

DRAFT
As of 9/10/09



County of Santa Clara
Office of Affordable Housing
Housing and Community Development Program

**Consolidated Annual Performance and Evaluation
Report
(CAPER)**

FY 2008/2009

Submitted to the San Francisco Office
of the
Department of Housing and Urban Development
on September 28, 2009

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** Will be electronically Transmitted to HUD*

I. Description of CAPER Report

The County of Santa Clara’s Consolidated Annual Performance and Evaluation Report (CAPER) describes the Urban County’s low income housing and community development activities carried out during Fiscal Year 2008/2009 (July 1, 2008 through June 30, 2009). The CAPER further describes how the funds were made available for low income housing activities, and the number of low income households who were assisted with housing-related needs. The CAPER also evaluates the Urban County’s overall progress in carrying out priority projects identified in the Five-Year Strategic Plan (part of the Five-Year Consolidated Plan) and the Annual Action Plan. Overall, the Urban County met its annual goals and is on target to meet the five-year goals identified in the Strategic Plan*

The CAPER replaces and consolidates the Community Development Block Grant (CDBG) Grantee Performance Report (GPR), the HOME Annual Performance Report, the Comprehensive Housing Assistance Strategy (CHAS) Annual Performance Reports. A draft CAPER was made available for public review for a 15-day period beginning on September 3, 2009, and ending on September 17, 2009.

The Urban County CAPER consists of the following documents:

| | |
|----------------|--|
| CDBG Program - | Grantee Performance Report and Narrative |
| HOME Program - | Annual Performance Report (HUD-40107) |
| | HOME Match Report (HUD-40107-A) |
| ADDI Program | Narrative Report |

The CAPER Narrative Report contains the following three basic elements:

- A summary of resources and programmatic accomplishments.
- The status of actions taken during the year to implement the Urban County’s overall strategy.
- A self-evaluation of progress made in addressing identified priority needs and objectives.

*The Strategic Plan is part of the Urban County’s Consolidated Plan which is a five year (2005-2010) comprehensive planning document that identifies the Urban County’s overall needs for affordable and supportive housing as well as non-housing community development needs. The Strategic Plan outlines a five-year strategy for use of available resources to meet the identified needs. The Annual Action Plan outlines a one-year plan for addressing the goals in the Strategic Plan.

II. Summary of Accomplishments

The Consolidated Annual Performance and Evaluation Report contains a detailed listing of the accomplishments of the Santa Clara County Housing and Community Development (HCD) Program for the Urban County listed in HUD Form CO4PR06 in Section XII, "Appendix" portion of this report. The following is a summary of major accomplishments of the Urban County HCD Program during FY 2008/2009:

1. Total Expenditures by Program

During Program Year 2008/2009, the HCD Program had the following expenditures:

| | |
|-------------------------------|--------------------|
| •CDBG | \$2,299,316 |
| •HOME | 517,483 |
| •ADDI | <u>0</u> |
| Total FY Expenditures: | \$2,816,799 |

2. Affordable Housing Programs and Opportunities

A. New housing units for lower income families:

1) Charities Housing Development Corporation was awarded additional funding for the Campbell homeownership project in Campbell which is expected to assist 50 lower income households and is expected to be completed in 2008.

| | |
|--|------------------------|
| <i>HOME allocated: \$480,000 04/05</i> | <i>Expended: \$-0-</i> |
| <i>HOME allocated: \$280,000 05/06</i> | <i>Expended: \$-0-</i> |

2) Charities Housing Development Corporation was awarded funding for Paseo Senter Family Housing - Phase 1 which is a rental housing project consisting of new construction of 117 family units in 1 to 3 bedroom configurations. This project will be located in San Jose, and the targeted households will be extremely low and very low income.

| | |
|----------------------------------|------------------------|
| <i>HOME allocated: \$230,000</i> | <i>Expended: \$-0-</i> |
|----------------------------------|------------------------|

3) The OAH Downpayment Assistance Program, in conjunction with the American Dream Downpayment Initiative Program (ADDI), awarded funding to 9 first-time homebuyers to acquire their first home. Two of the 9 were also assisted with ADDI funds. This subordinate financing is in the form of a deferred, low interest rate loan to assist low-income, first-time homebuyers with the acquisition of single family homes, condominiums or town homes.

| | |
|--|-----------------------------------|
| <i>HOME allocated: \$395,050 (HO-07-01)</i> | <i>Expended: \$230,000</i> |
| <i>ADDI allocated: \$20,199 (HO-06-04)</i> | <i>Expended: \$20,199</i> |
| <i>ADDI allocated: \$14,092 (HO-07-03)</i> | <i>Expended: \$14,092</i> |

| | |
|-----------------------|------------------|
| <i>Los Gatos</i> | \$ 30,622 |
| <i>Los Altos</i> | \$ 6,595 |
| <i>Morgan Hill</i> | \$ 52,253 |
| <i>Saratoga</i> | \$ 2,604 |
| <i>Unincorporated</i> | <u>\$ 60,964</u> |
| <i>Total:</i> | \$356,739 |

4. Public Services

A total of \$346,297 was expended on providing public services to Urban County residents. Services were provided to approximately 18,000 persons during the Fiscal Year.

5. Rental Subsidies

*The Shelter Plus Care program provides rental subsidies serving homeless mentally ill, drug and alcohol addicted and/or HIV/AIDS affected individuals and their families. More clients are served as funding allows. During Fiscal Year 2008/2009, a total of **200** individuals (and their families when applicable) were served for a portion of the year or for the entire year.*

6. Fair Housing Services

During the year, the Urban County provided \$89,597 of CDBG funds to the Santa Clara County Fair Housing Consortium. The Consortium is comprised of four agencies, namely, Asian Law Alliance, Eden Council for Hope and Opportunity (ECHO), Project Sentinel, and the Law Foundation of Silicon Valley. These agencies provided the following fair housing services to the Urban County:

***A) Asian Law Alliance (ALA)** reached individuals through 9 community education presentations. In addition, 9 Urban County clients received legal consultations during the year.*

***B) Law Foundation of Silicon Valley - Mental Health Advocacy Project (MHAP)** provided consultation advice, investigation and/or representation to 11 resident of the Urban County. In addition, the agency also provided 11 case representation, intensive legal investigation, legal action and/or negotiation.*

***C) Eden Council for Hope and Opportunity (ECHO) - Midpeninsula Citizens for Fair Housing (MCFH) Project** investigated 7 cases and provided consultations concerning housing discrimination to Urban County clients. The agency also audited 5 properties as part of a targeted audit to measure discrimination in a specific protected area.*

***D) Project Sentinel** responded to 821 information and referral calls, distributed flyers, and conducted outreach programs. In addition, this agency investigated 35 Urban County allegations of housing discrimination.*

7. Addressing Homelessness

The County of Santa Clara has taken significant steps in the last several years to end homelessness rather than continuing to manage it. When the Board of Supervisors created the Office of Affordable Housing in 2002, a number of separate housing programs, including Homeless Concerns, were relocated into one a single office. This was done to increase the County's leadership in housing and homelessness and strategically address the housing needs of the County's most vulnerable populations. At that time, the Board also approved a housing set-aside of set-aside of a projected \$18 million to assist in the construction of new housing units for low income, extremely low income, special needs, and homeless populations.

The Santa Clara County Collaborative on Affordable Housing and Homeless Issues (the County's Continuum of Care) has worked closely with the Office of Affordable Housing to coordinate services and plan strategically. The Collaborative has worked effectively with the Office of Affordable Housing to prepare the applications and and provide oversight for the annual McKinney-Vento Homeless Assistance grants. Because of this, Santa Clara County receives \$9-8 million each year from this funding source.

In 2005, the Board of Supervisors approved "Keys to Housing: A 10-Year Plan to End Chronic Homelessness." The report was developed by a broad group of community leaders under the leadership County Supervisors Jim Beall and Don Gage. In 2006, Supervisor Gage established the Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis, to further the strategies outlined in the 1—Year Plan. This effort resulted in the focusing of efforts into three main areas: 1) Prevent Homelessness; 2) Shift to Housing First; and 3) Increase the Supply of Affordable Housing. In 2008, a formal partnership was then formed between the County of Santa Clara, the City of San Jose, and United Way Silicon Valley to make the collaboration permanent. Permanent leadership and executive committees were formed, an executive director was hired, and the entity was named Destination: Home.

Destination: Home has achieved many accomplishments to date, primarily by coordinating services, but also by raising resources toward the goal of ending homelessness.

