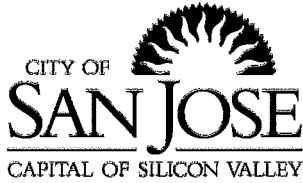


SUPPLEMENTAL



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: May 2, 2011

Approved

Date

5-2-11

SUPPLEMENTAL

SUBJECT: FINAL PUBLIC HEARING AND APPROVAL OF THE CONSOLIDATED PLAN ANNUAL ACTION PLAN FY 2011-2012

REASON FOR SUPPLEMENTAL

The City released its draft Consolidated Plan Annual Action Plan FY 2011-2012 (Plan) on March 15, 2011 for a 30-day public comment period. At the time the memorandum to approve the draft Plan was due to City Council on April 11, 2011, the federally required public comment period for the Plan was still open for an additional three days. Additionally, federal budget decisions for multiple grant programs were still being made and not yet finalized. This supplemental memorandum provides the public comments received and the proposed changes to the draft document made in response to those comments and to changes in federal grant funding levels since the draft Plan's release in March.

BACKGROUND

The memorandum to approve the draft Plan submitted to the City Council on April 11, 2011 indicated that a supplemental memorandum would be distributed to the Mayor and City Council prior to the May 3, 2011 City Council meeting. This supplemental memorandum provides the public comments received and the proposed changes to the document since the Draft Consolidated Plan was released on March 15, 2011. A copy of the draft document is located on the Housing Department's website at www.sjhousing.org/report/conplan.html.

The Mayor and City Council's approval of the Consolidated Plan Annual Action Plan 2011-2012 will enable the City to finalize and submit to HUD these federally-mandated documents by the May 15, 2011 deadline.

ANALYSIS

Public Comments

Including the City Council's consideration of this supplemental memorandum to the Plan, a total of six (6) public hearings will have been held for this Consolidated Plan process. One public hearing was held on February 22nd, before the draft plan was published, and five public hearings were either held or will be held after the draft Plan was published. The first public hearing held after the Plan was published was at the March 22nd City Council meeting and included the opening of the public comment period. The second public hearing was held at the City's Housing and Community Development Advisory Commission (HCDC) on April 14th. The third public meeting was held at the HCDC Retreat on April 23rd, 2011. The HCDC recommended approval of the draft Consolidated Plan by a vote of 6-0-1, with one Commissioner abstaining. A summary of the public comments are included as Attachment A to this memorandum and will be included in the appendix of the final document submitted to the Department of Housing and Urban Development (HUD). Another public meeting will be held on April 28, 2011 at the Silicon Valley Council Budget Forum. Consideration of the Plan at the May 3 City Council meeting constitutes the fifth and final public hearing held post-March 15. The public comments received at the final City Council hearing and the final public hearing at the Silicon Valley Council Budget Forum will also be submitted to HUD as an appendix to the final Consolidated Plan Annual Action Plan document.

Revisions

As of April 11, 2011, when the memorandum to the City Council for the draft Consolidated Plan Annual Action Plan FY 2011-12 was due, the Housing Department had not received the final allocation amounts for its federal programs because agreement on the federal FY 2011 budget was not reached until April 15th, 2011. The Housing Department received preliminary allocations for its entitlement programs on April 22nd, 2011, which resulted in significant decreases in CDBG and HOME and a substantial increase in ESG allocations. The Plan has been revised to reflect the new allocations, and is included as Attachment B to this supplemental memo. All revisions to the draft Plan have been highlighted in the attached final Plan document. The document is also located on the Housing Department's website at www.sjhousing.org/report/conplan.html.

COORDINATION

Preparation of this report has been coordinated with the City Attorney's Office.

HONORABLE MAYOR AND CITY COUNCIL

May 2, 2011

Subject: Final Public Hearing of the Consolidated Plan Annual Action Plan FY 2011-2012 -Supplemental Memo

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CEQA

Not a Project, File No. PP10-067, Non-Project Specific Funding Mechanism.

/s/

LESLYE CORSIGLIA

Director of Housing

For questions please contact Leslye Corsiglia, Director of Housing, at (408) 535-3851.

