

**LIST OF ATTACHMENTS FOR PUBLIC HEARING
ITEM NO. 1 – HOLD A PUBLIC HEARING AND
CONSIDER APPROVAL OF THE COMMUNITY BLOCK
GRANT FUNDING ALLOCATIONS FOR FY 2011-12,
AND ADOPT THE ONE YEAR ACTION PLAN**

- A. Community Advisory Commission's 3/22/2011
Approved Minutes**
- B. Community Advisory Commission's CDBG
Funding Recommendation**
- C. Draft 2011-12 Action Plan**

CITY OF MILPITAS
COMMUNITY ADVISORY COMMISSION
MILPITAS CITY HALL COMMITTEE MEETING ROOM

APPROVED MINUTES
March 2, 2011

- I. Call to Order and Roll Call** Chair Queenan called the meeting to order at 7:00 p.m. Present were Chair Queenan, Vice Chair Beard and Commissioners Madnawat, Mohsin, Choudhury, Lind, Nguyen, and Winter.
Alternate Commissions present were Manassau & Andres
Absent was Commissioner Fang

- II. Seating of Alternates** Alternates seated: Manassau

- III. Pledge of Allegiance** Chair Queenan led the Pledge of Allegiance.

- IV. Approval of Agenda** MOTION to approve the Agenda

M/S: Mohsin / Madnawat Ayes: 9

- V. Approval of Minutes** MOTION to approve the minutes as submitted.

M/S: Mohsin / Nguyen Ayes: 9

- VI. Announcements** Welcome new member Edna Andres

- VII. Public Forum** Chair Queenan invited members of the audience to address the Commission on any item not on the agenda.

Resident Bob Marini of 1635 Cortez St. requested that when the citizens are mailed the water rate increase letter that they include a ballot attachment in case someone wants to protest.

- VIII. Liaison Reports**
 - City Council** Councilmember Gomez addressed Mr. Marini’s concern and gave a report on the subject of the water rate increase from the City Council Meeting. Mr. Marini and Karen Kolander (Food Pantry Director) attempted to discuss the issue with Councilmember Gomez and Chair Queenan brought the meeting back to order by letting Mr. Marini and Ms. Kolander know that this discussion is out of order and the proper place to discuss it is at the next Council Meeting during open forum.

IX. New Business

A. **Review of Community Development Block Grant (CDBG) Program Applications for FY 2011-12.**

Ms. Anaya indicated that Commission will conduct the annual review of the Community Development Block Grant (CDBG) proposals for FY 2011-12. The City of Milpitas expects to receive \$638,938, (same as current FY) of CDBG funds for FY 2011-12 from The City received a total of twenty-one eligible applications, however, #6 application , Donate for Children has been withdrawn by the applicant agency. The CAC is reviewing 16 applications in public services and 4 in non-public services.. As provided by federal regulations, 20% or \$127,787 of the total grant will be used for General Program Administration.

Per federal regulations, a maximum of 15% of the grant or \$95,840 is available to fund Public Services. 65% of the grant or \$415,311 is available to fund Non-Public Services.

On November 16, 2010, the City Council adopted the two-year (2011-13) funding priorities as guidelines to assist the CAC in evaluating the grant applications. For the public service category, the following priorities were established, in order of preference:

1. Senior Services
2. Youth Teen Services
3. Homeless Sheltering / Services
4. Child Care
5. Battered Women Sheltering / Services

For the non-public service applications, the following priorities were approved:

1. Home Repair / Rehabilitation
2. Affordable Housing
3. Rental Apartment Rehabilitation

As recommended by the CAC, the City Council, on November 6, 2010, also reaffirmed the following established policies relating to the CDBG Program:

- 25% of all Public Service funds must be spent on City of Milpitas Programs. In this case, the RAP and MUSD, Milpitas Literacy program fall under this policy and the 25% or \$23,960 of the Public Services funds is being shared by these two programs.
- A minimum funding level of \$5,000 shall be allocated for all Public and Non-Public services; and.
- \$10,000 from CDBG Program Administration for fair Housing Services and the balance of \$15,000 from the Redevelopment Agency 20% Low-Income Housing Set-Aside Funds (total : \$25,000

Ms. Anaya stated that included in the commission's agenda packet is a schedule of presentations and revised funding staff recommendations. Copies are available for the audience. All applicants have been notified to tonight's public hearing and have been encouraged to attend.. The CAC recommendations for CDBG funding for FY 2011-12 will be forwarded to the City Council on April 19, 2011.

Ms. Anaya explained that the meeting would be conducted as follows: The Commission will open the Public Hearing; each applicant will three minutes to address the Commission the Commission will have two minutes for questions. Presenters are to state their name for the record and if they have handouts, please hand them to Lori for distribution. Presenters, Felix will signal when you have 30 seconds remaining; Commissioners, Felix will raise his hand when time is up. After hearing from the applicants and anyone else in the audience, the Commission will close the Public

Hearing. After the public hearing is closed, the Commissioners would be asked to allocate the available funds via a ballot process; and a recess is taken while each Commissioner’s data is entered into a spreadsheet for final discussion and recommendation. Ms. Anaya reminded the Commission that the minimum funding threshold is \$5,000. Ms. Anaya asked that ballot allocations be at \$5,000 or above. She also asked the Commission to please make sure that the total funding amounts do not exceed the available funding for each category.

At this point, Ms. Anaya requested that the recording secretary, Lori Casagrande, asked each Commissioner individually if they were currently receiving compensation from any of the applicant agencies. Commissioner Choudhury and Commissioner Lind stated that they were employed with the MUSD and staff asked them to abstain from voting on that application. Staff was informed by all other Commissioners that they were not receiving compensation from any of the applicant agencies. This concluded Ms. Anaya’s report and indicated she and Felix were available for any questions the Commission may have before opening the public hearing

Motion to Open the Public hearing:?

