CITY OF SAN JOSE

FY 2017-18 Consolidated Annual Performance Evaluation Report (CAPER) - FINAL

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Cover Photos

Top: The Metropolitan North Apartments - Construction was completed in 16-17 and residents have moved into this affordable rental development of 70 apartments (11 studios, 25 one-bedroom apartments, 14 two-bedroom apartments, and 21 three-bedroom apartments). Nine of the apartments are Transition in Place (TIP) units for homeless households.

Bottom: Recovery Café Renovation – This project completed in 17-18, rehabilitated a church space, which included the construction of a social hall and improvements of classrooms and café kitchen improvements to serve homeless individuals and the public.

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CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

The City of San José's FY 2017-2018 *Consolidated Annual Performance Evaluation Report (CAPER)* describes the progress made towards achieving the housing and community development goals identified in the City's *Five-Year Consolidated Plan (2015-2020)* and the *FY 2017-2018 Annual Action Plan*. These Plans guide the funding priorities for San José's federal housing grant programs, which are administered by the City's Housing Department and overseen by the U.S. Department of Housing and Urban Development (HUD). These programs include: Community Development Block Grant (CDBG), Home Investment Partnerships (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Solutions Grant (ESG).

The Fiscal Year (FY) 2017-2018 was the third year of San José's Five-Year Consolidated Plan (2015-2020). Similar to the end of the previous five-year period, the City of San José experienced continued growth, as well as extraordinary challenges. For the last few years, job growth in Santa Clara County has continued to climb. While San José has experienced encouraging economic improvements, many San José residents continue to face a lack of affordable housing and displacement of lower-income households from their communities due to market forces. Additionally, responding to homelessness and its effects on the community have continued to be a key policy priority in San José and throughout the region during this Consolidated Plan cycle.

The circumstances over the past few years in California have underscored the importance of ongoing adequate federal funding for the many vital housing and community development activities that local governments perform. Maintaining the flexibility to direct these resources to meet changing local priorities is of paramount importance to utilizing these funds in the most effective manner.

The City received a total allocation of $12.4 million in Federal funding from CDBG, HOME, HOPWA, and ESG programs for FY 2017-18. In FY 2011-12, San José, like most cities, experienced significant cuts in federal funds. Since that time, federal funding levels have remained stable with only slight increases or decreases each year. The City leveraged its FY 2017-18 federal allocations with other funds to provide vital resources for activities identified as the areas of greatest need in the 2015-2020 Consolidated Plans. These needs are summarized below:

- Increase and preserve affordable housing opportunities;
- Respond to homelessness and its impacts on the community;
- Strengthen neighborhoods;
- Promote fair housing.

Major accomplishments achieved during the FY 2017-18 are highlighted in the following section. Each set of annual goals in the FY 2017-18 Annual Action Plan are measured against progress toward the goals set in the 5-year Consolidated Plan. The specific activities funded during the FY 2017-18 were

identified as funding priorities to address the four areas of need and demonstrate impact in the community. The City and its grantees were able to meet most of the goals set in the FY 2017-18 Annual Action Plan. A description of each program, and program accomplishments are described in greater detail throughout this report. The executive summary provides highlights of key accomplishments over this performance period.

While measuring performance is an essential part of gauging progress towards established goals, measuring the outcomes of a given program or service is often a major indicator of success and states the impacts that those programs or services have on the community. Each of the services and programs funded through the federal sources have one or more outcome indicator. Based on the program or service, City staff work with community partners, public agencies, and service providers to develop each program and/or service outcome indicators. In addition to describing the City's and its sub-grantee performance, accomplishments are also measured by outcomes.

FY 2017-2018 (ANNUAL) HIGHLIGHTS

INCREASE AND PRESERVE AFFORDABLE HOUSING OPPORTUNITIES

The City identified four key programs to support the strategy and desired outcome of increasing and preserving affordable housing. These include:

- Construction or Development of New Affordable Apartments;
- Rehabilitation of Existing Apartments
- Construction of New Homeowner Housing and;
- Tenant Based Rental Assistance and/or Rapid Rehousing

Construction or development of new affordable apartments - In FY 2017-18, the City spent $3,612,359 in federal funds to provide affordable housing opportunities. The City invested $2,000,000 of CDBG funds towards property acquisition for Villas on the Park in FY 2017-18, a forthcoming permanent supportive housing development that will offer 78 apartments for homeless individuals. The City also invested $1,162,358 in CDBG funds toward property acquisition for Gallup/Mesa, another permanent supportive housing development that will offer 41 apartments, some of which will target homeless households.

Rehabilitation of existing apartments - During FY 2015-16 and FY 2016-17, the City invested $3 million of CDBG funds toward the acquisition and rehabilitation of the Plaza Hotel, a forty-seven unit, single room occupancy (SRO) residential facility to assist in housing the homeless. Acquisition was completed in FY 2015-16 and rehabilitation began in FY 2016-17. The building's rehabilitation is completed and apartments are expected to be fully occupied in fall 2018.

In FY 2016-17, the City Council approved expenditure of up to $8,000,000 of HOME funds for Second Street Studios, currently under construction. Second Street Studios will offer 134 apartments (128 studios and 6 one-bedroom apartments), all of which will be permanent supportive apartments for homeless households. Completion and full occupancy is expected in FY2018-19.

Tenant Based Rental Assistance and/or Rapid Rehousing - Measured in Households served, the Tenant Based Rental Assistance Program, funded through the Housing for People With Aids (HOPWA) program assisted 73 households find or retain affordable housing; exceeding the goal of 67 households assisted. The program has issued vouchers that have been difficult to fill due to the low rental vacancies and high housing costs. In addition to ongoing rental assistance, the HOPWA program provided housing placement assistance to 59 households, far exceeding the annual goal. The program also provides supportive services to assist households with finding and securing housing, accessing benefits, increasing income, and improving health outcomes. The HOPWA program served 223 unduplicated households in the program year.

RESPOND TO HOMELESSNESS AND ITS IMPACTS ON THE COMMUNITY

The 2017 Homeless Census and Survey identified a total of 4,350 individuals residing in San José on any given night. This point-in-time figure represents a 7% increase from the number identified in the 2015 census, when 4,063 individuals were identified. Out of the total 4,350 persons, 74% of the population was unsheltered (residing on the street, in vehicles, in abandoned buildings or in encampment areas). There were 643 individuals experiencing homelessness in encampment areas in San José. This represents a decrease of 17% from 778 in 2015 and continues a downward trend from 2013, when 1,230 individuals were counted in encampment areas.

Efforts to end homelessness remain a top priority in San José. In addition to the new rental apartments set aside for homeless households, the City expended approximately $2.8 million in federal CDBG, HOME and ESG funds toward services and housing for the homeless. To address the critical needs of San José's homeless residents, the City implemented four programs to support homeless needs:

- HOME funded Tenant Based Rental Assistance (TBRA);
- Citywide Outreach and Shelter;
- The Downtown Outreach Program and;
- Rapid Rehousing and Supportive Services

Under the federally funded programs, performance may be tracked differently based on the type of assistance and desired outcome of the service or program. Within the four homeless programs funded and reported in this CAPER, performance is measured by *Persons Assisted,* which tracks the number of unduplicated individuals assisted over the year; *Households Assisted,* which counts each household regardless of the number of individuals within the home and; *Outreach Contacts,* documents the total number of contacts counted by the different outreach programs.

Outreach and Shelter *(Persons Assisted)* - In FY 2017-18, the City assisted 1,170 homeless individuals obtain services such as case management or housing search sessions, far exceeding the annual goal of assisting 882 individuals, while also providing 16,618 shelter beds nights.

HOME TBRA and Rapid Rehousing Services *(Households Assisted)* - Under the HOME funded TBRA program and ESG funded Rapid Rehousing program, 65 homeless households received subsidies to assist them in obtaining permanent housing. In spite of falling below the annual goal of 112, this is a significant accomplishment given the challenging rental market in San José.

Citywide and Downtown Outreach *(Outreach Contacts)* - While San José continued to support outreach services citywide, the City also funded outreach teams focused in downtown San José. Between the citywide and downtown programs, 5,455 outreach contacts were achieved, far exceeding the goal of 2,910.

In the case of Homelessness programs and services, City staff has adopted County-wide outcome indicators for homeless programs and services which have been established by the County's County Continuum of Care (CoC). The CoC, is a multi-sector group of stakeholders, including City staff, who are charged with coordinating large scale implementation of efforts to end homelessness in the County. Some of the key outcomes of the City's federally-supported programs in FY 2017-18 include:

- 37% of clients (162 homeless individuals) contacted by the Downtown street/encampment outreach teams moved from street to temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations.

- 18% of clients (79 homeless individuals) contacted by the Downtown street/encampment outreach teams moved from street to permanent housing destinations.

- 14% of clients (85 homeless individuals) who were contacted via the Citywide street/encampment outreach teams and exited the program, moved from street to permanent housing destinations or temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations.

- 56% of clients (65 homeless individuals) served through the Rapid Rehousing and Supportive Services Program exited to permanent housing destinations and maintained housing for at least 6 months.

STRENGTHENING NEIGHBORHOODS

Activities pertaining to strengthening neighborhoods were solely funded through CDBG in FY 2017-18. In an effort to achieve one of HUDs primary objective of developing viable urban communities, 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 include:

Neighborhood Programs

In FY 2017-18, to support the programs component of Strengthening Neighborhoods, the City funded two non-profits, Rebuilding Together Silicon Valley and Habitat for Humanity Silicon Valley to manage and operate a Minor and Emergency Repair Program. This Program provides funding and inspection services to make accessibility improvements and minor repairs such as roofing, heating and plumbing

repairs to owner occupied single-family homes and mobile homes. The results below include repairs completed on homes in San José.

Minor Repair Program – This program provided 1,824 items of urgent, safety and accessibility/mobility repairs, and 463 items of major (e.g., roof replacements) rehabilitation activities to ensure safe and decent living environment to 243 low-income households. The results of this project include:

- 95% of households (230 households) have improved safety conditions in their home.
- 97% of households (190 households) served through Rebuilding Together have improved accessibility and mobility modifications in their home as a result of the improvement.

Work Experience Program - The City also funded the San José Streets Team (SJST), a non-profit agency with the goal of creating opportunities for homeless individuals to gain skills to help them succeed. SJST provides job training and placement for homeless individuals while linking them to services such as case management and shelter services. Through the Work Experience Program 3,884 hours of employment development services were provided to 68 homeless and formerly homeless individuals. Some of the key outcomes of this program include:

- Entered into agreements with local businesses to place 21 individuals into jobs.
- 100% of participants who graduated from the program retained employment for at least three months (21 participants).
- 5 participants who graduated from the program were placed in permanent jobs identified in written agreements with business partners and retained employment for at least 3 months.

Targeted Code Enforcement: The City also funded targeted Code Enforcement within the three place-based neighborhoods as well as neighborhoods identified in the Mayors Gang Prevention Task Force FY 2016-17. Within these areas Code Enforcement performed enhanced multi-family inspections. Code Enforcement conducted 1,052 inspections and re-inspections, which resulted in 1,438 violations corrected. The project served 378 unduplicated households. One key outcome includes:

- 84% of substandard housing violations identified by inspectors were corrected within 120 calendar days from the date inspectors notified the property owners of the violations

Senior Services - The City funded two service programs to support the needs of senior residents in San José. Through its federal funding programs, the City funded the Meals on Wheels Program and Senior Access and Health Support Program. The two programs combined to serve over 29,546 meals, coordinated 514 door-to-door transportation services, and provided over 15,486 hours of caregiver respite services. The two programs combined to serve 1,891 low-income seniors in FY 2017-18. One example of a key outcome for these services include:

- 100% of the low-income dependent seniors (131 individuals) are somewhat or extremely important in helping them remain independent in their homes.

Neighborhood Services: The City funded two non-profit agencies to provide leadership development training, skill building workshops, and basic needs services for 334 residents and potential future community leaders. Two examples of key outcomes include:

- 85% of participants (65 residents) of the leadership classes provided by the Homegrown Talent Project increased their leadership skills and/or took action in the community;
- 95% of participants (52 residents) in the economic opportunity pipeline increased their skill sets to position themselves for economic opportunities.

Capital Projects (Completed)

Due to the complexity of planning, procurement, and construction, Capital Projects often span multiple fiscal years. In FY 2017-2018, the City committed funding to a number of projects including street and infrastructure enhancements, nonprofit facility improvements, and public facility improvements. The focus of this report is the projects that were completed this past fiscal year, which include:

- **Boccardo ADA Improvement and Kitchen Rehabilitation** – This project rehabilitated the Boccardo Reception Center's Kitchen, which included upgrading the refrigeration system, replacing kitchen shelving, installing a new dishwasher and steam table flooring, installing Convection Ovens for Boccardo Reception Center's Kitchen, and doing ADA accessibility improvements. The project completed in March 2018.
- **Recovery Café Renovation** – This project rehabilitated a church space, which included the construction of a social hall and improvements of classrooms and café kitchen improvements to serve homeless individuals and the public. The project completed in April 2018.
- **LED Streetlights conversion in Santee/MayFair/ FiveWounds areas** - This project included conversion of 214 LED Streetlights in Santee and Mayfair neighborhoods. The project was completed in August 2017.

