



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Rosalynn Hughey

SUBJECT: SEE BELOW

DATE: September 5, 2023

Approved

Date

9/12/23

**SUBJECT: FISCAL YEAR 2022-2023 CONSOLIDATED ANNUAL PERFORMANCE
EVALUATION REPORT**

RECOMMENDATION

- (a) Conduct a final public hearing on the Fiscal Year 2022-2023 Consolidated Annual Performance and Evaluation Report.
- (b) Accept the report on the progress towards achieving the housing and community development goals identified in the City's 2020-2025 Consolidated Plan and the Fiscal Year 2022-2023 Annual Action Plan regarding the use of federal funds from the United States Department of Housing and Urban Development for submittal by the September 29, 2023 deadline.

SUMMARY AND OUTCOME

This memorandum summarizes the accomplishments contained within the Fiscal Year (FY) 2022-2023 Consolidated Annual Performance and Evaluation Report (CAPER). The CAPER describes the City's progress towards achieving the housing and community development goals identified in its 2020-2025 Consolidated Plan and the FY 2022-2023 Annual Action Plan. It is a required submission to the United States Department of Housing and Urban Development (HUD) each year. Highlights include achievements in the four priorities identified in the 2020-2025 Consolidated Plan.

The 2020-2025 Consolidated Plan's four spending priorities are:

1. **Prevent and Address Homelessness:** Increase housing opportunities and self-sufficiency for homeless populations and assist in the prevention of homelessness for at-risk individuals and families.
2. **Create and Preserve Affordable Housing:** Create new affordable housing opportunities

and preserve existing affordable housing.

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

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

Last year, the City expended over \$23.8 million in federal funds for annual activities and to complete COVID-19 response activities. With the City's federal expenditures totaling \$29.5 million in FY 2021-2022, the \$23.8 million expenditure represents a 19.3% decrease due to the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act funding being spent down. Most of the CARES Act funding in the Community Development Block Grant Program (CDBG-CV) and Emergency Solutions Grant Program (ESG-CV) was committed and contracted in late FY 2020-2021. The balance of the CARES Act funding will be expended in FY 2023-2024.

The City's receipt of federal funds from HUD enabled the following achievements in the four spending priority areas:

1. **Respond to Homelessness and its Impact on the Community**
Temporary housing, case management, and support services were provided to 1,163 households/individuals and outreach was made to an additional 1,017 individuals.
2. **Increase and Preserve Affordable Housing**
Housing and rental assistance was provided to 70 households using the remaining CARES Act funding.
3. **Strengthen and Stabilize Communities**
Safety net services, leadership development workshops, social visits, transportation, childcare, and wellness checks were provided to 1,098 individuals. Approximately 35,000 meals were delivered to low-income seniors.
4. **Promote Fair Housing Choices**
Fair Housing investigations or legal representation services were provided to 155 households. These include the following services provided to the households: 33 Fair Housing investigations and 37 legal representations were provided. Twenty-two education and outreach presentations were offered to low-income residents.

The information above describes the number of households that benefited from projects supported with federal funds. The impact to the lives of those receiving services is described in

further detail throughout this memorandum. The federal resources supporting these services help to leverage local funding and to increase the City's impact in addressing the needs of the community.

BACKGROUND

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

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

1. A Consolidated Plan, a five-year plan that documents the City's housing needs and its strategies for meeting those needs through the use of federal funds. For FY 2022-2023, the City was in the fourth year of its 2020-2025 Consolidated Plan.
2. An Annual Action Plan, which details the investment strategy in each of the five years within a Consolidated Plan cycle to meet identified priorities and progress towards five-year goals. The City Council approved the FY 2022-2023 Annual Action Plan on April 25, 2023.
3. A CAPER, which summarizes the City's progress in meeting the objectives of each respective Annual Plan. The draft FY 2022-2023 CAPER, the companion to this memorandum, is posted on the Housing Department's website.

ANALYSIS

The City received a total allocation of \$14.4 million in federal funding for FY 2022-2023 from the following formula federal programs: Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS Program (HOPWA), and Emergency Solutions Grant Program (ESG). Additionally, through the CARES Act, the City was still administering funds received in the previous year for COVID-19 response during FY 2022-2023. The CARES Act allowed for additional allocations in CDBG and ESG funded services/programs in the form of CDBG-CV and ESG-CV funds. The balance of remaining CARES Act funding will be expended in FY 2023-2024. **Table A** displays the federal expenditures for FY 2022-2023.

