



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: April 21, 2023

Approved

Date

4/21/2023

SUPPLEMENTAL

SUBJECT: FINAL PUBLIC HEARING AND APPROVAL OF THE FISCAL YEAR 2023-2024 ANNUAL ACTION PLAN FOR THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

REASON FOR SUPPLEMENTAL

This supplemental memorandum summarizes comments received at the April 13, 2023, public hearing at the Housing and Community Development Commission (Commission) on the draft Fiscal Year (FY) 2023-2024 Annual Action Plan for the use of federal funds from the U.S. Department of Housing and Urban Development (HUD).

The public hearing dates for the draft Annual Action Plan, including both the April 13, 2023 Commission meeting and the April 25, 2023 City Council meeting, already have been publicly noticed in multiple newspapers. This timeline is set long in advance to adhere HUD's requirements, the City's Citizen Participation Plan, and HUD's deadline for submission. For these reasons, the City Council meeting date could not be shifted later for staff to integrate Commission comments into the main staff memorandum.

COMMISSION RECOMMENDATION/INPUT

The Commission heard this item at its virtual and in-person meeting on April 13, 2023, at 5:45 p.m. At its meeting, the Commission passed the following motion:

Commissioner Vong made the motion to recommend the City Council approve the Draft Fiscal Year 2023-2024 Annual Action Plan, with a second by Commissioner Cardoza. The motion passed 11-0.

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Yes	Finn, Dawson, Shoor, Del Buono, Vong, Wheeler, Partida, Jackson, Moore, Cardoza, Oppie (11)
No	0
Abstentions	0

In addition to discussion of this motion, the following input on the Draft Fiscal Year 2023-2024 Annual Action Plan was given at the meeting.

Public Comments:

Paul Soto – Now that the area near the planned alleyway improvement is gentrifying, investments are coming. Commissioners have the position to advocate for what is right, and they should be brave to speak up for vulnerable communities that have long experienced underinvestment.

Pilar Furlong, Bill Wilson Center – The City’s RFP process is a little difficult as it is hard to get into the WebGrants system and fill out the application. The City needs an easy system for the City and agencies to use. I support the draft Plan and am very happy that we get support from the City. Thank you to the staff.

Commissioner Comments:

Key:

- **Commissioner question(s)/comment(s)**
- *Staff response(s)*

Commissioner	Comments
Commissioner Finn	Estimate for lighting the Guadalupe Alley project is high. Is there trenching involved? <i>Public Works has not submitted their final work proposal. Costs are still estimated. Workforce training is a good pathway to construction trade jobs. Some funding sources are easier to use than others. Work2Future does train workers for the trades but not using HUD funds.</i>
Commissioner Wheeler	Why is there a large fund balance in HOME? <i>Housing is building the HOME fund balance to use in a future affordable housing project. Are you considering a lot of smaller grants vs. larger grants?</i> <i>Housing used to provide smaller grants but the feedback from the agencies was they could not complete some of the bigger, important tasks without more certainty of multiyear funding. It was also difficult for them to budget and plan with small one-time grants. Today, the City’s contracts are generally multiyear commitments. HUD has a 1.5 ratio limit on the amount of CDBG cash on hand vs. annual award. HUD requires CDBG to be spent timely. HOME is more flexible on expenditure timeframes.</i>

Commissioner	Comments
Commissioner Jackson	<p>What services are provided in the Community Center? <i>The Community Center is not using HUD funding for services provided. CDBG is only funding the construction. It is up to Catholic Charities to fund the services.</i></p> <p>How does the Homeless Management Information System (HMIS) work? <i>The County is the lead agency in HMIS. Each jurisdiction pays into the system. The software is by Clarity. The state now mandates all programs using state funding to address homelessness to use HMIS to collect the data.</i></p>
Commissioner Vong	<p>I want to understand the CHDO set-aside better. Is this for services or developments? <i>At least 15% of HOME is set aside for CHDOs. A CHDO is a Community Housing Development Organization, a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. To qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure reflecting local community involvement, capacity, and experience.</i></p>
Commissioner Moore	<p>Who is doing the signage and lighting at Guadalupe? <i>The City's Department of Transportation is doing the signage and Public Works is doing the lighting.</i></p> <p>Where is the Catholic Charities Blossom Hill project located? <i>Blossom Hill and Snell.</i></p> <p>I really appreciate including the proposed outcome. Do you look back and see how it works? <i>Housing submits a year-end Comprehensive Annual Evaluation and Performance Report each fall, which is presented to the Commission.</i></p>
Commissioner Partida	<p>How do neighborhood improvement plans get recognition? How does the City get funds to struggling groups? <i>The HUD process requires outreach to the community. The City's Housing Element fair housing strategies include neighborhood-specific strategies. I would like to see total spending projections including rollovers.</i></p>
Commissioner Shoor	<p>I am impressed with the timing of the program recommendations. I have a question about the single-family home repairs, as the proposed outcomes are very different. <i>Habitat for Humanity focuses on larger rehab projects and does not complete the smaller projects Rebuild completes for the City. Staff has also been encouraging Habitat to market the Home Repair program at City facilities like Community Centers and Library. This should help them build up the outcome numbers.</i></p> <p>How does Housing decide on the CDI projects? <i>Full CDBG applications must be completed. NEPA must also be completed before a project can move forward. Housing completed a NOFA for nonprofit organizations' facilities and received proposals. Catholic Charities completed a full application for their rehabilitation request in this year's NOFA. Housing also receives requests from City departments. City departments must also complete full applications.</i></p>
Commissioner Cardoza	<p>I question serving San Benito County using HOPWA funds. <i>Santa Cruz County does not receive HOPWA funds. San José supports San Benito</i></p>

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Commissioner	Comments
	<p><i>County with HOPWA funding. The Homeless Outreach proposal...is it two separate programs? No, the program is Citywide Homeless Outreach and is being funded by both CDBG and ESG. Why doesn't the City prioritize the assets from top to bottom to make sure every neighborhood has investments? PRNS does have a park plan for all neighborhoods and standards per capita and for geographic areas, and some other capital investment programs also do but not all of them. Community involvement in identifying assets and needs is respectful of the community.</i></p>
Commissioner Dawson	<p>I am very interested in job training. Job training can't be funded by CDBG. I am also concerned about the WebGrants system the City uses. This needs to be a priority to improve. The Mayor has provided staff with direction to work on this. I used to be on the YWCA board. I believe the evaluation committee should consider the board make-up when evaluating proposals. Some boards can raise funds for their agency. I am aware that Public Works has a large mark-up. I understand the allocation to Planning for CEQA and NEPA and for the Housing Element. Comments about the City's grants system are noted.</p>
Commissioner Oppie	<p>I really love the proposed outcome being reported. For the Outreach application – can staff look into WebGrants? I am hearing WebGrants is difficult to use. Yes, staff and the agency can look into WebGrants. The City had started to consider different software in the past but it is a Citywide decision, not just for Housing.</p>

/s/

JACKY MORALES-FERRAND
Director of Housing

The principal author of this memorandum is Stephanie Gutowski, Senior Development Officer. For questions, please contact her stephanie.gutowski@sanjoseca.gov, (408) 975-4420.