Accomplishments include the following:

- Improved access to services by creating and supporting outreach teams in San Jose, Palo Alto, and Gilroy.
- Enrolled 373 people in the County Mental Health Departments' Full Service Partnerships.
- Provided \$1 million from Project Hope for job training for people discharged from jails.
- Improved Discharge Planning for all area hospitals
- Established a 15-bed Medical Respite Center at the Boccardo Reception Center. In the first six months, 45 patients were admitted and 88% have moved into housing
- Opened two One-Stop Homeless Prevention Centers, serving 3,500 people

- Secured 100 Section 8 Vouchers for chronically homeless individuals and families
- Established a Tenant Based Housing Assistance Program with intensive case management for 200 disabled homeless individuals
- Assisted in the development of 1151 housing units for extremely low income or homeless residents
- Raised \$1,250,000 to support the operations and objectives of Destination: Home
- Established an Uplift Program providing 7,400 quarterly transit passes to the homeless who accept case management. The program is jointly sponsored by the County of Santa Clara, the City of San Jose, the Valley Transportation Authority, and the Silicon Valley Community Foundation.
- Shortened the Food Stamp application process from four weeks to two days.
- Raised public awareness of the goals of Destination: Home through community events and presentations.

Other Count efforts to end homelessness include:

In 2007 and 2009, the County, working with the 15 cities conducted a Homeless Census and Survey of the entire County. The results showed a slight decrease in homelessness from 7,202 in 2007 to 7,086 in 2009, a net change of -116 (-1/6%). The Census provides a base line for measuring the success of future programs. The Survey provides insight into the needs of homeless individuals so that programs can be designed for maximum effectiveness.

The County co-founded the Housing Trust of Santa Clara County. By 2009, the SCC Housing Trust had raised at total of \$32 million, leveraged \$1.4 billion, and created 7,665 housing opportunities. Of this \$9.97 was invested to help 3,967 people out of homelessness.

The website www.HousingSCC.org provides information about affordable housing in the County, searchable by unit size, location, supportive services, and opened or closed waiting lists. This site, administered by Community Technology Alliance (CTA), also assists the user in determining eligibility for subsidized housing.

The website www.HelpSCC.org can be accessed directly or through a link on the HousingSCC page, provides information and links to other resources and services. CTA, in concert with the Collaborative, has also designed and implemented a Homeless Management Information System (HMIS) to track services provided to the homeless population in the County, so that programs can be designed for maximum effectiveness.

In 2008, a 2-1-1 referral telephone phone service was instituted, maintained by United Way Silicon Valley, through which a caller in need of emergency or non-emergency assistance is referred to the appropriate resource or service provider by a live operator. This service is further available by accessing the website www.211scc.org.

- The City of Palo Alto's "Off the Streets" provides immediate housing for chronically homeless persons and intends to house 15 chronically homeless individuals using the "Housing First" model. Case Management and services will be offered to the clients.

III. Resources

1. Resources Made Available

During FY 2008/2009, the Urban County received the following allocations:

- \$1,742,531 in CDBG funds for housing and community development activities.
- \$873,036 in HOME funds was allocated to the Urban County for housing acquisition, rehabilitation or new construction.

2. Investment of Available Resources

The Urban County utilized funds from the CDBG and HOME programs to carry out activities detailed in the FY 2008/2009 Annual Plan. These resources are listed in Table 2, Investment of Available Resources which is located in Appendix “B” of this report. Activities were implemented throughout the Urban County with no geographic concentration of resources.

3. Progress in Leveraging Other Resources and Satisfaction of Match Requirements

The majority of activities carried out by the Urban County also involved the leveraging of a variety of resources. During the reporting period of 2007/2008, the HOME program utilized a variety of resources to meet the matching requirements. Those public resources included the County’s Affordable Housing Fund, local city and redevelopment agency contributions, waivers of fees, and foregone property taxes. The private resources included monetary contributions, donated land, below-market interest rate loans, reduced or donated development charges, and the difference between rent charged and market rent.

During the reporting period, the County approved 2 new HOME projects that require matching funds and the match requirements were either met or exceeded. The projects included the following:

- 1) Senior Housing Solutions - Campbell
HOME Allocation: \$400,000
Match requirement: \$100,000
- 2) Office of Affordable Housing – Downpayment Assistance Program Allocated \$400,000
HOME Allocation: \$400,000
Match requirement: \$100,000
- 3) Urban Housing Communities (UHC) – Morgan Hill
HOME Allocation: \$217,383
Match Requirement: \$54,345

The County has worked with the Collaborative on Housing and Homeless Issues to apply for federal McKinney-Vento funding and last year received \$9,320,700 to address the problem of homelessness in the region.

The Housing Bond Fund was available to provide funds from bond proceeds and fees to leverage additional funds for affordable housing projects as well as first time and teacher homebuyer loans.

The OAH has had four successful funding rounds of the new Affordable Housing Fund since 2003, and has gained approval from the Board of Supervisors to allocate more than \$17,030,000 to 22 different projects. A broad variety of projects have been funded: shelters, family housing, transitional housing for singles, housing for people with AIDS, senior housing, artist lofts, senior and disabled housing, and housing for addicted women and their babies, at-risk youth, first time homebuyers, and the homeless mentally ill.

In September 2003, Round I of the AHF allocated \$7.68 million dollars to 6 affordable housing projects and was successful in leveraging more that \$16 million in California State Multi-family Housing Funds by increasing three projects' competitive scores. In June 2004, Round II allocated \$2.4 million to 8 affordable housing projects. In September 2005, Round III allocated \$4 million to 5 affordable housing projects. In all, the County's Affordable Housing Fund has loaned or granted \$14,580,000 to 19 different affordable housing projects. The new construction will result in 1,400 new housing units for low income people.

In 2006, the Affordable Housing Fund leveraged \$2 million from County one-time funding from the California Mental Health Services Act. The \$4 million "Housing Plus" Fund has assisted in the acquisition and development of permanent housing units for the homeless mentally ill. Since the funds inception the County has committed \$2,150,000 to dedicate 42 units of such housing. The numbers reported last year were slightly higher, but decreased due to a cancellation of a project.

The table below contains detailed information about the individual projects and numbers of units/beds.

AFFORDABLE HOUSING FUND As of June 30, 2008

| September, 2003 Funds Committed | | | | | |
|--|--|---|------------------------|---------------------|---------------------|
| Contract No. | AGENCY NAME | PROJECT NAME | No. of Units | TOTAL COST | COUNTY FUNDS |
| <i>AHF-03-001</i> | <i>Housing Authority of Santa Clara County-1</i> | <i>Opportunity Center of the Midpeninsula</i> | 89 | \$19,727,363 | \$1,000,000 |
| <i>AHF-03-002</i> | <i>Emergency Housing Consortium-2</i> | <i>Our House Shelter and Transitional Housing for Runaway Youth</i> | 27 | \$9,943,268 | \$1,000,000 |
| <i>AHF-03-003</i> | <i>Emergency Housing Consortium-1</i> | <i>Sobrato Transitional Center</i> | 140 | \$6,388,644 | \$1,480,000 |
| <i>AHF-03-004</i> | <i>South County Housing-1</i> | <i>Sobrato Apartments</i> | 60 | \$15,167,666 | \$1,700,000 |
| <i>AHF-03-006</i> | <i>Charities Housing Development-1</i> | <i>Mountain View Efficiency Studio Apartments</i> | 118 | \$19,209,362 | \$1,500,000 |
| <i>AHF-03-007</i> | <i>Community Working Group-1</i> | <i>Opportunity Center of the Midpeninsula</i> | See Below ¹ | See Below | \$1,000,000 |
| TOTAL | | | 434 | \$70,436,303 | \$7,680,000 |
| November, 2003 Funds Committed | | | | | |
| Contract No. | AGENCY NAME | PROJECT NAME | No. of Units | TOTAL COST | COUNTY FUNDS |
| <i>AHF-03-008</i> | <i>Housing Trust of Santa Clara County-1</i> | <i>First Time Homebuyer Program</i> | | \$500,000 | \$500,000 |
| TOTAL | | | | \$500,000 | \$500,000 |

¹ Project awarded funds through Housing Authority of SCC and Community Working Group.