PROMOTING FAIR HOUSING CHOICES

The Fair Housing Act, which is enforced by HUD, prohibits discrimination and intimidation of people in their housing choices. 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 policies of the Fair Housing Act. To help support and advance the City's Fair Housing requirements, San José has funds the services of a non-profit fair housing consortium comprised of five different nonprofit agencies. In FY 2017-18, the consortium met all of the established performance goals which include:

Fair Housing Services - Between the five consortium members, 55 fair housing presentations, 59 fair housing investigations, 83 client briefings, and 112 legal representations were achieved in FY 2017-18. The consortium served 328 unduplicated participants. Outcomes for this project include:

- 96% of presentation participants (315 individuals) became more familiar with the laws governing fair housing following the presentation.
- Provision of legal services resulted in 94% of complainants with improved access or availability of housing (308 individuals).

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the Consolidated Plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source	Indicator	Unit of Measure	5-year Strategic Plan Goal	5-year Actual to Date	Percent of 5-year goal Complete	1-year (2017-18) Strategic Plan Goal	1-year (2017-18) Actual to Date	Percent of 1-year goal Complete
Affordable Housing	Affordable Housing	CDBG HOPWA HOME	Rental apartments constructed	Household Housing Unit	0	0	0%	0	0	0
Affordable Housing	Affordable Housing	CDBG HOPWA HOME	Rental apartments rehabilitated	Household Housing Unit	0	0	0%	0	0	0%
Affordable Housing	Affordable Housing	CDBG HOPWA HOME	Homeowner Housing Added	Household Housing Unit	0	0	0%	0	0	0%
Affordable Housing	Affordable Housing	CDBG HOPWA HOME	Tenant-based rental assistance/Rapid Rehousing	Households Assisted	110	199	144%	50	59	115%
Fair Housing	Non-Housing Community Development	CDBG	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1140	1040	91%	167	328	196%
Homelessness	Homeless	CDBG HOME ESG	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	0		0	0	
Homelessness	Homeless	CDBG HOME ESG	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	650	278	43%	109	69	63%
Homelessness	Homeless	CDBG HOME ESG	Homeless Person Overnight Shelter	Persons Assisted	1,600	1,591	99%	385	612	159%

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Goal	Category	Source	Indicator	Unit of Measure	5-year Strategic Plan Goal	5-year Actual to Date	Percent of 5-year goal Complete	1-year (2017-18) Strategic Plan Goal	1-year (2017-18) Actual to Date	Percent of 1-year goal Complete
Homelessness	Homeless	CDBG HOME ESG	Homelessness Prevention	Persons Assisted	20	0	0%	N/A	N/A	N/A
Homelessness	Homeless	CDBG HOME ESG	Other	Other (Outreach Contacts)	6,400	11,967	187%	2,910	5,485	188%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	193,000	302,082	136%	0	67,101	100%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1,250	2,246	180%	394	786	199%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Homeowner Housing Rehabilitated	Household Housing Unit	550	928	169%	309	319	103%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Jobs created/retained	Jobs	250	47	19%	10	21	110%

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Goal	Category	Source	Indicator	Unit of Measure	5-year Strategic Plan Goal	5-year Actual to Date	Percent of 5-year goal Complete	1-year (2017-18) Strategic Plan Goal	1-year (2017-18) Actual to Date	Percent of 1-year goal Complete
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Housing Code Enforcement/Foreclosed Property Care	Household Housing Unit	5,400	2,591	48%	1000	378	38%

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

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Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

In the third year, the City has made significant progress on achieving the goals identified in the five-year Consolidated Plan.

Responding to Homelessness and Its Impacts on the Community

Investments and Expenditures

Program	Committed	Expended
CDBG	$694,000	$672,937
HOME	$2,400,000	$998,135
ESG	$755,329	$731,421

The City of San José, in coordination with other public and private agencies in Santa Clara County, continues to have success in addressing homelessness. The City's multi-faceted approach includes funding direct services, as well as advocating for policies, programs, and funding to support the end of homelessness. In the 17-18 program year, the City invested HOME, CDBG, and ESG funds to support homeless residents. Additionally, the City's HOPWA program prioritizes homeless individuals. Highlights of this year's efforts to address homelessness and its impacts on the community include the following projects.

- HOME TBRA – The City used HOME funds to provide tenant-based rental subsidies and deposit assistance for 60 unduplicated households, targeting employable homeless individuals and families. Households pay no more than 30% of their income towards housing costs (i.e., rent and utilities). The TBRA program is an important part of the "multi-faceted approach" discussed above. The City collaborates with outside agencies which provide intensive case management services to the TBRA clientele. Such services, when combined with rental assistance, improve the client's ability to successfully transition out of homelessness, to retain housing, and to increase their self-sufficiency after exiting the TBRA program.

  The HOME-funded TBRA program offers deposit assistance equal to up to two months of rent in order to encourage landlords to rent to the program's clientele. Further, the TBRA program has taken the approach to analyze San José rents to arrive at a Rent Standard for the program rather than simply using Fair Market Rents (FMR). This approach is allowed by HUD regulations and provides a more realistic view of the current rental market. Even with these favorable program designs, San José's high rents and low vacancy rates, along with the clientele's specific challenges, make finding affordable and adequate housing a tremendous challenge.

- Citywide Outreach and Shelter Program – This program supported HomeFirst Services of Santa Clara County to provide street outreach, emergency shelter operations, case management, and operation of a centralized Homeless Outreach and Engagement Helpline (phone and email). HomeFirst reported 2,701 calls and emails on the helpline were received and responded to within 48 hours. When a call or email came in, a team of outreach

workers and/or case managers were deployed to the site to connect the homeless individuals to housing, and to offer emergency shelter, transportation, case management and other comprehensive supportive services. Every visit was recorded in a database, which helped the City understand how many encampments were in San José and which ones got the most complaints. The database was also used to determine which encampments got cleaned. The project served 612 homeless individuals (unduplicated) in the program year with 3,152 outreach contacts, 11,625 person shelter days and 1,012 case management sessions. Results of these efforts include:

- 14% of clients (86 homeless individuals) who were contacted via street/encampment outreach and exited the program, moved from street to permanent housing destinations or temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations.
- 100% of clients enrolled in case management for at least 30 days and had access to rental subsidies maintained permanent housing for at least six months.

- Downtown Outreach Program – This City supported People Assisting The Homeless (PATH), a nonprofit organization, to implement a homeless outreach and engagement program in downtown San José. PATH provided a dedicated community outreach and mobile case management team, engaged local service providers and community stakeholders, and conducted permanent housing location and placement activities. The goal of the program was to increase community engagement around homelessness and to move people from the streets to housing in an effort to reduce homelessness in Downtown San José.

  A key achievement of this program is the high number of assessments completed (232 assessments). The Santa Clara County Continuum of Care (CoC) utilizes the Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT). Completing the VI-SPDAT in HMIS enters the homeless individual into the CoC Community Queue. The Community Queue is then used to match individuals with new housing opportunities as they become available. This includes permanent supportive housing, rapid re-housing, and transitional housing. Over the past year, the program served 439 homeless individuals (unduplicated), conducted 2,303 outreach contacts, and provided 1,722 case management sessions and/or service linkages. Additionally, PATH expanded their program to include an outreach team at the MLK Library in downtown San José, as well as neighborhoods near upcoming Permanent Supportive Housing (PSH) developments. The project resulted in the following outcomes:

  - 100% of individuals engaged in services (439 homeless individuals) completed a VI-SPDAT assessment to identify the individual's vulnerability and service prioritization and enter them into the CoC's coordinated assessment system.
  - 37% of clients (162 homeless individuals) contacted via street/encampment outreach moved from street to temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations (e.g. foster care, long-term care facility).
  - 18% of clients (79 homeless individuals) contacted via street/encampment outreach moved from street to a permanent housing destination during the fiscal year.

- Rapid Rehousing and Supportive Services – This ESG-funded project included services provided by a Consortium of five agencies: Bill Wilson Center (lead agency), LifeMoves,

Family Supportive Services, Sacred Heart Community Services, and Next Door Solutions to Domestic Violence. The project supported 119 unduplicated participants. Services included 412 hours of case management, 4,993 shelter bed nights, 112 housing search sessions, and assisted 9 households with deposit/rental assistance. The project resulted in the following outcomes:

- 27% of clients (32 homeless individuals) served gained or increased employment or non-employment cash income.
- 32% of clients (38 homeless individuals) served thru emergency shelter and/or supportive services exited to permanent housing destinations.
- 56% of clients (5 homeless individuals) served thru emergency shelter and/ or Rapid Re-housing and receiving ongoing rental support exited to a permanent housing destination and maintained housing for 6 months.
- 39% of clients (3 homeless individuals) placed in permanent housing destinations will spend no more than half (50%) of their employment or non-employment income on rent.

Increasing and Preserving Affordable Housing Opportunities

Investments and Expenditures

Program	Budgeted in Annual Action Plan	Expended
CDBG	$0	$0
HOME	$6,712,878	$7,809,150
HOPWA	$1,044,761	$759,966

The City is focusing much of its federal and nonfederal resources on developing and rehabilitating housing for the City's low and extremely low income residents, and homeless individuals and families. This past year has marked significant progress in construction for a number of projects that are underway including the SRO rehabilitation project for homeless individuals (The Plaza), and two new permanent housing development (2nd Street Studios and Gallup/Mesa) projects for homeless individuals.). In addition to the new affordable housing developments, the City continues to invest in its TBRA program. The City has prioritized its TBRA coupons to assist homeless veterans and employable homeless residents.

- **New Rental Housing Development –** The City has made significant progress adding new affordable housing opportunities for low income and homeless individuals and families with the investment of HOME and CDBG funds. One new developments is underway in FY17-18.

  - Second Street Studios – City council approved expenditure of up to $8,000,000 of HOME funds for this project in July 2016. The project is in under construction at the time of this report. Second Street Studios will be an affordable rental development of 134 apartments (128 studios, and 6 one-bedroom apartments). All of the apartments have been set-aside as permanent supportive apartments for homeless households. Completion and full occupancy is expected in 2019. Accomplishments for this development will be reported the FY 18-19 CAPER.

- **Acquisition and/or Rehabilitation for Affordable Housing** – The City has made progress on increasing the availability of housing for low-income and homeless residents over the past year by acquiring property for future development.

    - The Plaza - For homeless residents with housing coupons/vouchers, finding affordable housing has been a tremendous challenge in the San José area. To address this challenge, the City used CDBG funds to acquire and rehabilitate a vacant and dilapidated 47-unit SRO building known as The Plaza Hotel located at 96 South Almaden Boulevard. The rehabilitation is complete and occupancy is underway.

    - Gallup/Mesa – CDBG funds were used to acquire two parcels located at 5647 Gallup Drive and 1171 Mesa Drive in south San José. In FY 2017-18, the City selected a developer for the project, which will include low-income housing for families and apartments set-aside for youth exiting foster care.

- **HOPWA Tenant Based Rental Assistance (TBRA) and Supportive Services** – The City manages the HOPWA program for Santa Clara County and San Benito County. The HOPWA project sponsors, The Health Trust, and San Benito County Department of Community Services, provide rental subsidies, case management, housing placement assistance, and other supportive services to low income people living with HIV/AIDS. Over the past year, the HOPWA program provided subsidies to 59 unduplicated households and supportive services to 223 unduplicated households.

    - 97% of clients (36 households) receiving TBRA maintained permanent, stable housing during the program year.
    - 87% of clients (32 households) receiving support services obtained or maintained benefits and/or income during the program year.

<u>Strengthening Neighborhoods</u>

Investments and Expenditures

Program	Budgeted in Annual Action Plan	Expended
CDBG	$8,325,067	$5,616,121

- **Senior Services** – CDBG funds supported two community-based organizations to provide services for over 1,891 unduplicated, low-income seniors.

  Senior Access and Health Support, a program of Portuguese Organization for Social Services & Opportunities (POSSO), coordinated 514 assisted door-to-door transportation services, and 5,823 meals to 130 unduplicated low-income elderly residents.

    - 94% of the low-income dependent seniors (122 individuals) utilized the transportation service report improved quality of life because of greater socialization and resource utilization.

- 88 % of the low-income dependent seniors (114 individuals) receiving home delivered meals report improved health because of improved nutrition and nutrition knowledge.

Meals on Wheels, a program of The Health Trust, served 131 low-income seniors (unduplicated) with 23,723 healthy, hot meals, and provided 15,486 social visits and wellness checks, far exceeding the goals set at the start of the program year. Through private donations, the program was also able to provide pet food and supplies, so clients served were able to continue living with their animal companions. Outcomes included:

- 100% of the seniors served (131 individuals) reported that Meals On Wheels is somewhat or extremely important in helping them remain independent in their homes.
- 81% of the clients served (106 individuals) reported that the phone calls, driver visits, and other staff visits are extremely, very, or somewhat helpful in making them feel socially connected.

- **Neighborhood Engagement and Leadership Services** – CDBG funds supported two neighborhood engagement programs in place-based initiative communities.

  The **Somos Mayfair Home Grown Talent Project** supported 266 unduplicated residents in East San José. The program, a consortium of five non-profit agencies, provided with the following services:

  - 204 residents accessed crisis and support services in the areas of food, housing, and financial sustainability;
  - 154 residents completed a 3-part leadership development workshop series;
  - 117 residents participated in a series of skill-building workshops focused on community organizing;
  - 29 residents engaged in trainings to deepen their knowledge of the early child development field; and
  - 38 residents completed a 6-month urban agriculture entrepreneurs training series

  The program resulted in the following outcomes:

  - 89% of participants (236 residents) increased their self-sufficiency by addressing a critical basic need;
  - 85% of participants (65 residents) increased their leadership skills and/or took action in the community; and
  - 94% of participants (52 residents) in the economic opportunity pipeline increased their skill sets to position themselves for economic opportunities.

