA grant funding for San Benito County. The San Benito County HOPWA program served three households with \$150,000 in HOPWA funding.

Table 3: Increase and Preserve Affordable Housing				
Program/ Service/ Project	Agency	Amount/ Funding Source	Projected Number Served	Outcomes
Housing for Health	The Health Trust	\$1,521,873 HOPWA	79 Households	84 households with HIV/AIDS remained stably housed and received supportive health services.

Housing for Health – The Health Trust

The Housing for Health program, managed by The Health Trust, addresses the urgent housing needs of low-income individuals living with HIV/AIDS and their families. The program also supports the housing needs of low-income individuals living with HIV/AIDS who have experienced domestic violence, dating violence, or sexual violence. Key program activities include tenant-based rental assistance, permanent housing placements, supportive services, housing information services, and assistance identifying resources. The Health Trust exceeded its target goal of serving 79 households and provided support to 84 households, of which 82 received tenant-based rental assistance to maintain stable housing. Nearly 100% of program participants developed a documented plan with their case manager to secure or sustain permanent housing. This surpassed the contract goal of 80% of program participants with a documented plan.

Spending Priority #3 – Strengthen and Stabilize Communities

Activities pertaining to the Strengthen and Stabilize Communities Spending Priority were entirely funded through CDBG. This Spending Priority provides funding for programs, services, and projects that contribute to key objectives that advance the Spending Priority's strategy. For example, promoting viable urban communities through decent housing, suitable living environments, and expanded economic opportunities.

These objectives are sub-grouped into three categories:

- 1) Public Services;
- 2) Community Development Investment Non-Construction Projects; and
- 3) Community Development Investment Construction Projects.

Public Services

Table 4 represents a data sample of the number of individuals served through public service programs during FY 2023-2024 aimed at strengthening and stabilizing the community.

Table 4: Strengthen and Stabilize Communities – Public Services Category				
Program/ Service/ Project	Agency	Amount/ Funding Source	Projected Number Served	Outcomes
Meals on Wheels	The Health Trust	\$300,000 CDBG	150 Individuals	244 seniors received nourishing meals and in-person health check-ins.
Senior Access and Health Support	Portuguese Organization for Social Services and Opportunities	\$152,530 CDBG \$47,470 CDBG-CV	160 Individuals	194 seniors received nourishing meals and door-to-door transportation services.
Eastside Neighborhood Development Program	SOMOS Mayfair Inc.	\$150,000 CDBG	188 Individuals	188 individuals participated in leadership training, education programs, or received basic needs supportive services.
Neighborhood Engagement Program	Vietnamese Voluntary Foundation	\$50,000 CDBG	100 Individuals	155 individuals participated in educational classes and/or received case management services.
San José Legal Services – Housing Rights Consortium	Law Foundation of Silicon Valley	\$200,000 CDBG	1,440 Individuals*	1,088 individuals received referrals over the phone for legal assistance to increase their housing stability.

**The initial contract goal for the Law Foundation of Silicon Valley in the FY 2023-2024 Annual Action Plan was to serve 720 unduplicated individuals through the San José Legal Services – Housing Rights Consortium program. However, following an amendment to the grant agreement with the Law Foundation of Silicon Valley, which included additional funding, the contract goal was increased from 720 to 1,400 unduplicated individuals.*

Meals on Wheels – The Health Trust

The Meals on Wheels program managed by The Health Trust addresses the challenges of senior isolation and nutrition by delivering daily hot meals, providing personal connections, conducting wellness checks, and offering resources to low-income and homebound seniors in San José who are unable to access services outside their homes. The program serves eligible participants who are low to moderate-income seniors aged 65 and older, representing a diverse range of backgrounds, including those from protected categories such as race, sex, color, religion, gender identity (actual or perceived), sexual orientation, disability, ethnic or national origin, and familial status.

