



CITY OF SAN JOSE

FY 2019-20 Consolidated Annual Performance Evaluation Report (CAPER) - **DRAFT**

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Cover Photos

Top: Villas on the Park – Construction was completed in 2019 and residents moved into this affordable rental development with 83 apartments.

Bottom: Second Street Studios - Construction was completed in 2019 and residents have moved into this affordable rental development of 134 apartments.

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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 2019-2020 *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 2019-2020 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) 2019-2020 was the fifth 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 during the coronavirus pandemic. 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, particularly during the 2020 global pandemic, 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 \$14.1 million in Federal funding from CDBG, HOME, HOPWA, and ESG programs for FY 2019-20. Additionally, through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, the City received federal grant funding through stimulus grants disbursed by HUD to respond to the coronavirus. These CARES Act grants, issued piecemeal in the last three months of the report period, were based both on the same formulas HUD uses to allocate annual federal housing grants and on formulas using COVID-related risk factors. The City leveraged its FY 2019-20 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 2019-20 are highlighted in the following section. Each set of annual goals in the FY 2019-20 Annual Action Plan are measured against progress toward the goals set in the 5-year Consolidated Plan. The specific activities funded during the FY 2019-20 were

identified as funding priorities to address the four areas of need and demonstrate impact in the community. Additionally, some activities were added through substantial amendments to the FY 2019-20 Annual Action Plan in order to respond to the pandemic. 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 2019-2020 (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 2019-20, the City monitored progress on two HOME-funded affordable housing developments – construction progress on Leigh Avenue Seniors, and conversion to permanent financing of Second Street Studios. HOME funds of \$14.9 million that had been designated for new development commitments were redirected to increase the amount of tenant-based rental assistance for COVID-19 response.

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 59 households find or retain affordable housing. 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 9 households. The program also provided supportive services to 47 participants by assisting with finding and securing housing, accessing benefits, increasing income, and improving health outcomes. The HOPWA program served a total of 91 unduplicated households in the program year.

RESPOND TO HOMELESSNESS AND ITS IMPACTS ON THE COMMUNITY

Efforts to end homelessness remain a top priority in San José. The City expended approximately \$9.3 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);
- Homeless Prevention and;
- The Citywide and Downtown Outreach Program; and
- Shelter and emergency motel voucher program.

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 (Persons Assisted) - In FY 2019-20, the City assisted 1,208 homeless individuals obtain services such as case management or housing search sessions.

HOME TBRA and Rapid Rehousing Services (Households Assisted) – The City completed two Substantial Amendments to the FY19-20 Annual Action Plan to allocate \$9.7M in HOME TBRA funds to respond to the pandemic. The funds were added in the last quarter of FY19-20 and outcomes will be reported in the FY20-21 report. Under the non-COVID HOME funded TBRA program, 177 homeless households received subsidies to assist them in obtaining permanent housing. In spite of falling below the annual goal of 200, 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, 1,208 outreach contacts were achieved, far exceeding the annual goal.

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 2019-20 include:

- 35% of clients contacted by the Downtown street/encampment outreach teams moved from street to temporary destinations (Emergency Shelter or Transitional Housing), and some institutional destinations.
- 15% of clients contacted by the Downtown street/encampment outreach teams moved from street to permanent housing destinations.
- 15% of clients 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.

STRENGTHENING NEIGHBORHOODS

Activities pertaining to strengthening neighborhoods were solely funded through CDBG in FY 2019-20. 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 2019-20, to support the programs component of Strengthening Neighborhoods, the City funded two nonprofits, 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 2,113 items of urgent, safety and accessibility/mobility repairs, and 790 items of major (e.g., roof replacements) rehabilitation activities to ensure safe and decent living environment to 217 low-income households. The results of this project include:

- 100% of households (217 households) have improved safety conditions in their home.
- 100% of unduplicated household felt safer and healthier when living in their homes after participating in the Project.

Work Experience Program - The City also funded the San José Streets Team (SJST), a nonprofit 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. In FY2019-20, some of the key outcomes of this program include:

- 9 individuals served in this program (13% of goal).
- 85% of participants who graduated from the program retained employment for at least three months.

In FY19-20, Downtown Streets Team was short staffed in the first two quarters of the fiscal year. In the third and fourth quarters, which have historically been strong enrollment quarters, the COVID-19 pandemic shut down outreach efforts and team meetings. New enrollments ceased. The criteria for the Work Experience program also changed which only made it more difficult to meet the program requirements. Further, the pandemic brought job losses and therefore, attention shifted into assisting participants with unemployment and figuring out new ways to engage with business partners. Additionally, business were impacted due to COVID-19 and were not looking to create new partnerships or hire new employees since so many had to temporarily close. Shelter in place was especially difficult for participants and supporting them with resources and shelter became the priority.

Targeted Code Enforcement: The City also funded targeted Code Enforcement within the Santee, Five Wounds/Brookwood Terrace, Roundtable, Hoffman/Via Monte, Foxdale and Cadillac neighborhoods in FY 2019-20. Within these areas, Code Enforcement performed enhanced multifamily services beyond those typically provided. The code enforcement efforts included 448 inspections and re-inspections, which resulted in 735 violations corrected. One key outcome includes:

- 89% of substandard housing violations identified by inspectors were corrected within 120 calendar days from the date inspectors notified the property owners of the violations.

In March 2020, a Shelter In Place (SIP) order was issued by Santa Clara County as a result of the COVID-19 pandemic. As a result, code enforcement staff worked remotely and followed up on outstanding cases. To comply with the Center for Disease Control's guidelines, staff has developed a new process to inspect units for which a complaint had been filed. This included a new process of Video/Virtual Inspections using a Zoom platform to continue the CDBG Enhanced Inspections through FY 2020-21. There will be three options to conduct the Enhanced Routine Inspections; 1) perform the remote video/virtual inspection with the property owner/manager; 2) perform remote video/virtual inspection with the occupant or 3) perform in-person inspection with the occupant or property owner with inspector following COVID protocols and wearing appropriate personal protective equipment (PPE).

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 26,00 meals, coordinated 451 door-to-door transportation services, and provided over 12,700 social visits and wellness checks. The two programs combined to serve 201 low-income seniors in FY 2019-20. One example of a key outcome for these services include:

- 100% of the low-income dependent seniors report Meals on Wheels program is somewhat or extremely important in helping them remain independent in their homes.

Neighborhood Services: The City funded two nonprofit agencies to provide leadership development training, basic needs services, and skill building workshops for 324 residents and potential future community leaders. Examples of a key outcomes include:

- 96% of participants (Goal 60%) will have increased their self-sufficiency by addressing a critical basic need.
- 100% of participants (Goal 75%) in the economic opportunity pipeline reported that they increased their skillsets to better position themselves for economic opportunities.