  The **CommUniverCity Community Leadership Program** (CLP) supported 97 community members in District 3 by providing 126 two hour sessions of community leadership development trainings and supporting participants in developing and implementing neighborhood improvement projects. The participants of the leadership program facilitated 224 hours of community conversations with other residents in their neighborhoods. Outcomes included:

- 100% of participants indicated they feel more responsibility for being a leader in the community and plan to utilize the information they learned to improve their communities.

2017 Community Leadership Program Graduation Ceremony

- **Work Experience Program** – The City awarded CDBG funds to support the efforts of the San José Streets Team (SJST). The purpose of the project is to provide project participants with employment development services and job training, as well as to develop business partner relationships to secure job placement commitments. The goal is to place homeless and recently housed individuals into permanent jobs. The project served 68 unduplicated participants, falling short of its goal of 80, but achieving many successes, including the following activities and outcomes:
  - Entered into agreements with local businesses to place 21 individuals into jobs.
  - Provided 3,884 hours of employment development services to 68 program participants
  - 100% of participants (21 individuals) who graduated from the program retained employment for at least three months.
  - 5 participants who graduated from the program were placed in permanent jobs identified in written agreements with business partners and retained employment for at least 3 months.

- **Code Enforcement** - This project focused on providing enhanced code enforcement services in two Place-Based Initiative neighborhoods, Five Wounds/Brookwood Terrace and Santee, as well as neighborhoods identified by the Mayor's Gang Taskforce, such as Cadillac. Code Enforcement Inspectors conducted enhanced multifamily apartment building inspections. Enhanced multi-family inspections provide inspections beyond the City's normal inspection schedule, resulting in more frequent and more comprehensive code enforcement inspections of multi-family buildings, resulting in more violation corrections than would occur without CDBG support. The code enforcement efforts included 1,052 inspections and re-inspections, which resulted in 1,438 violations corrected. The program served 378 unduplicated households. Results of these interventions include:

- 84% of substandard housing violations identified by inspectors were corrected within 120 calendar days from the date inspectors notified the property owners of the violations.

- **Place-based Capital Street and Infrastructure Enhancements** – The neighborhoods of Santee, Mayfair, and Five Wounds/Brookwood Terrace all indicated a need for pedestrian safety and lighting improvements and prioritized projects to address this need. Several projects were underway during the program year including:

  - LED Streetlights conversion in Santee/MayFair/ FiveWounds areas - This project included conversion of 214 LED Streetlights in Santee and Mayfair neighborhoods. The project was completed in August 2017.

- **Other Place-Based Community Development Improvements**

  - Recovery Café Rehabilitation (Completed) – This project was completed in 2018 in which funding was used to rehabilitate the kitchen and social hall, and make ADA improvements of a church where a local nonprofit provides respite, community connections, and services for homeless individuals.

  - Bill Wilson Center Drop-in Center Rehab (Underway) – This rehabilitation project was originally funded in the FY14-15 Annual Action Plan. Planning is underway to rehabilitate the homeless drop-in center, which includes three buildings on the corner of South 2nd and Margaret Street.

  - Boccardo Reception Center Shelter Rehab (Completed) - The project funded the rehabilitation of the Boccardo Reception Center Homeless Shelter. The project included kitchen improvements consisting of upgrading the refrigeration system, and replacement of kitchen shelving, dishwasher, steam table flooring. Additionally, funds supported installation of ADA automatic door(s), security cameras, and replacement of two (2) IV Convection Ovens and associated rehabilitation work. Construction is complete and the project closed in 2018.

- Minor Repair Program – The primary purpose of the Minor Repair program is to arrest the deterioration of owner occupied housing for extremely low-income residents thereby restoring and preserving decent affordable housing in a cost-effective manner. The City provided CDBG funds to Rebuilding Together and Habitat for Humanity to address immediate health and safety needs as well minor accessibility and mobility needs.

  In the program year, the project provided 1,824 items of urgent, safety and accessibility/mobility repairs, and 463 items of major (e.g., roof replacements) rehabilitation activities to ensure safe and decent living environment to 243 low income households. The results of this project include:

  - 95% of households (230 households) have improved safety conditions in their home.

- 97% of households (190 households) served through Rebuilding Together have improved accessibility and mobility modifications in their home as a result of the improvement.
- 93% (44 households) of all households served through Habitat for Humanity SV felt safer in their homes after receiving repairs to their homes
- 100% (47 households) of initial inquiries were responded with an initial site assessment from Habitat for Humanity SV within one week

Promoting Fair Housing Choice

Investments and Expenditures

Program	Budgeted in Annual Action Plan	Expended
CDBG	$300,000	$300,000
HOME	$100,000	$100,000

The City seeks to promote and increase fair housing choice through several strategies, such as requiring developers to affirmatively market available apartments and focusing on providing housing for extremely low-income households that are cost burdened. In addition to considering fair housing choice in decisions related to affordable housing development, the City provides funding to nonprofit community-based organizations to provide services to low-income residents to address barriers to fair housing choice. Subrecipients' work includes ensuring that San José residents are protected against housing discrimination under The Fair Housing Act (adopted in 1968 and amended in 1988), which prohibits housing discrimination against any of the following seven protected classes: 1) Race; 2) Color; 3) Religion; 4) Sex; 5) National origin; 6) Familial status; and 7) Disability.

The organizations funded provide needed services to low-income residents, such as investigating complaints of discrimination in rental housing, including conducting fair housing testing and interviewing residents to confirm and document cases of alleged discrimination. If complaints are valid, the funded agencies provide assistance to the clients in the form of client brief services or legal representation. Cases are resolved when the landlord corrects the action, such as providing reasonable accommodation for people with disabilities, stopping an eviction, or accepting a new tenant that had been previously denied because of race, color, religion, national origin, sex, disability, and familial status. In addition to these vital services, CDBG funds support Fair Housing outreach and education, including trainings for tenants and landlords to better understand fair housing requirements. The trainings prevent landlords from violating the law and educate tenants regarding their rights.

Fair Housing Consortium – CDBG funds supported a consortium of agencies that provide Fair Housing services. The consortium included the Law Foundation of Silicon Valley (lead agency), Project Sentinel, Senior Adult Legal Assistance (SALA), and Asian Law Alliance (ALA). Services provided in the FY2017-18 program year included 55 fair housing presentations, 59 fair housing investigations, 83 client brief services, and 112 legal representations. Outcomes for this project include:

- 96% of presentation participants (315 individuals) became more familiar with the laws governing fair housing following the presentation.
- Provision of legal services resulted in 94% of complainants with improved access or availability of housing (105 individuals).

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted). 91.520(a) *

	CDBG	HOME
White	960	36
Black or African American	652	7
Asian	192	3
American Indian or American Native	94	2
Native Hawaiian or Other Pacific Islander	24	5
Other	677	7
Total	**2,599**	**60**
Hispanic	300	33
Not Hispanic	341	27

Table 2* – Table of assistance to racial and ethnic populations by source of funds
*The data in Table 2 will be populated prior to posting the final CAPER.

Narrative

As reflected in the table above, the City's programs served a diverse population of individuals and families in FY2017-18. While several programs focus on serving specific underserved populations, all programs are prohibited from discriminating against any protected class when determining eligibility for programs. Affordable housing developers are required to develop and implement an affirmative marketing plan when leasing affordable apartments. All subrecipients of federal funds are also required to adhere to the City's Language Access Plan, ensuring resources are accessible to residents with Limited English Proficiency.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources available in FY 2017-18	Projected Resources for Remainder of Consolidated Plan (2016-2020)	Amount Expended During FY 2017-18
CDBG	Public - federal	$13,072,038	$15,752,257	$9,917,211
HOME	Public - federal	$11,389,423	$7,492,379	$1,109,792
HOPWA	Public - federal	$1,149,261	$5,785,958	$699,088
ESG	Public - federal	$755,329	$1,857,015	$731,421

Table 3 – Resources Made Available

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Citywide	100	100	Citywide

Table 4 – Identify the geographic distribution and location of investments

Narrative

The City generally allocates federal entitlement dollars according to low- and moderate-income (LMI) census tracts without target areas. However, in light of current budget limitations, San José recognizes the importance of a coordinated effort to invest in its neighborhoods and has prioritized place-based strategies. In the 2010-15 Consolidated Plan, San José initiated the Place-Based Initiative (PBI) strategy by focusing leveraged investments in the Santee/McKinley, Five Wounds/Brookwood Terrace, and Mayfair neighborhoods to create clean, safe, and engaged places. In the 2015-2020 Consolidated Plan, the City continued to emphasize the importance of neighborhoods and to refine its approach by seeking to make high-impact, targeted investments in strategic locations and activities that advance the four goals identified in the FY 2017-18 Action Plan. To the extent possible, the funding strategy seeks to leverage resources, support partnerships, advance multiple City goals, be outcome instead of output driven, and invest in programs that are replicable and sustainable without the need for ongoing federal and other public resources.

Over the past year, the City invested in several community development projects, neighborhood engagement, and leadership development activities in the PBI neighborhoods. All three PBI neighborhoods have indicated that pedestrian safety is a priority. As a result, the City has invested significant resources into the three neighborhoods to install traffic calming measures, improve pedestrian level lighting, and increase the accessibility. Several projects are underway and planned to

be complete in the 17-18 program year.

Community members of the PBI neighborhoods also indicated a need for increased neighborhood engagement and leadership. The supported two community based agencies to implement neighborhood engagement programs in Mayfair and in District 3, which includes Five Wounds/Brookwood Terrace. The two programs resulted in 393 community members participating in leadership training or skill-building workshops. An additional 155 community members received basic needs support services. The third neighborhood, Santee, is the focus of a targeted fair housing and legal services pilot program, due to reports of illegal evictions and other tenant landlord issues. The pilot will be completed in December 2017.

The PBI neighborhoods are were also supported in the FY 2017-18 program year with enhanced code enforcement services to improve substandard housing conditions.

In addition to the three place-based neighborhoods, the City invested resources in neighborhoods where new permanent supportive housing or interim housing for homeless people is planned or under development. The City's Neighborhoods teams focused on providing neighborhood support in these areas and homeless outreach teams were deployed on a regular basis. The City is planning to fund several community development projects in neighborhoods where permanent supportive housing developments or interim housing will be located, including 2nd Street Studios and Evans Lane.

While the City has focused significant resources on the three PBI neighborhoods, investment in other low-income communities across the City was achieved. Addressing homelessness is a Citywide priority and the City is investing CDBG, HOME, and ESG funds to serve the homeless community Citywide. This includes both services and capital investments, such as rehabilitation of the Recovery Café, a homeless day center which was completed this year. Additionally, rehabilitation of the Bill Wilson Center Drop-In, a center for homeless youth and young adults, is underway.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Leveraging for Entitlement Funds

Leveraging HUD resources allows the City to bring in local, state, and other resources to combine with federal financial resources to maximize the reach and impact of the City's HUD-funded programs. The following are either HUD or City-required matching requirements for the four federal housing and community development programs:

- In the HOME program, HUD requires entitlement cities to contribute at least 25 percent of the dollars disbursed from non-federal sources (that is, $1 of non-federal funds for every $4 of federal funds).
- In the ESG program, there is a one-to-one match (that is, $1 of matching funds for every $1 of ESG funding). The City matches the ESG funds with local Housing Trust Fund (HTF) dollars (see explanation below) invested in ESG-eligible homeless services. All HTF grantees are required to submit backup documentation for all costs, which are recorded to satisfy the matching requirements for the ESG program. In addition, the ESG program allows other federal sources to be used as matching funds. The City uses CDBG-funded homeless services (outreach and shelter) as a match for ESG funds.

Outside of these match requirements, the City pairs other federal programs such as the HOPWA Permanent Supportive Housing (PSH) programs to meet San José's housing needs and priorities. The HOPWA-PSH renewal grant was awarded in FY 2016-17 and continued in FY 2017-18. The City also applied for and was awarded the HOPWA-VAWA (Violence Against Women Act) demonstration project grant, which began in FY 2016-17 and started its second year in FY 2017-18. The success of the City's HOPWA and HOPWA-PSH programs helped demonstrate the need and opportunities for this new project.

Leveraging for State & local Housing & Community Development sources

The following sources were leveraged to support projects and activities funded with federal dollars:

State Housing and Community Development Sources

- **State of California Housing and Community Development Infill Infrastructure Grant (HCD IIG):** HCD grants are awarded through a competitive application process by the State HCD office to affordable housing developers to create rental opportunities for lower-income households. For the Second Street Studios development, the City leveraged its investment with $4,000,000 of HCD IIG.

County and Local Housing and Community Development Sources

- **Inclusionary Housing Ordinance (IHO):** The City's IHO, requires that all residential developments that create new, additional, or modified for-sale homes contribute to providing housing that is affordable and price-restricted for moderate-income buyers. Developer's may satisfy their IHO requirements by providing 15 percent affordable homes on-site within their projects. Alternatively, Developer's may

satisfy their IHO requirement through a variety of in-lieu options to provide units or unit equivalents (such as paying an in-lieu fee) equal to at least 20 percent of the project's number of homes. With its interim grace period and changes in the program due to state legislation (AB1505), no in-lieu fees have been collected between July 1, 2017 – June 30, 2018.

- **Affordable Housing Impact Fee (AHIF):** Adopted by San José City Council on July 20, 2016, the AHIF is applied to new market-rate rental housing developments in order to collect revenue to address the demand for affordable housing connected with new market-rate development. $229,586 in AHIF funds have been collected between July 1, 2017 – June 30, 2018. These AHIF funds will be grouped with future IHO in-lieu fees (mentioned above) and distributed to affordable housing developers who will build deed restricted affordable units throughout the City.