Table A: FY 2022-2023 Federal Expenditures							
Goal	CDBG	HOME	ESG	HOPWA	CDBG-CV	ESG-CV	TOTAL*
Respond to Homelessness and its Impacts on the Community	361,858		1,003,745		2,803,094	8,251,947	12,420,644
Increase and Preserve Affordable Housing Opportunities	1,267,309	583,954		1,089,045			2,940,309
Strengthen and Stabilize Communities	3,256,736			203,240	3,254,505		6,714,480
Promote Fair Housing Choices		227,151					227,151
Administration	1,129,777	89,743	137,480	106,302	62,780	114,153	1,640,235
TOTAL	\$6,015,680	\$900,848	\$1,141,225	\$1,398,587	\$6,120,379	\$8,366,100	\$23,942,819

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

Annual Progress on Priorities

The following are summaries and outcomes from programs serving each of the four spending priorities. The outcomes noted in this report are just those accomplished through use of the listed federal funds from HUD.

Respond to Homelessness and Impacts on the Community

Working collaboratively with the County of Santa Clara Office of Supportive Housing, the Housing Department provided the following: temporary housing and increased shelter capacity by operating emergency interim housing sites, a motel voucher program, and comprehensive homelessness response and solutions outreach services.

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

Table B: Responding to Homelessness and Impact on the Community					
Project/Program	Agency	Agreement	Fund	Goal (Participants)	Outcome (Participants)
Citywide Outreach for Unsheltered Populations	HomeFirst	CPS-22-001	CDBG	600	706
Targeted Outreach for Unhoused Populations Program	People Assisting the Homeless (PATH)	ESG-18-001E	ESG	200	315
Emergency Interim Housing (EIH) at Monterey Bernal	HomeFirst	GF-22-002	General Fund and CDBG-CV	135	144
EIH at Rue Ferrari	HomeFirst	GF-22-002	General Fund and CDBG-CV	165	210
Motel Voucher for Vulnerable Populations Program	LifeMoves	HEAP-19-001D	ESG-CV and CDBG-CV	345	520
Services Outreach Assistance and Resources	PATH	ESGCV2-20-001B	ESG-CV	100	279

Citywide Outreach for Unsheltered Populations (HomeFirst)

The goal of Citywide outreach was to respond to individuals experiencing homelessness and provide street-based case management and referrals for services to meet their basic needs, such as emergency shelter and other housing options.

HomeFirst’s program served 706 participants. Of the total participants served, 520 individuals exited the program, which is defined as “the participant is no longer active in the program and is not receiving services.” Of the total participants served, 8% were successfully housed in permanent housing, temporary housing, foster care, or long-term care.

The following is an example of services provided by HomeFirst staff:

“An outreach team was dispatched to a neighborhood on the East Side of San José due to a report of a parked RV. The team spoke with a mother of three small children, a three-year old and four-year old twin boys. The mother informed the team that they just moved here from Georgia because her boyfriend got a job here. The mother stated that they planned on living in the RV until they got settled and found a place in the area. The team spoke with the mother for some time and informed her of the various services available. After hearing this, the mother decided that she wanted to enroll in an available program to get housing assistance. The team referred the mother and family to LifeMoves' Motel Voucher for Vulnerable Populations Program. The mother was immediately contacted by LifeMoves’ staff, and the family was able to get into the

Extended Stay Hotel on First Street. The mother was beyond grateful and profusely thanked the team for helping her and her family.”

Targeted Outreach for Unhoused Populations Program (PATH)

The PATH outreach teams in the downtown core connected individuals experiencing homelessness to basic needs services including emergency shelter. PATH served 315 participants. Of the total participants served, 278 individuals exited the program, which is defined as the participant no longer being active in the program or receiving services. Of the total participants, 10% were successfully housed in permanent housing, temporary housing, foster care, or long-term care.

Emergency Interim Housing (EIH) at Monterey-Bernal and Rue Ferrari (HomeFirst)

At two emergency non-congregate shelter sites located at Monterey Road/Bernal Avenue (Monterey-Bernal) and Rue Ferrari, HomeFirst managed day-to-day operations and property maintenance, and provided programming and services. Last year, HomeFirst served 144 participants at Monterey-Bernal, of whom 49% exited the program and were placed in permanent housing. HomeFirst served 210 participants at Rue Ferrari, of whom 41% exited to permanent housing.

In addition to funding operations and services at these two EIH locations last year, the City also assisted residents at EIHS in two ways. First, the Housing Department supported the Lived Experience Advisory Board in its role by convening and facilitating meetings, collecting input, and collaborating to enable members to provide advisory services. The Lived Experience Advisory Board provides firsthand expertise and insight to address the causes of homelessness and the changing needs of those experiencing homelessness. A second accomplishment was the Department’s work to secure a partnership with the Humane Society. The Humane Society provided pet clinics to the participants free of charge and donated pet food. This partnership was an effective collaboration, providing a well-received service to the EIH participants and their pets.