Capital Projects (Completed)

Capital improvement projects improve the infrastructure of low-income neighborhoods. Due to the complexity of planning, procurement, and construction, capital projects often span multiple fiscal years. In past fiscal years, the City committed funding to a number of projects including street and infrastructure enhancements, nonprofit facility improvements, and public facility improvements. In FY19-20, the City completed Green Alley Way improvements on two alleyways.

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 funds the services of a nonprofit fair housing consortium comprised of five different nonprofit agencies. Between the four consortium members, the consortium provided 40 fair

housing investigations, 75 client briefings, 47 legal representations and 34 fair housing presentations. In FY 2019-20, the key outcomes include:

- 100 percent of presentation participants became more familiar with the laws governing fair housing following the presentation.
- Provision of legal services resulted in 75percent of complainants with improved access or availability of housing.

Additionally, the City funds a program that provides legal services for low-income tenants and landlords to assist the City in enforcing the Apartment Rent Ordinance and Tenant Protection Ordinance. This program is operated by the San Jose Housing Rights Consortium, which is comprised of five different nonprofit agencies, to provide legal services. The consortium includes the Law Foundation of Silicon Valley, Bay Area Legal Aid, Project Sentinel, Senior Adult Legal Assistance, and Asian Law Alliance. Between the five consortium members, the consortium provided 44 outreach and education workshops, 50 legal consultations, 34 legal representations for eviction proceedings and administrative hearings, and 2 limited legal representations for enforcement. Key outcomes include:

- 100 percent of eligible clients represented by attorneys were able to stay in their housing or had additional time to bridge them into housing.
- 100 percent of clients of clients who were represented by attorneys were able to stay in their housing or had additional time to bridge to housing.

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 (2019-20) Strategic Plan Goal	1-year (2019-20) Actual to Date	Percent of 1-year goal Complete
Affordable Housing	Affordable Housing	CDBG HOPWAHOME	Rental apartments constructed	Household Housing Unit	0	0	0%	50		0
Affordable Housing	Affordable Housing	CDBG HOPWAHOME	Rental apartments rehabilitated	Household Housing Unit	0	0	0%			0%
Affordable Housing	Affordable Housing	CDBG HOPWAHOME	Homeowner Housing Added	Household Housing Unit	0	0	0%			0%
Affordable Housing	Affordable Housing	CDBG HOPWAHOME	Tenant-based rental assistance/Rapid Rehousing	Households Assisted	110	577	525%	95	316	333%
Fair Housing	Non-Housing Community Development	CDBG	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	1,140	3,417	300%	520	2,018	388%
Homelessness	Homeless	CDBG HOME ESG	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	810	n/a	0	810	n/a
Homelessness	Homeless	CDBG HOME ESG	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	650	1,089	168%	100	749	749%
Homelessness	Homeless	CDBG HOME ESG	Homeless Person Overnight Shelter	Persons Assisted	1,600	1,591	99%	0		0%

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 (2019-20) Strategic Plan Goal	1-year (2019-20) Actual to Date	Percent of 1-year goal Complete
Homelessness	Homeless	CDBG HOME ESG	Homelessness Prevention	Persons Assisted	20	94	470%	30	68	227%
Homelessness	Homeless	CDBG HOME ESG	Other	Other (Outreach Contacts)	6,400	15,879	248%	300	1,208	403%
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	157%	21,000	0	0%
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	87,237	6,979%	450	84,490	18,776%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Homeowner Housing Rehabilitated	Household Housing Unit	550	1,434	261%	250	217	87%

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 (2019-20) Strategic Plan Goal	1-year (2019-20) Actual to Date	Percent of 1-year goal Complete
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Jobs created/retained	Jobs	250	123	49%	10	9	90%
Strengthen Neighborhoods	Non-Homeless Special Needs Non-Housing Community Development	CDBG	Housing Code Enforcement/Foreclosed Property Care	Household Housing Unit	5,400	3,113	58%	775	344	44%

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

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 fifth 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	\$2,907,490	\$424,515
HOME	\$2,250,946	\$494,711
ESG	\$757,502	\$616,578

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 19-20 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 130 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 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 2,718 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 689 homeless individuals (unduplicated) in the program year with 1,520 outreach contacts and 1,000 case management sessions. Results of these efforts include:
 - 15% of clients (Goal 22%) 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.
- 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 (170 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 519 homeless individuals (unduplicated), conducted 2,869 outreach contacts, and provided 2,085 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:

- 56% of individuals engaged in services (291 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.
 - 34% of clients 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).
 - 32% of clients contacted via street/encampment outreach moved from street to a permanent housing destination during the fiscal year.
- Homeless Prevention – This ESG-funded project included services provided by the Bill Wilson Center. The project supported 86 unduplicated participants. Services included 223 hours of case management and 53 checks for rental prevention assistance. The project resulted in the following outcomes:
 - 100% of households remained stably housed while receiving prevention assistance.
 - 86% of households exited to permanent housing.

Increasing and Preserving Affordable Housing Opportunities

Investments and Expenditures

Program	Budgeted in Annual Action Plan	Expended
CDBG	\$0	\$416,978
HOME	\$7,751,432	\$7,287,209
HOPWA	\$1,097,987	\$770,052

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 new permanent housing developments including Second Street Studios, Park Avenue and Leigh Avenue Senior Apartments.

- **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. New developments completed in FY19-20.
 - Second Street Studios – City council approved expenditure of up to \$8,000,000 of HOME funds for this project in July 2016. The project has finished construction and is fully occupied. Second Street Studios is 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.
 - Leigh Avenue Senior Apartments – City Council approved expenditures of up to \$6,000,000 of HOME funds for this project in 2018. The project is complete. All of the apartments have been set-aside as permanent supportive apartments for seniors.

- **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. In FY19-20 the Plaza served 63 individuals.

- **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 47 unduplicated households.
 - 98% of clients receiving TBRA maintained permanent, stable housing during the program year.
 - 87% of clients receiving support services obtained or maintained benefits and/or income during the program year.

- **HOPWA COVID:** The City received funding for tenant based rental assistance and support services for individuals impacted by COVID-19. The program served 3 participants who lost income due to COVID-19.
 - 100% of participants who received assistance maintained housing stability between March and July 2019.

Strengthening Neighborhoods

Investments and Expenditures

Program	Budgeted in Annual Action Plan	Expended
CDBG	\$9,130,000	\$784,500

- **Senior Services** – CDBG funds supported two community-based organizations to provide services for over 201 unduplicated, low-income seniors.

Senior Access and Health Support, a program of Portuguese Organization for Social Services & Opportunities (POSSO), coordinated 451 assisted door-to-door transportation services, and 5,000 meals to 95 unduplicated low-income elderly residents.