- **The Housing Trust Fund:** The City's Housing Trust Fund (HTF) provides ongoing funding for housing and support programs that seek to address homelessness, in part by creating a vehicle eligible to compete for outside funding sources. In FY 2017-18, approximately $2.5 million in HTF was used towards the following to respond to the impacts of homelessness in the community: City staffing and non-personnel costs; regional initiatives such as the "Supportive Housing Employment Initiative" to secure 200 full-time job placements for Rapid Rehousing participants; funding for the County of Santa Clara to support community-wide Continuum of Care work including the Care Coordination Project, UPLIFT Transit Pass Program and HMIS; direct supportive services such as outreach, case management, homeless prevention funds, mobile shower and laundry and housing support; matching funds for federal, State and regional grants.

- **General Fund:** In FY 2017-18, the City's General Fund provided $2 million for ongoing homeless encampment abatement and deterrent services.

- **Housing Authority Litigation Award:** In FY 2017-18, the City's Housing Authority Litigation Award (HALA) was introduced as a new funding source, which funded the City's new Rapid Rehousing Program.

- **Housing Authority of the County of Santa Clara:** Acting on behalf of the City of San José Housing Authority, the City contracts with the Santa Clara County Housing Authority (SCCHA) to administer and manage the Section 8 Voucher program and public housing programs within San José. SCCHA receives federal funding to run the following programs:
    - Section 8 Housing Choice Voucher Program: rental assistance to low-income households.
    - Family Self-Sufficiency Program: employment assistance program for Section 8 participants.
    - Veterans Affairs Supportive Housing (VASH): housing assistance for homeless veterans.
    - Family Unification Program: voucher assistance for families who have been separated due to a lack of adequate housing.
    - Non-Elderly Disabled (NED) Vouchers: voucher program to allow non-elderly disabled people to transition out of care-giving institutions.
    - Moderate Rehabilitation Program: project-based rental assistance for low-income families.
    - Project-based Voucher Commitments: project-based rental assistance for new and newly-affordable rental properties that serve vulnerable populations, including the homeless, disabled, seniors, large families, and other groups who are particularly disadvantaged in finding suitable affordable housing in our high-cost county.

In January 2008, HUD designated the SCCHA (then known as the Housing Authority of the County of Santa Clara) as a "Moving to Work" (MTW) agency through June 30, 2018. In April 2016, SCCHA's MTW designation was extended to June 30, 2028. The goal of the MTW program

is to increase cost effectiveness, promote self-sufficiency, and expand housing options for low-income families. The MTW designation provides more flexibility in use of funding sources and will support the creation of more efficient programs. The City continues to partner with the SCCHA to identify MTW activities that may benefit low-income families of the community, especially homeless households.

SCCHA further plays a direct role in developing affordable apartments. Acting as a nonprofit housing developer, SCCHA applies for funds from the City and a variety of State, federal, and private sources for its various development projects. SCCHA's affordable housing development team continues work on the Park Avenue property, which was purchased with MTW funds. The agency is constructing two new affordable housing projects: Park Avenue Senior Apartments and Laurel Grove Apartments. Park Avenue Apartments will provide 100 units of senior housing and Laurel Grove will provide 82 units of family housing on a two-acre site in downtown San José immediately adjacent to a public transportation hub for light rail, trains and buses. Construction for Laurel Grove began in June 2016, and the property is expected to start leasing in the summer of 2018—and construction for Park Avenue started in December 2016, and leasing should begin in the Spring of 2019.

SCCHA assists approximately 17,000 households through the federal Section 8, of which approximately 7,000 households receive assistance through the City of San José voucher program. The Section 8 waiting list contains about 4,600 households and is estimated to be a seven-year wait. SCCHA also develops, controls, and manages more than 2,900 affordable rental housing properties throughout the County. SCCHA's programs are targeted toward VLI households, and more than 80 percent of its client households are extremely low-income families, seniors, veterans, persons with disabilities, and formerly homeless individuals.

SCCHA is an active developer of affordable housing and has constructed, rehabilitated, and/or assisted with the development of more than 30 apartment projects that service a variety of residents, including special needs households.

Note: Subsidized housing is housing owned and managed by private or nonprofit owners who receive subsidies in exchange for renting to LMI tenants, while public housing is housing owned and managed by the housing authority. Public Housing is defined by HUD as "housing assisted under the provisions of the U.S. Housing Act of 1937 or under a state or local program having the same general purposes as the federal program. Distinguished from privately financed housing, regardless of whether federal subsidies or mortgage insurance are features of such housing development."

SCCHA, the City of San José Housing Department (CSJHD) and County of Santa Clara Office of Supportive Housing (OSD), in partnership with the Veterans Administration Palo Alto Health Care System (VA), worked together in FY 2015-16 to issue a joint NOFA/RFP for project-based vouchers, for release in July 2016. The joint NOFA/RFP resulted in the issuance of 193 Section 8 project-based vouchers for special needs populations, 475 project-based vouchers for the chronically homeless, and 74 VASH project-based vouchers for homeless veterans.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

On April 26, 2016, the City adopted a resolution updating the current procedure for the disposition of surplus City-owned property to reflect the general terms of Assembly Bill 2135 with the purpose of making more land available for affordable housing.

Properties that involved development for affordable housing of surplus City-owned property are as follows:

- In 2009 the City acquired two single-family homes on Vermont Street in the Rose Garden neighborhood. In the City's fiscal year 2016-17 the homes were leased to a nonprofit organization that is rehabilitating the homes to provide 16 housing units for formerly homeless veterans. Completion and a grand opening are projected for Veterans Day November 11, 2017.
- 868 Delmas Avenue, a parcel of land owned by the City, was conveyed to an affordable housing developer to construct one single family home. In addition, the City granted an additional $258,000 to reimburse costs of remediation. In return, the home is restricted to very low income ownership. Construction was completed in April 2017 and was subsequently sold to a very low-income homeowner, who is presently in occupancy.
- In March 2016 the City Council approved a lease and grant to an affordable housing developer of $1,800,000 to rehabilitate the City owned Plaza Hotel. The Plaza Hotel will provide 47 units of affordable housing to formerly homeless individuals. To date, approximately 25% of rehab work is completed with units expected to be leased by September 2017.
- In August 2016, the City Council approved a lease and $400,000 predevelopment grant to an affordable housing developer for the Evans Lane property owned by the City. The financing grant will enable the developer to proceed with a development concept for an affordable housing interim housing community, obtain entitlements and pursue other sources of financing. It should be noted that the City Council has yet to make a funding commitment other than the predevelopment grant referenced above.
- In June 2017, the City Council approved an exclusive negotiating agreement and $200,000 predevelopment loan to an affordable housing developer for future development of the City owned Gallup Drive / Mesa Drive property for affordable housing.
- In June 2017, the City Council approved an exclusive negotiating agreement and $200,000 predevelopment loan to an affordable housing developer for future development of the City owned 226 Balbach Avenue property for affordable housing.

Leveraging for HOME funds

The amount of funds the City must match is dependent upon the amount of HOME funds disbursed throughout the federal fiscal year. The data is collected up to September 30th (the end of the federal). The numbers below are based on the most current data collected as of publishing. The final numbers will be amended prior to submitting the CAPER to HUD.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	$18,914,366
2. Match contributed during current Federal fiscal year	$2,313,523
3 Total match available for current Federal fiscal year (Line 1 plus Line 2)	$21,227,889
4. Match liability for current Federal fiscal year	$4,936,028
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	$16,291,861

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	**Date of Contribution**	**Cash (non-Federal sources)**	**Foregone Taxes, Fees, Charges**	**Appraised Land/Real Property**	**Required Infrastructure**	**Site Preparation, Construction Materials, Donated labor**	**Bond Financing**	**Total Match**
Homesafe	4/01/2017		$69,611.89					$69,611.89
Kings Crossing	4/01/2017		$127,219.05					$127,219.05
The Verandas	4/01/2017		$178,055.45					$178,055.45
Markham Plaza I	4/01/2017		$91,474.13					$91,474.13
Markham Plaza II	4/01/2017		$91,763.00					$91,763.00
98 Archer	4/01/2017		$12,331.70					$12,331.70
Plaza del Sol	4/01/2017		$96,510.98					$96,510.98
4th Street	4/01/2017		$394,792.13					$394,792.13
Willow Glen Sr.	4/01/2017		$121,156.42					$121,156.42
Curtner Gardens	4/01/2017		$206,448.33					$206,448.33
Canoas Terrace	4/01/2017		$267,041.94					$267,041.94
Japantown Sr.	4/01/2017		$111,282.51					$111,282.51
Edenvale	4/01/2017		$374,943.16					$374,943.16
The Met	4/01/2017		$170,892.44					$170,892.44

Table 6 – Match Contribution for the Federal Fiscal Year

Program Income

The amount of funds the City must matched is dependent upon the amount of HOME funds disbursed throughout the federal fiscal year. The data is collected up to September 30th (the end of the federal). The numbers below are based on the most current data collected as of publishing. The final numbers will be amended prior to submitting the CAPER to HUD.

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period $	**Amount received during reporting period $**	**Total amount expended during reporting period $**	**Amount expended for TBRA $**	**Balance on hand at end of reporting period $**
$7,674,222	**$5,131,794.02**	**$1,165,725.14**	**$1,146,148.52**	**$11,640,290.88**

Table 7 – Program Income

OMB Control No: 2506-0117 (exp. 07/31/2015)

HOME MBE/WBE Report

It is policy to require developers, contractors and/or sub-recipients to solicit bids from women and minority owned businesses. In bid notifications, it is required to include a statement that encourages MBE/WBE businesses to apply.

Note: The data for the MBE/WBE report is collected up to September 30 (the end of the federal fiscal year). The final numbers will be inserted prior to submitting the CAPER to HUD.

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	**Minority Business Enterprises**				**White Non-Hispanic**
		Alaskan Native or American Indian	**Asian or Pacific Islander**	**Black Non-Hispanic**	**Hispanic**	
Contracts						
Dollar Amount	**$**					
Number		**0**	**0**	**0**	**0**	**0**
Sub-Contracts						
Number	**0**					
Dollar Amount						

	Total	**Women Business Enterprises**	**Male**
Contracts			
Dollar Amount			
Number	**0**		
Sub-Contracts			
Number			
Dollar Amount	**0**		

Table 8 – Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	**Minority Property Owners**				**White Non-Hispanic**
		Alaskan Native or American Indian	**Asian or Pacific Islander**	**Black Non-Hispanic**	**Hispanic**	
Number	**0**					

OMB Control No: 2506-0117 (exp. 07/31/2015)

Dollar Amount						

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition		
Parcels Acquired	**0**	
Businesses Displaced	**0**	
Nonprofit Organizations Displaced	**0**	
Households Temporarily Relocated, not Displaced	**0**	

Households Displaced	**Total**	**Minority Property Enterprises**				**White Non-Hispanic**
		Alaskan Native or American Indian	**Asian or Pacific Islander**	**Black Non-Hispanic**	**Hispanic**	
Number	**0**					
Cost						

Table 10 – Relocation and Real Property Acquisition

OMB Control No: 2506-0117 (exp. 07/31/2015)

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

Table 1: POPULATION SERVED

	One-Year Goal (2017-18)	Actual (2017-18)
Number of homeless households to be provided affordable housing units	**150**	**69**
Number of non-homeless households to be provided affordable housing units	**50**	**0**
Number of special-needs households to be provided affordable housing units	**90**	**0**
Total	**290**	**69**

Table 11 – Number of Households

Table 2: TYPE OF HOUSING ASSISTANCE

	One-Year Goal (2017-18)	Actual (2017-18)
Number of households supported through rental assistance	**240**	**69**
Number of households supported through the production of new units	**50**	**0**
Number of households supported through the rehab of existing units	**0**	**0**
Number of households supported through the acquisition of existing units	**0**	**0**
Total	**290**	**69**

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

While the City did not meet some of the affordable housing goals set in the Action Plan, several projects underway will assist in meeting or exceeding the goals set in the coming year.

<u>Table 1</u>

The City made progress, but did not meet the goal for providing affordable housing apartments to special-needs households through our HOPWA program. This program provided TBRA to 66 households. The City was not able to meet the goal of 90 households due to the challenging rental market. The actual number of households served is much higher than what is reflected in the table above due to the City's HOPWA-PSH program. The HOPWA-PSH program provides TBRA to an additional 20 households per year.

The City met 57% of the goal for the number of homeless households to be provided affordable housing units. The HOME-funded TBRA program assisted 110 homeless households and ESG-supported rapid rehousing assistance was provided to 38 households. As mentioned above, one of the most significant challenges in meeting this goal is the tight rental market in the City with low vacancy rates. Even when provided a TBRA coupon or rapid rehousing deposit/rental assistance, it remains difficult to find apartments at fair market rent with landlords willing to rent to individuals with credit issues, criminal histories, or lack of recent rental references. For this reason the City has focused on developing or rehabilitating housing for homeless households. Twenty apartments at Donner Lofts were set aside for homeless households. The City expects to make progress on this goal in FY17-18 with the completion of Second Street Studios, which includes 134 apartments for homeless families and individuals, as well as completion of The Plaza, which will provide 47 apartments dedicated to homeless households.

Table 2

The City met 76% of its goal for the number of households supported through rental assistance by providing rental assistance through HOPWA, HOME, and ESG programs. In the 17-18 program year, the HOME TBRA program supported 60 households with HOME Tenant Based Rental Assistance (TBRA), 9 households with ESG Rapid Rehousing, and 66 households with HOPWA rental assistance.