Motel Voucher for Vulnerable Populations Program (LifeMoves)

LifeMoves provided short-term motel stays for families experiencing homelessness through the Motel Voucher for Vulnerable Populations Program. LifeMoves served 520 individuals in this program, of whom 62% exited the program by moving into permanent housing.

The Services Outreach Assistance and Resources (SOAR) Program (PATH)

SOAR focused on the City’s largest encampments, providing comprehensive street-based services, hygiene and trash services, and emergency shelter and other housing opportunities for homeless encampment residents. PATH served 279 participants. One hundred seventy-nine individuals exited the program and 10% of the total participants were successfully housed in permanent housing, temporary housing, foster care, or long-term care.

Increase and Preserve Affordable Housing Opportunities

The Housing Department did not appropriate any HOME funds for the Tenant-Based Rental Assistance (TBRA) program in FY 2022-2023. Instead, HOME funds were being accrued to be used in a future affordable housing development. The Housing Department’s Housing for Health Program utilized funds from HOPWA for affordable housing opportunities. **Table C** below summarizes the agencies who were awarded federally funded projects to create housing opportunities.

Table C: Increase and Preserve Affordable Housing Opportunities					
Project/ Program	Agency	Agreement	Fund	Proposed Goal (Participants)	Outcome (Participants)
Housing for Health	The Health Trust	HOP-16-003G	HOPWA	80	87
Housing for Health	San Benito County	HOP-19-001	HOPWA	8	8

Housing for Health (The Health Trust)

The primary purpose of the Housing for Health program is to address the critical housing needs of low-income individuals living with human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS) and their families. In addition, the program also addresses the critical housing needs of low-income individuals living with HIV/AIDS who have experienced domestic violence, dating violence, or sexual violence. Program activities include tenant-based rental assistance, permanent housing placement assistance, supportive services, housing information services, and resource identification. The Health Trust exceeded its goal by serving 87 participants.

The following is an example of services provided by The Health Trust staff:

“We have a client that has been housed in his unit since 2021. The client reached out because he was having issues with his landlord. The landlord wanted to increase the rent or have the client leave the unit. The client reported that he wanted to stay in his unit and asked for assistance. The Health Trust’s Housing Specialist worked with the client and the landlord to mediate the situation. They all met at the client’s unit and discussed all options. The landlord agreed to not increase the rent this year and will have the client sign a new lease. The client will stay in the unit. The client was extremely thankful.”

Housing for Health (San Benito County)

San Benito County provided not only rental assistance to low-income HIV/AIDS individuals and their families, but also provided food vouchers and general medical and dental assistance. The San Benito County assisted eight participants last year.

Strengthen and Stabilize Communities

Activities pertaining to the priority to Strengthen and Stabilize Communities were solely funded through CDBG. This category provides funding for programs, services, and projects that contribute to urban communities through safe and decent housing, suitable living environments, and expanded economic opportunities. These objectives were addressed in conjunction with the spending priorities identified by the community and fall into four categories:

- 1) Public Services;
- 2) Community Development Investment (CDI) Non-Construction Projects;
- 3) CDI Construction Projects; and
- 4) Food Distribution Program.

Public Services

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

Table D: Strengthen and Stabilize Communities – Public Service					
Project/ Program	Agency	Agreement	Fund	Proposed Goal	Outcome
Meals on Wheels	The Health Trust	CPS-17-002G	CDBG	26,885 Meals Delivered 2,500 Wellness Checks	27,003 Meals Delivered 3,714 Wellness Checks
Senior Access and Health Support	Portuguese Organization for Social Services and Opportunities	CPS-22-004	CDBG	7,206 Meals Delivered 550 Door-to Door Transport	8,020 Meals Delivered 565 Door-to Door Transport
Home Grown Talent Project	SOMOS Mayfair	CPS-22-002	CDBG	40 Translation Services provided 60 Leadership Training Participants	393 Translation Services 106 Leadership Training Participants
Community Leadership Development	San José State University CommUniver-City	CPS-16-014E	CDBG	216 Participants in Resident Leadership Training	239 Participants in Resident Leadership Training
Housing Rights Legal Services	Law Foundation of Silicon Valley	CPS-18-001E	CDBG	28 Legal Representations for Evictions 648 Legal Hotline Calls	43 Legal Representations for Evictions 1,215 Legal Hotline Calls
Case Management – Emergency Rental Assistance Program	Sacred Heart	CPS-20-003	CDBG-CV	70 Participants received Case Management	70 Participants received Case Management

Meals on Wheels (The Health Trust)

The primary purpose of the Meals on Wheels program is to address issues of senior isolation and nutrition by providing daily home-delivered hot meals, personal connections, wellness checks, and resources for low-income, homebound San José seniors who cannot access services outside of their homes. Eligible participants are lower-income seniors, aged 65 and older, of all backgrounds, including persons in the following protected categories: race, sex, color, religion, actual or perceived gender identity, sexual orientation, disability, ethnic or national origin, and familial status. The Health Trust exceeded its goals by delivering 27,003 meals and completing 3,714 wellness checks/visits. The program served 528 seniors. The Meals on Wheels program staff recently worked to expand its menu to include more ethnic preferences. Last year, it added Asian Fusion meal options in addition to its existing low-sodium and vegetarian meal options.