- 94% of the low-income dependent seniors (goal 80%) utilized the transportation service report improved quality of life because of greater socialization and resource utilization.
- 98% of the low-income dependent seniors (goal 80%) receiving home delivered meals report improved health because of improved nutrition and nutrition knowledge.

Meals on Wheels, a program of The Health Trust, served 106 low-income seniors (unduplicated) with 20,015 healthy, hot meals, and provided 12,647 social visits and wellness checks. 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 (goal 95%) reported that Meals On Wheels is somewhat or extremely important in helping them remain independent in their homes.
- 98% of seniors served (goal 95%) reported that Meals on Wheels is somewhat or extremely important to their daily well-being.

- **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 313 unduplicated residents in East San José. The program, a consortium of five nonprofit agencies, provided with the following services:

- 91 residents accessed crisis and support services in the areas of food, housing, and financial sustainability;
- 113 residents completed a three-part leadership development workshop series;
- 26 residents participated in nonprofit and community leaders training, a series of skill-building workshops focused on community organizing;

- 25 residents engaged in child care owners and providers training, a series of trainings to deepen their knowledge of the early child development field; and
- 37 residents completed the Urban Agriculture Entrepreneurs training program, a 6-month urban agriculture series

The program resulted in the following outcomes:

- 96% of participants (goal 60%) increased their self-sufficiency by addressing a critical basic need;
- 100% of participants (goal 75%) in the economic opportunity pipeline increased their skill sets to position themselves for economic opportunities.

The **CommUniverCity Community Leadership Program (CLP)** supported 102 community members in District 3 by providing 188 hours of training of community leadership development trainings and supporting participants in developing and implementing neighborhood improvement projects. The participants of the leadership program facilitated 44 hours of community conversations with other residents in their neighborhoods. Outcomes included:

- 90% of participants who successfully completed the training program demonstrated satisfactory or increased proficiency in three or more of the key facilitation skill areas.
- **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. In FY2019-20, some of the key outcomes of this program include:
 - 9 individuals served in this program (13% of goal).
 - 85% of participants who graduated from the program retained employment for at least three months.

In FY19-20, Downtown Streets Team was short staffed in the first two quarters of the fiscal year. In the third and fourth quarters, which have historically been strong enrollment quarters, the COVID-19 pandemic shut down outreach efforts and team meetings. New enrollments ceased. The criteria for the Work Experience program also changed which only made it more difficult to meet the program requirements. Further, the pandemic brought job losses and therefore, attention shifted into assisting participants with unemployment and figuring out new ways to engage with business partners. Additionally, businesses were impacted due to COVID-19 and were not looking to create new partnerships or hire new employees since so many had to temporarily close. Shelter in place was especially difficult for participants and supporting them with resources and shelter became the priority.

- **Code Enforcement** - This project focused on providing enhanced code enforcement services in Place-Based Initiative neighborhoods, Santee, Five Wounds/Brookwood Terrace, Roundtable,

Hoffman/Via Monte, Foxdale and 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 448 inspections and re-inspections, which resulted in 735 violations corrected. The program served 344 unduplicated households. Results of these interventions include:

- 89% of substandard housing violations identified by inspectors were corrected within 120 calendar days from the date inspectors notified the property owners of the violations.

COVID Impact Code Enforcement: In March 2020, a Shelter In Place (SIP) order was issued by the County as a result of the COVID-19 pandemic. As a result, staff worked remotely and followed up on outstanding cases. To comply with the Center for Disease Control’s guidelines, staff has been working to develop a new innovative process to inspect units for which a complaint had been filed. This included a new process of Video/Virtual Inspections using a Zoom platform to continue the CDBG Enhanced Inspections through FY 2020-21. There were three options to conduct the Enhanced Routine Inspections; 1) perform the remote video/virtual inspection with the property owner/manager; 2) performs the remote video/virtual inspection with the occupant; or 3) performs the in- person inspection with the occupant or property owner/manager. Code Enforcement Inspectors followed pandemic protocols wore personal protective equipment.

- **Minor Repair Program** – The primary purpose of the Minor Repair program is to lower 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 2,113 items of urgent, safety and accessibility/mobility repairs, and 438 items of major (e.g., roof replacements) rehabilitation activities to ensure safe and decent living environment to 217 low income households. The results of this project include:

- 100% of households (217 households) have improved safety conditions in their home.
- 100% of all households served through Habitat for Humanity SV felt safer in their homes after receiving repairs to their homes
- 100% 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	\$81,104	\$20,697
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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. Sub-recipients' 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 FY2019-20 program year included 40 fair housing investigations, 75 client briefings, 47 legal representations and 34 fair housing presentations. In FY 2019-20, the key outcomes include:

- 100% of presentation participants became more familiar with the laws governing fair housing following the presentation.
- Provision of legal services resulted in 75% of complainants with improved access or availability of housing.

CR-10 - Racial and Ethnic composition of families assisted

	CDBG	HOME
White	1,640	83
Black or African American	239	25
Asian	376	4
American Indian or American Native	61	7
Native Hawaiian or Other Pacific Islander	28	5
Other	783	1
Total	3,127*	125
Hispanic	789	81
Not Hispanic	2,338	44

Table 2 – Table of assistance to racial and ethnic populations by source of funds

* Info on race/ethnicity not captured for certain activities, such as 82,322 unduplicated persons served with meals.

Narrative

As reflected in the table above, the City’s programs served a diverse population of individuals and families in FY2019-20. 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 sub-recipients 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 2018-19	Projected Resources for Remainder of Consolidated Plan (2016-2020)	Amount Expended During FY 2019-20
CDBG	Public - federal	\$16,039,238	\$9,146,528	\$5,568,492
HOME	Public - federal	\$10,601,452	\$6,189,444	\$7,947,555
HOPWA	Public - federal	\$1,281,945	\$2,239,044	\$824,228
ESG	Public - federal	\$737,828	\$1,364,086	\$323,108

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 2019-20 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.

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.

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 2019-20. 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 is in its fourth year in FY 2019-20. 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. Total Inclusionary Ordinance in-lieu revenue received during fiscal 2019-2020 (between July, 1 2019 – June 30, 2020) was \$8,000,240.
- **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. \$9,634,433 in AHIF funds have been collected between July 1, 2019 – June 30, 2020 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 2019-20, approximately \$2.8 million in HTF was used towards the following to respond to the impacts of homelessness in the community: City staffing and non-personnel costs; funding for the County of Santa Clara to support community-wide Continuum of Care work including the biennial Homeless Census and Survey, UPLIFT Transit Pass Program and HMIS; direct supportive services such as emergency shelter during inclement weather, safe parking, outreach, case management, mobile shower and laundry and housing support; matching funds for federal, State and regional grants.
- **General Fund:** In FY 2019-20, the City's General Fund provided \$2 million for ongoing homeless encampment abatement and deterrent services.
- **Housing Authority Litigation Award:** In FY 2019-20, the City's Housing Authority Litigation Award (HALA) provided approximately \$2 million, which funded the City's Rapid Rehousing Program.
- **Santa Clara County Housing Authority:** 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 a new affordable housing project, Park Avenue Senior Apartments and completed construction on a second project – Laurel Grove Apartments. Park Avenue Apartments will provide 100 units of senior housing. Laurel Grove added 82 units of family housing. The projects are located 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 fully leased. Construction for Park Avenue started in December 2016, completed in 2019 and was leased in the Winter of 2020.