Attachment A: Public Comments

Attachment B: Consolidated Plan, Annual Action Plan 2011-12 – Final Draft

Attachment A – Community Input and Public Testimony

- **The Housing and Community Development Advisory Commission Meeting - Feb 10th meeting**
This meeting did not occur due to lack of quorum. As a result, a special meeting was held on February 22, 2011.
- **The Housing and Community Development Advisory Commission Meeting – February 22, 2011**

Public Comment	City Response
Commissioner Mace asked if the CDBG funding cycle was a two year cycle and if that is the case, no corrections are made	<u>Staff responded that this is the second year of a two-year cycle and no corrections will normally be made. The two-year cycle is designed to reduce administrative burden</u>
Vice Chair Darrow asked about the March 4 th deadline mentioned in the staff presentation. She asked if Community Based Organizations (CBOs) are aware of the projected impacts, should CDBG funding be reduced.	<u>Staff responded that the March 4th date refers to the date when the continuing resolution for funding FY 2010-11 budget expires. Staff also responded that a notification letter is being drafted to make the CBOs aware of the budget status.</u>
Commissioner Mace asked if funding cuts will be made across the board for recipient organizations.	<u>Staff will be making that recommendation</u>
Vice Chair Darrow asked what the President's proposal is regarding CDBG funding levels.	<u>Staff responded that the President's budget proposal is to keep CDBG funding at the FY 2010 funding level for the next five years.</u>

- **The Housing and Community Development Advisory Commission Meeting – March 10, 2011**
This meeting did not occur due to lack of quorum. The agenda item to hear this Consolidated Plan was heard on the April 14, 2011 Housing and Community Development Advisory Commission meeting..
- **City Council Meeting– March 22, 2011**

Public Comment	City Response
Mr David Wall requested that the City not apply for or accept any federal grants because they carry obligations, are not sustainable and requires staff to maintain services.	

- **The Housing and Community Development Advisory Commission Meeting – April 14, 2011**

Public Comment	City Response
Commissioners asked if an option to cut poor performing grantees was considered	Staff responded that most contracts are performing up to standards; equitable and strong measures of performance need to be set up first;
Commissioners asked if staff could provide a sense of the extent of staff reductions being considered	Staff responded that a 16.4% cut would essentially amount to about \$400,000
Commissioner Mace asked how many agencies may go under if the 16.4% across the board cuts were implemented and also if the agencies could initiate lawsuits;	Staff responded that it would be hard to estimate how many agencies would go under since they funded through many different sources; also all contracts stipulate that funding will be based on the availability of CDBG allocations from the federal government
Commissioner Cantore inquired about next steps	Staff informed the Commission of the relatively tight timeline in order to submit the Consolidate Plan by the federally required deadline of May 15. Staff will be bringing back its funding proposal to the HCDC annual retreat on April 23, 2011, meeting with the CDBG-funded agencies that will be impacted, and bringing forward the final draft Consolidated Plan on May 3, 2011.

- **The Housing and Community Development Advisory Retreat– April 23, 2011**

Public Comment	City Response
Commissioner Cantore asked about additional steps to outreach to non-profits	Staff responded that they will be meeting with non-profits on Thursday, 4/28, to explain the 15% to 16% expected cuts to funding levels
Commissioner Norimoto asked whether it makes sense to have longer funding cycles than a two-year cycle if funding is going to be outcome-based	
Mr James Charles from the NAACP asked about how the Consolidated Plan addresses Section 3 and economic development and if a public record request can be made.	Staff responded that the Section 3 performance is actually discussed in the CAPER document; a public request may be made either formally or informally.
Commissioner Mace asked how the City manages its Section 3 contracting and if there is an income criterion.	Staff responded that contracting is done through an RFP process but the criterion is based on small businesses rather than on race or income.

- **Silicon Valley Council Budget Forum – April 28, 2011**

Public Comment	City Response
Ms. Anne Im from Asian Americans from Community Involvement asked whether the 16.02% reduction was a good number with which to start planning.	Staff responded that this was the best number currently available and noted that there might be additional 1% - 1.75% reduction before the final amount is determined.
Ms. Christa Gannon from Fresh Lifelines for Youth thanked the City of San Jose for making across the board reductions for all non-profit agencies instead of other scenarios that would have eliminated projects.	
Denise Scovel from InnVision the Way Home asked whether the additional Emergency Shelter Grant allocation would be used to support the Housing Services Partnership (HSP) program.	Staff stated that it would not support HSP and that a process would be developed to determine how to allocate the additional funds.