The following is an example of services provided by the Meals on Wheels staff:

Participant A is 80 years old and lives alone in San José. "I have lived in San José for most of my life. My kids and grandchildren all live far away. They are all too busy to visit. I am pretty much alone. The Health Trust has so many nice people. I enjoy having them help me. The food is excellent, I really appreciate the meals. They are so tasty and healthy. Sometimes I run out of food and have to eat canned food or peanut butter and jelly for dinner. I am used to running out of food on the weekends and having two meals a day is wonderful! Actually, having a meal at lunch and dinner is a miracle. Thank you so much!"

Senior Access and Health Support (Portuguese Organization for Social Services and Opportunities)

Portuguese Organization for Social Services and Opportunities provides culturally and linguistically accessible programs to low-income seniors. It also provides door-to-door transportation services for seniors from their homes to the Portuguese Community Center to participate in daily activities, including senior nutrition and health support services, and other general supportive services. The goal is for seniors to feel less isolated and more empowered to do things on their own. Portuguese Organization for Social Services and Opportunities also provides transportation for seniors to their appointments. Funding supports the preparation and delivery of hot meals to home-bound seniors. Last year, Portuguese Organization for Social Services and Opportunities exceeded its goals by providing 8,020 home-delivered meals and 565 door-to-door transportation services to 138 seniors.

Home Grown Talent Project (SOMOS Mayfair)

The primary purpose of the Home Grown Talent Project is to increase people's social capital by providing direct services to low-income residents in East San José. Under this program, SOMOS Mayfair provides a safety net that addresses the food, housing, financial, social services, and health needs of the participants. It also provides continued leadership development and supports residents' ability to access viable economic opportunities. Last year, SOMOS Mayfair exceeded its goals by providing 393 translation services and assisting with filling out participants' forms

and applications for services and benefits. Additionally, 106 participants benefited from the leadership training workshops, with 33 nonprofit training workshops conducted.

The Home Grown Talent Project activities are provided in linguistically and culturally relevant manners that resonate with target populations described in the City's Language Access Plan. Staff and community volunteers are selected based on their ability to effectively communicate in the participants' preferred languages. Spanish and English are the main languages spoken in the Mayfair community. Recently, the agency has seen an increase in the need for Vietnamese language material and are adjusting to that need accordingly.

Community Leadership Development (San José State University CommUniverCity)

CommUniverCity is sponsored by San José State University. Its staff works in collaboration with community members and the City to improve the quality of life in low-income downtown neighborhoods. Its services focus on identifying community strengths and needs and addressing community needs. CommUniverCity delivers services by providing educational activities to San José State University students and instructional workshops to residents of low-income neighborhoods on nutrition and sustainable living.

These activities and services are delivered at various community sites, including public schools and community centers in City Council District 3. Last year, CommUniverCity provided 239 hours of Resident Community Leadership training and held 30 community events.

Housing Rights Legal Service (Law Foundation of Silicon Valley)

The Law Foundation of Silicon Valley assists the City to enforce the Apartment Rent Ordinance and Tenant Protection Ordinance by providing legal services to eligible tenants and landlords consistent with these ordinances in an effort to strengthen residents' ability to remain in affordable housing. The Law Foundation of Silicon Valley is the lead organization in the local legal services consortium, which includes, Bay Area Legal Aid (BayLegal), Project Sentinel, Senior Adults Legal Assistance, and the Asian Law Alliance. BayLegal and Project Sentinel far exceeded the contract's goal of serving 648 residents through the legal counseling hotline by responding to 1,215 calls. The increased call volume was driven in part by the lifting of the eviction moratorium. In addition, consortium members provided 250 participants with brief legal consultations.

The following is an example of legal aid services provided by BayLegal staff:

“Participant B, a single mother of three children, withheld her rent when her landlord failed to respond to a rodent problem in her unit. Her caseworker was unsuccessful in getting in contact with her landlord. When Participant B did not respond to Unlawful Detainer papers, she received a Sheriff's Office notice that she had to vacate her apartment. Participant B came to BayLegal for help with a stay of execution to give her more time to move out and, most importantly, to make sure the eviction did not jeopardize her Section 8 housing voucher. After providing advice via the Tenant Hotline, BayLegal opened a case for Participant B. BayLegal advocates worked

with the Santa Clara County Housing Authority and Participant B’s caseworker to secure the necessary evidence to protect her housing voucher. Participant B was issued a warning, but her voucher is secure, which will help Participant B and her children retain safe and stable housing.”