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 4,400 households and is estimated to be a two-year wait. SCCHA also develops, controls, and manages more than 2,900 affordable rental housing units 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. SCCHA continues to issue project-based vouchers in partnership with OSD and the VA to new affordable housing developments awarded County Measure A funds.

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 was celebrated in 2018.
- 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 provides 47 units of affordable housing to formerly homeless individuals.
- 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. This project was award 9% form CDLAC

allocation and is currently working on selection of commitment of senior lender and investor. senior lenders.

- 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. This development was awarded CDLAC allocation and is currently working on the selection of senior lender and investor for the project.
- In April 2019, the City approved \$42,00,000 predevelopment loan and in April 2020, the development was awarded CDLAC and CTCAC allocation in the amount of \$36,855,974 (CDLAC) ad \$2,516,925 in annual 4% Federal Tax Credits. In August 2018, the City approved \$9,350,000 for Construction-Permanent loan. This development 2380 Alum Rock Avenue, San Jose, CA I set to start construction in 2021 and anticipated completion date will be 2022
- In October 2020, the City approved \$8,611,968 for Construction Permanent loan predevelopment loan for the development of Page Street, 329-353 Page Street in San José, CA 95126. The City is anticipating to provide an additional of \$29,500,00 for the Permanent loan. The County is providing both acquisition, construction and permanent financing for a total investment of over \$13 million, greater than the City’s total investment. The Borrower qualifies for tax-exempt financing and low-income Housing Tax Credits - the major sources of funding for construction and/or acquisition and rehabilitation of affordable multifamily properties.
- In June 2020, the City Council approved negotiate agreement for a loan not to exceed \$200,000, the City-owned property located at 5647 Gallup Drive and 1171 Mesa Drive with an affordable housing development; and negotiate and execute documents for a predevelopment loan. The developer will be working in concert with SCCHA to receive an allocation for Project Base Vouchers and the City is anticipating to provide an allocation of \$5,550,000 for Construction-Permanent Loan.

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 numbers below are currently being updated. 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 Prep, 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

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

Table 10 – Relocation and Real Property Acquisition

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 (2019-20)	Actual (2019-20)
Number of homeless households to be provided affordable housing units	150	264
Number of non-homeless households to be provided affordable housing units	50	68
Number of special-needs households to be provided affordable housing units	90	0
Total	290	130

Table 11 – Number of Households

Table 2: TYPE OF HOUSING ASSISTANCE

	One-Year Goal (2019-20)	Actual (2019-20)
Number of households supported through rental assistance	261	189
Number of households supported through the production of new units	50	264
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	311	189

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.

Table 1

The City made significant 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 59 households. The City was not able to meet the goal of 61 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 16 households per year.

The HOME-funded TBRA program assisted 130 homeless 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 also made progress on this goal in FY19-20 with the completion of Second Street Studios, which includes 134 apartments for homeless individuals, as well as completion of The Plaza, which provides 47 apartments dedicated to homeless households. Finally, the completion of Villas on The Park, which is 83 apartments for homeless individuals.

Table 2

The City met 72% of its goal for the number of households supported through rental assistance by providing rental assistance through HOPWA and HOME. In the 19-20 program year, the HOME TBRA program supported 130 households with HOME Tenant Based Rental Assistance (TBRA) and 59 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 added 47 new affordable apartments for homeless individuals. The City completed Second Street Studios (134 affordable apartments; 58 HOME-assisted) in the 19-20 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		0	116
Very Low-income			10
Low-income		0	4
Moderate-income		0	0
Total		0	130

Table 13 – Number of Persons Served

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. 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.

Major CDBG funds invested in previous program years have resulted in an increase in availability of affordable housing in FY19-20 including:

- the rehabilitation of the Plaza is complete, which provides 47 new apartments of affordable housing for homeless individuals.
- City supported the acquisition of land in Downtown San José for the development of a Villas on the Park, a Permanent Supportive Housing development with 83 apartments for homeless individuals.

Investments in HOME projects in the FY 2018-19 year resulted in new apartments in FY 2019-20, such as the City's first project dedicated entirely to Permanent Supportive Housing, 2nd Street Studios, which includes 134 new affordable apartments (58 of which are HOME units). All apartments are occupied by homeless households qualifying for permanent supportive housing through the Continuum of Care's Coordinated Assessment and Entry process.

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 2019 Homeless Census and Survey identified a total of 6,097 individuals residing in San José on any given night. Out of the total 6,097 persons, 84% of the population was unsheltered (residing on the street, in vehicles, in abandoned buildings or in encampment areas). There were 1,782 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. encampment dwellers).

In FY 2019-20, 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 Helpline (408-510-7600) and email (outreach@homelfirstscc.org) was initiated this year allowing homeless persons to call for individualized services and resource connections. Additionally, 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. The City-wide Outreach Program provided street based services to 698 unduplicated homeless persons throughout San José. Further, 15% of clients contacted via street outreach moved from the street to a permanent destination or institution.

PATH managed the Homeless Outreach and Engagement Program that provided targeted proactive outreach to the Downtown corridor, as well as the City's three Project Areas along Coyote Creek as well as "hot spots" identified by City staff. The Coyote Creek Project Areas encompass a stretch of creek 10.7 miles along Coyote Creek. Downtown and targeted outreach 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 as well as the targeted areas. PATH provided street based services to homeless persons in the downtown core to 519 unduplicated homeless individuals. Further, 35% of clients contacted via street and targeted outreach moved from the street to a temporary destination or institutional destination. Most significantly 15% of participants moved into a permanent housing destination. Serving as the first responders to the unsheltered population in San José, the outreach teams prioritize assessing those who they encounter to ensure they are entered into the County-wide queue for housing opportunities.

As a result of ESG and CDBG funding, PATH made a total of 519 unduplicated contacts and HomeFirst made a total of 698 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.

In FY2019-20, during the coronavirus pandemic, the City suspended encampment abatements in accordance with Center for Disease Control (CDC) guidance. Using coronavirus relief funds, the city provided street based hygiene services (restrooms and hand washing stations) along with regular trash service at over 200 encampment locations. Using ESG CV funds, the City will launch a new program called Services Outreach Assistance and Resources (SOAR). The SOAR program will be report on in FY20-21 CAPER.