A representative from each of the applicant agencies present addressed the Commission with an outline of their agency’s functions and how allocated funds would be utilized.

MOTION to close the public hearing.

M/S: Mohsin / Madnawat Ayes: 9

MOTION to allocate Public Service CDBG funds as follows and forward to the City Council for funding:

Alum Rock Counseling Center	\$ 5,000
Calif. Alliance African American-Educators	0
Catholic Charities – Long Term Care Program	\$ 5,000
Catholic Charities – Shared Housing Program	\$ 5,000
City of Milpitas-Recreation Services Assistance Program	\$ 13,960
Emergency Housing Consortium	\$ 5,000
Filipino Youth Coalition	\$ 5,000
Health Trust	\$ 5,000
Live Oak Adult Day Services	\$ 5,000
Milpitas Food Pantry	\$ 21,671.11
Milpitas Unified School District –Literacy Program	\$ 10,000
Next Door Solutions	\$ 5,000
Project Sentinel	* See Below
Santa Clara Family Health Foundation	\$ 5,208.89
Senior Adults Legal Assistance	\$ 5,000
YWCA/ Support Network for Battered Women	<u>0</u>
Total Public Services	\$ 95,840.00

***\$10,000 coming from CDBG General Admin. plus \$15,000 from RDA 20% Housing Set Aside for a total of \$25,000.**

M/S: Mohsin / Beard Ayes: 9

MOTION to allocate Non-Public Service CDBG funds as follows and forward to City Council for funding:

Milpitas Housing Rehab Loan Program	\$ 155,311
Rebuilding Together	\$64,444.44
San Jose Conservation Corps	\$ 50,000
Terrace Gardens Senior Housing Inc	<u>\$ 145,555.56</u>
Total Non-Public Services	\$ 415,311.00

M/S: Mohsin / Madnawat

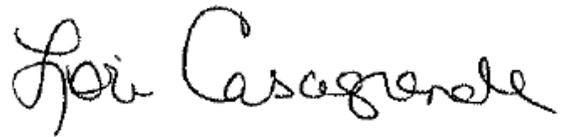
Ayes: 9

NOTE: Commissioner Lind requested Councilmember Gomez to please report to the Council that regarding California Alliance of African American Educators, she feels that African Americans are under represented in the City of Milpitas.

X. New Business: None

XI. Adjournment Chair Queenan adjourned the meeting at 10:12 p.m. to the April 6, 2011 meeting.

Respectfully submitted,



Lori Casagrande, Recording Secretary

CDBG FUNDING RECOMMENDATIONS FY 2011-12

B

	Applicant	Program Description	CAC Recommendation	Staff Recommendation w/ Potential Reduction*	10%
PUBLIC SERVICES					
1	Alum Rock Counseling Center	24/7 mobile crisis response and intervention counseling	\$ 5,000		\$ 5,000
2	Cal Alliance African Amer-Educators	Youth well being activities	\$ -		\$ -
3	Catholic Charities-Long Term	Long Term Ombudsman Prgm.	\$ 5,000		\$ 5,000
4	Catholic Charities- Shared Housing	Shared Housing/Single Parents	\$ 5,000		\$ 5,000
5	City of Milpitas Recreation Services	Recreation Assistance Program	\$ 13,960	\$ (3,960)	\$ 10,000
6	Emergency Housing Consortium	Emergency Housing for Homeless	\$ 5,000		\$ 5,000
7	Filipino Youth Coalition	Youth well being activities	\$ 5,000		\$ 5,000
8	Health Trust	Meals on Wheels Program	\$ 5,000		\$ 5,000
9	Live Oak Adult Day Services	Recreation, Companionship, & Meals for Disables Seniors	\$ 5,000		\$ 5,000
10	Milpitas Food Pantry	Provide emergency food to very low income people	\$ 21,671	\$ (5,415)	\$ 16,256
11	Milpitas USD, Milpitas Literacy Prog.	Family literacy program	\$ 10,000		\$ 10,000
13	Next Door Solutions	Solutions to Domestic Violence	\$ 5,000		\$ 5,000
14	Santa Clara Family Health Foundation	Healthy Kids Program Medical, Dental & Vision	\$ 5,209	\$ (208.89)	\$ 5,000
15	Senior Adults Legal Assistance (SALA)	Domestic Violence Services	\$ 5,000		\$ 5,000
16	YWCA/Support Network for Battered Women	Domestic Violence Services	\$ -		
Public Services Subtotal			\$ 95,840	\$ 9,584	\$ 86,256
NON-PUBLIC SERVICES (Improvements)					
1	Milpitas Hsng Rehab Loan Prog	Hsng Rehab Assist for Low & Very Low Income Homeowners	\$ 155,311	\$ (41,531)	\$ 113,780
2	Rebuilding Together	Safety, accessibility repairs - very low income homeowners	\$ 64,444		\$ 64,444
3	San Jose Conservation Corps	Weatherization/Energy Eff. Rehab	\$ 50,000		\$ 50,000
4	Terrace Gardens Sr Hsng Inc	Replace resident Kitchen cabinets/countertops	\$ 145,556		\$ 145,556
Non-Public Services Subtotal			\$ 415,311	\$ (41,531)	\$ 373,780

CDBG FUNDING RECOMMENDATIONS FY 2011-12

PROGRAM ADMINISTRATION					
1	Project Sentinel	Tenant/Landlord Dispute Resol. & Fair Housing Assist.	\$ 10,000		\$ 10,000
City of Milpitas CDBG Program Administration			\$ 127,787	\$ (12,778)	\$ 115,009
<i>Program Administration Subtotal</i>			<i>\$ 117,787</i>	<i>\$ (12,778)</i>	<i>\$ 105,009</i>
Total Funds Available for FY 11-12			\$ 638,938	\$ 63,893	\$ 575,045

* Reduction scenario maintains a minimum of \$5,000 in funding for each agency.