Case Management for the Emergency Rental Assistance Program (Sacred Heart)

Sacred Heart administered case management for the City’s Emergency Rental Assistance Program. Sacred Heart managed the rental assistance funds and coordinated program partners. Last year, Sacred Heart served 70 individuals through case management and program administration. This program ended September 30, 2022.

CDI Non-Construction Projects

A summary of outcomes for addressing the goal to Strengthen and Stabilize Communities with CDIs for Non-Construction projects is provided in **Table E**.

Table E: Strengthen and Stabilize Communities – CDI Non-Construction					
Project/Program	Agency	Agreement	Fund	Proposed Goal	Outcome
Enhanced Code Enforcement	Department of Planning, Building, and Code Enforcement	PBCE memorandum	CDBG	400 Housing Units Inspected	427 Housing Units Inspected
Minor Home Repair	Rebuilding Together	CDI-16-B15H	CDBG	130 Households Served	135 Households Served
Minor Home Repair	Habitat for Humanity	CDI-16-B16G	CDBG	40 Minor Repair Projects	39 Minor Repair Projects

Enhanced Code Enforcement (Department of Planning, Building, and Code Enforcement)

Last year, the Housing Department continued to use CDBG funds to support the Department of Planning, Building, and Code Enforcement’s enhanced code enforcement program for multifamily housing. CDBG-funded services focused on the following neighborhoods: Santee, Five Wounds/Brookwood Terrace, Roundtable, Hoffman/Via Monte, Foxdale, and Cadillac. Last year, the Code Enforcement Division conducted 427 enhanced inspections and re-inspections of homes in these areas to ensure safe and decent housing for the City’s residents.

Minor Home Repair (Rebuilding Together and Habitat for Humanity)

Last year, the City’s Minor Home Repair Program funded two agencies: Habitat for Humanity East Bay/Silicon Valley and Rebuilding Together Silicon Valley. Together, these agencies assisted 174 low-income San José households by providing over 300 home repair work items to ensure safe living environments. Repairs authorized under these contracts are those deemed urgent, safety-related, and/or accessibility/mobility repairs.

Rebuilding Together Silicon Valley experienced high levels of staff turnover last year, which adversely impacted its ability to complete more home repair projects. Staff from both grantees also commented on the increasing complexity and cost of the home repair process adversely affecting program outcome numbers. The program’s many requirements due to CDBG regulations involved the need to: collect multiple documents to evidence that homeowners qualify for the program; obtain multiple responsive bids for the work; and, in some cases, approving environmental reviews for a home’s scope of work. The number and types of qualifying documents were a hardship for many clients. It often takes months and multiple forms of communication to collect the required documents. Obtaining bids was also a cumbersome and time-consuming process, and the need for bids increased due to the rising cost of construction materials and labor. Last year, nearly every type of subcontracted work required multiple bids due to the City’s \$10,000 project cost threshold. The increased time involved in bidding for a greater number of homes led to a slow-down in application and qualification processes last year.

Performance outcomes for each grantee reflect the differences in their program models. Habitat for Humanity East Bay/Silicon Valley typically focuses on larger projects, which take more time to complete. As such, its outcome numbers are historically lower than are Rebuilding Together Silicon Valley’s.

CDI Construction Projects

A summary of grantees’ outcomes for addressing the goal to Strengthen and Stabilize Communities with CDI Construction Investments is provided in **Table F**.

Table F: Strengthen and Stabilize Communities – CDI Construction					
Project/Program	Agency	Agreement	Fund	Proposed Goal	Outcome
Community Wi-Fi	Public Works	PW memorandum	CDBG	Mt. Pleasant High School and Silver Creek High School	New Community Wi-Fi Network Completed
Fair Swim Center / Tot Lot	Parks, Recreation, and Neighborhood Services / Public Works	PRNS memorandum	CDBG	Rehab of Fair Swim Center and adjacent Tot Lot	In process - Active Project until 2026

Community Wi-Fi (Mount Pleasant High School and Silver Creek High School)

The Mount Pleasant and Silver Creek Community Wireless Network projects made public Wi-Fi a reality for students and members of the public living in low-income neighborhoods. Successful implementation last year resulted in better access to internet and digital services so that residents and students can obtain the potential personal, educational, community and economic benefits that are available with network connectivity.

Enabling Wi-Fi access in low- to moderate-income census tract areas, which are high-priority digital equity census tracts in the Mount Pleasant and Silver Creek communities, promotes equity by closing the digital divide and improving educational outcomes. Residents can apply for jobs online, access online training and schooling, and utilize their internet connection to work to support families.