| June, 2004 Funds Committed | | | | | |
|--|--|--|------------------------|----------------------|---------------------|
| Contract No. | AGENCY NAME | PROJECT NAME | No. of Units | TOTAL COST | COUNTY FUNDS |
| AHF-04-001 | Charities Housing Development-2 (Permanent Financing-5/07) | Senter Road Family Housing- Phase 1 | 117 | \$36,982,468 | \$350,000 |
| AHF-04-002 | VMC Foundation-1 | House on the Hill | 42 | \$2,833,433 | \$155,000 |
| AHF-04-003 | Emergency Housing Consortium-1 | Sobrato Transitional Center | See Below ² | See Below | \$520,000 |
| AHF-04-004 | Core Development-1 | Delmas Park Apartments | 123 | \$36,666,495 | \$260,000 |
| AHF-04-005 | Core Development | San Jose Artist Ark Housing | 148 | \$30,576,736 | \$440,000 |
| AHF-04-008 | Unity Care Group | Transitional Housing for Youth | 6 | \$1,000,000 | \$250,000 |
| AHF-04-009 | Housing for Independent People-1 | Burning Tree | 5 | \$465,000 | \$75,000 |
| AHF-04-011 | Mid-Peninsula Housing Coalition (Permanent Financing-12/07) | New Central Park | 100 | \$19,175,780 | \$350,000 |
| TOTAL | | | 541 | \$127,699,912 | \$2,400,000 |
| September, 2005 Funds Committed | | | | | |
| Contract No. | AGENCY NAME | PROJECT NAME | No. of Units | TOTAL COST | COUNTY FUNDS |
| AHF-05-001 | Bridge Housing Corporation (Permanent Financing-6/08) | Fabian Way Senior Apts. | 66 | \$22,280,361 | \$1,500,000 |
| AHF-05-002 | Housing Authority of SCC (Permanent Financing-4/09) | Fairgrounds Senior Housing | 198 | \$36,116,360 | \$1,475,000 |
| AHF-05-003 | Senior Housing Solutions | Milpitas Senior Group | 5 | \$921,225 | \$250,000 |
| AHF-05-005 | Charities Housing Development (Permanent Financing-1/08) | Paseo Senter II | 101 | \$35,681,471 | \$300,000 |
| AHF-05-006 | South County Housing (Permanent Financing-9/07) | Royal Court Apts. | 55 | \$17,682,386 | \$475,000 |
| TOTAL | | | 425 | \$112,681,803 | \$4,000,000 |
| February, 2007 Funds Committed | | | | | |
| HPF-07-01 | First Community Housing (cancelled) | Fourth Street Apartments | (100) | \$43,252,108 | (\$600,000) |
| HPF-07-02 | First Community Housing | Curtner Gardens | 180 | \$17,717,607 | \$1,350,000 |
| HPF-07-03 | Charities Housing Development-1 | Paseo Senter II | See Below ³ | See Below | \$250,000 |
| HPF-07-04 | Charities Housing Development | Paseo Senter I | See Below ⁴ | See Below | \$250,000 |
| HPF-08-01 | Charities Housing Development | Kings Crossing | 94 | \$43,952,000 | \$300,000 |
| TOTAL | | | 274 | \$61,669,607 | \$2,150,000 |
| March, 2008 Funds Committed | | | | | |
| AHF-08-01 | Family Supportive Housing | Family Shelter | 35 | \$16,600,000 | \$1,000,000 |
| GRAND TOTALS | | | 1,709 | \$389,587,625 | \$17,730,000 |

1. Contracts Completed
2. Contracts in process
3. Permanent Financing
4. Cancelled Project

IV. Accomplishments

1. Households and Persons Assisted

The Summary of Housing Accomplishments (HUD Form CO4PR06), which is found in Appendix "C" of this report, lists the details of the number of households and persons assisted through the various HUD-funded activities carried out during Fiscal Year 2008/2009.

This report shows the households and persons assisted with housing, their income levels and ethnicity. The report only shows those persons assisted with permanent or transitional housing,

² Project funded in Round One.

³ Project funded in Round Three

⁴ Project funded in Round Two

and does not include households assisted with temporary shelter, support services or community development activities.

The Summary of Community Development Accomplishments (HUD Form CO4PR23) which is found in Appendix “D” of this report summarizes the community development projects implemented and the persons or households assisted by these projects.

2. Actions to Address the Needs of Homeless Persons and Special Needs Persons

The County Homeless Coordinator continued to staff and actively participates in the County Collaborative on Housing and Homeless Issues to ensure a coordinated and comprehensive effort in dealing with the problem of homelessness in the Urban County. Activities during FY 2008/2009 included the homeless count, development of “Keys to Housing: A 10-Year Plan to End Chronic Homelessness”, preparation of the McKinney-Vento Grant proposal, emergency mortgage and rental assistance, Countywide and Bay Area regional efforts to address homelessness.

3. Actions to Prevent Persons and Families from Becoming Homeless

The County Housing Bond Trust Fund (HBTF) currently operates a housing fund which awards bond proceeds of approximately \$200,000 per year to affordable housing projects and for emergency homeless assistance. In 2004, the County awarded funding to 4 non-profits to assist families in jeopardy of becoming homeless: \$25,000 was awarded to Sacred Heart; \$20,000 to the Emergency Housing Consortium (EHC); \$20,000 to InnVision the Way Home; and \$25,000 to St. Vincent De Paul. Funds are used to pay for one-time emergency rental/mortgage assistance. An additional \$100,000 was awarded to the County office of Homeless Concerns. Those funds were distributed to various Emergency Assistance Network agencies and used to assist homeless persons with temporary emergency assistance, such as emergency rental assistance, motel vouchers, etc. Since 1992, the HBTF has released \$2,665,000 in the form of low interest loans or grants to various agencies assisting in the creation of housing for lower income or homeless individuals. Additionally, the County assisted 5 teacher households with 0% interest, deferred loans of \$10,000 each.

The County continues to support the Housing Trust of Santa Clara County. As of September 1, 2008, the Housing Trust has invested \$28.89 million which has leveraged \$1.3 billion and created 7,165 housing opportunities.

4. Actions to Help Homeless Persons, Including Those with Special Needs, Make the Transition to Independent Living

The County continued to assist homeless disabled persons to secure stable, permanent housing through the Shelter Plus Care (S+C) Program under the auspices of the Housing Authority of the County of Santa Clara (HA). Since 1992, the County has received S+C grant awards through the federal Stewart B. McKinney Homeless Assistance Act to provide Tenant-based Rental Assistance (TRA) to eligible individuals. The total funds received to date, through five separate grants, are \$19,253,220 (including \$2,869,512 in renewals awarded for Fiscal Year

2008/2009). Each grant, renewed annually, provides permanent rental subsidy for this population, as long as the subsidized individual remains eligible and compliant with program guidelines.

S+C is designed to link rental assistance with supportive services for the hardest-to-serve homeless persons with disabilities (severe mental illness, chronic alcohol and/or drug addiction, physical disability, and/or have been diagnosed and are in treatment for acquired immunodeficiency syndrome (HIV/AIDS)). Rental assistance is matched by 24-hour supportive services that are equal in value to the amount of rental assistance and that are specific to the needs of the population to be served.

In Santa Clara County, clients who are homeless and disabled are referred to S+C by eligible caseworkers from the County departments of Mental Health and Alcohol and Drug Services, and by contract agencies who provide permanent case management for mental illness, drug or alcohol dependence, and/or are diagnosed with HIV/AIDS. All case managers must have attended S+C Case Manager Training provided by the Housing Authority. New clients are referred by the case manager's agency. Each agency is allotted a number of slots in the program and they decide which clients to refer to the program. 24-hour case management is provided by the referring agency for the entire time an individual participates in the S+C program.

Administration (including tracking compliance, record keeping, annual reporting, Case Manager training, providing information, etc.) and property management (including performing housing inspections, managing rental contracts and issuing subsidy payments) is provided by the Housing Authority of the County of Santa Clara. The Homeless Coordinator serves on the Shelter Plus Care Executive Board. The goal of the program continues to be to assist clients in achieving and maintaining independent living in stable housing. The Case Manager/client relationship is the key to success in this program.

In addition to Shelter Plus Care grants, the County receives McKinney-Vento Homeless Assistance grants each year. The total amount of McKinney-Vento grants that the County received in 2007 was \$9,320,700. Direct recipients of the funds were 32 different homeless serving agencies with priority funding to those who facilitate the transition of the homeless to permanent supportive housing. Total amount of McKinney-Vento Funding since 1992 has been \$100,562,650.

The County is working with the City of San Jose to implement a comprehensive plan to end homelessness in Santa Clara County. A Blue Ribbon to End Homelessness and Solve the Affordable Housing Crisis was chaired by the Chair of the Board of Supervisors and co-chaired by the Mayor of San Jose during 2007. In 2008, the Commission created "Destination: Home" a community-wide effort to coordinate resources and programs toward the goal of ending homelessness. To date, the following actions have been taken:

- *Establishment of Destination: Home -- a partnership between the County the City of San Jose, and the United Way Silicon Valley. The County is funding the position of Interim Project Manager, the City of San Jose has pledged to fund the position of Executive Director for one year. The United Way is acting Fiscal Sponsor and is providing administrative and office support.*

- *Launch of a public information, speakers' bureau, and media relations campaign to provide awareness of the need to end rather than manage homelessness in the County.*
- *Launch of a fund raising campaign to provide on-going resources. To date more than \$1.3 million in resources and cash has been raised.*
- *Establishment of two One-Stop Homeless Prevention Centers where an array of services can be accessed by the homeless and those at risk of homelessness.*
- *Redesign of the existing Cold Weather Shelter Program into a Shelter Outreach Program. The new program will add year-round social workers, shuttle transportation, and Two One-Stop Homeless Prevention Centers to the traditional winter shelter and meals program.*
- *Establishment of a 17-bed Medical Respite Center at the Boccardo Homeless Shelter. The Medical Respite Center will provide appropriate shelter and care for homeless people when they are discharged from the hospital, thus enhancing their chances for recovery and avoiding subsequent hospitalizations.*
- *Redesign and enhancement of the Transit Pass Program whereby transit passes are issued on a quarterly rather than monthly basis. The UPLIFT Transit Pass Program is funded at \$120,000 with the County, the City of San Jose, and the Community Foundation of Silicon Valley each contributing \$40,000.*

5. Actions to Assist Non-Homeless Elderly and Frail Elderly Persons

The Urban County funded the following services which provide assistance to seniors: Community Services Agency, Senior Housing Solutions, Catholic Charities Long Term Ombudsman Program, Senior Adults Legal Services, Cupertino Community Services, Live Oak Adult Day Services, and the Saratoga Area Senior Coordinating Council.

