



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: AMENDMENT TO THE CITIZEN
PARTICIPATION PLAN

DATE: September 3, 2013

Approved

Date

9/10/13

RECOMMENDATION

- (a) Hold a public hearing on and an approval of an amendment to the Citizen Participation Plan to reflect the recent creation of the Housing and Community Development Commission and to make a change to the definition of a "Minor Amendment" to the Consolidated Plan or Annual Action Plan; and
- (b) Adopt a resolution approving that Citizen Participation Plan amendment.

OUTCOME

Approval of the recommended action will ensure that businesses and citizens reading the Citizen Participation Plan will not be misled by dated and inaccurate references to a commission that no longer exists.

BACKGROUND

The U.S. Department of Housing and Urban Development (HUD) requires that each entitlement jurisdiction adopt a Citizens Participation Plan (CPP) that details how that jurisdiction will provide opportunities for the public to be made aware of and take part in the local decision-making processes with respect to HUD programs. In general, the Plan governs how public hearings on the Five-Year Consolidated Plan, the Annual Action Plan, amendments to either Plan, and the Consolidated Annual Performance and Evaluation Report are advertised and conducted. The CPP was last amended by the City Council on September 18, 2012.

The City's CPP requires that a Council-appointed commission conduct one or more public hearings on such matters before the City Council holds its final public hearing and approval of the matter at hand.

The CPP also differentiates between “substantial” and “minor” amendments to either the Five-Year Consolidated Plan or an Annual Action Plan. In general, “substantial” amendments require a noticed public hearing process while the “minor” ones do not.

ANALYSIS

Housing and Community Development Commission

The CPP currently requires that pre-City Council hearings be conducted by the Housing and Community Development Advisory Commission (HCDAC). However, in June, the Council consolidated the HCDAC with two others (Advisory Commission on Rents and the Mobilehome Advisory Commission) into a new Housing and Community Development Commission (HCDC). That new commission is now charged with the duties and responsibilities of all three former commissions.

Staff is recommending that CPP be amended to reflect the change in the City’s organizational structure so that businesses and citizens reading the document will not be misled with references to a commission that no longer exists.

Definition of Minor Amendment

An Information Memo to the City Council (copy attached) explained how there was a substantial difference between HUD’s early estimates of the entitlement amount for the Emergency Solutions Grant (ESG) program for FY 2013-14 and the final determination of the actual amount following the sequestration imposed on the federal budget.

It was the early estimate that was used in the 2013-14 Annual Action Plan document, and in order to substantially maintain the level of service in the ESG program as adopted in the Plan, it was necessary to backfill the reduction in that program with Community Development Block Grant (CDBG) funds. In San José’s case, HUD ruled that irrespective of the definition of a “Substantial Amendment” in its CPP, this particular amendment to the Annual Action Plan could be considered “Minor.”

The proposed change in the definition of a “Minor Amendment” to a ConPlan or an Annual Action Plan would simply formalize the procedure that was followed earlier this year should similar circumstance arise in the future.

The wording of the proposed amendment includes the phrase: ... “necessary for substantially preserving all the programs and activities identified in a Plan.” It is staff’s intent that, in the example of the actions taken earlier this year, both the ESG and CDBG programs would need to be made whole, as was in fact the case. To the extent that choices would need to be made between programs because of inadequate funding to substantially support both, then the re-programming of funding would require City Council consideration of a Substantial Amendment.

EVALUATION AND FOLLOW-UP

No follow-up is necessary as one part of the recommended action is a formality to implement a prior decision by the City Council and the other part is a clarification of how changes to the Annual Action Plan are made under certain circumstances.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1,000,000 or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

The action recommended in this report does not meet any of the criteria above. Nonetheless, this report will be posted to the City Council Agenda website for its September 24, 2013 meeting.

The proposed amendment to the CPP will also be the subject of a public hearing at the September 12, 2013 meeting of the City's HCDC.

On August 21, 2013, a public hearing notice announcing both the HCDC and City Council public hearings was sent to over 400 organizations and individuals concerned about housing and community development issues. The public hearing notice was also translated into Spanish, Vietnamese, Chinese and Tagalog and published in the *La Oferta*, *Thoi Bao*, *China Press* and *Philippine News* newspapers, respectively, as well as in the *San José Mercury-News*. The public hearing notice appeared in all five newspapers on August 23, 2013. The public hearing notice was sent out and published in time to provide a 30-day public comment period prior to the City Council's consideration of the Substantial Amendment.