The Health Trust's projected goal was to engage 150 individuals with services and exceeded this goal by serving 244 individuals. While The Health Trust aimed to provide 37,500 meals, it narrowly missed the target, delivering 36,578 meals, due to an increase in meal prices. Moreover, The Health Trust surpassed its wellness check goal by completing 5,397 in-person health check-in visits for its program participants, exceeding the target of serving 5,360 seniors. This program has proven to be an essential resource for the senior community in San José, offering vital nutritional support and regular wellness monitoring.

Senior Access and Health Support – Portuguese Organization for Social Services and Opportunities

The Portuguese Organization for Social Services and Opportunities provides culturally and linguistically accessible programs to low-income seniors and supports door-to-door transportation services for seniors from their homes to the Portuguese Community Center to participate in daily activities, including senior nutrition and health support services and other supportive services geared toward the senior community. Seniors who participate in these programs report feeling less isolated and more empowered to do things on their own. Transportation is also provided for seniors to and from their appointments. Additionally, program funding supports the preparation and delivery of hot meals for home-bound seniors. The projected goal was to provide 9,800 home-delivered meals. The Portuguese Organization for Social Services and Opportunities exceeded this goal by delivering 11,289 meals. Additionally, it surpassed its transportation goal by serving 759 seniors, exceeding the targeted goal of serving 680 seniors.

Eastside Neighborhood Development Program – SOMOS Mayfair Inc.

The Eastside Neighborhood Development program is operated by the Sí Se Puede Collective, a group of non-profits dedicated to uplifting East San José. This group includes SOMOS Mayfair Inc., the School of Arts and Culture at the Mexican Heritage Plaza, Grail, Veggielution, and Amigos de Guadalupe. The Sí Se Puede Collective focuses on community engagement and empowerment through resident-centered leadership development training and providing essential supportive services, such as case management, financial literacy training, immigration support, arts education programs for youth, and workforce training and education programs. Through comprehensive programming, the Eastside Neighborhood Development Program met its target of serving 188 households.

Neighborhood Engagement Program – Vietnamese Voluntary Foundation

The Neighborhood Engagement Program helps increase knowledge and skills for economic improvement through classes, such as English as a second language, digital literacy, citizenship exam preparation, and cultural and language classes. Additionally, the Vietnamese Voluntary Foundation provides case management to individuals, helping them fill out applications for CalFresh, a public assistance food allowance program, the Department of Motor Vehicles; housing rental applications; and more. While the Vietnamese Voluntary Foundation places an emphasis on helping the Vietnamese community, its services are open to anyone in need regardless of their ethnic background.

A total of 155 program participants were served with about 300 hours of case management services provided and a great deal of engagement in its English as a second language, computer, and citizenship classes. The Vietnamese Voluntary Foundation far exceeded its targeted goal of serving 100 program participants and providing 160 hours of case management services.

San José Legal Services – Housing Rights Consortium – Law Foundation of Silicon Valley

The Law Foundation of Silicon Valley, through a consortium of agencies, collectively referred to as the San José Legal Services – Housing Rights Consortium, provides legal services to eligible tenants and housing providers by assisting the City with enforcement of the City's Apartment Rent Ordinance and Tenant Protection Ordinance, and the protection of rights thereunder, in an effort to preserve affordable housing. The San José Legal Services – Housing Rights Consortium program provides a hotline for tenants and housing providers, education, referrals, and legal assistance.

Bay Area Legal Aid and Project Sentinel, both members of the San José Legal Services – Housing Rights Consortium, exceeded the legal counseling hotline projected joint goal of serving 648 callers by responding to 683 calls, of which, 109 program participants received a brief legal consultation and legal representation for eviction proceedings. Furthermore, 28 administrative hearings were provided.

Community Development Investments Non-Construction Projects

Table 5 represents a data sample of the number of individuals served through community development investments non-construction projects during FY 2023-2024 aimed at strengthening and stabilizing the community.