City of Milpitas

Draft Action Plan
FY 2011 – 2012



**COMMUNITY DEVELOPMENT BLOCK GRANT
(CDBG)**

Milpitas
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Block Grant (CDBG)
2011-2012

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Executive Summary-City of Milpitas Community Development Block Grant Program (2011-2012)

The City of Milpitas anticipates that it will be receiving approximately \$ **638,938** in Community Development Block Grant (CDBG) funds in fiscal year 2001-2012. A total of **\$95,840** will be Allocated to potentially **17 different public service providers**. These public services include a variety of programs such as: 1) domestic violence, 2) senior legal aid, 3) supplemental supplies of food, 4) homeless shelter and support services, 5) recreational assistance programs, 6) substance abuse, 7) youth and senior services, 8) long-term care ombudsman services for seniors in care facilities, 9) adult day care services, and 10) fair housing services.

With regards to non-public service activities, Milpitas will allocate a total of **\$415,311** to potentially **4 different non-public service providers**, these services will include: 1) funding to replace residents kitchen cabinets, countertops and fixtures for Terrace Gardens Senior Housing (material only), 2) Milpitas Single-Family Rehabilitation Loan Program, 3) safety and accessibility repairs for very low income seniors and homeowners and 4) funding for weatherization and energy efficient rehabilitation, and 5) acquisition and rehabilitation of single-family home for 5 extremely low-income seniors.

With the addition of **\$50,000** of expected Program Income from the Single-Family Rehabilitation Loan Program Milpitas will be spending approximately **\$683,938** on public, non-public services and program administration (**\$127,787**, including \$10,000 for Fair Housing Services).

The 30-day public review period on the Milpitas Action Plan will be March 18 to April 18, 2011. Milpitas Citizens Advisory Committee will hold its public hearing on the CDBG funding on March 2, 2011. The Milpitas City Council will hold its public hearing on the CDBG funding and Action Plan adoption on April 19, 2011.

Community Development Block Grant funds will be provided to all segments of Milpitas population including geographical areas with high minority concentration within the community.

Certification of Discharge Policy

The City of Milpitas will be working with the State of California Department of Corrections and County of Santa Clara Department of Corrections to establish a comprehensive policy and strategy for the housing and placement of offenders in the community. The Discharge Placement Policy seeks to provide direct help and assist for the placement of prisoners released from jails, hospitals, and other facilities in order to prevent homelessness.

City of Milpitas
Community Development Block Grant (CDBG) Annual Action Plan
(FISCAL YEAR 2011-2012)

Pursuant to the Department of Housing and Urban Development (HUD) funding requirements and in conformance with 24 CFR Part 91-Consolidated Submission for Community Planning and Development Programs, City of Milpitas has prepared and will be adopting its 2011-2012 Action Plan. The Action Plan is submitted annually and describes the eligible programs, projects and activities to be undertaken with funds that are expected to be made available during the Fiscal-Year 2011-2012 and their relationship to the City's priorities for housing, homelessness and community development needs.

In June 2007, City of Milpitas submitted its Five-Year Consolidated Plan (2007-2012) to HUD. The Milpitas Consolidated Plan has been reviewed and approved by HUD. The Consolidated Plan identifies the long-term goals and objectives achieved and consistent with the annual Action Plan Report. Included with the submission of the Action Plan is the Standard Form 424, Proposed Projects and Certifications as required the by Community Development Block Grant (CDBG) Program regulations. The goals and objectives identified in the Milpitas Action Plan are in full compliance with the approved and adopted policies and procedures outlined in the Milpitas CDBG Citizen Participation Plan.

Currently, Milpitas is in the process of preparing it Five-Year Consolidated Plan for 2012-2017. It is anticipated that the Consolidated Plan be submitted to HUD by June 30, 2012. Also, City of Milpitas General Plan Housing Element (2009-2014) was previously certified by State of California Department of Housing and Community Development (HCD) in September 2010.

Response and Comments on the Milpitas Draft Action Plan

Any comments on the City of Milpitas Draft Action Plan should be sent to the following address before April 19, 2011 (all mail must be postmark by this date):

Felix J. Reliford, Principal Housing Planner
City of Milpitas-Planning and Neighborhood Services
455 E. Calaveras Blvd.
Milpitas, CA 95035
E-mail address: freliford@ci.milpitas.ca.gov
(408) 586-3071

Part I: Resources

Milpitas will to continue to pursue and encourage local non-profit housing and support service agencies to pursue all available public and private funding to achieve the Consolidated Plan goals

It is expected that funding from a combination of federal, state, and local sources will be used to pursue the majority of the identified public services and housing strategies. Milpitas will also encourage non-profit entities to work with financial institutions and develop plans for leveraging private and public funds to the maximum extent possible considering the specific project involved. Funding resources will be coordinated and leveraged whenever possible to maximize their potential.

Before awarding funds for projects to be carried out by other entities, Milpitas will review the project-financing plan to ensure that all agencies are utilizing all available funding and are leveraging funds to the maximum extent possible. Milpitas will not adhere to any specific matching requirements for use of the City CDBG funds. Milpitas will continue to require organizations to make the maximum effort to match City's funds through other public and private sources on a minimum one to one ratio (whenever possible).