COORDINATION

The preparation of this report was coordinated with the Office of the City Attorney.

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CEQA

Not a Project, File No. PP10-069, City Organizational and Administrative Activities

/s/
LESLYE CORSIGLIA
Director of Housing

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

Attachments

**AMENDMENT TO THE
CITY OF SAN JOSE
CITIZEN PARTICIPATION PLAN
August 2013**

- 1. On page 7 of the approved Citizen Participation Plan, revise the discussion of the Housing and Community Development Advisory Commission as follows (additions or deletions):**

HOUSING AND COMMUNITY DEVELOPMENT ADVISORY COMMISSION (~~HCDAC~~ HCDC)

The Housing and Community Development ~~Advisory~~ Commission (~~HCDAC~~ HCDC, or Commission), appointed by the City Council, is composed of ~~nine (9)~~ eleven (11) residents of the City of San José and ~~one (1) non-voting Senior Citizens' Commission representative~~. The Commission is advisory to the City Council and the Housing Department on matters relating to:

- Housing and community development policy and programs;
- The administration of and policy/regulatory changes to the City's Mobilehome Rent Ordinance;
- The administration of and policy/regulatory changes to the City's Rental Dispute and Arbitration Ordinance,
- Preparation of reports and recommendations, as requested by the City Council or City Manager, respecting mobilehome parks and mobilehome living in San Jose.

The Commission has, on occasion, had enough vacancies that assembling a quorum has been difficult and has necessitated the cancellation of meetings on whose agendas were noticed public hearings. Thus, those hearings – some of which required long lead-times for noticing required by this Plan – had to be rescheduled. Accordingly, the Commission has established a Grants Standing Subcommittee to act on behalf of the full Commission regarding grant proposals, expenditures, or activities when a quorum of the full Commission cannot be assembled.

The ~~HCDAC~~ HCDC usually meets at the San José City Hall, 200 East Santa Clara Street, San José, CA 95113. Regular meetings are held on the second Thursday of each month (with the exception of July and December) at 5:45 p.m. Special and subcommittee meetings may also be held as needed and at a time and date different from the regular meeting schedule in order to respond to time-sensitive matters or when the full Commission is unable to convene for its regular meeting. All ~~HCDAC~~ HCDC meetings are held in facilities that are accessible to persons with disabilities.

2. Throughout the approved Citizen Participation Plan, replace “HCDAC” with “HCDC.”
3. On page 4 of the of the approved Citizen Participation Plan, revise the definition of “Amendment, Minor” as follows (additions or deletions):

AMENDMENT, MINOR

A change to a previously adopted Five-Year Plan or Annual Plan that does not meet the thresholds to qualify as a Substantial Amendment. Minor Amendment includes monetary changes or shifts, regardless of size, that are: (1) necessary for substantially preserving all the programs and activities identified in a Plan; and (2) necessitated by significant changes in the funding levels between HUD’s initial estimates of funding amounts and HUD’s final allocation notification.

- - - - End of Amendment to Citizen Participation Plan - - - -



Distributed on:
SEP 5 2013
City Manager's Office

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: HUD FUNDING ADJUSTMENTS
TO NONPROFIT SERVICE
AGENCY AGREEMENTS

DATE: September 3, 2013

Approved

Date

9/5/13

INFORMATION

The purpose of this information memo is to inform the Mayor and City Council of changes to funding allocations for nonprofit agencies that received funding awards from the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) programs for FY 2013-2014.

The City's adoption of the Annual Action Plan (the "Plan") is an annual requirement necessary to receive federal housing and community development funds from the U.S. Department of Housing and Urban Development (HUD). Included in the Plan are a series of funding recommendations for the allocation of CDBG, ESG, and HOPWA funds. This Plan is reviewed and adopted by the City Council in late-April or early May of each year to meet federally mandated timelines.