Fair Swim Center and Tot Lot Improvements

This project, once completed, will enhance the City's Fair Swim Center and upgrade the Center's tot lot playground, benefiting residents in East San José with improved facilities and enriching activities. The objective of the following site improvements is to create a recreational hub that fosters a safe, welcoming, and dynamic environment for the community.

For the tot lot improvements, outdated play equipment will be removed and new play structures designed for early childhood development will be installed. Additionally, the tot lot area will receive new resilient surfacing. Other enhancements may include perimeter fencing and landscaping.

Building improvements include enhancements to interior restroom facilities. The exterior of the building will be restored and receive necessary maintenance to extend its lifespan, along with fresh paint to improve its appearance. New exterior signage will be installed to enhance wayfinding and promote increased attendance at the Fair Swim Center.

Food Distribution

A summary of the outcomes for addressing the goal to Strengthen and Stabilize Communities with the Food Distribution Program is provided in **Table G**.

Table G: Strengthen and Stabilize Communities – Food Distribution Program from PRNS					
Project/Program	Agency	Agreement	Fund	Proposed Goal	Outcome
Food Distribution Program	Catholic Charities of Santa Clara County	CDBGCV-22-003	CDBG-CV	6,000 Households Assisted 31,200 Pre-packed Groceries	6,000 Households Assisted 31,200 Pre-packed Groceries
Food Distribution Program	The Health Trust	CDBGCV-22-005	CDBG-CV	200 Participants 30,000 Meals Delivered	528 Participants 47,475 Meals Delivered
Food Distribution Program	Loaves & Fishes Family Kitchen	CDBGCV-22-006	CDBG-CV	147,680 Meals Prepared and Delivered	147,680 Meals Prepared and Delivered
Food Distribution Program	Hunger at Home	CDBGCV-22-002	CDBG-CV	48,084 Grocery Boxes Delivered	36,319 Grocery Boxes Delivered
Food Distribution Program	Sacred Heart	CDBGCV-22-004	CDBG-CV	4,004 Households Assisted	4,004 Households Assisted
Food Distribution Program	Veggielution	CDBGCV-22-008	CDBG-CV	240 Participants 57,850 lbs. of Food Distributed	240 Participants 57,850 lbs. of Food Distributed
Food Distribution Program	West Valley Community Services	CDBGCV-22-001	CDBG-CV	150 Households Provided Weekly Groceries	160 Households Provided Weekly Groceries
Food Distribution Program	San José Conservation Corps	CDBGCV-22-007	CDBG-CV	18,000,000 lbs. of Food Distributed through Second Harvest	26,440,521 lbs. of Food Distributed through Second Harvest

Food Distribution Program

An interdepartmental Food and Necessities Distribution Team managed the City's emergency food distribution efforts in response to the COVID-19 pandemic since March 2020. From July 1, 2022 to December 31, 2022, several community-based organizations partnered with the City to distribute approximately three million meals to food-unstable, vulnerable residents across San José. This work continued last year assisted by federal funds with a goal to gradually transition the City away from emergency food distribution services. Since demand for food services remained high, the Housing Department and the Department of Parks, Recreation, and Neighborhood Services worked closely to secure short-term service agreement extensions with partnering agencies. These extensions were funded with the remaining available CDBG CARES Act funding, as well as the balance of unused American Rescue Plan Act funding allocated for food security relief. This provided residents additional time to find other long-term food security assistance. The Food Distribution Program ended on June 30, 2023.

Promote Fair Housing Choices

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

Last year, the Housing Department funded the services of the Fair Housing Consortium, comprised of four nonprofit agencies. The Fair Housing Consortium helped fulfill the City’s obligation to affirmatively further fair housing. It includes the Law Foundation of Silicon Valley, Project Sentinel, Senior Adult Legal Assistance, and Asian Law Alliance. The consortium offers a comprehensive and coordinated Fair Housing program that fields and investigates discrimination complaints, provides enforcement and litigation services, and gives general Fair Housing education.

A summary of the outcomes for addressing the goal of promoting fair housing choices is provided in **Table H**.

Table H: Fair Housing Choices					
Project/ Program	Lead Agency	Agreement	Fund	Proposed Goal	Outcome
Fair Housing Consortium	Law Foundation of Silicon Valley	HOME-22-001	CDBG & HOME	26 Fair Housing Representations	37 Fair Housing Representations
				78 Client Legal Brief Services	78 Client Legal Brief Services

Beneficiary Demographics

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

Analysis of Assisted Residents by Race and Ethnicity

For the HUD-funded activities in which the City’s grantees reported the race and ethnicity of clients served, **Table I** provides the overall race and ethnicity distribution of clients in FY 2022-2023.