Table 5: Strengthen and Stabilize Communities – Community Development Investments Non-Construction Projects Category				
Program/ Service/Project	Agency	Amount/ Funding Source	Projected Number Served	Outcomes
Minor Home Repair	Rebuilding Together Silicon Valley	\$1,150,000 CDBG	96 Households	119 households received critical home repair services and remained stably housed.
Emergency, Minor, and Limited Home Repair Services	Habitat for Humanity	\$500,000 CDBG	31 Households	29 households received critical home repair services and remained stably housed.
Enhanced Code Enforcement	Planning, Building, and Code Enforcement	\$1,260,174 CDBG	400 Housing Units Inspected	664 housing units were inspected for compliance with housing and blight codes, preventing the deterioration of neighborhoods.

Minor Home Repair – Rebuilding Together Silicon Valley

Rebuilding Together Silicon Valley operates the Minor Home Repair program, which addresses the health and safety needs of low-income homeowners in San José. The program focuses on urgent and critical repair or maintenance needs, accessibility and mobility improvements within the home, and larger replacement needs, such as installing new roofs and providing plumbing services such as repairs. The program's projected goal was to serve 96 households with repair services. Rebuilding Together Silicon Valley exceeded this goal by serving 119 households. In total, it completed 661 minor repairs, surpassing the target of completing 300 minor repairs. While Rebuilding Together Silicon Valley aimed to complete 83 limited rehabilitation repairs, it narrowly missed this goal, providing 72 rehabilitation repairs, due to a decreased need from homeowners.

Emergency, Minor, and Limited Home Repair Services – Habitat for Humanity

Habitat for Humanity operates the Emergency, Minor, and Limited Home Repair Services program that helps preserve decent and affordable homeownership by restoring suitable living environments in a cost-effective manner. The program repairs housing units to address the health and safety needs of low-income homeowners in San José. While Habitat for Humanity aimed to serve 31 households with urgent repairs, maintenance, and accessibility improvements needs within the home, it narrowly missed this goal, serving 29 households, due to higher than anticipated project costs. The two

remaining projects (to meet the 31 households projected goal) were postponed to FY 2024-2025 to stay within the FY 2023-2024 budget.

Enhanced Code Enforcement – Planning, Building, and Code Enforcement Department

The City used CDBG funding to provide enhanced code enforcement services¹¹ in six communities. This federal funding allocation to the Planning, Building, and Code Enforcement Department supplemented funding for the Code Enforcement Division to provide enhanced code enforcement services for multifamily housing properties in the Santee, Five Wounds/Brookwood Terrace, Roundtable, Hoffman/Via Monte, Foxdale, and Cadillac neighborhoods.

These enforcement efforts included 664 housing inspections and re-inspections. The Code Enforcement Division's outputs reflect an understaffed division, with only two of four budgeted Code Enforcement Inspectors employed during the FY 2023-2024 reporting period.

Community Development Investments Construction Projects

Table 6 represents an update of community development investments construction projects, funded during FY 2023-2024, aimed at strengthening and stabilizing the community.

¹¹Enhanced code enforcement services include housing inspections which occur more frequently than the typical multifamily housing inspection cycle provided in the broader community.

Table 6: Strengthen and Stabilize Communities – Community Development Investments Construction Projects Category				
Program/ Service/ Project	Agency	Amount/ Funding Source	Project Goal	Project Status
Fair Swim Center and Tot Lot Playground	City of San José Public Works Department and Parks, Recreation, and Neighborhood Services Department	\$134,851 CDBG	Enhance the Fair Swim Center and renovate the swim center's tot lot playground.	In Process – active until 2026
Blossom Valley Family Center	Catholic Charities of Santa Clara County	\$3,088,808 CDBG	Construct a multiservice family center.	In Process – active until December 2024
Hoffman Via Monte Safety Lighting	City of San José Public Works Department	\$921,126 CDBG	Provide lighting and signage to enhance visibility and safety.	In Process – active until 2026

Fair Swim Center and Tot Lot Playground – City Departments: Public Works and Parks, Recreation, and Neighborhood Services

This project aims to enhance the Fair Swim Center and renovate the swim center's Tot Lot playground, benefiting East San José residents with improved facilities and enrichment activities. The scope of work for this project includes comprehensive renovations for both the Fair Swim Center building and the swim center's Tot Lot playground. The objective of the site improvements is to create a recreational hub that fosters a safe, welcoming, and dynamic environment for the community.