While the City did not meet the goals for rehabilitation and production of new apartments, several projects are underway that will meet the 5-year goals in the coming year. Significant progress was made in the production of new apartments with the completion in the coming year, the CDBG-funded acquisition and rehabilitation of The Plaza will add 47 new affordable apartments for homeless individuals. The City expects to complete Second Street Studios (134 affordable apartments; 58 HOME-assisted) in the 18-19 program year.

Discuss how these outcomes will impact future annual action plans.

The City will continue to focus on the production of new affordable housing opportunities, as well as supporting homeless and special-needs individuals and families with rental assistance.
Due to the delays in the construction of affordable housing, the City will make adjustments on the expected goals for the number of households supported, as well as the number of new apartments constructed in future action plans.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Persons Served		CDBG Actual	HOME Actual
Extremely Low-income		47	0
Low-income		0	0
Moderate-income		0	0
Total		**47**	**0**

Table 13 – Number of Persons Served

OMB Control No: 2506-0117 (exp. 07/31/2015)

Narrative Information

Much of the City's current affordable housing portfolio consists of apartments for individuals with incomes between 50-60% of Area Median Income. Earlier this year the City adopted a two-year Housing Investment Plan and issued a joint NOFA with the County of Santa Clara County and the Housing Authority of Santa Clara County. With these actions, the City is prioritizing the provision of housing for homeless individuals and families, which resulted in a large proportion of extremely low-income households served this year. The individuals served with HOME funds include homeless persons receiving rental assistance, and low-income tenants of new rental apartments developed with HOME funds.

While CDBG funds invested in the FY 2017-18 program year will result in an increase in availability of affordable housing in the next year when the rehabilitation of the Plaza is complete, which will provide 47 new apartments of affordable housing for homeless individuals. Additionally, the City supported the acquisition of land in Downtown San José for the development of a Villas on the Park, a Permanent Supportive Housing development for homeless individuals.

Investments in HOME projects in the FY 2017-18 year will also result in new apartments in FY 2017-18, such as the City's first project dedicated entirely to Permanent Supportive Housing, 2nd Street Studios, which will include 134 new affordable apartments (58 of which are HOME units). All apartments will be occupied by homeless households qualifying for permanent supportive housing through the Continuum of Care's Coordinated Assessment and Entry process.

Leveraging for State & local Housing & Community Development sources

The following sources were leveraged to support projects and activities funded with federal dollars:

State Housing and Community Development Sources

- **The Housing Trust Fund:** The City's Housing Trust Fund (HTF) provides ongoing funding for housing and support programs that seek to address homelessness, in part by creating a vehicle eligible to compete for outside funding sources. In FY 2017-18, approximately $2.5 million in HTF was used towards the following to respond to the impacts of homelessness in the community: City staffing and non-personnel costs; regional initiatives such as the "Supportive Housing Employment Initiative" to secure 200 full-time job placements for Rapid Rehousing participants; funding for the County of Santa Clara to support community-wide Continuum of Care work including the Care Coordination Project, UPLIFT Transit Pass Program and HMIS; direct supportive services such as outreach, case management, homeless prevention funds, mobile shower and laundry and housing support; matching funds for federal, State and regional grants.
- **General Fund:** In FY 2017-18, the City's General Fund provided $2 million for ongoing homeless encampment abatement and deterrent services.
- **Housing Authority Litigation Award:** In FY 2017-18, the City's Housing Authority Litigation Award (HALA) was introduced as a new funding source

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

The 2017 Homeless Census and Survey identified a total of 4,350 individuals residing in San José on any given night. Out of the total 4,350 persons, 74% of the population was unsheltered (residing on the street, in vehicles, in abandoned buildings or in encampment areas). There were 643 individuals experiencing homelessness in encampment areas in San José. Since 2013, the City funded targeted encampment and outreach efforts to historically hard-to-count populations (i.e. youth and encampment residents).

In FY 2017-18, the City prioritized rapid re-housing with supportive services as well as a Crisis Response System, which included Homeless Outreach and Engagement. Both ESG and CDBG funds were allocated to homeless outreach and engagement services with homeless persons in encampments and on the streets. While the focus was rapid re-housing, ESG funds were also used to end someone's homeless episode quickly through interim housing strategies, case management support, and financial assistance. Approximately 46% of ESG funds were expended on homeless outreach and engagement services.

The City-wide Homeless Outreach and Engagement Program provided a coordinated response to the community about homeless persons living on the streets and in encampments throughout San José. Funded by CDBG and managed by HomeFirst, the Program engaged homeless clients throughout San José, with the goal of transitioning them from the streets to permanent housing. The Homeless Concerns Hotline (408-975-1440) and email (homelessconcerns@sanjoseca.gov) is a City operated line for community members, residents, businesses, and other homeless service providers to report any homeless encampment and/or concerns. When the City received a concern, a team of outreach workers were deployed to the location. The role of an outreach worker was to provide a consistent presence on the streets and other outdoor locations throughout San José to build rapport and trust with homeless residents. Outreach workers met immediate needs by connecting the homeless person to shelter and/or other critical services such as health care, linkage and referrals to services and benefits, direct transportation to shelter and other services. After a visit was completed the outreach team recorded their efforts/findings into a City funded database, which helped the City understand how many encampments were in San José and which ones got the most complaints. The database was also used to determine "hot spots" and which encampments were abated. The City-wide Outreach Program provided 3,152 outreach contacts to 612 unduplicated homeless persons throughout San José. Through the City-wide Outreach Program 32 shelter beds were funded at Boccardo Reception Center. The City-wider Outreach Program filled all 32 beds and often used "manager approval" beds, keeping their bed list at a consistent 45 beds. Further, 14% of clients contacted via street outreach moved from the street to a permanent destination or institution.

PATH managed the Downtown Homeless Outreach and Engagement Program, which included a dedicated community outreach and mobile case management team, an assessment process to establish the geography and extent of homelessness, engagement with local service providers and community stakeholders, and permanent housing location, placement, and retention activities. The goal of the

program was to increase community engagement around homelessness and decrease the number of people experiencing homelessness in the downtown core. PATH provided 2,303 outreach contacts to homeless persons in the downtown core to 439 unduplicated homeless individuals. Further, 37% of clients contacted via street outreach moved from the street to a temporary destination or institutional destination (162 people). Most significantly 18% of participants (79 people) moved into a permanent housing destination. This low number can be explained because the program targeted and served primarily individuals experiencing chronic homelessness with chronic illnesses who faced multiple barriers to permanent housing. PATH commented that Santa Clara County's tight rental housing market, high rents, and low vacancy rate poses significant challenges to permanently housing our most vulnerable.

As a result of ESG and CDBG funding, PATH made a total of 439 unduplicated contacts and Homefirst made a total of 612 unduplicated contacts with homeless individuals. Unduplicated contacts were individuals and/or families who were assessed for available housing options and linked to temporary shelter, case management, transportation and medical services. Engaging with someone for long enough to gain trust can take weeks, months or years, especially for those who do not access shelter or services and most likely have multiple barriers securing permanent housing and gaining stability.

The City continued coordinating with the Santa Clara Valley Water District and other government and nonprofit partners to implement an ongoing response to homeless encampments which balances the needs of the encampment occupants and responds to the concerns of neighborhoods and the damage to the environment resulting from the encampments. In FY 2017-18 there were 499 abatements conducted both on land and along our water ways, resulting in 798 tons of trash being removed. Outreach and engagement teams worked in conjunction with the abatement team once a site was identified for abatement, to offer services and referrals.

Addressing the emergency shelter and transitional housing needs of homeless

The City continued to support emergency and transitional housing options, but prioritized moving people quickly into housing with supportive services as seen in the successful Housing First approach. Efforts included creating mutually beneficial partnerships with property owners and managers to remove the stigma of renting to extremely low income and formerly homeless people, and increasing the number of units of permanent housing available to homeless people linked with supportive wraparound services.

While the City's primary outcome for ESG grantees was rapid re-housing and housing maintenance, ensuring shelter in the interim was critical. The ESG funding was enhanced with $694,000 of CDBG funds dedicated to homeless outreach and shelter. In FY 2017-18, CDBG funded 11,625 personal shelter days while homeless individuals engaged with a case manager and secured permanent housing (rather than remaining outdoors). The ESG and CDBG-funded Outreach Teams were also able to connect individuals to other appropriate supportive housing programs, including the HOME-funded Tenant-Based Rental Assistance Program (TBRA).

The ESG and CDBG funded Rapid Re-housing and Supportive Services Project was provided by a consortium of five agencies: Bill Wilson Center (lead agency), LifeMoves (formerly InnVision Shelter Network), Family Supportive Housing, Sacred Heart Community Service, and Next Door Solutions to Domestic Violence. The project provided services, which included emergency shelter, to homeless clients searching for permanent housing. The ESG-funded program provided 4,993 shelter days.

Further, 32% of clients served through emergency shelter and/or supportive services exited to permanent housing destinations.%).

The City's Crisis Response System included various essential services centered on hygiene and emergency shelter.

Using the local Housing Trust Fund, the City funded Project WeHope to operate Dignity on Wheels. This mobile shower and laundry program served 956 unduplicated homeless individuals, providing 5,520 showers and 1,592 loads of laundry. In addition, the program made 600 referrals to community resources and services. 98% of clients accessing the services of Dignity on Wheels indicated that their basic shower and sanitation needs were met.

On November 28, 2017, the City Council declared the continued existence of a shelter crisis in the City of San José pursuant to, and in accordance with, the provisions of California Government Code section 8698 *et seq.* and designated four city-owned facilities to be occupied as overnight warming facilities by homeless individuals and families during the crisis. Funded by local Housing Trust Fund monies, HomeFirst operated the Overnight Warming Locations (OWL) for a combined 406 unsheltered persons in San José during periods of inclement weather. The OWL program provided 1,750 shelter nights to 406 unduplicated individuals in 9 activation periods, which came to 31 nights of activation.

On June 27, 2017, the City Council approved an ordinance amending Title 20 of the San José Municipal Code (the Zoning Code) to revise land use provisions for incidental shelter of homeless people in places of assembly. The Temporary and Incidental Shelter Program created additional shelter opportunities as a response to the declared shelter crisis. The new ordinance allows year-round incidental shelter as a permitted incidental use to legally established religious or non-religious assembly use, if the use complies with applicable provisions in Title 20 including standards for performance and a registration process and to allow an assembly use that is a legal use to provide temporary shelter to homeless persons subject to certain limitations. "Incidental Shelter" means the providing of shelter of homeless people as an incidental use to an existing primary Assembly Use, provided that the incidental use occupies less than fifty (50%) percent of the usable square footage of the Assembly building(s), and the shelter is provided inside existing building(s) that are constructed and operating in compliance with the San José Municipal Code. Incidental Shelter is not an Emergency Residential Shelter. In FY 17/18, the City worked with twelve faith-based institutions to provide technical assistance to develop safe and effective shelter management plans and training for volunteers providing services and site inspections.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth.

In FY 2016-17, while the City prioritized street-based services and rapid re-housing for literally homeless persons rather than prevention services, $750,000 from Housing Trust Fund was awarded to The Health Trust, as the fiscal agent of Destination: Home, to provide homelessness prevention support to approximately 100 families. FY 2017-18 was the second year of a two-year prevention grant. The goal was to expand families' ability to become quickly connected to prevention services throughout the

community, streamline and standardize service delivery, and measure the collective impact of homelessness prevention. In FY 2017-18, Destination: Home continued to implement a countywide Homelessness Prevention System for families at risk of homelessness focused on outcomes and best practices in preventing family homelessness.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

In August 2017, the City redesigned its Rapid Rehousing Program. The Housing Department recognized that there would be several benefits to combining the Place-Based Rapid Rehousing and the Tenant-Based Rental Assistance programs and consolidating case management under a limited number of providers. First, the program would be able to serve the participants more effectively, utilize national rapid rehousing best practices, and reduce administrative costs. Additionally, the program would be more consistent in its procedures and outcomes. Most importantly, the program will better utilize the County of Santa Clara's coordinated assessment system thus reducing the various unique participant selection criteria. This redesigned Program is more aligned with Santa Clara County's Coordinated Assessment System and the policy direction of the Santa Clara County Continuum of Care (COC). Since the Program targets homeless households experiencing episodic homelessness, case management services are less intensive than for the chronically homeless and the length of subsidy is short-term. The goal is that participants will be self-sufficient and able to maintain their existing housing once the subsidy terminates. The success of the Program is measured by the percentage of participants exiting the Program to permanent housing and their increase in household income. Being a transition year, it is too early to demonstrate the success of a new subsidy structure and goal of assisting more households. The City partnered with The Health Trust to administer time-limited rental subsidies to homeless households in San José. The City partnered with The Health Trust, PATH, and Bill Wilson Center to administer the supportive services to employed or employable individuals and families. The Rapid Rehousing Program was funded through both HOME and HALA with a goal of serving up to 200 households at any given time.

Targeting the underserved and providing the means necessary to obtain permanent supportive housing quickly proved successful overall. However, securing apartments in such a competitive rental market continued to be the biggest challenge. While rental subsidies provided for a great opportunity to homeless individuals while they regained self-sufficiency, even those who attained gainful employment were turned away in high numbers by landlords. Credit and criminal records were barriers that landlords were not overlooking, even for items that occurred many years ago. Landlords had numerous people showing up for an open apartment and took the renter with the highest income and cleanest record.