In addition, the Urban County has funded Rebuilding Together Silicon Valley which offers assistance to the low income elderly by providing minor home repairs.

The Urban County Cooperative Rehabilitation Program continued to operate during the year and offered many senior property owners with services to improve the quality of their homes. This program assisted in removing health and safety code violations. The rehabilitation creates a much-improved personal environment and gives the homeowner peace of mind that the property is safe, energy-efficient, and meets current building and housing codes.

6. Actions to Assist Persons with Physical or Mental Disabilities

The Urban County funded the following services which provided assistance to persons with physical or mental disabilities:

- *Silicon Valley Independent Living Center in Santa Clara, provided housing services for developmentally disabled adults.*

- *Law Foundation of Silicon Valley - Mental Health Advocacy Project (MHAP) provided fair housing legal services throughout the year to individuals who were mentally ill or had mental disabilities. This agency provided 11 information and referral and 11 cases.*

- *The Shelter Plus Care (S+C) Program, administered by the Housing Authority provided rental assistance linked with supportive services for the most-difficult-to-house homeless population, namely those with disabilities and their families (primarily those who are seriously mentally ill, have chronic problems with alcohol, drugs and/or both, or have acquired immunodeficiency syndrome (HIV/AIDS)).*

7. Actions to Assist Persons with Alcohol and Other Drug Addictions

The S+C Program is designed to provide rental assistance linked with supportive services for the most-difficult-to-house homeless population including those with disabilities, chronic problems with alcohol, drugs and/or both.

8. Actions to Reduce the Number of Persons Living Below the Poverty Level

The Urban County Program continued CDBG funding for agencies which provide a variety of services including rental assistance, food, clothing and job search assistance, attempting to prevent at-risk households from becoming homeless. Those agencies included Community Services Agency and Sacred Heart Community Services.

The Urban County Program did not provide any direct employment programs, but did provide programs that offered free services such as counseling, training, and job placement for the low income populations. These services provided low income persons with the resources and tools to improve their financial circumstances as well as affordable housing and rent subsidies.

9. Community Development Accomplishments for Priority Needs

Several of the non-entitlement cities have local programs funded by CDBG and other resources to address the specific needs of their communities. The Americans with Disabilities Act (ADA) requires local communities to address the needs of their disabled population. During the year, \$652,516 was spent on projects in the Urban County.

10. Summary of Racial/Ethnic Status of Persons Assisted

Of the total number of persons assisted, 97.6% were lower income meaning that they earned less than 80% of the County's median annual income. As reported in IDIS report CO4PR23, 74% were extremely low income, 24% were very low income and 2% were low income. In addition, there were 24,920 persons served in the total population. Of that figure, 34% were White; 4% were Black/African American; 4% were Asian, .9% were American Indian/Alaskan Native, .6% were Native Hawaiian/other Pacific Islander, .4 % were American Indian/Alaskan Native & White, .4% were Asian & White, .3% were Black/African American & White, .4% were American Indian/Alaskan Native Black/African American, 56% were Other Multi-Racial. Hispanics were reported under White and represented 14% of that population and 14% of the Other Multi-Racial population.

11. Public Policies

The County Board of Supervisors expressed its support of affordable housing by establishing an Office of Affordable Housing in 2002 and set aside a projected \$18 million of General Fund monies into an Affordable Housing Fund (AHF). The new office consolidated the AHF with the following affordable housing programs: CDBG, HOME, Housing Rehabilitation, Mortgage Credit Certificate/Housing Bond Program, and Homeless Concerns.

The County has dedicated a significant amount of surplus land (for example, underutilized County Fairgrounds and Elmwood Correctional Facility) to affordable housing projects. Set to open in the fall of 2007 is Corde Terra, a 300-unit multi-family project at the Fairgrounds. In 2005, the Board of Supervisors took two significant actions to increase the supply of affordable housing in the County. It dedicated all of the proceeds (\$5.4 million) from the sale of surplus property to the Affordable Housing Fund. In June, 2008, the Board adopted a policy of dedicating \$1 million each year from the General Fund into the Affordable Housing Fund. Priorities for use of the Fund are assistance to the development of new housing units for extremely low income and special needs populations and for programs designed to end homelessness.

12. Actions to Overcome Gaps in Institutional Structure and Enhance Coordination

In an effort to improve intergovernmental cooperation, the Urban County continues to participate with other local entitlement jurisdictions in sharing information and resources. The entitlement jurisdictions in the County of Santa Clara include the City of Cupertino, the City of San Jose, City of Santa Clara, City of Milpitas, City of Mountain View, City of Sunnyvale, City of Palo Alto, City of Gilroy, and the Urban County. The HUD requirement of preparing a Consolidated Plan has resulted in a close working relationship being developed with the entitlement jurisdictions. Studies have been undertaken on a countywide basis examining issues such as homelessness, fair housing, and domestic violence. In addition, several projects are being funded by multiple jurisdictions including the Sobrato Transitional Housing project in Gilroy, and the Sobrato House for homeless and runaway teens in San Jose. The various jurisdictions involved have also worked together in an effort to reduce duplication of effort and project management costs.

13. Actions to Enhance Coordination Between Public Private Housing and Social Service Agencies

In 1992, the Santa Clara County Collaborative on Affordable Housing and Homeless Issues (The Collaborative) was formed as a partnership of representatives from the county, cities, service and shelter providers, affordable housing developers, employment and training agencies, business, and other interested parties. The goal was to join forces to secure additional funds for housing and homeless activities and these efforts have been successful, resulting in 70 million dollars. A few of the major accomplishments of the Collaborative include establishing the countywide Continuum of Care, implementing a Homeless Management Information System and participation in Regional Initiatives, conducting a homeless count assessment, and the creation of a 10-Year Plan to End Chronic Homelessness.

It was clear to the housing leaders in Santa Clara County that working together would allow scarce resources to be used more effectively to serve the needs of homeless and near homeless persons and families. The Collaborative has been successful in gaining support, commitment, and active involvement from virtually all housing and service providers in Santa Clara County, including veteran's service organizations, organizations representing persons living with disabilities, mental illness, HIV/AIDS, banks, housing developers, labor and industry, and homeless persons. Santa Clara County is represented by the position of the Homeless Coordinator of the Office of Affordable Housing, who reports to the County Executive and coordinates the Collaborative's activities. The chair and other officers of the committee are members of the collaboration and are voted in annually. Other participating County offices include: the Departments of Mental Health Adult Services, Alcohol and Drug, Public Health, Office of Human Relations, Social Services Agency, Housing and Community Development, and Environmental Services Agency. Additionally, each of the cities within the County is represented. Collaboration with industry is accomplished through an on-going relationship with the Silicon Valley Leadership Group's Housing Action Coalition (HAC). This group's member organizations are concerned about affordable housing. They include the Affordable Housing Network, Building and Construction Trades Council, Building Industry Association, and numerous Boards of Realtors. The Collaborative has also established a relationship with Joint Venture Silicon Valley. Joint Venture is a comprehensive organization within Santa Clara County whose mission is to lead a network of business, government, education, and community resources to create high-value jobs, a strong economic foundation, and a better future for all people and businesses.

14. Actions to Improve Public Housing and Resident Initiatives

The only public housing in the Urban County is Rincon Gardens which is located in the City of Campbell and it is operated by Housing Authority of the County of Santa Clara. Resident Initiatives-Rincon Gardens which is a senior housing development has maintained a computer club with support of Digital Cousins, a 501c3 agency. There are also various memorandums of understanding with health organizations for drop-in clinic visits as well as a variety of social events planned by the Tenant Association.

The Housing Authority of the County of Santa Clara received funding from Housing and Urban Development under the Capital Improvement Fund Program. The funds are to be primarily utilized to complete non-routine maintenance for all public housing sites.