Table I: Race and Ethnicity Data of Clients Served through HUD Funds in FY 2022-2023			
Race/Ethnicity	Program Participants	% of Total	Ethnicity (Hispanic/Latina/o)
White	4,340	20.9%	1,833
Black/African American	652	3.4%	45
Asian	3,304	15.9%	38
American Indian/Alaska Native	330	1.7%	174
Native Hawaiian/Pacific Islander	84	0.04%	18
American Indian/Alaska Native and White	52	0.02%	36
Asian and White	15	0.01%	2
Black or African American and White	25	0.01%	5
American Indian or Alaskan Native and Black	39	0.02%	6
Other	11,958	58.0%	394
Total	20,799	100 %	2,551

The data in Table I was made available by grantees. The data shows that a disproportionately high share of people identifying as White or Asian were served by HUD-funded programs than are represented in the City’s overall low-income population.

A majority of the programs’ participants, 58%, declined to state their race and ethnicity and/or selected “Other.” Many participants shared with agencies a concern for their privacy in declining to provide more specific information. Also note that the total number of participants was higher than usual last year due to inclusion of the Food Distribution Program. By comparison, the previous year’s total was 6,429 participants.

Income Data

Table J: Overall Race and Ethnicity Data		
Income Level	Program Participants	% of Total
Extremely Low-Income	16,847	81%
Very Low-Income	2,079	10%
Low-Income	1,666	8%
Over Income (ineligible)	207	1%
Total	20,799	100%

Per **Table J**, available data indicates that the HUD-funded programs overwhelmingly served extremely low-income households last year. In 2022, HUD considered households to be extremely low-income if they had incomes below \$38,050 for an individual and below \$55,750 for a household of four. Eighty percent of San José’s extremely low-income households spend more than 30% of their income on housing costs.¹ Cost-burdened and severely cost-burdened

¹ HUD 2019 5-year Comprehensive Housing Affordability Strategy data, based on American Community Survey data.

poor households are more likely than other renters to sacrifice necessities like healthy food and healthcare to pay rent. They also are more likely to experience unstable housing situations like evictions or homelessness. Last year, data indicated that over 80% of the City’s funds from HUD were invested in the City’s most vulnerable residents.

Overall Progress Toward the Five-Year Consolidated Plan

City staff and consultants began the development of the 2020-2025 Consolidated Plan in early 2019, prior to the start of the global pandemic. While the Consolidated Plan was finalized at the height of the pandemic, the CARES Act funding has been allocated and incorporated into the Consolidated Plan and the corresponding Annual Action Plans. While some of the five-year goals fell short because of the shift in funding priorities, many others are still on target to meet or exceed the five-year goals currently targeted in the Consolidated Plan. Below are some of the key programs and services along with the year-three progress toward the overall five-year goals in each of the four priority areas.

Responding to Homelessness and Impacts on the Community: While a significant amount of the City’s homelessness response is funded through state and local funds, the City also dedicated a large portion of its HUD funding last year for services and programs serving unhoused residents. The three primary priorities of the HUD-funded services and programs are street outreach, shelter, and prevention. **Table K** indicates that 60% of the way through the five-year Consolidated Plan period, the City has already surpassed the five-year goal for street outreach and has funded almost seven times as many individuals for shelter as originally anticipated over the five-year period. Homelessness prevention assistance was just slightly below the 60% target for this time in the cycle, having reached 55% of goal.

Table K: Responding to Homelessness and Impacts on the Community – Progress Toward Five-Year Goal			
Priority	Five-Year Goal	Year-Three Progress	Percent Achieved
Street Outreach	3,350 individuals	3,452 individuals	103%
Shelter	300 individuals	2,047 individuals	682%
Prevention	150 households	82 households	55%

Create and Preserve Affordable Housing: No new HOME-funded affordable units were completed over the past three years. However, several new affordable housing developments are in the existing funding pipeline that could be likely targets for HOME funding. In addition, the City’s next Notice of Funding Availability is expected to be issued in fall 2023, which will identify the next developments to receive future funding commitments. HOPWA remained the main funding source for Tenant-Based Rental Assistance in FY 2022-2023. **Table L** indicates that 60% of the way through the five-year Consolidated Plan period, the City has used its funds to help more than three times the number of households with Tenant-Based Rental Assistance than originally anticipated for the five-year goal period.