As a result of the challenges in identifying suitable market-rate apartments, the City continued to strengthen the Transition in Place (TIP) Housing Program that provided access to subsidized apartments. By providing access to Extremely Low-Income (ELI) apartments Rapid Rehousing Program participants were able to transition in place and remain housed. The City utilized a variety of strategies to gain access to existing restricted affordable apartments including paying for rehabilitation costs of existing

apartments, buying down rents of very low- or low-income apartments, and subsidizing the development costs of new construction. Those referred (based on apartment turnover) came with a case manager and some level of recent housing history. In FY 2017-18, the City's TIP portfolio was up to 87 affordable units that ranged between single room occupancy to 3 bedroom apartments.

Current City Partners and TIP Unit breakdown:

Developer	Location	Unit Number & Type	% AMI	Population
First Community Housing	Creekview Inn	10 Studios	30%	1-2 Individuals per unit
Abode Services/Housing for Independent People	Scattered sites	31 SROs	30%	1 individual per room
Eden Housing	Eden Palms	8 apartments	35%	Families
Affirmed Housing Group	Fairways	9 apartments	25%, 30%	Individuals & families
Charities Housing	Met South	9 studios	30%	1-2 Individuals per unit
MidPen	Baker Park	7 apartments	TBD	Individuals & families
Village at Willow Glen Housing Partners	Willow Glen Senior Apartments	13 apartments	45%-50%	Seniors (55+)

Total: 87 Units

Additionally, the City opened the Plaza Hotel in February 2018, which is being used as interim housing for City and County rapid re-housing program participants. The Plaza Hotel is comprised of 46, Single Room Occupancy units and ensures that rapid re-housing clients can search for permanent housing without the stress of being unhoused. Also, the Plaza Hotel provides case management agencies with the opportunity to better coordinate services while their client is in transition, and searching for sustainable housing options.

The City of San José, in coordination with other public and private agencies in Santa Clara County, continued to address homelessness through a multi-faceted approach that includes: funding and providing direct services; advocating for policies, programs, and funding that support ending and preventing homelessness, and researching best practices to better serve the area's homeless and at-risk residents. The City aligned itself closely with Destination: Home, a public-private partnership formed in 2008 to implement the initiatives identified by the Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis. Destination: Home is a convener, advocate, and driving force in bringing Santa Clara County to systematically reduce its most vulnerable homeless populations.

The Care Coordination Project (CCP) is a community-wide effort established in 2011 for the purpose of coordinating the care of the County's most vulnerable and long-term homeless residents by bringing together all of the services and benefits that clients need to obtain and maintain housing, including drug and alcohol rehabilitation, mental health services, government benefits and housing resources. In FY 2017-18, the City continued to partner with the County Office of Supportive Housing to provide support for the salaries and related costs of nine (9) intensive case managers and other supportive services in the CCP with funding in the amount of $171,000 from the Housing Trust Fund and $925,000 from the

Housing Authority Litigation Award Fund. Each intensive case manager maintained active case loads of no more than twenty chronically homeless or newly housed clients totalling capacity at one hundred eighty (180) clients.

On a regional level, over the past year leaders from the City, the County, other government agencies such as the Housing Authority of the County of Santa Clara and the Santa Clara Valley Water District, service providers, philanthropy, community institutions, and business organizations implemented the Community Plan to End Homelessness in Santa Clara County. The Community Plan was developed to enhance the community's work towards ending and preventing homelessness among all homeless persons and families. Building supportive housing requires a strong partnership and commitment between the City, the County of Santa Clara, and the Housing Authority of Santa Clara County. The City typically provides development financing while the County coordinates supportive services and the Housing Authority funds project-based vouchers.

The City continued to fund The Health Trust, as the fiscal agent of Destination: Home, $300,000 for the two-year grant for the Supportive Housing Employment Initiative to develop and launch an employment engagement system focused on homeless men and women in rapid rehousing programs. The goal of the initiative was to secure permanent, full-time job placements for at least 200 homeless individuals by June 30, 2019. Funding was used to employ a Director of Employment Strategies to increase employment partnerships and strategies to create, implement and scale strategies in a public/private partnership model that will create multiple pathways to employing recently housed individuals as part of the Santa Clara County Community Plan to End Homelessness.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

Not applicable. There are no public housing units located in the City.

Actions taken to encourage public housing residents to become more involved in management and participate in homeownership

While the majority of their units have been converted to affordable housing stock, SCCHA is proactive in incorporating resident input into the agency's policy-making process. An equitable and transparent policy-making process that includes the opinions of residents is achieved through the involvement of two tenant commissioners, one being a senior citizen, on the SCCHA board.

SCCHA has been a MTW agency since 2008. In this time the agency has developed 36 MTW activities. The vast majority of their successful initiatives have been aimed at reducing administrative inefficiencies, which in turn opens up more resources for programs aimed at LMI families. The following is excerpted from SCCHA's August 2014 Board of Commissioner's report (at that time the agency was known as the Housing Authority of the County of Santa Clara (HACSC):

"HACSC's Family Self Sufficiency (FSS) Program is designed to provide assistance to current HACSC Section 8 families to achieve self-sufficiency. When a family enrolls in the five-year program, HPD's FSS Coordinator and LIFESteps service provider helps the family develop self-sufficiency goals and a training plan, and coordinates access to job training and other services, including childcare and transportation. Program participants are required to seek and maintain employment or attend school or job training. As participants increase their earned income and pay a larger share of the rent, HACSC holds the amount of the tenant's rent increases in an escrow account, which is then awarded to participants who successfully complete the program. HACSC is currently in the initial stages of creating a pilot successor program to FSS under the auspices of its MTW flexibility called Focus Forward."

Actions taken to provide assistance to troubled PHAs

Not applicable.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment. 91.220 (j); 91.320 (i)

The City is addressing barriers that hinder affordable housing and residential investment with the key programs and policies listed below:

Action:

On March 9, 2018 the San Jose City Council directed the Administration consider establishing a Mobile Home Park land use designation in the General Plan to preserve the existing mobile home use in areas currently facing redevelopment and displacement pressure. Staff was directly to start work no later than in Spring 2019.

On April 9, 2018 the City Council decided to consider additional actions to modify land use to increase the supply of affordable housing. Items currently in development include:

1. Allowing mixed-income developments to proceed within an Urban Village ahead of a Growth Horizon, to be considered during the next Four Year Review of the General Plan scheduled to be initiated in 2019.
2. Modifying the zoning code to allow 100% affordable developments that are within Urban Villages and are consistent with the applicable village plan, or that meet the criteria of the 1.5-acre rule to build within commercial zoning districts by-right, with a site development permit.
3. Modifying the North San Jose Area Development Policy to ensure that affordable housing is developed in Phase II. This item includes the completion of environmental work and proposed policy amendments necessary to move 4,000 housing units, including 2,400 affordable units, in excess of the Phase I "cap" of 8,000 units. Opening up more housing capacity in North San Jose is anticipated to be one of the most significant and impactful work items that will move the City towards its goal of building or entitling 25,000 new housing units by the year 2022.
4. Potential changes to the commercial space requirement for affordable housing developments that meet certain defined parameters. This would address the issue of many affordable housing developments challenges to fill traditional commercial space because affordable housing financing cannot be used to fund commercial space.
5. Deferring of Payment of Fees to Certificate of Occupancy: Under the City's current provisions for the collection of impact fees and taxes, payment occurs at the issuance of building permit upon completing the building permit review process. deferring payment of these fees until issuance of the Certificate of Occupancy would help defer upfront costs and improve the chances of a project going forward.
6. Establishing a "Housing Concierge" Service to facilitate and promote both market rate and affordable housing opportunities.
7. Allowing the extension of permits beyond the typical two years, with two one-year extensions.
8. Encouraging Accessory Dwelling Units (ADU) production. On June 19, 2018 the City Council adopted amendments to the ADU ordinance to provide additional flexibility for the development of ADU's as a means to encourage their production and provide more housing opportunities in San Jose.

The City also has an active intergovernmental relations program. Several state bills 2017 streamlined and encourage affordable housing production. Some of those bills are now being implemented by the City:

- **AB 1505 (Bloom, Chiu and Gloria) - Land Use: Zoning Regulations.** This bill overturned the Palmer decision and allows the City to implement inclusionary housing requirements on rental properties.
- **SB 35 (Wiener) - Planning and Zoning: Affordable Housing: Streamlined Approval Process.** This bill creates a streamlined approval process for developments in localities that have not yet met their housing targets, provided that the development is on an infill site and complies with existing residential and mixed use zoning. All projects over 10 units must be prevailing wage and larger projects must provide skilled and trained labor. This streamlining is in effect in San Jose for developments with at least 50% affordable units.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

Place-Based Community Development: To address obstacles relating to low levels of neighborhood engagement in low income neighborhoods, the City allocated CDBG dollars into three neighborhood engagement programs in three place-based initiative communities (Mayfair, Santee, and Downtown San José). These program included trainings and empowered community leaders to develop and lead community workshops and activities.

Homelessness: The City recently adopted an urgency ordinance allowing a church/religious assembly to provide temporary shelter to homeless persons without obtaining a Special Use or Conditional Use Permit and allowing a temporary shelter to be provided no more than twice a year, for a total of no more than 70 days. This will ensure that this program remains operational while staff completes the necessary analysis and public outreach required to fulfill the City Council direction to revise the existing non-urgency ordinance. The goal of that effort is to improve the utility and the breadth of services provided to homeless individuals via this program on an on-going basis.

Bridge Housing: Permanent Supportive housing is considered to be the best long-term solution for homelessness, but it is costly and takes several years to plan and build. For this reason, San José is looking at ways to build transitional communities rapidly and at lower cost. The City is currently exploring ways to adapt manufactured housing with shared cooking, dining and bathroom facilities for use as “bridge housing” until permanent affordable apartments become available. The City also co-sponsored successful State legislation, AB 2176, that allows the City to create a special building code for low-cost cabins with shared kitchen, dining and bathroom facilities. Staff worked on siting AB 2176 communities throughout much of FY 2017-18.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

The Department of Housing provides lead-based paint (LBP) testing and assessment services on all dwellings built prior to 1978 that receive rehabilitation assistance. In addition to the trained and lead-certified Housing Department staff, the City has a contract with a private environmental consultant to provide testing and assessment services. These services are being provided to comply with Federal regulations 1012 and 1013 of Title X, as well as to ensure a safe living environment for the residents of San José. As a result of funding shifts, the Home Repair Program was primarily funded through non-

federal funding sources. Although the funding used does not require lead based paint testing or associated remediation the City continued to test homes receiving rehabilitation funding. The City's Home Repair Program has been on hold for the better part of three years. The Projects underwritten and implemented during this period were a result of the existing pipeline. As a result the City's lead testing totals were minimal this past year. In 2017-18 the City tested 43 homes for lead based paint.

In Fiscal year 2017-18, the Minor Repair Program was expanded to include more extensive repairs. With this expansion, the City's testing increased this year. 36 of the 43 tests were conducted for the Minor Repair Program.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The City, in its continuing effort to reduce poverty, has prioritized funding agencies that provide direct assistance to the homeless and those in danger of becoming homeless. Additionally, the City has made a commitment to improve the communication and service delivery capabilities of agencies and organizations that provided programs to assist the homeless.

Investments of CDBG and ESG funding this year resulted an increase in income for hundreds of homeless and formerly homeless individuals and families. For example, the ESG and CDBG-supported Rapid Rehousing and Supportive Services Program, managed by Bill Wilson Center, resulted in27% of clients reporting an increase in employment or non-employment cash income. In addition, 87% of clients receiving support services through the City's HOPWA program obtained or maintained benefits and/or income during the program year. The San José Streets Team Job Training program resulted in 21 job placements for homeless or formerly homeless individuals.

A key effort is Work2Future, the local administrative arm of the Workforce Innovation and Opportunity Act of 2013 (WIOA). Work2Future operates one-stop centers that serve the areas of San José, Campbell, Morgan Hill, Los Altos Hills, Gilroy, Los Gatos, Saratoga, Monte Sereno, and the unincorporated areas of the County. The Department of Labor is the main funding stream for the centers. Other sources include state, local, and federal grants and corporate support. Strategically positioned within the Office of Economic Development, Work2Future addresses the workforce and economic development needs of the local area in collaboration with small and large businesses, educational institutions and community-based organizations.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The City strives to improve intergovernmental and private sector cooperation to synergize efforts and resources, and develop new revenues for community service needs and the production of affordable housing. Ongoing collaborative efforts include:

- Regular quarterly meetings between entitlement jurisdictions at the CDBG Coordinators Meeting and Regional Housing Working Group.
- Twice monthly meetings between the Directors of the City of San José Housing Department, the Santa Clara County Office of Supportive Housing, and the Santa Clara County Housing Authority.
- Developing joint jurisdiction RFPs and project review committees with the Santa Clara County Office of Supportive Housing and the Santa Clara County Housing Authority. This partnership will

simplify the application process for affordable housing developers, facilitate joint review and coordinate funding for capital projects, project-based housing vouchers, and support services.

- Coordination on project management for projects funded by multiple jurisdictions.
- Participation in and coordination with the County's Continuum of Care, including working groups.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

The City benefits from a strong network of housing and community development partners, such as the Regional Housing Working Group. Work2Future, and the Continuum of Care. The City is a leader in the Santa Clara Continuum of Care (CoC), including membership on the leadership board, the performance management workgroup, and the coordinated assessment workgroup. The membership of the CoC is a collaboration of representatives from local jurisdictions comprised of community-based organizations, the Housing Authority of County of Santa Clara, governmental departments, health service agencies, homeless advocates, consumers, the faith community, and research, policy and planning groups.