Where this matching standard is not achieved, the non-profit organization will be required to provide a detailed listing of the resources pursued and the reasons and rationale for the lack of matching funds. Milpitas CDBG funds will only be awarded for a project, if Milpitas determines the non-profit entity pursued all available resources for the project and due to the nature of the project, the matching standard could not be achieved.

The following sections identify some of the major resources to be pursued by Milpitas, local non-profits, County of Santa Clara and other eligible resources. Milpitas will continue to encourage local non-profit agencies to pursue all available funding resources, which may be applicable to their particular project. Milpitas will also continue to monitor these programs, projects and activities to promote its housing and community development goals and objectives through active policy development and use of available federal and non-federal funding sources.

Federal Programs

Community Development Block Grant (CDBG) Funds

The CDG Program will provide the largest funding source to provide a variety of support services and housing for low and moderate-income households in Milpitas. City of Milpitas receives its own grant through the CDBG program. It is estimated that Milpitas' 2011-2012 CDBG allocation will be \$638,938. Milpitas will also receive a substantial amount from the repayment of loans in the amount of approximately \$50,000 in Program Income from the Single Family Housing Rehabilitation Loan Program. The loans from the rehabilitation program serve as a revolving loan fund that will go back into the program. The total estimated CDBG funding for FY 2011-2012 would be approximately \$688,938.

HOME Program

Milpitas may be seeking other financial resources to assist in financing affordable housing projects. This process may include negotiating with housing developers and applying for matching

HOME Program funds. Because Milpitas' has never received a direct allocation of HOME funds from HUD, funding will be requested from the State of California under its competitive HOME Investment Program. Milpitas staff has attended several HOME Program seminars and workshops to become familiar with the regulations and requirements of the program. Milpitas in conjunction with USA Properties applied for a \$2 million Home Program loan to assist in the development of a 93-unit affordable rental housing project. The Milpitas Redevelopment Agency also provided a \$4.4. million loans to support the project. Unfortunately, based on the competitive nature of the HOME Program and Tax Credit Allocation the project was not selected for funding.

Section 8 Rental Assistance Program

This program provides rental assistance payments to private owners who lease their units to assist low-moderate income families. Milpitas will continue to support and encourage the Santa Clara County Housing Authority (SCCHA) efforts to obtain Section 8 vouchers for residents of Milpitas. Milpitas is negotiating with affordable housing developers to obtain their participation in accepting Section 8 vouchers in future affordable housing projects. Currently, a total of **613** Milpitas families have Section 8 vouchers. Another **1,866** families are on the Housing Authority waiting list. It should be noted that when the Housing Authority has opened up their Section 8 Voucher Waiting (again), Milpitas residents will be notified of this housing opportunity with notices on the City's Website and Cable TV.

Section 220 and 221 (Low Income Housing Preservation and Resident Homeownership Act of 1990 -LIHPRHA)

Milpitas has worked with the property owner, Santa Clara County Housing Authority and HUD to maintain long-term affordability for the 171 units at Sunnyhills Apartments. Under the current agreement the units will remain affordable. City of Milpitas will continue the monitor the status of this project to maintain affordable housing opportunities for its residents and to ensure long-term affordability.

Low Income Housing Tax Credit Program (LIHTC)

Milpitas will continue to explore financing affordable housing projects with Low Income Housing Tax Credits (LIHTC). Milpitas will work with local housing developers to seek additional funding to close any financing gap for affordable housing projects. Milpitas will also work with local housing developers on pursuing and obtaining 9% and 4 % LIHTC to finance future affordable housing projects. Milpitas will also continue to assist several of the affordable housing developers applying for low-income housing tax credit to financial assist their projects.

Milpitas has worked with and supported Mid-Peninsula Housing Coalition on obtaining \$20 million in tax credits to finance the 103-unit senior affordable housing project.

The City of Milpitas Redevelopment Agency also provided \$15.6 million to financially assist the project. Milpitas has also worked with and supported Global Premier Development on obtaining \$24 million in tax credits to finance the proposed 101-unit apartment 100% affordable rental housing project. The City of Milpitas has provided a \$2.3 million loan and payment of developer impact fees to support this project.

Milpitas will continue to work with and support housing developers that are seeking funding from the Low-Income Housing Tax Credit Programs

State Programs

Proposition No. 46

In November 2002, the voters of the State of California approved Proposition No. 46-a \$2.1 billion housing bond allocation for funding (grants, loans, etc.) for various types of affordable housing projects. Most of the State funding requires that each city or county has its General Plan Housing Element, approved and certified (in full compliance with state housing laws) with the State of California-Department of Housing and Community and Development (HCD). The City of Milpitas Housing Element was approved and certified by HCD in September 2010

The Transit Area Specific Plan is based on the Transit Oriented Development (TOD) planning concepts and designs that are consistent with the City of Milpitas proposed Transit Area Plan which will consist of permitting higher densities within ¼ miles of transit stations, encourage pedestrian-friendly walkable community and include approximately 5,500 new dwelling units and 280,000 square feet of commercial retail (**See Attached Map-Transit Area Plan**).

California Housing Finance Agency (CHFA)

Milpitas will continue to explore a series of affordable housing programs offered by the California Housing Finance Agency. This agency was created in 1975 to help meet the State's need to provide affordable housing to low and moderate-income persons and families. CHFA provides below-market interest rate mortgage capital through the sale of tax-exempt notes and bonds. This agency provides below market rate financing for single family and multi-family housing as well as multi-family rehabilitation loans. CHFA has also recently offered funding through their Help Program.

Milpitas has also has its Property Values Resale and Restriction Agreement and Option to Purchase affordable housing documents reviewed and approved in July 2005 by CHFA, which provide an opportunity to leverage Milpitas funds with additional financial resources from this state agency. To date, approximately 64 Milpitas first-time homebuyers have been assisted with the use of CHFA funding.