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 permanent housing is the optimal strategy to end homelessness, emergency shelters and other types of crisis housing play a critical role in the response to homelessness. A one-time grant of \$11.4 million from the State of California called the Homeless Emergency Aid Program (HEAP), provided an opportunity to fund homeless response strategies such as additional emergency shelter beds, homeless prevention and essential services. HEAP funds must be expended by June 30, 2021 in order to avoid recapture by the State. The Housing Department developed a proposed expenditure plan for the HEAP funds that was approved by the City Council on November 27, 2018. In fiscal year 2019-20, the City used HEAP funds for homeless prevention, emergency motel vouchers, as well as 60 additional emergency

beds in existing City-owned facilities, to add capacity to the homeless shelter system when emergency shelters are full.

An additional grant from the State of California in the amount of \$23 million called the Homeless Housing Assistance and Prevention (HHAP) was received in 2019. The City used the funds to construct over 300 beds of emergency interim housing at three different locations.

The City's Crisis Interventions programs 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. In Fiscal Year 2019-2020, the City expanded Dignity on Wheels with Homeless Emergency Aid Program (HEAP) funds from the State of California, providing \$300,000 to purchase two new trailers. This added a second mobile shower and laundry trailer to the San José portfolio. The other, the "Hope Health Mobile," was a new mobile rest stop offering WIFI, charging stations, case management, and virtual access to doctors who answer questions about COVID-19. The program served 1,393 unduplicated individuals with 7,908 showers and 3,985 loads of laundry in Fiscal Year 2019-20

On November 27, 2018, 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 and HEAP monies, HomeFirst operated the Overnight Warming Locations (OWL) for a combined 810 unsheltered persons in San José during periods of inclement weather. With additional funds from the State of California, the City was able to operate the OWL nightly for six months, rather than activation only during inclement weather.

Using the local Housing Trust Fund, the City funded LifeMoves to operate a Safe Parking Pilot Program for families at two city-owned community centers. The Safe Parking Pilot Program provided a service-rich, safe, secure, and stable site for up to XX individuals on any given night. In FY2019-20, LifeMoves served 188 individuals and 85 have transitioned into temporary or permanent housing.

Additionally, on February 26, 2019, 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 safe parking use on places of assembly and city parcels. The new ordinance allows year-round safe parking. "Incidental Safe Parking" means the providing of shelter of homeless people as an incidental use to an existing primary Assembly Use or another use identified in this Part provided that the safe parking use occupies less than fifty (50%) percent of the paved square footage of the Site, and where the shelter is provided in vehicles located in designated paved "Safe Parking Area(s)". "Safe Parking" is identified as a potential tool to address the safety of the community and the homeless participants, creating safe and secure lots for car and recreational vehicle dwellers to park and sleep, increasing access to available services, reducing traffic and the number of people living illegally in their vehicles on the streets, decreasing enforcement actions and resulting legal costs to homeless persons, and providing resources to secure permanent

housing and economic stability; . In FY 19/20, the City had 6 organizations register their safe parking programs with the City.

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.

Homelessness prevention is a key component of the Community Plan to End Homelessness because it can help communities reduce their homeless population. In partnership with the City, the County, private philanthropy, corporate partners, and nonprofit agencies, Destination: Home sought to rethink the way family homelessness is prevented in Santa Clara County through a 27-month pilot program. The intent of the pilot program was to implement a countywide homelessness prevention system and prevent all instances of family homelessness.

In FY 2019-20, the City continued to prioritize homelessness prevention services using the State of California HEAP and HHAP funds. In March 2019, the City expanded the program with a two-year prevention grant using \$4M in State HEAP funds. 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.

Coronavirus Relief & Rental Assistance: In March 2020, in response to coronavirus pandemic, the City provided an additional \$2M in Housing Authority Litigation Award funds to homelessness prevention to assist households impacted by COVID-19. Additionally, in June 2019, the provided \$5,556,103 in HOME TBRA funds to local organizations to provide emergency rental assistance to households impacted by COVID-19 and help people maintain their housing. The results of these grants will be reported in the FY20-21 report.

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 FY 2019-20, the City continued to prioritize the Rapid Rehousing Program. The City funded The Health Trust to administer up to 200 time-limited rental subsidies at any given time to homeless households in San José. The City funded 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. In FY 2019-20, the Rapid Rehousing Program housed 130 households.

Targeting the underserved and providing the means necessary to obtain permanent supportive housing quickly proved successful overall. However, several Rapid Rehousing Program participants lacked a place to stay while they searched for permanent units. The City implemented the first interim housing

program at The Plaza Hotel in January 2018 for City and County-funded Rapid Rehousing Program referrals. The Plaza Hotel is comprised of 47, Single Room Occupancy units and ensures that participants 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. 63 individuals utilized The Plaza Hotel in FY 2019-20.

Additionally, 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 2019-20, the City’s TIP portfolio was up to 147 affordable units that ranged between single room occupancy to 3-bedroom apartments.

Current City Partners and TIP Unit Breakdown

Developer/Owner	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 at San Antonio	9 apartments	25%, 30%	Individuals & families
Charities Housing	Met South	9 studios	30%	1-2 Individuals per unit
MidPen	Arbor Park	7 apartments	30-60%	Individuals & families
Village at Willow Glen Housing Partners	Willow Glen Senior Apartments	13 apartments	45-50%	Seniors (62+)
EAH	Palm Court	6 apartments	40%	Seniors (62+)
Charities Housing	Sunset Square	10 apartments	45%, 50%	Individuals & families
EAH	Vista Park Senior	8 apartments	50%	Seniors (62+)
FPI Mgmt.	Lenzen Square	9 apartments	50%, 60%	Individuals & families
AMC-CA, Inc.	Vintage Tower	6 studios	45%	Individuals & families
FPI Mgmt.	El Rancho Verde	21 apartments	50% 60%	Individuals & families

Total: 147 Units

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 chronically 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 2019-20, 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 \$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. In FY 19-20, 100% of the 166 clients who were housed retained their housing throughout the year.

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 service providers, philanthropy, community institutions, and business organizations implemented the final year of the 2015-2020 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. In April 2019, the Continuum of Care adopted the new 2020-25 Community Plan to End Homelessness. The new Plan has three primary strategies:

- Address the root causes of homelessness through system and policy change;
- Expand homelessness prevention and housing programs; and
- Improve quality of life for unsheltered individuals and create healthy neighborhoods for all.

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 41 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."

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:

In FY2019-20, staff continued to implement a Housing Crisis workplan, to prioritize implementation and policy actions that facilitate the development of 15,000 market-rate and 10,000 affordable residential units by 2022.