Building Improvements to the Fair Swim Center: Interior restroom facilities will undergo enhancements to better serve visitors. The exterior of the Fair Swim Center building will be restored and receive necessary maintenance to extend its lifespan along with fresh paint to improve its appearance. New exterior signage will also be installed to enhance wayfinding and increase visitor attendance.

Project Status: The Parks, Recreation, and Neighborhood Services Department started working on the exterior paint and the Public Works Department is working on Americans with Disabilities Act accessibility improvements.

Renovations to the Fair Swim Center's Tot Lot Playground: Outdated play equipment will be replaced with new play structures designed for early childhood development. The Tot Lot playground area will also receive new resilient surfacing and additional minor enhancements may include perimeter fencing and landscaping.

Project Status: The Public Works and Parks, Recreation, and Neighborhood Services Departments have completed their site visit and hosted a kick-off event at the Tot Lot playground.

Blossom Valley Family Center – Catholic Charities of Santa Clara County

Catholic Charities of Santa Clara County will build a multiservice family center at the Blossom Valley Senior Apartments, which is being developed by Charities Housing Development Corporation.

Community Improvements: The multiservice family center will serve the senior apartment residents, neighbors, and the South San José community. It will also serve as a space to provide wraparound and educational services and a community gathering space for primarily low-income populations. The facility will include flexible workstations for staff and community use, private rooms for individual and group counseling, as well as a community meeting room.

Project Status: The environmental review has been completed for this project by the Planning, Building, and Code Enforcement Department. The design, work plans, and permit requests are currently being completed.

Hoffman Via Monte Safety Lighting – Public Works Department

The Public Works Department will upgrade, relocate, and install new streetlights in the Hoffman Via Monte neighborhood.

Community Improvements: This streetlight project serves a low-moderate income area and will increase visibility and safety in the neighborhood during nighttime hours.

Project Status: The environmental review has been completed for this project by the Planning, Building, and Code Enforcement Department. The design, work plans, and permit requests are currently being completed.

Spending Priority #4 – Promote Fair Housing Choices

The Fair Housing Act, a federal law enforced by HUD, generally prohibits discrimination when renting, buying, or securing financing for most housing. Federal law prohibits discrimination on the basis of race, sex, color, religion, gender identity (actual or perceived), sexual orientation, disability, ethnic or national origin, and familial status. The Fair Housing Act covers most housing, whether publicly or privately funded. As an entitlement community that receives and administers federal funds, the City of San José must ensure all programs are administered in a manner that affirmatively furthers the Fair Housing Act.

Fair Housing Legal and Education Services Collaborative – Law Foundation of Silicon Valley

The Housing Department funded the services of a nonprofit fair housing collaborative¹², which is also led by the Law Foundation of Silicon Valley and comprised of four non-profit agencies, collectively referred to as the Fair Housing Legal and Education Services Collaborative, to help the City affirmatively further Fair Housing Act requirements. A data sample of services provided by the Fair Housing Legal and Education Services Collaborative program is detailed in **Table 7**.

Table 7: Promote Fair Housing Choices				
Program/ Service/ Project	Agency	Amount/Funding Source	Projected Number Served	Outcomes
Fair Housing Legal and Education Services Collaborative	Law Foundation of Silicon Valley	\$26,202 CDBG \$373,798 HOME	145 Individuals	184 individuals were served; 142 increased their housing stability through legal education and 42 increased their housing stability through legal representation.

