

Summary of the Second Substantial Amendment to the Fiscal Year 2021-2022 Annual Action Plan

The following is a summary and recommended updated language that amends the Fiscal Year (FY) 2021-2022 Annual Action Plan (AAP).¹

Background

This is a proposed Second Substantial Amendment to the City's FY 2021-2022 AAP. The purpose of the Second Substantial Amendment is to update the HOME-ARP Allocation Plan.

The City's AAP details its funding strategy for the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnership (HOME), and Housing Opportunities for People with AIDS (HOPWA) programs each year in the AAP. The AAP implements an entitlement jurisdiction's Five-Year Consolidated Plan and is developed through public engagement and input, analysis, and planning. The AAP provides spending caps for the different programs or services that operate with federal funding sources.

Substantial Amendment is Needed

All entitlement jurisdictions, such as San José, that receive HUD federal funds by formula allocation are required to have an adopted Citizen Participation Plan (CPP). San José's CPP describes the efforts that the City will take to encourage its residents to participate in developing federal spending plans. It also includes guidance regarding the public engagement process to be used when a substantial amendment to programs or services funded in the AAP is proposed.

In accordance with the City's CPP, a Substantial Amendment constitutes a change to a previously adopted Five-Year Consolidated Plan or AAP that:

- Increases or decreases by more than \$100,000 or a 25% change in the amount allocated to a funding category; or
- Makes a significant change to an activity's proposed beneficiaries or persons served; or
- Funds a new activity not previously described in the AAP.

The proposed changes to the City's FY 2021-2022 AAP qualify as a Substantial Amendment because they meet the HUD criteria of making a significant change to a program's budget.

¹This summary is submitted to the United States Department of Housing and Urban Development (HUD) for their approval of the City of San José's recommended changes via a Second Substantial Amendment to the FY 2021-2022 AAP.

Proposed Amendment

The proposed Second Substantial Amendment to the City’s FY 2021-2022 AAP updates the allocation of HOME-ARP funds as described in the **Table** below.

Table – FY 2024-2025 HOME-ARP Funding Levels

Eligible Activity	Amount Originally Approved	Amount Recommended	Description
Homelessness Prevention	\$3,000,000	\$0*	No change in the funding amount for Prevention. Funding source was changed from HOME-ARP to HHAP5 funds. HOME ARP funding decreased by \$3,000,000.
Rental Assistance for Tenant-Based Rental Assistance Program Participants	\$4,500,000	\$7,500,000	Funding amount increased by \$3,000,000.
Supportive Services for Tenant-Based Rental Assistance Program Participants	\$2,424,884	\$2,424,884	No change.
Administration and Planning of the HOME-ARP Allocation Plan	\$1,751,450	\$1,000,000	Split Administration appropriation with the County of Santa Clara’s Office of Supportive Housing. \$1,000,000 is provided to the County of Santa Clara’s Office of Supportive Housing to implement and administer HOME ARP.
Administration and Planning of the HOME-ARP Allocation Plan	N/A	\$751,450	Split Administration appropriation with the County of Santa Clara’s Office of Supportive Housing. \$751,450 remains with the Housing Department to administer and monitor the HOME ARP funding program.
TOTAL	\$11,676,334	\$11,676,334	N/A

*The Homelessness Prevention System program will maintain full funding as originally planned; \$3,000,000 of Housing Homeless and Prevention Round 5 (HHAP5) has been set aside to fund this program instead of using HOME-ARP funds.