These items were completed in 2019:

Transition from Level of Service to a Vehicle Miles Traveled CEQA Threshold: On February 27, 2018 the City Council adopted a new Transportation Analysis Policy 5-1 that established Vehicle Miles Traveled as the new CEQA threshold for transportation impacts, thereby eliminating Level of Service, or automotive delay, as a CEQA threshold in San Jose. The new Policy 5-1 will provide a more streamlined entitlement process for housing development that is consistent with and implements the Envision San Jose 2040 General Plan.

Urban Villages: Horizon I Urban Villages collectively are a key growth area for new housing, providing near-term housing opportunities in Villages with City Council-approved Urban Village Plans. Given this, the City Council directed staff to move Horizon II or III Urban Villages located along existing fixed rail or Bus Rapid Transit into Horizon 1 to accelerate residential development. Staff have prepared Urban Village Plans for the Berryessa BART (Horizon 1) and the North First Street (Horizon 2) Urban Villages. In addition, staff began work on Urban Village Plans for the Southwest Expressway (Horizon 2), Race Street (Horizon 2), and Alum Rock East (Horizon 3) Urban Villages, all of which include a light rail station.

Accessory Dwelling Units: The City Council approved amendments to the accessory dwelling unit ordinance to provide additional flexibility for the development of ADU's including allowing 2 story ADUs with up to 2 bedrooms. Staff is also currently working on the development loans to facilitate forgivable ADU construction loans with the ADU required to maintain affordable rents for a period of time; and a potential Parks fee waiver for ADUs.

Downtown: Staff focused resources to enable the construction or approval of 12,500 new units Downtown by 2022 by completing an update to the Downtown Strategy and EIR.

Commercial Impact Fee: The City is continuing to advocate for a regional approach to scaling CIF's, a regional jobs-housing linkage fee. Staff has initiated the Nexus Study for a Commercial Impact Fee for the Diridon Station Area, as part of a potential "Diridon Transit Area Infrastructure Fee Program."

Below are items underway and items to be initiated in the Housing Crisis Work Plan:

<i>I. Work Items Completed</i>				
	Item	Lead Department	Month Completed	Status Update
1.	Transition Traffic Analysis from LOS to VMT	DOT/PBCE	Feb 2018	Completed
2.	Continue to implement Urban Villages: a. Implementation Framework: b. Move Horizon II Light Rail Villages into Horizon I	PBCE/OED PBCE	May 2018 Dec 2018	Completed
3.	Update the Accessory Dwelling Unit and Garage Conversion ordinance	PBCE	Jun 2018	Completed
4.	Complete the Downtown Vision and EIR	PBCE	Dec 2018	Completed
5.	Move-up Tri-Village Urban Villages to Horizon I	PBCE	Dec 2018	Completed
6.	Engage CASA on regional housing production – CASA Compact Report https://mtc.ca.gov/sites/default/files/CASA_Compact.pdf	Housing	Jan 2019	Completed
7.	Co-living Ordinance	PBCE	Feb 2019	Completed
8.	Created a Cross-departmental Housing Catalyst Team and Established Biweekly Team Meetings	OED/PBCE/ Housing/ PRNS	Nov 2019	Completed
9.	New Housing Webpage	PBCE/OED / Housing	Aug 2020	Completed (link)
10.	Explore Options for a Commercial Linkage Fee	CMO/OED/ Housing	Sep 2020	Completed
11.	Develop Anti-Displacement Strategy	Housing	Sep 2020	Completed
12.	Explore Interim Housing Solutions on Caltrans Sites	Housing	Jun 2020	Completed

II. Work Items Initiated and Underway				
	Item	Lead Department	Planned Completion	Status Update
13	Updated Downtown Residential High-rise Program	OED/ Housing	Partially Completed Aug 2020	High-rise IHO in-lieu fee reductions until June 2025, adopted in August 2020. Further direction from Council to assess options to extend exemption beyond 2025.
14	Make Additional Residential Units Available in North San José	DOT/OED/ Planning/ Housing	Summer 2021	Anticipate returning to City Council in 2021 with necessary actions to formally retire the North San José Development Policy to enable new housing construction.
15	Amend the Zoning Ordinance to allow for 100% Affordable	PBCE	Partially completed Spring 2021	Staff will bring forward updates to the Zoning Ordinance to allow 100% affordable mixed-use projects in the Commercial Pedestrian and Commercial Neighborhood Zoning districts in Urban Villages with a Site Development Permit, rather than a Special Use Permit or Conditional Use Permit.
16	Develop an Affordable Housing Siting Policy	Housing	Spring 2021	Staff has issued the consultant RFP, selected the consultant, work is underway. Staff will give an update to CEDC in October 2020 and will bring a proposed Siting Policy to CEDC and the City Council in spring 2021.
17	Update Downtown Zoning requirements to establish minimum height and density and eliminate parking requirements	PBCE	Summer 2021	Through the American Cities Climate Challenge (ACCC), staff is comprehensively evaluating parking requirements particularly in Downtown and other areas around transit. In early 2021, staff will also evaluate establishment of minimum densities in Downtown.
18	Refine General Plan Policy H-2.9 (the "1.5-acre rule")	PBCE/ Housing	Partially Completed winter 2020	Staff will bring forward further recommendations in Winter 2021 to refine the policy, including recommendations on Policy H-2.9's commercial replacement requirement from the GP Four-Year Review.
19	Explore changes to Commercial Space Requirements for Affordable Developments	OED/ PBCE/ Housing	Spring 2021	This item is being considered through the General Plan Four-Year Review. Updates to Policy IP-5.12 that allows affordable housing in Urban Villages ahead of an Urban Village Plan are recommended to reduce the replacement of commercial space required by the policy.
20	Housing Land Acquisition Sites Database and Mapping Tool	Public Works/ PBCE/ Housing/ OED	In progress	San José Housing Site Explorer launched in August 2020. Staff is working to refine and improve the tool. https://san-jose-housing-ca.tolemi.com/

II. Work Items Initiated and Underway				
	Item	Lead Department	Planned Completion	Status Update
21	Explore the creation of a Land Trust	Housing	In progress	In spring 2020, the City was awarded a two-year Challenge Grant Fellow through the Partnership for the Bay's Future and the San Francisco Foundation. The Fellow is developing affordable housing Preservation strategies, including technical assistance to and a community land trust feasibility study for the newly-formed South Bay Community Land Trust, and related resident-focused affordable housing preservation strategies.
22	Further implementation of Commercial Linkage Fee	Housing/ OED	Jan 2021	Separate document for this work
23	Align Zoning with the General Plan	PBCE	In progress	New urban village and mixed-use zoning districts to facilitate mixed-use residential development will be completed in early 2021 (Phase 1). City-initiated rezonings will follow to align properties' zoning and General Plan land use designations (Phase 2).
24	Reimagine Underutilized Business Corridors to allow the integration of housing	PBCE	In progress Spring 2021	As a part of the GP Four-Year Review, staff has recommended allowing additional housing in certain Neighborhood Business Districts not currently in Urban Villages.