The Fair Housing Legal and Education Services Collaborative is comprised of the following partner organizations: Project Sentinel, Senior Adult Legal Assistance, and the Asian Law Alliance. The Fair Housing Legal and Education Services Collaborative offers a comprehensive and coordinated fair housing program that fields and investigates discrimination complaints and provides enforcement, litigation services, and general fair housing education.

The Fair Housing Legal and Education Services Collaborative exceeded its goal of providing 22 legal representations and provided 42 legal representations. Of these 42 legal representation cases, the following outcomes¹³ were achieved: 11 prevented evictions, 26 obtained opportunities for other housing options, and seven retained or preserved their housing placement.

¹²The Fair Housing Legal and Education Services Collaborative is a separate program from the San José Legal Services – Housing Rights Consortium; both programs are managed by the Law Foundation of Silicon Valley through separate grant agreements.

¹³In some legal representations, more than one outcome can be achieved/reported for each legal representation case; this reporting format is consistent with the State Bar of California's reporting guidelines. For this reason, the total outcomes achieved for FY 2023-2024 calculates to a higher number than the total legal representation cases reported for FY 2023-2024.

Beneficiary Demographics

The City is dedicated to ensuring that the needs of the community are met and providing equitable access and opportunity to those with the greatest needs. As a major administrator of federal funds within the City, the Housing Department is dedicated to ensuring that resources are tracked and thoughtfully administered with respect to the social equity of all beneficiaries.

Program Participants Aggregated by Race and Ethnicity Demographics

Table 8 below provides the overall race and ethnicity demographic distribution for HUD-funded activities in which the City's grantees reported the race and ethnicity of program participants served during Quarters 2, 3, and 4 of FY 2023-2024.

Quarter 1 Data

The race and ethnicity data for Quarter 1 was collected in accordance with HUD's former race and ethnicity data guidelines. A total of 1,630 individuals were served during Quarter 1 of FY 2023-2024. However, due to HUD's former race and ethnicity data guidelines, which required separating Hispanic/Latina/o as an ethnicity rather than a racial category, the race and ethnic demographic makeup of total program participants served prior to Quarter 2 of FY 2023-2024 was inaccurately categorized due to this ethnic sub-categorization.

Quarters 2, 3, and 4 Data

As of October 1, 2023¹⁴, HUD updated its race and ethnicity data guidelines for categorizing race and ethnic data to better represent the demographic makeup of program participants served by its funding sources. For this reason, only Quarters 2, 3, and 4 are reflected in **Table 8**.

Table 8: Overall Race and Ethnic Demographic Data (Quarters 2, 3, and 4)		
Race/Ethnicity	Total Program Participants	% of Total
White	492	22.3%
Black/African American	112	5.1%
Asian or Asian American	415	18.8%
American Indian, Alaska Native, or Indigenous	35	1.6%

¹⁴Starting October 1, 2023, HUD designated Hispanic/Latina/e/o as its own Race/Ethnicity category. For more information, see HUD's official guidance at: <https://www.hudexchange.info/programs/hmis/hmis-data-standards/standards/universal-data-elements/304-race-and-ethnicity/>.

Native Hawaiian or Other Pacific Islander	22	1.0%
Hispanic/Latina/e/o	612	27.7%
Middle Eastern or North African	5	0.2%
American Indian/Alaska Native and White	11	0.5%
Asian and White	3	0.1%
Black or African American and White	4	0.2%
American Indian or Alaskan Native, or Indigenous and Black or African American	6	0.3%
Other	491	22.2%
Total	2,208	100%

Demographic Data Insights

The FY 2023-2024 race and ethnic demographic data indicates that HUD-funded programs predominantly served low-income populations identifying as White, Hispanic/Latina/e/o, or Asian, suggesting that a significant portion of the program participants population served falls within these racial groups. Given that the racial demographics of residents in the City of San José reflect a similar makeup (31.2% of residents identify as White, 23.9% identify as Hispanic, and 41.3% identify as Asian¹⁵), these findings indicate that the City's HUD-funded programs are achieving equitable representation of serving the diverse residents of San José.