On April 30, 2013, the City Council approved the FY 2013-2014 Action Plan based on guidance from HUD that we should anticipate reductions of 5% for all HUD community development programs as a result of sequestration. On May 29, 2013, HUD released the final funding allocations for FY 2013-2014. These allocations differ from the original HUD guidance and necessitate revisions to the funding allocations. The net impact to the service contracts is provided below:

HUD Program	Funding Estimate	Actual Funding	\$ Difference	% Difference
CDBG	\$1,289,740	\$1,411,374	\$121,634	9% increase
ESG	\$696,371	\$529,074	(\$167,297)	24% decrease
HOPWA	\$809,258	\$813,590	\$4,332	1% increase

HUD has provided guidance as to how to address these changes within the confines of submission requirements and the City's Citizen Participation Plan for HUD Programs. Because HUD had not yet approved the FY 2013-2014 Annual Action Plan, HUD's guidance stated that

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September 3, 2013

Subject: HUD Funding Adjustments to Nonprofit Service Agency Agreements

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it was not necessary for the City to follow a formal revision process or the Citizen Participation Plan's standard procedures for making significant changes to a previously adopted plan.

As shown in the attached spreadsheet, with the significant funding reductions to the ESG Program, it was not possible to keep homeless-serving grantees whole (when compared to FY 2012-2013 funding levels) and they were required to take small funding reductions. However, the Department was able to minimize the cuts by shifting funds across programs and splitting funding for some grantees. The result was a modest 2% reduction of funding for all CDBG and ESG grantees. Minor adjustments were also made to the HOPWA Grantee contracts. The new funding levels have been provided to all grantees and the Silicon Valley Council of Nonprofits.

The future of funding for these important City programs remains murky. Congress is still deliberating the FY 14 federal budget and to date has not approved any appropriations bills, including the Transportation and Housing and Urban Development bill, which determines funding for CDBG among other programs. On September 9th, members will return from their summer recess with the task of approving a budget by the end of the month when the current Continuing Resolution is set to expire. Unless the budget is approved by September 30th, the federal government will face a shutdown. Added to this uncertainty is the prospect of another sequestration cut. According to a report issued by the Office of Management and Budget on August 30, both the proposed House and Senate FY 14 budgets would be out of compliance with discretionary spending caps and require that funds be again sequestered.

/s/

Leslye Corsiglia
Director, Housing Department

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

Attachment



Attachment

Revised FY 2013-2014 Funding Amounts

Agency	Project	Original FY 13-14 Funding Amount	Revised FY 13-14 Funding Amount	Variance	% Variance
CDBG					
Housing Trust Silicon Valley	ForeclosureHelp*	\$50,000	\$48,858	-\$1,142	
Catholic Charities of Santa Clara County	Senior Isolation	\$100,000	\$97,717	-\$2,283	
The Health Trust	Meals on Wheels	\$100,000	\$97,717	-\$2,283	
Catholic Charities of Santa Clara County	FMCI	\$98,495	\$96,212	-\$2,283	
San Jose State University	Accelerating 3rd Grade Literacy	\$98,495	\$96,212	-\$2,283	
Somos Mayfair	In Our Hands	\$98,495	\$96,212	-\$2,283	
Emergency Housing Consotium	Homeless Outreach	\$461,898	\$451,259	-\$10,639	
Emergency Housing Consotium	Citywide Outreach	\$97,796	\$95,559	-\$2,237	
Next Door Solutions	DV Collaborative	\$184,561	\$180,314	-\$4,247	
Bill Wilson Center	Families and Youth		\$151,315	\$151,315	
	CDBG Subtotal	\$1,289,740	\$1,411,374	\$121,634	9%
ESG					
Bill Wilson Center	Homeless Outreach	\$249,023	\$243,315	-\$5,708	
Bill Wilson Center	Families and Youth **	\$306,909	\$148,516	-\$158,393	
Next Door Solutions to Domestic Violence	DV Collaborative	\$50,439	\$49,297	-\$1,142	
Community Technology Alliance	HMIS	\$90,000	\$87,945	-\$2,055	
	ESG Subtotal	\$696,371	\$529,074	-\$167,297	-24%
HOPWA					
The Health Trust	AIDS Services	\$761,758	\$765,835	\$4,077	
San Benito County	AIDS Services	\$47,500	\$47,755	\$255	
	HOPWA Subtotal	\$809,258	\$813,590	\$4,332	1%

* ForeclosureHelp will be allowed to carryforward \$50,000 from their current contract which will result in a \$98,858

** Funds for the Bill Wilson Center's Families and Youth project has been split between ESG and CDBG. This was not included in the original funding recommendations