State Allocated Tax Credits- (Low-Income Housing Tax Credit)

Milpitas will continue to work with and assist developers in applying to the State for allocation of tax credits to finance low-income rental housing developments. The tax credits are syndicated to corporations in exchange for project equity.

HOME Program

In 2009, City of Milpitas in conjunction with USA Properties submitted a HOME Program funding application for \$2 million for financial assistance for Apton Plaza- 91 units of multi-family affordable housing for very low and low-income households. Milpitas also allocated \$3.75 million from the City's redevelopment agency 20% housing funds to support the project. Unfortunately, due to the extremely competitive nature of the HOME and Tax Credit funding programs, the project did not receive the HOME funds and will seek to compete at the next round of funding.

Mortgage Revenue Bonds

Milpitas can apply to the state for authority to issue tax-exempt mortgage revenue bonds for the purpose of funding affordable housing development. Milpitas has authorized tax-exempt mortgage revenue bonds to assist the developer at the proposed Milpitas DeVries Place Senior Housing Project which provided 102 extremely and very low-income housing units.

Mortgage Credit Certificates (MCC's)

Milpitas has participated with the County of Santa Clara in its application to the state for an allocation of Mortgage Credit Certificates, which provide a tax credit to subsidize the mortgage interest rate for qualified first-time homebuyers. However, the overall number of MCC's in Santa Clara County has been substantially reduced over the past several years.

Local Programs

Redevelopment Agency

The Milpitas Redevelopment Agency (RDA) has allocated approximately **\$53.7 million** the past several years to acquire, construct, and develop affordable housing within the City of Milpitas. To date, Milpitas' Redevelopment Agency has assisted in financing **1,458 affordable housing units**.

Previously Approved and Constructed Affordable Housing Units and Funding Allocation

• The Crossing Apartments at Montague	94 rental units	\$2 million
• Parc Metropolitan	28 for-sale units	\$1.5 million
• Parc Metropolitan	68 rental units	\$1 million
• Summerfield Homes	22 for-sale units	\$3 million
• Montevista Apartments	306 rentals units	\$3 million
• Terrace Garden	150 rental senior units	\$16 million
• DeVries Place (*)	103 rental senior units	\$15.6 million
• Parc North	58 for-sale units	\$3.7 million
• Edsel Court	4 existing rental units	\$200,000
• Town Center	16 for-sale units	\$1 million
• KB Homes	110 units (for-sale/rental*)	\$4.2 million
• Centria Development	93 units (for-sale)	\$1.2 million
• Paragon Development	29 for-sale units	\$1.2 million
• Aspen Apartments	101 rental units	\$2.4 million

The following residential projects have been approved by City of Milpitas and will include affordable housing units:

Approved Projects (Construction Started)

• Senior Housing Solutions (**)	10 rental units (seniors)	\$1.5 million
• Murphy Ranch	44 for-sale/88 rental units	N/A (***)
• South Main Senior Lifestyles (**)	63 senior units	\$12.4 million (**)
• Integral	199 rental units	\$5.8 million

Total: 1,590 Affordable Housing Units

(*) Including 103-unit rental Senior Apartment Complex to extremely low and very low-income financial assistance for this project and \$5 million from KB Homes and \$1 million from County of Santa Clara.

(**) Including loans/grants for property acquisition, rehabilitation and affordability.

(***) No financial assistance provided to project.

Down payment assistance to for long-term affordability

-Parc North	\$98,000/\$50,000 (very low and low-income)
-Town Center	\$50,000 (moderate-income and rehabilitation of 4 off-site units)
-KB Homes	\$50,000 (moderate-income)
-Centrica	\$35,000 and \$75,000 (low and very low-income)
-Paragon	\$133,000 (very low-income)

If all of the proposed projects stated above are developed over the next 2-3 years, City of Milpitas will have approximately **1,713 affordable housing units** under long-term restriction agreements.

Housing Rehabilitation Loan Program

This program funded from CDBG funds provides low interest rate loans and grants to very low and low-income property owners through the Milpitas Housing and Rehabilitation Loan Program. The Housing Rehabilitation Loan Program provides up to 90% of the home equity value/per household for home improvements and repairs. Annual program income (revolving loan funds) goes back into the program to assist future low and moderate-income property owners. City of Milpitas anticipates approximately \$50,000 in Program Income from the rehabilitation loan program.

Milpitas has expanded its Redevelopment Project Area which could include the opportunities for rental apartment rehabilitation.

Santa Clara County Housing Trust Fund

City of Milpitas has participated and financially supported the Santa Clara County Housing Trust Fund to raise \$20 million to construct a variety of affordable housing types for: 1) first-time homebuyers, 2) multi-family rental apartments and 3) housing and support services for the homeless population. Milpitas has allocated \$1.1 million towards the Housing Trust Fund. Funding includes the following:

- **First-Time Homebuyers Program**-creating 2, 089 new first-time homebuyers which includes 451 teachers, 227 engineers including 451 teachers, 227 engineers, 118 health care professionals and 623 public employees.
- **Developer Loan Program**-assisting and helped 1,643 families.
- **Homelessness Prevention Program**-assisted 4,110 families and individuals with housing needs.

Since its conception since 1999, the Housing Trust has raised approximately \$36 million and has leveraged this amount to over \$1.32 billion to create 7,842 housing opportunities for families and individuals within Santa Clara County (see Housing Trust of SCC-attachment).