The Resident Partnership Process involves residents, government representatives, and staff at all levels within the Housing Authority in all aspects of the design and prioritization of items to be funded with the Capital Improvement Fund Program. The process this year included:

a) Monthly meetings of the Capital Improvement Fund Committee which includes Housing Authority staff from the Property Management, Maintenance, Development and Resident Services Departments to identify items to be included in the physical improvement portion of the Capital Improvement Fund Plan and to set priorities for the completion on these items.

b) *Periodic meetings with representative from the Finance and Executive Departments to discuss items to be included in the management improvement portion of the Plan.*

c) *Annually, residents have an opportunity to attend hearing for the 5-Year/Annual Plan update. A new 5-Year Plan was published in Spring 2006. The Housing Authority collaborated with the County to review unmet needs. Residents are encouraged to submit their comments verbally or in writing for consideration. Their suggestions may contain ideas for improvements in the physical plant or suggestions for overall community wide improvements. Residents of Rincon Gardens take part in the Advisory Committee made up of public housing and Section 8 clients. The advisory committee provides input on the annual plan and reviews all suggestions before the annual plan is submitted to the Board of Commissioners for approval. The Housing Authority continues to receive excellent scores in the Public Housing Management Assessment Program (PHMAP) as required by HUD. Additionally, Standard and Poor's last property management review included a visit to Rincon Gardens. The Housing Authority again received a rating as strong performer based on their excellent asset management.*

d) *After incorporating the comments of the residents, staff and other interested parties, the Plan was revised and a draft of the Plan was again distributed to the residents prior to the public hearing.*

e) *All residents and government officials were personally notified of the meeting and invited to attend. A public notice was published in the newspaper inviting all other interested parties.*

As a result of comments at the public hearing, final changes were made to the Capital Improvement Plan and the final Plan was submitted to HUD.

All of the comments made by the residents regarding Rincon Gardens were addressed by the Housing Authority staff. Some suggestions were added to the Capital Improvement Fund Plan prior to the Plan being finalized and sent to HUD, and some items were found to be part of normal maintenance and were referred to the maintenance department. The approved plan is available on the Housing Authority website www.hacsc.org and at the main office located at 505 West Julian Street, San Jose, CA 95110.

The maintenance and improvement of Rincon Gardens is very important and the participation of the residents of Rincon Gardens in assessing the needs of the Rincon Gardens is an equally important aspect of the work of the Housing Authority.

The Housing Authority has been investigating the possibility of converting public housing to vouchers through a disposition process. The rents would remain at 30% and no one would be displaced. The Housing Authority would remain in control of the property. With the reduction in capital funds, the need for more tenant services with an aging population and the fixed rents, it would allow the Housing Authority to complete the needed physical improvements sooner. The residents have been consulted and approve of the plan. An application was made to HUD during the summer of 2007.

15. Actions to Evaluate and Reduce Lead Based Paint Hazards

The Cooperative Housing Rehabilitation Program informs all applicants and tenants of rental housing about the dangers and hazards of lead based paint. A visual assessment, paint testing or risk assessment is conducted. During the reporting period, 7 inspection assessments were conducted for Urban County clients. The 7 assessments indicated that there was no presence of lead based paint in the homes. No clearances were needed from prior year inspections. Lead hazard reduction activities including paint stabilization, interim controls, standard treatments, lead abatement, safe work practices and clearance to confirm that no lead based paint hazards remain when work is complete. The program also requires that all participating contractors must have completed the state training on safe work practices.

16. Affirmatively Furthering Fair Housing

In Fiscal Year 2008/2009, the Santa Clara County Fair Housing Consortium, comprised of four agencies namely, Asian Law Alliance, Law Foundation of Silicon Valley - Mental Health Advocacy Project, Eden Council for Hope and Opportunity, and Project Sentinel, provided numerous housing services to Urban County residents. All of the agencies of the consortium once again made special efforts to do more outreach and to conduct more training programs. Their combined efforts were designed to make the community more cognizant of what constitutes housing discrimination, as well as making potential clients aware of the services available to them.

Outreach efforts undertaken by the consortium included print ads and Public Service Announcements (PSA's) on radio and TV. Training sessions for members of the building trades were undertaken to provide contractors and builders with information on discrimination, sexual harassment, and other illegal activities, to ensure their understanding of fair housing practices. In addition, individual agencies within the Consortium, such as Project Sentinel, and Eden Council for Hope and Opportunity (ECHO) have undertaken some substantial, well-publicized cases against landlords who have discriminated against protected classes of people. As a result of these cases, fair housing practices are ensured at the facilities in question, and public awareness of discrimination issues is raised.

In keeping with current technology, the Santa Clara County Fair Housing Consortium has established a website to provide the information to the public regarding fair housing issues. Laws against housing discrimination are outlined, and information is provided regarding the rights of tenants and of persons seeking housing. Finally, resources are provided to those needing additional assistance.

Section 3 Report Form 60002 is attached and all federal requirements were complied with.

The specific accomplishments of each agency with regard to their actions toward affirmatively furthering fair housing are listed below:

*A) **Asian Law Alliance (ALA)** reached individuals through 9 community education presentations. In addition, 9 Urban County clients received legal consultations during the year.*

ALA also provides outreach through multi-lingual educational seminars, pamphlets in Cambodian, Vietnamese, Japanese, Korean, and Punjabi, and extensive outreach and collaboration with ethnic media.

*B) **Law Foundation of Silicon Valley - Mental Health Advocacy Project (MHAP)** handled information and referral calls, participated in 11 consultations, and resolved 11 cases throughout the year. MHAP exceeded its goals by conducting presentations and distributed brochures to the community.*

*C) **Eden Council for Hope and Opportunity (ECHO) – Midpeninsula Citizens for Fair Housing Project** investigated 7 cases and provided consultations concerning housing discrimination to Urban County clients. The agency also audited 5 properties as part of a targeted audit to measure discrimination in a specific protected area.*

*D) **Project Sentinel** responded to 821 information and referral calls, distributed flyers, and conducted outreach programs. In addition, this agency investigated 35 Urban County cases of allegations of housing discrimination.*

Project Sentinel distributed cable and radio PSA's to local stations to air announcements regarding fair housing. Project Sentinel also ran a column, RENT WATCH, in many news publications throughout their jurisdictions.

A sampling of specific outreach activities accomplished by Project Sentinel in the fourth quarter and throughout the fiscal year include:

*• **Project Sentinel's Fair Housing Symposium:** April 4, 2008, Project Sentinel held a Fair Housing Symposium in recognition of April as National Fair Housing Month. The Symposium was an all day event, including workshops, lunch, a keynote speaker and an award ceremony. There were over 200 attendees from both the bay area and out of state. The Symposium consisted of 9 workshops with 3 speakers in each workshop. Workshop topics included: Fair Housing Fundamentals; The Foreclosure Crisis; Children at Play; Immigration; Reasonable Accommodations for Persons with Mental Disabilities; Internet Advertising; Criminality and Fair Housing; and Impact Litigation. 400 brochures were distributed.*

*• **San Jose State University:** On April 8, 2008, Evan White and Kay Divine conducted an outreach to 33 students at a law class at SJSU taught by Peggy Stevenson. The students came from throughout Santa Clara County. The presentation discussed all protected categories under the fair housing laws, in addition to testing and case lifecycle. All attendees that completed the evaluations indicated that their knowledge of fair housing had increased as a result of the presentation.*

• **New Directions Program at Valley Medical Center:** On April 23, 2008, Mary Prem conducted a fair housing presentation at the New Directions Program for five staff members. New Directions Program serves adults with disabilities including recovering substance abuse in Santa Clara County.

• **KFOG Morning Show:** On April 2, 2008, Martin Eichner and Evan White did a regular call-in show at the KFOG radio show regarding Fair Housing and Tenant-Landlord issues. KFOG broadcasts throughout the Bay Area. The program is in a question-and-answer format where listeners call in with rent questions which are answered on the air.

• **Project Homeless Connect:** On May 15, 2008, Twilight Florido staffed a service provider table at Project Homeless Connect at the San Jose McEnery Convention Center. Staff conducted 23 HUD BMR intakes, as well as 1 fair housing case intake. Approximately 200 brochures were distributed among other service providers and attendees.

• **Gay Pride Celebration and Resource Fair:** On June 20, 2008, Adriana Windham staffed an informational booth at the Gay Pride Celebration and Resource Fair which took place at EMQ Children and Family Services. Project Sentinel answered questions and distributed 20 brochures to the attendees.

• **Public Service Announcements:** Public service announcements were submitted to KABL, KMEL, KALX, KBAY, KBLX, KDFC, KFJC, KFRC, KISQ, KLLC, KPOO, KFOG, KSFO, KSJS, KUSF, KKUP, KZBR, KSCU, KKSF, KALW, KARA, KEZR, KCBS, KEST, KFOX, KGO, KITS, KOIT, KQED, KNBR, KSJO, KSJX, KZSU, KRTY, KIOI, and KSAN.