II. Work Items Initiated and Underway

	Item	Lead Department	Planned Completion	Status Update
25	<p>Explore the City's impact on the cost of residential development, including:</p> <ul style="list-style-type: none"> • the deferral of fees payment to Certificate of Occupancy • the appropriate level of fees and the use of incentives • the impact of permit and entitlement timelines • the predictability and transparency of City development 	OED	Ongoing	OED plans to initiate a new RFP process to select a consultant for a future update to the Cost of Residential Development. Last updated and presented to Council in November 2019.
26	Advocate for State legislation that supports housing development	CMO/ Housing	Ongoing	
27	Encourage private, public, and nonprofit investments	Housing	Ongoing	
28	Leverage private dollars for affordable housing	Housing	Ongoing	

III. Work Items to Be Initiated				
	Item	Lead Department	Planned Initiation	Status Update
1	Complete the PDO/PIO Fee Study	PRNS/CMO	Fall 2020	PRNS to post for consultant selection in fall 2020; workplan to be presented at CED Committee in spring 2021.
2	Modify Martha Gardens Specific Plan	PBCE	Spring 2021	The Martha Gardens Specific Plan predates the current General Plan and needs to be updated to reflect current development standards including height and density. This may also include exploring expanding the boundaries of the Plan area.
3	Explore Opportunities for High-density Residential Development in Areas Surrounding San José State	PBCE	Summer 2021	Significant outreach is needed for this item and it is not anticipated to result in many new residential units. However, staff will explore how this item may be partially integrated into the alignment of zoning with the General Plan work (Housing Crisis Workplan item No. 23).
4	Explore the Creation of a Land Acquisition Loan Fund	Housing	Summer 2021	Creating a source for rapid acquisition financing for sites (potentially including existing buildings on them) is part of the Citywide Residential Anti-Displacement Strategy's Recommendation 3, Explore a Community Opportunity to Purchase Program/Ordinance (COPA). Staff expects to start this analysis in mid-2021.
5	Allow Affordable Housing on Assembly Use Sites	PBCE/ Housing	Summer 2021	Enable any site allowing assembly uses (including but not limited to houses of worship) to allow 100% deed-restricted affordable housing to be developed as a secondary use in conjunction with the primary use of the property for assembly uses. Council directed staff on September 22, 2020 to work on this as resources become available as part of its Citywide Residential Anti-Displacement Strategy (Recommendation 8).
6	Apply the Mobilehome Park Land Use Designation through City-initiated General Plan Amendments to the Remaining 56 Mobilehome Parks	PBCE	To Be Initiated	Council directed staff to initiate these additional General Plan amendments on March 10, 2019. However, staff resources were not allocated by Council in the 2020-21 budget process.
7	Explore Public/Private Parking opportunities	OED	To Be Initiated	
8	Pursue changes to the GP to allow Infill on Problem Properties	PBCE	To Be Initiated	

The City has an active intergovernmental relations program. At the start of 2020, the Legislature put an emphasis on addressing the housing crisis. Dozens of bills related to housing were introduced. The bills covered a wide variety of topics some of which would have meant some significant changes. The pandemic shifted much of focus of the Legislature. Early in the year, staff were tracking over 45 bills related to housing and land use, but by the end of the legislative term, just six made it to Governor’s desk. In 2019, the City received \$23million in State funds called the Homeless Housing Assistance and Prevention Program (HHAP).

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: San José’s 2018 HEAP allocation was \$11.3 million and has been spent on predominately on prevention and crisis intervention strategies.

Program	Projection	Actual
Prevention	200	<i>*data will be updated</i>
Youth	20	23 households
Motel Vouchers	75	308 individuals
Safe Parking	140	188 individuals
OWL	80	330 individuals
BHC Capital	40 new units	40 new units
DOW trailer		Trailers were purchased at the end of the FY
Outreach vehicle		Vehicle purchased at the end of the FY

In 2019, San Jose received \$23 million in State HHAP funds. San Jose’s priorities for the funds are:

- Emergency Interim Housing: The 2019 biennial Homeless Census and Survey, census workers counted 6,097 homeless individuals in San José. Over eighty-four percent (84%) were unsheltered, which means that they were counted on the streets, in encampments, in vehicles, or other areas not meant for human habitation. During the pandemic, homeless individuals were identified as being particularly vulnerable to COVID-19. As such, the CDC urged communities to provide non-congregate shelter. The City has over 300 beds of non-congregate emergency interim housing under construction. Results will be reported in the FY20-21 Plan.
- Youth Services: allocated \$2 million to the Bill Wilson Center, to support youth and their families through housing, education, and counseling services.
- Homeless Prevention: Countywide system with the goal to expand households’ ability to become quickly connected to prevention services with multiple points of entry, streamline and standardize

service delivery. In March 2019, the City provided \$4 million in HEAP funds to Destination: Home to continue the program through 2019-2020 and 2020-2021. The Housing Department allocated an additional \$3 million in HHAP funds to the prevention program for 2021-2022.

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 first Bridge Housing site completed construction in Fall 2019. Since opening, the site has served 87 individuals, of which 51 individuals have transitioned to permanent housing.

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 dwellings built prior to 1978 that receive rehabilitation assistance where paint will be disturbed. 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. Over the past several years, the City has limited the rehabilitation program to minor repairs and improvements. With the limited minor repair program, lead testing was minimal in 2019-2020. During this performance period the City tested 18 homes for lead based paint.

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. The program has provided 1,879 hours of case management, 592 hours of housing search sessions, 320 hours of income and educational development sessions. 94% of participants exited to permanent housing. 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 9 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 jurisdiction's 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 in 2019-2020. 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 production 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	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	0	0	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	0	20	0	79	1	100	10	89	0	0	Under Construction	15%	2019
Metropolitan South	7	New	Charities	\$3,700,000	10	0	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	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	0	50	0	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 in the process of updating its existing affordable housing siting 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 2021.

The City also approved a "Housing Payment Equality Ordinance," to address source of income discrimination. Council approved this ordinance in August 2019.

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)

In May 2017, the City Council adopted the Tenant Protection Ordinance 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.

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 forged new relationships with other cities who have faced, or are now facing, displacement challenges. The Team created a comprehensive citywide anti-displacement community report that identified key policy gaps and made recommendation on a set of anti-displacement tools.

The City also in the process of implementing a City-wide Anti-Displacement strategy, with three primary priorities:

- Support Equitable COVID-19 Recovery and Impact Mitigation Measures for Renters and Homeowners;
- Establish a Neighborhood Tenant Preference for Affordable Housing; and
- Explore a Community Opportunity to Purchase Program/Ordinance.
-

The policies will be considered by City Council in 2021.