To date, a total fifty (50) loans in the amount of \$338,600 were approved for Milpitas First-time Homebuyer residents with low-interest rates from the Housing Trust Fund of Santa Clara County. City of Milpitas has worked with the Santa Clara County Housing Trust Fund and Mid-Peninsula Housing Coalition (developer of the Milpitas Senior Housing Project) to obtain \$500,000 funding for the DeVries Place. Milpitas also provided \$150,000 to fund the acquisition of a 5-Bedroom Single-Family Home for 5 extremely low-income seniors in Milpitas. An additional \$150,000 was allocated by City of Milpitas in the fall of 2009.

Second Mortgage Program

Milpitas has adopted a Second Mortgage Program to assist first-time homebuyers with their down payments on several affordable housing projects including Apton Plaza, KB Homes, Town Center, Parc North, Centria, and Paragon. Approximately, **\$4.6 million** have been or will be allocated from the City of Milpitas Redevelopment Agency 20% Low and Moderate Housing Set-Aside Fund to assist first time homebuyers with the down payment. The City of Milpitas is also negotiating with several other developers to increase the general affordable housing stock citywide. Future housing projects will include for-sale units for all income levels and additional senior affordable housing projects.

Affordable Housing for MUSD Teachers

Milpitas has worked with Milpitas Unified School District (MUSD) to provide affordable housing units for qualified schoolteachers. A certain percentage of the affordable housing units in selected projects (rental and for-sale) will be allocated for Milpitas Unified School District teachers. The Centria and Paragon projects (very low and low-income units) will provide an opportunity for MUSD teacher to purchase affordable housing in Milpitas.

Recently, KB Homes has reduced their purchase price of their affordable condominium units from \$299,000 to \$226,500 (1-bedroom) and \$330,000 to \$246,500 (2-bedroom). The City of Milpitas Redevelopment Agency will also provide a \$50,000 low-interest rate loan for first-time homebuyers. The purchase price for these units appears to be affordable for Milpitas Unified School District teacher salaries. Milpitas has provided a presentation and applications to MUSD.

Payment of Development Fees for Affordable Housing Projects

Milpitas has continued to waive or subsidize a portion of development impact fees to support and encourage developers to provide affordable housing. To date, the Milpitas City Council has paid approximately **\$5.3 million** of development fees to increase the supply of affordable housing throughout the community. The Milpitas Redevelopment Agency has paid developers impact fees in support of affordable housing.

Milpitas Mobilehome Park Rent Control Ordinance

Milpitas has 527-mobilehome park units located in three separate parks throughout the city. Since 1992, Milpitas has adopted a Mobilehome Park Rent Control Ordinance, which maintains affordable rents for resident tenants. The Rent Control Ordinance serves as a means to provide affordable housing units.

In October 2007, Milpitas City Council reviewed and approved the South Main Street (45 spaces/units) Mobilehome Park Conversion Impact Report, which establishes the

guidelines for the closure of the South Main Street Mobilehome Park. Pursuant to State Law, after the approval of the conversion impact report, tenants of the mobilehome park are given 6 months to vacate the site. A relocation benefit package up to \$9,500 was offered to tenants of the park to assist in their relocation costs.

The City of Milpitas negotiated with the developer to allow families with children to stay beyond the 6 month time period to complete the school year. Also, the residents of the mobilehome park to have the first right of first refusal for the new apartment units that will be built on the site and the 100% affordable Aspen Apartments adjacent to the site.

Currently, this site has been approved 387 multi-family units (South Main Senior Lifestyles) in which 180 units will be available for senior housing providing continuum of services from independent to assisted living. A total of 63 of the 180 senior units will be affordable to lower income seniors. Milpitas Redevelopment Agency has provided financial assistance in regards the purchase of the property and the 63 affordable senior units.

Private Resources

Private Lending Institutions

Milpitas will continue to encourage private lending institutions to become involved in assisting in the development of low and moderate-income housing. The Community Reinvestment Act (CRA) encourages and assists the institutions they regulate to assist affordable housing projects. Milpitas has negotiated Disposition Development Agreement (DDA) and an Owner Participation Agreement (OPA) with developer to provide financial assistance and to insure long-term affordability of housing units.

The several affordable housing developers will be using private resources and other types of conventional lending to financially assist with their projects.

Geographic Distribution

All of the proposed activities for fiscal year 2011-2012 will be implemented Citywide and will not be targeted to any particular areas of the City. However, minority groups will benefit from CDBG resources from particular programs, services, and housing activities as needed. The specific geographic areas in which Milpitas will provide direct assistance with CDBG funds during the 2011-2012 fiscal year contains high concentrations of minority population including Asians, Hispanics and Blacks. Since the Milpitas Redevelopment Project Area has expanded, there will be a greater opportunity to assist minority groups and populations living within these areas.

The rationale for targeting these minority groups for allocating CDBG funds are based on financial, social, and economic needs of several working class neighborhoods.

These neighborhoods, such as Sunnyhills, Selwyn, Shirley and Dempsey Road, Temple and Calaveras Blvd., have high concentrations of minority populations. They have and will continue to benefit from the allocation of CDBG funds through the Housing Rehabilitation Loan Program, City of Milpitas Recreation Department Programs, Alum Rock Counseling Center, Filipino Youth Coalition, Adult Day Care Services, Health Trust, Milpitas Food Pantry, Milpitas Unified School District-Literacy Program, Next Door Solutions, and Project Sentinel.

Special need populations such as female-headed households, seniors, youth's at-risks, handicapped teens and homeless population are several groups that will receive funding.

According to 2009 Statistical Research Data Milpitas Minority Population consisted of the following:

<u>Ethnic Groups</u>	<u>Total Population</u>	<u>% of Total Population</u>
Black or African American	2,432	3.4%
Asian	42,215	59.0%
Hispanic or Latino (of any race)	8,676	12.1%
White-(Non Minority Population)	17,100	23.9%
American Indian/Alaska Native	352	0.5%
Native Hawaiian/Pacific Islander	777	1.1%
Total:	71, 552	100%

According to the State of California, Department of Finance (DOF), City of Milpitas population for 2010 was **71, 552**. This presents an **increase** from **70,812 (1%)** from 2009.