• **Rent Watch Articles:** Project Sentinel continues to submit Rent Watch to the San Francisco Chronicle, the Los Angeles Times, Disabled Dealer, The California Apartment Association Magazine, the Tri-County Apartment Association newsletter, the Milpitas Post, the Mountain View Voice, Pinnacle News, the Palo Alto Weekly, and the Marin and Sonoma Counties Fair Housing newsletters. These publications circulate throughout the counties of San Francisco, San Mateo, Santa Clara, and Alameda.

• **Website:** Project Sentinel maintains an up-to-date website, located at www.housing.org, with a number of pages and links for the agency's fair housing and counseling services. Visits of the site continue to increase.

Retrofit Fund:

A major accomplishment for FY 2008/2009 was the continuation of a Retrofit Fund which was established in previous fiscal years. With the proceeds of a large fair housing case settlement, the Santa Clara County Fair Housing Task Force assists with the managing of a "Retrofit Fund" which helps residents with disabilities in Santa Clara County. This Retrofit Fund is intended to pay for modifications to owner and renter-occupied properties. The total money provided in FY 2007/08 was \$30,755.84 to 14 households (applications).

| CHECK DATE | CITY | NAME | CHECK AMOUNT |
|-------------------|----------------|-----------------------------------|---------------------|
| 9/29/2007 | San Jose | V. Apartments (Rent dep) | \$100.00 |
| 9/29/2007 | San Jose | V. Apartments (Rent dep) | \$100.00 |
| 9/29/2007 | Silicon Valley | Silicon Valley Ind. Living Center | \$1,750.00 |
| 10/6/2007 | San Jose | City of San Jose | \$2,000.00 |
| 10/6/2007 | | MJ | \$100.00 |
| 10/19/2007 | Santa Clara | DCM Quality Construction | \$3,900.00 |
| 11/19/2007 | Gilroy | City of Gilroy | \$1,000.00 |
| 1/14/2008 | Gilroy | City of Gilroy | \$1,186.84 |
| 1/14/2008 | San Jose | City of San Jose | \$2,000.00 |
| 1/31/2008 | Milpitas | City of Milpitas | \$7,600.00 |
| 4/1/2008 | San Jose | City of San Jose | \$2,000.00 |
| 5/20/2008 | San Jose | City of San Jose | \$2,000.00 |
| 5/20/2008 | Silicon Valley | Silicon Valley Ind. Living Center | \$6,850.00 |
| 5/28/2008 | | AM | \$169.00 |
| | | | |
| | | TOTAL | \$30,755.84 |

Fair Housing Cases: The following are a sampling of cases processed in FY 07-08:

Reasonable Accommodations:

*Campbell Case#0607-250 100 units Management
Single, White female with a disability requested to be exempted from a mandatory food program for health reasons. After an evaluation of the complainant's needs, the director of the food program determined that the complainant's dietary needs could be met by the program. A process was established whereby the complainant/resident would inform the Food Manager what she could eat and adjustments were made to the resident's menu.
Results: Conciliated*

*Campbell Case#0708-013 156 units Management
Single, White female with multiple disabilities resides in a complex with a mandatory food program. The complainant's doctor recommended that she prepared her own meals as she had allergic reactions to the food served at the complex. The request for the complainant's exemption from the meal program was granted.
Result: Conciliated*

*Morgan Hill Case#0708-277 174 units Management
Single, White female with multiple disabilities, contacted Project Sentinel seeking assistance. The CT rents a space in a 55 and older property, in Morgan Hill. In 2004, the CT submitted a doctor's letter to the management, which stated that due to her medical conditions, she needs her*

son to assist her with her daily activities. The complainant's son was admitted as a live-in caregiver.

Result: Conciliated

Morgan Hill Case#0708-074 100 units Management

CT Hispanic 36 years old, married female came in to PS. CT received a 3-day notice to quit because 16 yr. old son is causing problems at the apartment complex. The request for a delay in moving out as a reasonable accommodation was granted because husband has Rheumatoid Arthritis and is not able to move boxes.

Result: Conciliated

Morgan Hill Case#0708-097 50 units Manager

Hispanic 45 year old female came to PS stating that she had received a 3-day notice. CT states that her blood pressure has been really high because of stress about where they are going to move to. PS was able to obtain an extension as a reasonable accommodation.

Result: Conciliated

Campbell Case#0708-203 125 units Manager

A Single disabled Japanese-American male, contacted Project Sentinel seeking assistance. CT received a 90-day notice of termination of tenancy on 8/30/07 which enumerates a few of the disturbances that the CT has caused. PS spoke with the Management requesting a reasonable accommodation for the CT to be allowed an extra month to find a new place to live. CT received a notice from PMI extending his stay for another 30 days.

Result: Conciliated

National Origin

Campbell Case#0708-034 109 units Manager

Married, Hispanic female with 2 children alleged that the manager treated Hispanic tenants unfairly. Testing corroborated the complainant's allegations and the survey showed that majority of the tenants having problems in getting their repairs done were Hispanic.

Result: Referred to HUD

Predatory Lending:

New Representation in last quarter:

- *Single mother was convinced to purchase a home that she could not afford. The loan and the purchase of the home were negotiated in Spanish but all of the transaction documents were in English. Some of the documents were forged. A lawsuit has been filed in federal court.*
- *Woman was promised a 5-year fixed loan without a pre-payment penalty by her broker. Instead, she got a negatively-amortizing loan with higher payments than she could afford, and a prepayment penalty. Her husband's income was falsified on the loan application. She and her husband are monolingual Spanish-speaking. They did not get any documents at their closing, but instead received them by Fedex several weeks later. The documents contain two TILA disclosures, both of which were signed by her husband - one of them gives the illusion that the loan is fixed rate, as the payments are all listed as*

being the same. The other is more correct, as it shows the payments going up every year. Rescission letter was sent to the lender.

- *Preschool teacher was approached by parent of student re buying house. Didn't show her many places, but eventually made bid on one (didn't tell her of \$50/mo. HOA fee). Person from broker came by numerous times and had her sign things, but she didn't know what they were. Promised monthly payment of \$3000, then later \$3300. Turned out to be \$3700, interest only on main loan. Assisting client with a rescue loan application.*

Ongoing representation from previous quarters:

- *Latino couple owned their home since 1991. They were convinced to refinance, not realizing that the loan was a negative amortization. Defendants filed motion to dismiss. Recently settled the case with the lender and received a modified loan at 5.75 fixed rate, with a principal pay down of \$44,000.
Co-counsel: Wilson Sonsini Goodrich & Rosati*
- *Spanish-speaking family was trying to buy a home for the first time. The mortgage broker promised them a fixed-rate mortgage, but actually gave them a negative amortization interest-only loan. He also lied about his fees, whether the property tax was included, and the asking price of the home.
Ongoing discovery: Settlement discussions are ongoing. Pretrial conference is being scheduled.
Co-Counsel: Fish & Richardson P.C.*
- *Spanish-speaking woman was charged outrageous fees, lied to about the terms of the loan, had her income fabricated, and never received a translation of the load disclosures. This broker has taken advantage of numerous Spanish-speaking borrowers. Federal court case was initiated on behalf of five families. Ongoing discovery: Issues re protective order. Case is currently stayed as to the broker defendants pending resolution of the criminal case. Recently obtained settlement with one of the lenders on behalf of five families.
Co-counsel: Howrey LLP; Public Interest Law Firm*

17. Actions to Address Obstacles in Meeting Underserved Needs

a) Unincorporated Areas

The housing stock in the unincorporated areas of the County is generally in a state of disrepair with considerable deferred maintenance when compared with incorporated areas of the Urban County. Several years ago, a "wind shield" survey, conducted by HCD staff, of three major unincorporated urbanized pockets (Burbank, East Hills and Cambrian) disclosed a high percentage of housing units requiring moderate to substantial rehabilitation. In many cases, the existing infrastructure was also in bad repair and, in other cases, basic infrastructure such as sidewalks and streetlights were missing. Information from the County Planning and Building Departments indicated that many sewer and waterlines did not meet current standards. The

HCD program continues to review its existing programmatic and funding priorities with the expectation that the needs and problems of the unincorporated area will be raised to a higher priority within the program and, as a consequence, receive a larger proportion of the annual allocations of HUD funds in future funding cycles.