Table L: Create and Preserve Affordable Housing – Progress Toward Five-Year Goal			
Priority	Five-Year Goal	Year-Three Progress	Percent Achieved
Rental Development	250 new units	0 new units	0%
Tenant-Based Rental Assistance	405 households	1,339 households	331%

Strengthen and Stabilize Communities: The broadest of the four priorities, to strengthen and stabilize communities, includes a range of public services such as legal services, senior services, wellness checks, senior transportation services, meal programs, and community engagement/leadership training. This priority also includes non-construction CDI such as homeowner minor repair programs and enhanced code enforcement inspection services. **Table M** indicates that 60% of the way through the five-year period, the City is ahead of its goal for public services and homeowner minor repair programs. The number of enhanced Code Enforcement inspections, however, is running behind the five-year goal due to staffing vacancies in the Code Enforcement Division.

Table M: Strengthen and Stabilize Communities – Progress Toward Five-Year Goal			
Priority	Five-Year Goal	Year-Three Progress	Percent Achieved
Public Services	4,200 individuals	3,070 individuals	73%
Homeowner Minor Repairs	1,442 households	930 households	64%
Enhanced Code Enforcement Inspection Services	2,235 inspections	893 inspections	40%

Promote Fair Housing Choices: The primary purpose of the San José Fair Housing Legal and Education Services Collaborative Project is to build inclusive, sustainable communities free from discrimination through complaint-based investigations, systematic testing, and legal representation designed to help victims of housing discrimination to access or maintain the housing of their choice. **Table N** indicates that 60% of the way through the five-year period, the City is slightly behind its goal for helping low-income residents with fair housing services due to staffing vacancies in the nonprofit agencies.

Table N: Promote Fair Housing – Progress Toward Five-Year Goal			
Priority	Five-Year Goal	Year-Three Progress	Percent Achieved
Fair Housing Legal Services	750 individuals	377 individuals	50%

Administration: Finally, the City funded its administrative activities, within federally regulated limits, from each of the federal funding sources. Staff activities funded with administrative funds include planning, grant management, monitoring, reporting, legal services, and environmental review. The City expended \$1.5 million in federal funding in FY 2022-2023 to administer the four federal formula programs as well as the one-time CARES Act funding allocated by HUD.

EVALUATION AND FOLLOW-UP

Upon City Council approval, staff will submit the CAPER to HUD by the September 29, 2023 due date. The draft CAPER documents are posted on the Housing Department's website.²

COST SUMMARY/IMPLICATIONS

There are no costs associated with this action. However, without an approved CAPER, the City of San José will not qualify for future HUD funding including CDBG, HOME, HOPWA, and ESG programs that are essential for supporting vital housing and community development investments.

COORDINATION

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

PUBLIC OUTREACH

In accordance with federal regulations and the City's Citizen Participation Plan,³ the CAPER must be made available to the public for a 15-day review and comment period. Additionally, the City must hold at least two public hearings in person or virtually to provide the public an opportunity to provide feedback on the accomplishments enumerated in the CAPER.

The City's 15-day public review and comment period will run from the day the CAPER is posted to the Housing Department website, September 11, 2023, through September 26, 2023. The public is invited to comment via email to housing.csj@sanjoseca.gov, by printed letter mailed to the Housing Department Grants Team on the 12th floor of City Hall, or by attending a public hearing to make an oral comment. The following public hearings will be held for public input:

- Housing and Community Development Commission meeting on September 14, 2023
- City Council meeting on September 26, 2023.

To meet the federal requirements, the Housing Department posted notifications of the public meetings on social media to inform the public of the CAPER's scheduled public hearings. The social media postings were in five languages (English, Spanish, Vietnamese, Chinese, and

² CAPER documents: <https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/hud-reports/consolidated-annual-performance-evaluation>

³ City of San José's Citizen Participation Plan, <https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/hud-reports/consolidated-annual-action-plans/citizen-participation-plan>

Tagalog), pursuant to the City's Language Access Plan.⁴ A public notice regarding the public review and comment period was also published in these five languages on August 19, 2023. The newspapers that carried the notices were the *Mercury News*, *El Observador*, *Vietnam Daily News*, *World Journal* (Chinese), and the *Philippine News*.

This memorandum will be posted on the City's Council Agenda website for the September 26, 2023 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

Housing Department staff will present the draft CAPER to the Housing and Community Development Commission on September 14, 2023. Because the CAPER is being presented to the Commission concurrently with the required submittal date for this memorandum, a supplemental memorandum documenting any comments received at the Housing Community Development Committee meeting will be provided to the City Council before its September 26, 2023 meeting.

CEQA

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

PUBLIC SUBSIDY REPORTING

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

/s/

ROSALYNN HUGHEY
Deputy City Manager and
Acting Housing Director

The primary author of this memorandum is Stephanie Gutowski, Senior Development Officer. For questions, please contact Kristen Clements, Interim Deputy Director of Housing, at (408) 535-8236 or kristen.clements@sanjoseca.gov.

⁴ City of San José's Language Access Plan, <https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/hud-reports>