Leveraging Plan

For all CDBG programs and activities funded by the Milpitas will support applications by other entities for public and private sources of funding. In the case of matching requirements for a funding source, Milpitas will utilize its CDBG funding and other local funds as available and appropriate. To maximize leveraging of its own funds and increase the funds available for housing, Milpitas plans to continue the following activities:

- Support the purchase, rehabilitation and construction of affordable units by non-profit and for-profit housing developers and to provide financial assistance whenever possible.
- Provide support and encourage non-profit, community based housing developers and service providers to low and moderate-income person(s) and households.
- Promote private sector rehabilitation with the CDBG Housing Rehabilitation Program.
- Promote joint development with other governmental or quasi-governmental agencies to implement community development programs.

Milpitas has participated in joint projects such as the Countywide Fair Housing Report, Santa Clara County Housing Trust Fund and Emergency Housing Consortium Shelter, Homeless Runaway Youth Housing and Countywide Fair Housing Task Force projects. City of Milpitas has participated in the “Santa Clara County Fair Housing Month” held on February each year sponsored by the Santa Clara County Association of Realtors. Milpitas has also participated in the County of Santa Clara Office of Affordable Housing Homeless Survey that was conducted in January 2011. These are just a few examples of how the City of Milpitas has leveraged its funds to address housing needs and other supportive services.

Part II: Activities to be Undertaken

Milpitas has participated in the Community Development Block Grant Program for the past twenty-seven years, and is completing its thirteen-year as an entitlement city. Increased funding as an entitlement city has allowed Milpitas to expand or consider creating programs, which will further enhance the quality of life for its citizens.

It is anticipated that Milpitas will receive \$638,938 from HUD upon the acceptance of this Action Plan and the accompanying certificates for FY 2011-2012. Furthermore, it is anticipated that Milpitas will receive approximately \$50,000 program income from regular scheduled payments made on past housing rehabilitation loans. The total estimated CDBG funding for FY 2011-2012 would be approximately \$683,938.

Homeless and Other Special Needs Activities

For fiscal year 2011-2012 Milpitas has committed a portion of its Community Development Block Grant Program funds to non-profit agencies providing services to the homeless, those at-risk of being homeless and homeless households with children or other special needs. A narrative is provided below of the activities that are aimed at assisting the City’s homeless population.

To address emergency shelter and transitional housing needs of homeless individuals and homeless families, Milpitas will continue to:

- Continue to support the Emergency Housing Consortium, which will be constructing- Shelter for Homeless and Runaway Youths. The project consists of Phase II completion of the construction of the “Our House Youth Program” to serve as an emergency shelter, drop-in center and transitional housing for 400 homeless, runaway and throwaway youths in Santa Clara County. The City of Milpitas provided CDBG funding for Phase I of this project several years ago.
- Provide CDBG funds to the Emergency Housing Consortium (EHC) for providing temporary shelter to **900 nights of supportive shelter to 25 unduplicated homeless Milpitas residents.**

- Milpitas has also provided CDBG funding to EHC for the past 18 years, including the development of a 50-unit shelter (224 beds) for the homeless, former homeless and at risk low-income families.
- Support the operation of the local rotating shelter program operated by Emergency Housing Consortium, which provides shelter for homeless **25** Milpitas residents.
- Live Oak Adult Day Services, which provides adult day care for **12** frail, dependent at-risk senior residents in Milpitas day care facilities. Caregiver respite and support services includes, case management, counseling and referrals and socialization opportunities.
- Monitor the risk of the Sunnyhills Apartment Complex being converted to fair market rate units. Milpitas will also work with the property owners, local non-profits, Santa Clara County Housing Authority, and HUD to maintain the complex as affordable shared housing and thus prevents the displacement of the existing residents.
- Fund Project Sentinel, which operates a tenant/landlord mediation program, which helped resolve over **250** tenant/landlord disputes, prevents unnecessary evictions of tenants and handle **65** fair housing complaints and investigations. This program also provides tenants with information and referral services on tenant/landlord issues.

In order to help homeless persons, including those with special needs, to make the transition to permanent housing and independent living, the following activities will be carried out:

Milpitas will continue to fund the operation of a variety of support services. These services help individuals with basic necessities until they are able to provide for all of their needs on their own. Milpitas Food Pantry (which provides food to over **2,600 persons**), Milpitas Senior Nutrition Program and Alum Rock Counseling Center-Crisis Intervention Program. These services include providing free bags of food to low-income households, counseling, and information and referral assistance to help individuals find services most suited to their particular needs.

County of Santa Clara Homelessness Task Force

Milpitas is also participating in the **County of Santa Clara Task Force to End Homelessness in 10-Years**. The Homeless Task Force was established by Santa Clara County Board of Supervisors, which consists of elected officials, County Departments (Mental Health, Social Services, Alcohol and Drugs, Corrections, Sheriff, and Office of Affordable Housing-including County Homeless Coordinator), Homeless Advocates, Community and Business Leaders and Funders.

The goals of the Homeless Task Force will be to come up with a comprehensive strategy to address the homeless problem in Santa Clara County over the next 10 years. The consulting firm of Home Base (San Francisco) has been hired to assist the Task Force. Home Base has started to conduct initial surveys of the homeless population within the county. Homeless individuals were

employed to help with the count as well with the survey and people were paid \$5 for completing the survey.