In addition, the Housing Department periodically hosts roundtable discussions with affordable housing developer partners to address issues relating to housing finance and loan compliance.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The City's 2016 Analysis of Impediments to Fair Housing Choice identified public and private impediments. Below is a listing of these impediments along with the actions that have been taken to overcome their effects:

Impediment: The availability of affordable units in a range of sizes.

The City's affordable housing stock falls far short of meeting the demand in the region. Due to the regional shortage of affordable housing available, housing costs are some of the highest in the nation and residents are increasingly cost-burdened, paying a large portion of their income in housing costs. The lack of affordable housing available also results in an increase in overcrowding in several neighborhoods in San José as families live together to share housing costs. When low-income individuals or families lose their housing, they are at a high risk of homelessness due to the difficulty in securing affordable housing.

Action:

Strategies: (Actions 1.1-1.7 and 3.1-3.2)

The City has continued to focus on increasing the availability of affordable housing by in 2017-2018. Providing larger units with more rooms for larger families was a key consideration in the development of Quetzal Gardens, a project which will primarily serve families. A summary of the City's productions activities can be found on the following page.

ATTACHMENT A - AFFORDABLE HOUSING PRODUCTION AND PRESERVATION REPORT - OCTOBER 1, 2017 THROUGH DECEMBER 31, 2017

A.1 - Production Activities

Affordable Housing Developments Completed During Fiscal Year 2017-2018

The City of San Jose approved and/or provided funding for the completed affordable housing projects listed below. These projects were completed during FY 2017-2018.

Project	Council District	Type	Developer	City Investment	Unit Breakdown by Type					Total Units	Unit Breakdown by Affordability				Status	% Completed	Completion
					PSH Units	RRH Units	Family Units	Senior Units	Mgr. Units		# ELI Units	# VLI Units	# LI Units	# Mod Units			
The Plaza	3	New	Abode	$2,200,000	0	46	0	0	1	47	0	46	0	1	Completed	100%	2017
Vermont House	6	New	Abode	$3,000,000	16	0	0	0	1	17	16		0	0	Completed	100%	2018
Totals				**$5,200,000**	**16**	**46**	**0**	**0**	**2**	**64**	**16**	**46**	**0**	**1**			

Approved Affordable Housing Developments - Under Construction/Construction Pending

The City of San Jose approved and/or provided funding for the affordable housing projects listed below.

Project	Council District	Type	Developer	City Investment	Unit Breakdown by Type					Total Units	Unit Breakdown by Affordability				Status	% Completed	Estimated Completion
					PSH Units	RRH Units	Family Units	Senior Units	Mgr. Units		# ELI Units	# VLI Units	# LI Units	# Mod Units			
HIP Properties	Scattered	Rehab	Abode	$1,800,000	44	0	0	0	0	44	44	0	0	0	Under Construction	40%	2018
Laurel Grove Family	6	New	HACSC	$0	20	0	61	0	1	82	23	58			Under Construction	55%	2018
Second Street Studios	3	New	First Community Housing	$16,900,000	134	0	0	0	1	135	34	100	0	0	Under Construction	60%	2018
Park Avenue Seniors	6	New	HACSC	$0		20	0	79	1	100	10	89			Under Construction	15%	2019
Metropolitan South	7	New	Charities	$3,700,000	10		20	0	1	31	12	18	0	0	Under Construction	15%	2019
Renascent Place	7	New	Charities	$0	160	0	0	0	2	162	56	104	0	0	Pending Construction	0%	2019
Villas on the Park	3	New	PATH/Affirmed	$16,600,000	83	0	0	0	1	84	42	41	0	0	Pending Construction	0%	2019
North San Pedro	3	New	First Community Housing	$2,500,000	50	50	33	0	1	134	58	76		0	Pending Construction	0%	2020
Leigh Avenue Seniors	6	New	first Community Housing	$9,000,000	20	23	0	20	1	64	0	63	0	0	Pending Construction	0%	2020
Totals				**$50,500,000**	**521**	**93**	**114**	**99**	**9**	**836**	**279**	**549**	**0**	**0**			

Affordable Housing Developments in Predevelopment - Unit Counts are Estimates

The City of San Jose provided predevelopment funding to the following affordable housing developments. The "Estimated Completion" date indicates when the City's predevelopment funding will be expended.

Project	Council District	Type	Developer	City Investment	Unit Breakdown by Type					Total Units	Unit Breakdown by Affordability				Status	% Completed	Estimated Completion
					PSH Units	RRH Units	Family Units	Senior Units	Mgr. Units		# ELI Units	# VLI Units	# LI Units	# Mod Units	-		
226 Balbach	3	New	Satellite Housing	$200,000	20		50		1	71	20	25	20	5	Predevelopment	10%	2018
Evans Lane	6	New	Abode	$400,000	0	60	0	0	0	60	0	60	0	0	Predevelopment	25%	2018
Gallup/Mesa	10	New	Eden Housing	$200,000	15	15	10	0	1	41	15	15	5	5	Predevelopment	10%	2018
Quetzal Gardens	5	New	RCD	$1,000,000	17	15	38	0	1	71	17	13	40	0	Predevelopment	10%	2018
Totals				**$1,800,000**	**52**	**90**	**98**	**0**	**3**	**243**	**52**	**113**	**65**	**10**			

Totals	City Investment	Unit Breakdown by Type					Total Units	Unit Breakdown by Affordability			
		PSH Units	RRH Units	Family Units	Senior Units	Mgr. Units		# ELI Units	# VLI Units	# LI Units	# Mod Units
Units Completed	$5,200,000	16	46	0	0	2	64	16	46	0	1
Units Approved - Construction/Pending	$50,500,000	521	93	114	99	9	836	279	549	0	0
Units in Predevelopment	$1,800,000	52	90	98	0	3	243	52	113	65	10
GRAND TOTAL - PRODUCTION	**$57,500,000**	**589**	**229**	**212**	**99**	**14**	**1143**	**347**	**708**	**65**	**11**

Impediment: Location and type of affordable housing

Due to the insufficient affordable housing to meet the demand, residents face limited choices when locating and securing housing. There is a need for more permanent supportive housing for homeless individuals, as well as more housing for extremely low income, low income, and moderate income residents. While most of the publicly-supported affordable housing developments are distributed across several neighborhoods in the City, Housing Choice Vouchers are concentrated in specific areas. There are some neighborhoods in which there are very few landlords that accept Housing Choice Vouchers or where there are very few affordable rentals available, thereby limiting the housing choices.

Action:

Strategies: (Actions 1.1-1.7, 3.1-3.2. 4.1-4.2, and 5.1-5.9)

The City has continued to focus on increasing permanent supportive housing and other affordable housing types, as well as facilitate access to existing extremely low, low, and moderate income housing.

The City is the process of updating its existing dispersion policy to align development of affordable housing with residential growth areas, as well as access to transit, retail, services, and jobs. This policy will be considered by City Council in Summer 2019.

The City is also in the process of analyzing the feasibility an ordinance to address source of income discrimination. Staff plans to present their recommendation in fall 2018.

Impediment: Displacement of residents due to economic pressures.

Due to rising housing costs over the last several years, residents in low and moderate income neighborhoods have experienced displacement. The displacement is expected to continue, particularly in neighborhoods with accelerating growth and new development. Data from the Urban Displacement Project at the University of California Berkeley found that in the Bay Area, more than half of low-income households live in neighborhoods at risk of or already experiencing displacement and gentrification pressures. Several neighborhoods in San José, such as Japantown, Luna Park, and Little Portugal, have experienced advanced gentrification. Most of Central and East San José, as well as several areas of South San José are currently undergoing or at risk of gentrification.

Action:

Strategies: (Action 1.8-1.12, 5.1, 5.2 and 5.6)

When the City submitted the AI in 2016, the City has published a local Ellis Act and Tenant Protection Ordinance for public comment. May 9, 2017, the City Council adopted the TPO which specified the reasons landlords may use to terminate or evict tenants. The City Council approved the Ellis Act Ordinance on April 18, 2018. To address displacement of residents in low-income neighborhoods, the City will continue to enforce the Apartment Rent Ordinance, ensuring families in rent stabilized apartments are not facing illegal increases or evictions.

Additionally, the City is exploring strategies to locate affordable housing within growth areas that are experiencing or expect to experience displacement, such as urban villages. The City also in the process of creating City-wide Tenant Preference policies for the following types of low-income tenants of new affordable housing: 1) those who live or work in San Jose; 2) those who have experienced certain types of displacement; and, 3) those residing in gentrifying areas that are highly likely to result in tenant displacement. The policies will be considered by City Council by early fall 2019.

The City of San José and the greater Bay Area region have the unique opportunity to build an internationally prominent transportation center and to develop a superb destination within the area around the Diridon Station. The City imitated a comprehensive community engagement effort called the Station Area Advisory Group (SAAG) in summer 2018 to share information, and gather community input. The group is providing input a range of topics related to the potential development, including housing and displacement. The SAAG will hear the recommendations from the Housing and Displacement Solutions Group at their meeting on August 13, 2018.

In April 2018, the City of San José joined the PolicyLink All-In Cities Anti-Displacement Policy Network, the only city in CA completing the ranks of 10 cities across the nation championing the cause of Anti-Displacement. By joining this Network, City leaders are forging new relationships with other cities who have faced, or are now facing, displacement challenges. The Team hopes to make deeper connections with local and regional stakeholders in the Bay Area and beyond, and to engage with the large body of work that has been produced best practices to address displacement and help formulate the next generation of anti-displacement tools.

The Team's overall goal is to create a comprehensive citywide anti-displacement strategy that identifies key policy gaps and recommends a set of anti-displacement tools that respond to San José 's context. This strategy will be presented to the City Council by summer 2019.

Impediment: Lack of tenant eviction protection and tenant education.

Throughout the community outreach process, residents expressed a need for stronger tenant protections, as well as tenant and landlord education and services. Residents identified a need for eviction protection, strengthening of the local rent stabilization ordinance, additional enforcement and tenant protections, tenant and landlord mediation, and outreach and education.

Action:

Strategies: (Actions 1.8-1.12, Action 2.1-2.8)

The City has continued to implement and enforce the recently formed Apartment Rent Ordinance, Ellis Act, and Tenant Protection Ordinances. The City is also exploring the feasibility of source of income discrimination protection. Staff plans to present their recommendation on the source of income nondiscrimination ordinance in fall 2018.

On June 19, 2018, the City funded a consortium of fair housing organizations for legal services for low-income tenants and landlords. The consortium will provide education, fair housing testing and investigation, and legal assistance.

CR-40 - Monitoring 91.220 and 91.230

Describe the standards and procedures used to monitor activities carried out in furtherance of the plan and used to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements

Monitoring CDBG, HOME, HOPWA and ESG

The City continues to follow the grantee monitoring requirements outlined by HUD for the use of federal funds. The City has also standardized policies and procedures for use city-wide, which incorporate many of the HUD requirements. City staff continues to participate in the Grants Management Working Group that brings together all City departments that provide grants to the community. The Working Group shares best practices and discusses program performance of the grantees that each City department funds.

A major element of the monitoring process is the tracking of grantee performance. The Department of Housing uses the citywide Webgrants database system. This database tracks programmatic and financial performance and allows potential applicants to apply for funds electronically.

The intent of the monitoring process is to identify any potential red flags and, if necessary, provide the necessary technical assistance so that sub-recipients can successfully implement their projects. If a significant problem is discovered, City staff meets with project staff to discuss and resolve any issues. Examples of such problems include:

- Services are not documented
- Goals are not being met
- Project files are not in order
- Lack of fiscal controls and/or documentation
- Required reports are not being submitted in a timely manner
- Expense reporting does not adhere to regulations or policies

For CDBG, HOME, ESG and HOPWA programs, service providers are required to submit monthly Reimbursement Requests and Reconciliation Reports to document expenses and ensure that both line item budgets and total project budgets are not over-expended. Monthly review or reimbursement requests enables the City to ensure that all costs incurred by sub-recipients are eligible and documented as required by the applicable federal regulations. Additionally, service providers are required to submit quarterly performance reports and a cumulative annual report. Review of these reports allows staff to determine whether corrective measures are necessary and provide a basis for monitoring procedures.

In addition, Housing Department staff review financial documentation of its subrecipients. The sub-recipients are required to establish and maintain a system of accounts that is in conformance with generally accepted principles of accounting for budgeted funds. This system of accounts is subject to review and approval by the City. In addition, subrecipients are required to submit an annual agency audit. Financial monitoring is based on the program budget that is incorporated in the grant agreement between the City and the subrecipient. Subrecipients are required to submit to the City the name of a fiscal agent, if any, who is responsible for the financial and accounting activities of the project, including

the receipt and disbursement of project funds.

In addition to the review of quarterly progress reports and financial documents, the City conducts on-site visits with sub-recipients at least every two years. Programmatic monitoring visits include review of documentation of national objective and eligibility, client intake documentation, income eligibility, staffing levels, recordkeeping, and outcome measures tracking. Financial monitoring visits involve review of invoices and all back up documentation including staff timesheets, receipts, and proof of payment documentation on file. If deficiencies are identified, the City determines whether corrective action, technical assistance, or both is needed.

In the FY 2017-18 year, due to staffing vacancies, the City conducted on-site monitoring visits of selected grantees. Once staffing vacancies have been filled in FY 18-19, the City will conduct the necessary monitoring visits for the FY 2017-18 grantees.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

The City published the CAPER for public review and comment on September 7, 2018. The City is accepting public comments for 19 days until September 25, 2018. Public hearings will be held during the Housing and Community Development Commission (HCDC) on September 13, 2018 and the City Council meeting on September 25, 2018.