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 continued to implement a comprehensive community engagement effort called the Station Area Advisory Group (SAAG) in 2019-20 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.

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. Also, Council approved a source of income nondiscrimination ordinance in 2019.

In 2019, 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 sub-recipients. 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, sub-recipients 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 sub-recipient. Sub-recipients 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.

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

Per HUD guidance, the period for public notice in the event of a local, State, and/or declared national emergency or disaster will be a minimum of seven (7) days prior to the first public hearing. The period for public comment in the event of a local, state, and/or national emergency or disaster will be a minimum of five (5) days in advance of an action. The City published the CAPER for public review and comment on December 4, 2019. The City is accepting public comments for 11 days until December 15, 2020. Public hearings will be held during the Housing and Community Development Commission (HCDC) on December 10, 2020 and the City Council meeting on December 15, 2020.

Public notices of the CAPER and associated public hearings were distributed via email (notices in newspapers were not required per HUD guidance during local emergency).

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 Units	# of HOME Units	# of Units Inspected	# of Deficiencies Identified	# of Units Reinspected	Deficiencies corrected (Y/N)
Archer Studios	42	42	9	0	N/A	Y
Burning Tree	1	1	1	1	1	Y
Canoas Terrace	112	112	26	41	19	Y
Curtner Gardens	179	179	37	24	15	Y
Donner Lofts	101	101	23	5	3	Y
Edenvale Special Needs	15	15	4	3	1	Y
Homesafe	25	25	7	6	3	Y
Kings Crossing	94	94	20	9	7	Y
Markham Plaza I	152	152	33	20	17	Y
Markham Plaza II	151	151	32	37	25	Y
The Metropolitan North	70	70	15	10	6	Y
North Fourth Street	100	100	24	15	12	Y
Japantown Seniors	75	75	20	5	5	Y
Peacock commons	28	28	7	9	4	Y
Plaza Del Sol	80	80	16	0	N/A	Y
Second Street Studios*	134	134	134	94	73	Y
Verandas	92	92	23	8	8	Y
Willow Glen Sr	133	133	28	8	6	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)

Not applicable.

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	61	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	61	59

Table 14 – HOPWA Number of Households Served

Narrative

The City's HOPWA program nearly met its goal to provide tenant based rental assistance to 61 households. The City provided 59 households with TBRA. 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 91 unduplicated households were assisted with HOPWA funds in the program year. The City's HOPWA rental assistance program has a very high success rate with 98% 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 16 households with housing subsidies and supportive services, including medical case management. The City applied for and was awarded a new HOPWA-VAWA competitive grant in FY16-17 to support people living with HIV/AIDS who are victims of domestic violence. This demonstration program brought an addition \$1.3 million in resources to Santa Clara County to support this population.

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

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	Ms.
First Name	Shirlee
Last Name	Victorio
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	Shirlee.victorio@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

Program Year Start Date	07/01/2019
Program Year End Date	06/30/2020

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 Nonprofit Organization
ESG Subgrant or Contract Award Amount	\$127,000

Subrecipient or Contractor Name	PATH
City	Los Angeles
State	CA
Zip Code	90004
DUNS Number	847856390
Is subrecipient a victim services provider	No
Subrecipient Organization Type	Other Nonprofit Organization
ESG Subgrant or Contract Award Amount	\$421,679

Subrecipient or Contractor Name	County of Santa Clara
City	San Jose
State	CA
Zip Code	95118
DUNS Number	168740215
Is subrecipient a victim services provider	No
Subrecipient Organization Type	Government Agency
ESG Subgrant or Contract Award Amount	\$150,000

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

Number of New Units – Rehabbed	0
Number of New Units – Conversion	0
Total Number of bed - nights available	N/A
Total Number of bed - nights provided	N/A
Capacity Utilization	N/A

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). Currently, ESG funds are used for outreach and homelessness prevention. 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 Homeless Prevention Program
 - 85% of households remain stably housed while receiving prevention assistance
 - 70% of households remain stably housed 6 months after the termination of assistance (measured through HMIS)

CR-75 – Expenditures

(The following expenditures are in process of being updated)

11a. ESG Expenditures for Homelessness Prevention

	Dollar Amount of Expenditures in Program Year					
	2014	2015	2016	2017	2018	2019
Expenditures for Rental Assistance	0	0	0	0	31,489	
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0	0	0	
Expenditures for Housing Relocation & Stabilization Services - Services	0	0	0	0	0	
Expenditures for Homeless Prevention under Emergency Shelter Grants Program	0	0	0	0	61,461	
Subtotal Homelessness Prevention	0	0	0	0	92,950	

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	2018	2019
Expenditures for Rental Assistance	80,671	66,271	59,790	25,723	0	
Expenditures for Housing Relocation and Stabilization Services - Financial Assistance	0	0	0	0	0	
Expenditures for Housing Relocation & Stabilization Services - Services	72,276	233,232	268,452	185,710	0	
Expenditures for Homeless Assistance under Emergency Shelter Grants Program	0	0	0	0	0	
Subtotal Rapid Re-Housing	152,947	299,503	328,202	211,433	0	

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	2018	2019
Essential Services	0	0	0	0	0	
Operations	159,861	137,822	112,657	105,594	0	
Renovation	0	0	0	0	0	
Major Rehab	0	0	0	0	0	
Conversion	0	0	0	0	0	
Subtotal	159,861	137,822	112,657	105,594	0	

Table 18 – ESG Expenditures for Emergency Shelter

11d. Other Grant Expenditures

	Dollar Amount of Expenditures in Program Year					
	2014	2015	2016	2017	2018	2019
Street Outreach	186,361	272,722	259,041	377,688	409,494	
HMIS	94,010	0	120,000	0	150,000	
Administration	50,322	25,300	55,760	36,710	8,946	

Table 19 - Other Grant Expenditures

11e. Total ESG Grant Funds

Total ESG Funds Expended	2014	2015	2016	2017	2018	2019
	643,501	735,347	875,660	731,425	661,390	

Table 20 - Total ESG Funds Expended

11f. Match Source

	2014	2015	2016	2017	2018	2019
Other Non-ESG HUD Funds	789,623	810,278	750,000	694,000	417,758	
Other Federal Funds	0	0				
State Government	0	0				
Local Government	641,576	705,542	126,255	170,000	189,825	
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	607,583	

Table 21 - Other Funds Expended on Eligible ESG Activities

11g. Total

Total Amount of Funds Expended on ESG Activities	2014	2015	2016	2017	2018	2019
	2,074,700	2,251,167	1,751,955	1,595,425	777,376	

Table 22 - Total Amount of Funds Expended on ESG Activities