During Fiscal Year 2008/2009, the Housing Rehabilitation Program staff mailed 25 applications to households in the unincorporated area of Santa Clara County. There were 4 applications returned and they were reviewed for housing rehabilitation loans.

b) Homeless Mentally Ill, Substance Abusers and HIV/AIDS

The Housing Authority of the County of Santa Clara reviews the five Shelter Plus Care (S+C) grants each year. These grants provide a rental subsidy for permanent housing to the homeless mentally ill, substance abusers and persons afflicted with HIV/AIDS. In 2006, the County's Affordable Housing Fund leveraged \$2 million for a one-time funding from the California Mental Health Services Act. The new \$4 million "Housing Plus" Fund will assist in the acquisition or development of permanent housing units for the homeless mentally ill. In February, 2007 the County committed \$2,450,000 to dedicate 49 units of such housing.

c) Housing Trust Fund

A need that has been consistently identified as one of the highest priority needs in Santa Clara County for the past 10 to 15 years is the need for affordable housing. Over the years, numerous efforts have been made to increase the availability of affordable housing in Santa Clara County. One of the primary obstacles has been the availability of "cheap money" for gap financing and "front end" costs of affordable housing developments. One strategy to eliminate this obstacle has been to establish a Housing Trust in Santa Clara County, formally known as the Housing Trust of Santa Clara County (HTSCC). The development of the Trust has been a collaborative effort which included public agencies and local jurisdictions, the business community, primarily through the Silicon Valley Manufacturers Group and the nonprofit housing providers and housing advocates through the participation of the Santa Clara County Collaborative. A comprehensive study was conducted in 1997, financed with CDBG funds, which analyzed the need for a countywide housing trust and possible sources of revenue needed to provide continuous and stable funding for a trust.

In 1997, the Santa Clara County Board of Supervisors accepted the findings of the study and approved efforts to move forward to establish a trust fund. During the intervening period, the Housing Trust Fund Committee was created which established priorities for the fund, including the method of governance, funding targets, identification of potential sources of revenue and community education. The Board also decided to provide an initial set aside of seed money for the Fund in the amount of \$3,000,000 which was to be matched by contributions from local businesses and foundations. The Community Foundation was selected as the organization which would receive the contributions and hold the funds until a decision is reached to award the funds for specific housing projects.

Because of the critical need for affordable housing in Santa Clara County, an important coalition of public-private agencies including the County Board of Supervisors, the County

Collaborative, and the Silicon Valley Manufacturing Group have been working to establish a countywide fund called the Housing Trust Santa Clara County (HTSCC). HTSCC has successfully secured \$34 million to establish a revolving loan fund for use by affordable housing developers to provide three categories of affordable housing. Approximately 1/3 would be used to fund rental units for the very low income (up to 30% of median income); 1/3 for low income (30% to 60% of median income) and 1/3 for first-time homebuyers (up to 120% median income). The County Board of Supervisors has supported this project with a \$1 million set-aside in 1997, a subsequent \$1 million set-aside in 1998, and \$1 million in 1999.

The HTSCC fundraising campaign now stands at over \$35,000,000 and is in the midst of its third fundraising cycle. It is one of the largest and most successful community fundraising campaigns ever conducted in Silicon Valley. The campaign has also played a significant role in galvanizing the community. Donors include some of Silicon Valley's largest employers, cities, the County of Santa Clara, local foundations and industry associations. The campaign has been recently expanded to include individuals, small and medium sized businesses and local community funds. Since inception, HTSCC has invested over \$28.89 million across its three programs, helping over 7,165 individuals and families and has leveraged over \$1.3 billion in public and private investment in affordable housing.

d) Special Needs Housing - Housing for Victims of Domestic Violence

Domestic violence advocates and researchers have known about the connection between domestic violence and homelessness for years. Domestic violence is a major cause of homelessness in this country. Ninety-two percent of homeless women have experienced severe physical and/or sexual assault at some point in their lives. Results from the 2004 Santa Clara County Homeless Census and Survey found nearly one in three respondents had experienced domestic violence during their lifetime. This number may actually be much higher since we know domestic violence is underreported due to shame, stigma or fear of reprisal.

When battered women flee from abuse they are often forced to leave their homes, with nowhere else to turn. For many battered women, the inability to obtain affordable housing may mean that they must choose between life with their abuser and life on the streets for themselves and their children. According to the National Network to End Domestic Violence, advocates and survivors consistently report that housing issues are a major obstacle to safety for women and their children.

The Santa Clara County Domestic Violence Council formed the Housing Committee in May 1997 to "establish sufficient housing and support services for the diverse population of victim/survivors of domestic violence and their children in Santa Clara County."

The Committee examined the housing needs of victims/survivors of domestic violence and determined that creating permanent, affordable housing with transitional services would be the best way to address those needs. Research was conducted to identify appropriate housing models and committee members and the consultant visited the most compelling sites. After thorough discussion and analysis, the committee determined that three years of transitional housing with supportive services would be the most ideal.

A web-based survey of the general population resulted in establishing a long term goal of developing 96 units of affordable housing for women and their children who were survivors of domestic violence. The Housing Committee was disbanded at this point and implementation began. Implementing this goal became a joint venture among several jurisdictions and several nonprofit agencies. Over the course of several years, two projects were developed, Homesafe Santa Clara and Homesafe San Jose which resulted in the creation of 48 transitional housing units for women and their children including supportive services.

In 2004, a Santa Clara County Grand Jury investigation identified the need for a committee on the Domestic Violence Council that would ensure adequate emergency housing for survivors of domestic violence. In an effort to meet the housing needs of battered women and increase safety for survivors and their children, the Domestic Violence Council reconvened the Housing Committee in 2005 which had been formed in 1997.

The Housing Committee meets monthly and its members include domestic violence shelter and local government housing representatives. Legal representatives from fair housing and housing developers have been available for consultation. The committee's main purpose is to assess the emergency and transitional housing needs of battered women. Originally thought to be an ad hoc committee, it is now a standing committee of the Domestic Violence Council due to the importance of this issue and the need for annual data collection on housing for survivors. Representatives from the Housing Committee have made presentations pertaining to the housing needs of battered women to the Santa Clara County Board of Supervisors, the Housing Advisory Committee of the City of San Jose, the Santa Clara County Blue Ribbon Committee on Ending Homelessness and Solving the Affordable Housing Crisis, and the CDBG Coordinators of Santa Clara County.

18. Actions to Foster and Maintain Affordable Housing and Eliminate Barriers to Affordable Housing

The Urban County continues to operate the Cooperative Housing Rehabilitation Program which serves lower income property owners with a resource to improve their properties. The program is expanding its scope by increasing outreach efforts in the Unincorporated Area of the County which has not had a concentrated rehab program in the past. The focus has been on the unincorporated areas of Burbank, East Hills, and the South Side areas which have been underserved.

19. Actions to Ensure Compliance with Program and Comprehensive Planning Requirements

The Urban County continued active monitoring of all sub-recipients and projects to ensure compliance with program and comprehensive planning requirements. Monitoring included the review of quarterly monitoring reports submitted by all CDBG and HOME sub-recipients. Audit reports are reviewed, and, when possible, annual on-site monitoring is conducted by HCD program staff. In addition, the newly created Housing and Community Development Advisory Committee (HCDAC), comprised of members of the formerly named Citizens Advisory Committee (CAC), the Council Committee (CC), and the Board of Supervisors all have meetings

which are open to the public providing an opportunity for the public to comment on any aspect of the services or programs being funded by the Urban County.

V. CDBG Program - Grantee Performance Report

The Grantee Performance Report (CO4PR03) which is attached in Appendix “G,” provides a summary of the accomplishments as well as the funding budgeted and expended for each of the CDBG Program activities carried out during the year.

VI. HOME Program

1. HOME Annual Performance Report (HUD 40107) and HOME Match Report (HUD 40107A)

The HOME Annual Performance Report, HUD Form 40107 attached as Appendix E, and the HOME Match Report, HUD Form 40107A, attached as Appendix F, provide information regarding matched funds, program income, minority business enterprises and women’s business enterprises, minority owners, relocation and real property acquisition.

2. Results of On-Site Inspections of HOME Funded Affordable Rental Housing and Assessment of County’s Affirmative Marketing Actions and Outreach to Minority and Women Owned Businesses

During Fiscal Year 2008/2009, the Housing Rehab Staff conducted 35 on-site Housing Quality Standards (HQS) inspections on HOME Multi-family and Single-family units. Of those units, there were deficiencies in 9 units that required follow-up inspections.

Of the current active Housing Rehabilitation Contractor's, 80% are minority contractors and 2 are women owned businesses.

Potential rehabilitation contractors are required to complete the Santa Clara County Housing Rehabilitation Program Contractor’s Questionnaire and the Statement of Bidder’s Qualifications. These applications request the contractor to complete ethnicity and minority or female-owned business information. In prior years, information regarding mailing addresses of minority-owned businesses was provided from the South Bay Minority Contractors Association. However, mail communication discontinued. Our Housing Rehabilitation Program staff plans to contact the Office of Human Relations to obtain updated minority business information in order to reach out to minority business contractors for future rehabilitation projects.