Public notices of the CAPER and associated public hearings were distributed via email and newspaper advertising in five local newspapers. Print newspaper display ads were posted in the *El Observador* (Spanish), *Vietnam Daily News* (Vietnamese), *Philippine News* (Tagalog), *World Journal* (Chinese) and *San José Mercury News* (English).

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The City does not anticipate changes in CDBG program objectives.

[BEDI grantees] Describe accomplishments and program outcomes during the last year

Adopted in November 2003, San José's Economic Development Strategy (EDS) details a vision and outlines a strategy for San José's economic future. Identified as the number one strategic initiative in the EDS is to build and expand the Norman Y. Mineta San José International Airport (the Airport) into a world-class airport facility.

To facilitate the construction of the Airport, the City applied for and was awarded a $25.8 million loan under the Section 108 program through the U.S. Department of Housing and Urban Development (HUD) for the acquisition of 23.23 acres of land from the FMC Corporation. The land is directly adjacent to the Airport and was used for construction staging in support of the new terminal construction. The acquisition was in conjunction with an additional City bond-financed purchase of 51.64 acres of land which was also acquired from FMC. To fund a portion of the interest on the Section 108 loan, the City applied for and received a $2 million Brownfield Economic Development Initiative (BEDI) grant.

The approximate 75 acres of land, identified as Airport West is intended, in the long-term, to accommodate 1.5 million square feet of high-end office R&D, 300 hotel rooms and up to 95,000 square feet of retail space that will each support the Airport and the City's overall revenue position.

In July 2009, the first six gates in the new Terminal B concourse were activated. The entire Terminal B concourse and the consolidated rental car center and the public parking garage, provided 3,000 spaces for all rental car operations based at the Airport, as well as 350 public parking spaces at street level, was completed and opened for operation in July 2010. Terminal B was integrated with the Terminal B concourse for a total of 12 aircraft gates served by new ticket counters, security checkpoint, baggage claim, an automated inline baggage screening system and new retail and restaurants. In addition, Terminal A was expanded and renovated which included new shops and restaurants. The City continues to work on meeting the proposed 836 jobs creation goal.

In March 2015, the City of San José sold 26.3 acres which included the remaining balance of the 23.23 acres to a local developer for the construction of approximately 200,000 square feet of speculative office. Proceeds from the sale, in the amount of $13.64 million have been remitted to HUD. There is an outstanding balance of $1.2 million, which the city will pay off in the next couple of years. The Developer will notify any prospective tenant that will be subject to the job requirements associated with the Section 108 funding.

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

Housing Department inspectors perform annual on-site inspections of HOME-assisted rental housing to determine compliance with applicable property standards. As part of the monitoring process, the Housing Department verifies information maintained by the property owners concerning leases, tenant incomes, rents, and utility allowances, and verifies compliance with the provisions stated in written agreements and HOME regulations. Below is a listing of properties that have used HOME funds:

Rental Project	# of total units	# of HOME units	# of units Inspected	# of deficiencies identified	Unit Reinspected	Deficiencies Corrected? (Y/N)
Archer Studios	42	42	9	0	0	Y
Burning Tree	1	1	1	17	Pending	pending
Canoas Terrace	112	112	28	44	16	Y
Curtner Gardens	179	179	38	33	Pending	pending
Edenvale Special needs	15	15	4	3	3	Y
Homesafe	25	25	8	5	3	Y
Kings Crossing	94	94	20	21	9	Y
Markham Plaza I	155	155	34	37	Pending	Pending
Markham Plaza II	153	153	33	33	Pending	Pending
The Metropolitan North	71	71	15	9	7	Y
North Fourth Street	100	100	21	16	8	Y
Japantown Seniors	75	75	15	7	5	Y
Peacock commons	28	28	7	2	2	Y
Plaza Del Sol	80	80	17	3	1	Y
Verandas	92	92	18	8	5	Y
Willow Glen Sr	133	133	26	13	10	Y

TBRA Program

The agency that administers the HOME-funded TBRA program completes initial and annual HQS inspections on every unit. The Health Trust provided housing search services, application review and approval, inspections and other services related to TBRA. City staff monitors/reviews reimbursement requests, eligibility of rent increases, client income changes, household changes and other related issues that affect subsidy levels. The City also enters into Memorandum of Agreements with agencies that provide TBRA clients with case management services.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)

The City reviews the marketing plans of HOME-funded projects to be sure that the development markets to populations which are least likely to apply. Further, the City requests that project owners annually review their marketing plan and certify whether any changes have occurred or need to occur. To meet affirmative marketing requirements, project sponsors or their property management companies typically mail notices to nonprofits serving income-eligible clients and place advertisements in local newspapers announcing the availability of units. City Council offices also highlight units' availability through their newsletters to constituents, as does the Housing Department's website. Typically, project sponsors receive several times the number of eligible applicants as there are available, affordable units to fill. Eligible applicants who do not receive a unit are put on a waiting list that is maintained indefinitely and updated every six months. As new applicants learn of existing properties and contact those property management companies, they are added to property waiting lists.

The City's affirmative marketing actions have been successful as developments quickly reach capacity and maintain extensive waiting lists. However, the City is open and is interested in new ways to address affirmative marketing. With the development of the Fiscal Year 2020-2025 Consolidated Plan, Analysis of Impediments (AI) to Fair Housing, and Affirmatively Furthering Fair Housing (AFFH) reports beginning, the City is looking to the new data to improve the affirmative marketing strategy.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

The City received $4,936,027.99 of program income during the reporting period. New HOME regulations now allows for the "banking" of program income to be programmed in the next fiscal year.

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

N/A

CR-55 - HOPWA 91.520(e)

Identify the number of individuals assisted and the types of assistance provided

Table for report on the one-year goals for the number of households provided housing through the use of HOPWA activities for: short-term rent, mortgage, and utility assistance payments to prevent homelessness of the individual or family; tenant-based rental assistance; and units provided in housing facilities developed, leased, or operated with HOPWA funds.

Number of Households Served Through:	One-year Goal	Actual
Short-term rent, mortgage, and utility assistance payments	0	0
Tenant-based rental assistance	90	59
Units provided in transitional housing facilities developed, leased, or operated with HOPWA funds	0	0
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0	0
Total	50	59

Table 14 – HOPWA Number of Households Served

Narrative

The City's HOPWA program has been successful in the reporting period as it exceeded its goal. The City provided 59 households with tenant based rental assistance. In addition to TBRA, all households received case management, whether funded through HOPWA or Ryan White, increasing the participant's ability to maintain their housing and health. The City's HOPWA program also provides financial assistance for housing placement (security deposits) and a wide range of supportive services, including housing case management, medical case management, and housing search and placement assistance. A total of 223 unduplicated households were assisted in the program year. The City's HOPWA rental assistance program has a very high success rate with 97% of clients maintaining stable housing during the program year.

The need for housing subsidies for people living with HIV/AIDS in Santa Clara County and San Benito County far exceeds the resources available. As such, the City has applied for competitive HOPWA grants to supplement the formula funding. Through the HOPWA-Permanent Supportive Housing Program (HOPWA-PSH), the City supports an additional 20 households with housing subsidies and supportive services, including medical case management. The City applied for and was awarded a new HOPWA competitive grant for FY16-17 to support people living with HIV/AIDS who are victims of domestic violence. This demonstration program will bring an addition $1.3 million in resources to Santa Clara County to support this population.

CR-60 - ESG 91.520(g) (ESG Recipients only)

ESG Supplement to the CAPER in *e-snaps*

For Paperwork Reduction Act

1. Recipient Information—All Recipients Complete

Basic Grant Information

Recipient Name	SAN JOSE
Organizational DUNS Number	063541874
EIN/TIN Number	946000419
Identify the Field Office	SAN FRANCISCO
Identify CoC(s) in which the recipient or subrecipient(s) will provide ESG assistance	Santa Clara County Continuum of Care

ESG Contact Name

Prefix	Mr.
First Name	ROBERT
Last Name	LOPEZ
Title	Development Officer - Grants

ESG Contact Address

Street Address 1	200 E. Santa Clara Street
Street Address 2	12th Floor
City	San José
State	CA
ZIP Code	95113-
Phone Number	4089754402
Email Address	robert.lopez@sanjoseca.gov

ESG Secondary Contact

Prefix	Ms.
First Name	Kristen
Last Name	Clements
Title	Grants and Neighborhood Programs Administrator
Phone Number	408-535-8236
Email Address	Kristen.clements@sanjoseca.gov

2. Reporting Period—All Recipients Complete

Program Year Start Date	07/01/2017
Program Year End Date	06/30/2018

OMB Control No: 2506-0117 (exp. 07/31/2015)

3a. Subrecipient Form – Complete one form for each subrecipient

Subrecipient or Contractor Name	Bill Wilson Center
City	Santa Clara
State	CA
Zip Code	95050
DUNS Number	095988747
Is subrecipient a victim services provider	No
Subrecipient Organization Type	Other Non-Profit Organization
ESG Subgrant or Contract Award Amount	$430,689

Subrecipient or Contractor Name	HomeFirst Services of Santa Clara County
City	Milpitas
State	CA
Zip Code	95035
DUNS Number	158280180
Is subrecipient a victim services provider	No
Subrecipient Organization Type	Other Non-Profit Organization
ESG Subgrant or Contract Award Amount	$260,000

CR-70 – ESG 91.520(g) - Assistance Provided and Outcomes

10. Shelter Utilization

Number of New Units – Rehabbed	0
Number of New Units – Conversion	0
Total Number of bed - nights available	59,130
Total Number of bed - nights provided	48,144
Capacity Utilization	81%

Table 15 – Shelter Capacity

11. Project Outcomes Data measured under the performance standards developed in consultation with the CoC(s)

The City of San José Housing Department works closely with the Continuum of Care (CoC) to ensure that the priorities and programs supported with ESG (and CDBG) funds are aligned with the CoC goals. The CoC has approved performance measures (both HUD-mandated and local measures) and are developing benchmarks for the selected measures. Over the past few years, the City focused on street outreach (including encampments), shelter, intensive case management, and rapid re-housing (including housing search, placement, and maintenance services). The primary performance measures used to measure success across all programs are related to the rate of moving individuals and families from street/encampments to temporary destinations and into permanent housing. Programs measure housing rates for both individuals/families with access to subsidies and those without subsidies.

Bill Wilson Center Supportive Services and Rapid Rehousing Program

- 27% of clients (32 homeless individuals) served gained or increased employment or non-employment cash income.
- 32% of clients (38 homeless individuals) served thru emergency shelter and/or supportive services exited to permanent housing destinations.
- 56% of clients (5 homeless individuals) served thru emergency shelter and/ or Rapid Re-housing and receiving ongoing rental support exited to a permanent housing destination and maintained housing for 6 months.
- 39% of clients (3 homeless individuals) placed in permanent housing destinations will spend no more than half (50%) of their employment or non-employment income on rent.

CR-75 – Expenditures

11. Expenditures

11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year			
	2014	**2015**	**2016**	**2017**
Expenditures for Rental Assistance	0	0	0	0
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	0	0	0	0
Expenditures for Homeless Prevention under Emergency Shelter Grants Program	0	0	0	0
Subtotal Homelessness Prevention	0	0	0	0

Table 16 – ESG Expenditures for Homelessness Prevention

11b. ESG Expenditures for Rapid Re-Housing

	Dollar Amount of Expenditures in Program Year			
	2014	**2015**	**2016**	**2017**
Expenditures for Rental Assistance	80,671	66,271	59,790	25,723
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0	0
Expenditures for Housing Relocation & Stabilization Services - Services	72,276	233,232	268,452	185,710
Expenditures for Homeless Assistance under Emergency Shelter Grants Program	0	0	0	0
Subtotal Rapid Re-Housing	152,947	299,503	328,202	211,433

Table 17 – ESG Expenditures for Rapid Re-Housing

11c. ESG Expenditures for Emergency Shelter

	Dollar Amount of Expenditures in Program Year			
	2014	**2015**	**2016**	**2017**
Essential Services	0	0	0	0
Operations	159,861	137,822	112,657	105,594
Renovation	0	0	0	0
Major Rehab	0	0	0	0
Conversion	0	0	0	0
Subtotal	159,861	137,822	112,657	105,594

Table 18 – ESG Expenditures for Emergency Shelter

11d. Other Grant Expenditures

	Dollar Amount of Expenditures in Program Year			
	2014	**2015**	**2016**	**2017**
Street Outreach	186,361	272,722	259,041	377688
HMIS	94,010	0	120,000	0
Administration	50,322	25,300	55,760	36,710

Table 19 - Other Grant Expenditures

11e. Total ESG Grant Funds

Total ESG Funds Expended	2014	2015	2016	2017
	643,501	735,347	875,660	731,425

Table 20 - Total ESG Funds Expended

11f. Match Source

	2014	2015	2016	2017
Other Non-ESG HUD Funds	789,623	810,278	750,000	694,000
Other Federal Funds	0	0		
State Government	0	0		
Local Government	641,576	705,542	126,255	170,000
Private Funds	0	0		
Other	0	0		
Fees	0	0		
Program Income	0	0		
Total Match Amount	789,623	1,515,820	876,255	864,000

Table 21 - Other Funds Expended on Eligible ESG Activities

11g. Total

Total Amount of Funds Expended on ESG Activities	2014	2015	2016	2017
	2,074,700	2,251,167	1,751,955	1,595,425

Table 22 - Total Amount of Funds Expended on ESG Activities

OMB Control No: 2506-0117 (exp. 07/31/2015)