Income Level of HUD-Funded Program Participants

For HUD-funded activities in which the City's grantees reported the income level of program participants served, **Table 9** below provides the overall income level distribution of program participants served during FY 2023-2024.

¹⁵United States Census Bureau, 2020 Census, San José, Santa Clara County, California | Web Link https://data.census.gov/profile/San_Jose_CCD,_Santa_Clara_County,_California?g=060XX00US0608592830#populations-and-people.

Table 9: Income Level Distribution of HUD-Funded Program Participants		
Income Level	Program Participants	% of Total
Extremely Low-Income (\$37,450 or less)	2,708	70.6%
Very Low-Income (\$62,450 or less)	300	7.8%
Low-Income (\$96,000 or less)	702	18.3%
Above Low/Moderate (above \$96,000)	124	3.2%
Total	3,834*	100%

**The income for four program participants were not reported under the PATH SOAR program because the program participants were under the age of 18. As such, the income level of four program participants is not included in total program participants column of Table 9.*

Furthermore, the income level demographic data also indicates that HUD-funded programs predominantly served extremely low-income residents with incomes below \$37,450 for an individual and under \$53,500 for a household of four¹⁶. Many of the extremely low-income households served by HUD-funded programs are severely rent-burdened, spending more than half of their income on housing, which not only leads to greater risks of housing instability, evictions, and homelessness, but also forces severely rent-burdened households to sacrifice necessities, such as healthy food and healthcare, leading to worsening health outcomes and increased financial hardships. These findings further support that the City's HUD-funded programs and services were invested to support our most vulnerable residents.

Overall Progress Toward the Consolidated Plan's Five-Year Goals

Updates regarding the year-two progress toward the overall five-year goals in each of the four spending priorities and the administration funding allocation category for the FY 2020-2025 Five-Year Consolidated Plan are summarized below.

Spending Priority #1 – Respond to Homelessness and its Impacts on the Community: In FY 2023-2024, federal funds were directed toward Citywide homelessness outreach and HMIS. While HMIS did not directly serve unhoused individuals or households, it supported the data management needs of 400 users in the City of San José, including both City staff and non-profit partner staff members. The County of Santa Clara increased the number of HMIS users it granted access to HMIS by 345 users and only increased the City's cost by \$50,000.

¹⁶United States Department of Housing and Urban Development, "FY 2023 Income Limits Summary for San José-Sunnyvale-Santa Clara, CA HUD Metro FMR Area" | Web Link: https://www.huduser.gov/portal/datasets/il/il2023/2023summary.odn?inputname=METRO41940M41940*San+Jose-Sunnyvale-Santa+Clara%2C+CA+HUD+Metro+FMR+Area&wherefrom=%24wherefrom%24&selection_type=hmfa&year=2023

Spending Priority #2 – Create and Preserve Affordable Housing: There were no new HOME-funded affordable units completed over the past four fiscal years. HOPWA funds remained allocated to tenant-based rental assistance services in FY 2023-2024.

Spending Priority #3 – Strengthen and Stabilize Communities: In FY 2023-2024, federal funds were allocated to a variety of services aimed at meeting the diverse needs of high-need community groups, including youth, seniors, immigrants, and tenants. Non-Construction Community Development Investment programs, such as homeowner minor repair programs and enhanced code enforcement inspection services, played a crucial role in preserving affordable housing units by addressing critical repairs and ensuring compliance with safety standards for low-income households and low-moderate income areas. Additionally, the Construction Community Development Investment programs currently has three ongoing projects that are expected to be completed by FY 2025-2026.

Spending Priority #4 – Promote Fair Housing Choices: In FY 2023-2024, the City funded the Fair Housing Legal and Education Services Collaborative to advance fair housing and to reduce barriers to affordable housing. This program provided a range of services, including educational workshops, fair housing investigations, and legal representation; these services are designed to help victims of housing discrimination access or retain the housing of their choice.