3. Community Housing Development Organizations (CHDO’s)

The Urban County’s HOME Program received an allocation of \$725,409 for Fiscal Year 2008/2009. The HOME Program requires that 15% of the HOME allocation be reserved for

Community Housing Development Organizations (CHDO's) which means that a minimum of \$108,811 must be allocated to a CHDO. During the application process all of the previously funded CHDO's were invited to submit applications for funding from the HOME Program. There were three agencies awarded funds and one was designated as a CHDO. The County's HOME program has been very fortunate in having several participating CHDO's in the past and has clearly exceeded the CHDO requirements in each of the prior years.

4. Tenant Assistance/Relocation

The County of Santa Clara has an approved Relocation Plan which conforms to HUD's Relocation Guidelines. During Fiscal Year 2008/2009, there were no projects that required relocation.

5. American Dream Downpayment Initiative (ADDI)

In Fiscal Year 2008/2009 there were no households assisted with these funds.

VII. Self Evaluation of Progress in Addressing Identified Needs and Objectives

1. Evaluation of Progress in Meeting the Specific Objective of Providing Affordable Housing

The Program has implemented a performance measurement system which gauges the goals, objectives, outputs and outcomes of each participating non-profit agency and participating jurisdiction. The Urban County HCD Program is substantially on schedule in achieving its stated goals and objectives.

At the beginning of each program year, the non-profit agency representative, usually the executive director of the agency meets with HCD staff to determine and agree upon annual goals and activities to be undertaken for that project. This information is based on the application for funds and will be reflected in the contract. The contract, signed by the agency representative, County Counsel, the Clerk of the County Board of Supervisors and the Chair of the County Board of Supervisors.

Quarterly monitoring reports are submitted by non-profit agencies and cities to the county approximately 10 days after the quarterly reporting period. Agency monitors evaluate the reports and determine if the agency is on target. If agency is not meeting described goals, agency is contacted to resolve and discuss issues concerning goals. Every quarter, the agency is required to submit these monitoring reports.

At the end of the program year the agency completes a form reflecting the output data of the project which is compiled with other projects in the CAPER.

For more detail about the Urban County performance measurement system please refer to Appendix K – Performance Measurement System Tables.

2. Nature of and Reasons for any Changes in Program Objectives and Indications of How the Urban County would Change its Programs as a Result of its Experiences

HUD has continued to take a very strong position on the timely expenditure of CDBG funds in order to ensure that needed housing and public services are made available to residents in a timely fashion. HUD requires that a grantee have no more than 1.5 times its current year's CDBG grant allocation in available unexpended funds, excluding program income by April 30th of each program year. The County of Santa Clara's CDBG expenditure ratio was 1.45 as of April 30, 2008.

Office Affordable Housing

After several years of County Housing Task Force meetings and County staff preparation, the Board of Supervisors launched the new Office of Affordable Housing (OAH) in January of 2003. At the same time, the Supervisors set-aside a projected \$18 million for an Affordable Housing Fund (AHF) to assist in the development of new affordable housing projects. Target populations to be served by these resources are very low and extremely low income people, people with special needs and the homeless.

The Office consolidated the Affordable Housing Fund with other existing County programs, the Housing and Community Development (HCD), the Office of Homeless Concerns, and the Mortgage Credit Certificate (MCC)/Housing Bond Program. All these programs are now housed together in one office at 2310 North First Street, Suite 100 in San Jose.

The OAH had four successful funding rounds of the new Affordable Housing Fund since 2003, and has gained approval from the Board of Supervisors to allocate more than \$17,730,000 million to 19 different projects. A broad variety of projects have been funded: shelters, family housing, transitional housing for singles, housing for people with AIDS, senior housing, artist lofts, senior and disabled housing, and housing for addicted women and their babies

In September 2003, Round I of the AHF allocated \$7.68 million dollars to 6 affordable housing projects and was successful in leveraging more that \$16 million in California State Multi-family Housing Funds by increasing three projects' competitive scores. In June 2004, Round II allocated \$2.4 million to 8 affordable housing projects. Round IV matched \$2 million from the Affordable Housing Fund with \$2 million from the County's Mental Health Services Act funds to create a Housing Plus fund. A total of \$2.150 million from this Fund was allocated to 4 affordable housing projects. In all, the County's Affordable Housing Fund has loaned or granted \$17,730,000 which will result in 1,709 new housing units for extremely low income, special needs, or homeless people.

In June, 2008, the Board of Supervisors made a policy decision to allocate \$1 million each year to the Affordable Housing Fund and established that use of the funds would be prioritized to assist in the development of new housing units for extremely low income and special needs populations and for programs that are designed to end homelessness.

3. Assessment of the Relationship of the Use of CDBG Funds to the Priorities/Objectives Identified in the Consolidated Plan

Actions undertaken during the FY 2008/2009 Program Year were consistent with the primary goals and objectives of the County's Five-Year Consolidated Plan and Annual Plan to provide greater housing opportunities for the lower income residents of non-entitlement cities and unincorporated areas of Santa Clara County. The lack of adequate affordable housing for lower income individuals and families was identified as the highest priority community need. In response, approximately 34% of the CDBG funds expended during the period (which included the rollover of uncompleted projects from prior years) were for projects which involved housing for lower income residents of the community or were for special needs housing.

In addition, the majority of funds allocated to "public services" were for those services which assisted lower income or homeless individuals and families in obtaining housing opportunities. These services were in the form of counseling of individuals to obtain rental housing, shelter nights for battered women and their children as well as for homeless individuals and their families, fair housing and tenant landlord counseling and shared housing opportunities, to mention some important examples.

Approximately 28% of the CDBG project funds expended were for non-housing related activities such as the removal of architectural barriers to the disabled, senior and youth services, child care or public facilities and improvements. Although the percentage of funds devoted to non-housing activities is relatively small, we believe that it is consistent with the degree and range of needs identified for the urban county community.

4. Evaluation of the Extent to Which CDBG funds were used for Activities Benefiting Low and Moderate Income Persons

According to the IDIS report CO4PR23, 97.6% the CDBG project funds were used to carry out activities principally benefiting low and moderate income persons. Funds have been used primarily to provide affordable housing for lower income households and to maintain the existing affordable housing stock. The use of these funds not only prevents lower income persons from becoming homeless, but also, allows them the opportunity for upward mobility through education, child care, and other needs besides housing.

5. Assessment of Efforts in Carrying out Planned Actions

The Urban County pursued all resources that it indicated it would, provided requested certifications of consistency for HUD Programs in a fair and impartial manner, and did not hinder Consolidated Plan implementation by action or willful inaction.

VIII. Public Participation Process

A draft CAPER was made available to the public for a 15-day review period which began on September 3, 2009, and ended on September 17, 2009. An advertisement was placed in the San Jose Mercury News, a newspaper of wide general circulation, on September 3, 2009, advertising the availability of the Urban County CAPER. Copies of the CAPER were also made available to

the public for pickup at the HCD office during normal business hours, or upon request, the report was mailed. Copies of the CAPER will be available to the public at the Housing and Community Development Advisory Committee meeting to be held on October 22, 2009. The IDIS reports made available to the public included:

- Activity Summary (GPR) (HUD Form CO4PR03)
- Consolidated Plan Annual Performance and Evaluation Report (CO4PR06)
- Summary of Community Development Accomplishments (CO4PR23)
- Financial Summary

The Public Participation Plan for the Urban County was updated in March of 2005, and was included in the Consolidated Plan 2005- 2010 (Con Plan). The Con Plan was adopted by the County of Santa Clara Board of Supervisors on May 3, 2005. Modifications were made to the Public Participation Plan to reflect the action of combining the Citizens Advisory Committee and the Council Committee to the Housing and Community Development Advisory Committee.

In addition, minor revisions were made to the Plan updating sections reflecting current processes and committee members.

IX. Summary of Public Comments Received

No written public comments have been submitted to the Santa Clara County OAH-HCD office.

X. Appendix

- A. *Table 1 - Goals, Objectives, and Accomplishments*
- B. *Table 2 - Investment of Available Resources*
- C. *Summary of Housing Accomplishments (CO4PR06) Electronically Transmitted*
- D. *Summary of Community Development Accomplishments (CO4PR23) Electronically Transmitted*
- E. *HOME Report - Form 40107*
 - *Report of HOME Funds Under Binding Commitment*
 - *County of Santa Clara Funds for CHDO Requirements*
- F. *HOME Report - Form 40107-A*
- G. *CDBG - Grantee Performance Report (CO4PR03) Electronically Transmitted*
- H. *FY 2007 IDIS Financial Summary Reconciliation (FY Ended June 30, 2008)*
- I. *Public Review Newspaper Notice*

J. Performance Measurement System Tables

K. CPMP Projects for FY 2007/08

L. Section 3 Summary Report (HUD 60002)

A. Senior Housing Solutions

B. Urban Housing Communities

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