Administration: The City funded its administrative activities, within federally regulated limits, from each of the authorized federal funding sources (CDBG, CDBG-CV, HOME, ESG, and HOPWA). Cross-departmental collaboration between City staff included administrative activities, such as planning, grant management, monitoring, reporting, legal services, and environmental review. The City expended \$1,500,000 in federal funding for FY 2023-2024 to administer the four federal entitlement programs (CDBG, HOME, ESG, and HOPWA) as well as the one-time CARES Act funding allocated by HUD.

EVALUATION AND FOLLOW-UP

Upon City Council approval, staff will submit the FY 2023-2024 CAPER to HUD by the September 30, 2024 deadline.

COST SUMMARY/IMPLICATIONS

Without an approved FY 2023-2024 CAPER, the City will not qualify for future HUD entitlement program funding opportunities, including CDBG, HOME, ESG, or HOPWA

programs that are essential for supporting vital housing and community development investments.

COORDINATION

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

PUBLIC OUTREACH

In accordance with the City's current Citizen Participation Plan, the draft FY 2023-2024 CAPER is available to the public for a 15-day review and comment period. Additionally, the City must hold two public meetings to provide members of the public an opportunity to provide input on the accomplishments reported in the draft FY 2023-2024 CAPER.

The City will publish the draft FY 2023-2024 CAPER¹⁷ for public review and comment on September 9, 2024. The City will accept public comments regarding the draft FY 2023-2024 CAPER until September 24, 2024. Additionally, the following public meetings were/will be held for public input:

- Public meeting on August 29, 2024; and
- City Council meeting on September 24, 2024.

Additionally, the Housing Department also announced these public meetings through the Housing Department's e-blast communication distribution platform. Public notices regarding the public meetings and public review and comment period were also provided in five languages (English, Spanish, Vietnamese, Chinese, and Tagalog), in accordance with the City's Language Access Plan¹⁸. Moreover, a public notice regarding the public review and comment period was published in five languages on August 28, 2024 in the following newspapers: the *Mercury News*, *El Observador*, *Vietnam Daily News*, *The World Journal* (Chinese), and the *Philippine News*.

Furthermore, this memorandum will be posted on the City's Council Agenda website for the September 24, 2024 City Council meeting.

¹⁷City of San José, "Draft FY 2023-2024 Consolidated Annual Performance and Evaluation Report (CAPER)" | Web Link: <https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/hud-reports>.

¹⁸City of San José's Language Access Plan | Web Link: <https://www.sanjoseca.gov/home/showpublisheddocument/108329/638410935169870000>.

Summary of Public Comment

The Housing Department hosted a virtual public meeting on August 29, 2024. During this public meeting, the following comment/question was provided.

Laura Foster of the Bill Wilson Center thanked City staff for providing an informational presentation and allowing public input, as an employee representing an agency that receives grant funding from the City regarding federal funding expended during FY 2023-2024, and the accomplishments outlined in this FY 2023-2024 CAPER memorandum. Ms. Foster also expressed support of the City's efforts to obtain and administer federal funds from HUD to address the various needs throughout the community. Ms. Foster asked about the City's intent to expand the Housing Department's Tenant-Based Rental Assistance Program – staff confirmed that expanding the Tenant-Based Rental Assistance Program is a priority for the Housing Department and staff intend to use HOME funds to allocate additional funding to the Tenant-Based Rental Assistance Program.

COMMISSION RECOMMENDATION AND INPUT

The Housing and Community Development Commission did not hear this item.

CEQA

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

PUBLIC SUBSIDY REPORTING

This item does not provide a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Erik L. Soliván
Housing Director

The primary author of this memorandum is Lauren DeCarlo, Senior Development Officer. For questions, please contact Stephanie Gutowski, Housing Policy and Planning Administrator, at (408) 535-3850 or stephanie.gutowski@sanjoseca.gov.