The County has also started several initiatives including the launching of a County Homeless Management Information System, which allows for a single shared database of homeless services, as well as the allocation of more than \$10 million to 14 new affordable housing projects.

Milpitas has participated in the Countywide Homeless Survey conducted by the County Office of Affordable Housing in January 2009. The County is currently preparing for the next Homeless Census and Survey (January 2011). Recently, the County of Santa Clara Countywide Collaborative on Affordable Housing and Homeless Issues were awarded \$10 million to provide continuing on-going supportive services and permanent and transitional housing.

Activities to Assist Non-Homeless Persons with Special Needs

Senior Citizens

- Provide funding for Milpitas Senior Housing Project (Terrace Gardens) for replacement of resident kitchen cabinets, countertops and fixtures to increase the livability of the units. A total of **188** Milpitas senior residents reside in the senior housing project.
- Senior Adults Legal Assistance program provides free civil legal services to **38** senior citizens within Milpitas.
- Through the funding of Catholic Charities-Independent Living Senior Services Program, **68** seniors will be provided services specific to their needs in order to assist them to remain independent in their homes for as long as possible.
- Milpitas Senior Center provides limited transportation, nutrition program, and a variety of recreational activities for senior citizens. Averages of 92 meals are served per day.
- Providing funding for The Health Trust for nutritionally balanced home-delivered hot daily meals for **5** homebound Milpitas seniors.

Female Headed Households and Victims of Domestic Violence

- Next Door Solution-Provides shelter for up to 30 days for battered women and their children who are in immediate danger and have nowhere else to turn. A total of **100** Milpitas residents are anticipated to benefit from these services.

Youths

- Alum Rock Counseling Center-Provides 24 hour mobile crisis intervention counseling services for low-income minority at-risks youths and their families. A total of **22** Milpitas youths will benefit from these services.
- Milpitas Unified School District Literacy Program- Provides reading-readiness and book cuddling with toddlers and infants is modeled for parents. The goal of the program is to provide resources and training for **70-80** families to assure kindergarten readiness and school success. This is accomplished through weekly classes for parents and preschool aged children followed by exchanged of book bags containing four books. Two Family Library nights are held to introduce families to library services.
- Santa Clara Family Health Foundation-Provides comprehensive medical, dental, vision, mental health coverage for **10** low-income uninsured children.
- City of Milpitas Recreation Assistance Program (RAP) will provide subsidies to low income youths and seniors to participate in Milpitas recreational programs, services and activities. A total of **120** low-income youths and seniors will benefit from these services. The City of Milpitas previous Stay & Play After School and Camp Stay & Play Programs have been combined with RAP to better serve Milpitas residents.

Other Actions

The most significant obstacle to addressing the undeserved needs for fiscal year 2011-2012 is the lack of sufficient federal, state, and local funds to carry out all the necessary programs, activities and projects.

Remove Barriers to Affordable Housing

For fiscal year 2011-2012, Milpitas will continue to work with agencies involved in carrying out affordable housing projects. Milpitas will support and assist through neighborhood and tenant community meetings, flyers, cable TV, and City's website to inform the public about the proposed housing projects and support housing services.

Milpitas will continue to provide CDBG funds to Project Sentinel who provides information and dispute resolution services to Milpitas tenants, mobilehome owners and landlords. Milpitas will continue to monitor its long-term restriction agreements for affordable housing compliance.

Milpitas will continue to implement its Mobilehome Rent Control Ordinance (1992), which limits the increase in rents that can be charged to tenants. Approximately 70% of tenants in the mobilehome parks are senior citizens.

Milpitas will continue to review its permit-processing procedures to assist in expediting the review and approval of all affordable housing developments. Milpitas has addressed governmental

constraints to housing within its updated Housing Element. Milpitas has adopted its General Plan Housing Element, which establishes the five-year housing goals, policies and objectives, and the Midtown Specific Plan, which will assist in developing approximately 5,000 mixed types of housing units to meet the ABAG Regional Fair Share Allocation.

Appropriate densities (up to 60 dwelling units/per acre with ¼ mile of Transit Overlay Districts and 20 to 40 dwelling units per acre in other areas- minimum densities permitted) are including providing multi-family housing for large and extended family households. **The Transit Area Plan is anticipated to accommodate densities that would allow up to an additional 5,500 new dwelling units (excluding the proposed 3,000 units from the Midtown Specific Plan). The Milpitas Planning Commission and City Council have approved both plans.**

The Centria, Paragon, Senior Lifestyles, Aspen and South Main Street projects, approved under the Midtown Specific Plan, have 1,225 units, which will include 238 affordable units, which have been approved within the Transit Overlay District Area. Also, City staff meets with other developers regarding future high-density residential development projects within this area.

In September 2010, the Milpitas General Plan Housing Element was certified by the State of California, Department of Housing and Community Development (HCD) and found to be in compliance with the State Housing Laws. The Housing Element is a comprehensive long-term plan to address the housing needs of Milpitas. The document identifies and analyzes the existing, and projected housing needs of the City and states goals, policies, quantified objectives and implementation programs for the preservation, improvement and development of housing.

Milpitas continues to streamline its permit processing by expediting the approval process for affordable housing projects. Staff meets with housing developers at an early stage in the development review process to address any potential issues or problems associated with the proposed project. Problems are dealt with at the early stage in the project review to prevent unnecessary and costly delays.

Analysis of Impediments to Fair Housing Report (AI Report)

In July 2004, City of Milpitas updated its existing Analysis of Impediments to Fair Housing Report. Milpitas is currently addressing those issues of impediments to fair housing choices that have been identified in the report. The updated Analysis of Impediments to Fair Housing Report examines policies and practices limiting a resident's ability to choose their housing in an environment free from discrimination. The AI report identified a series of recommendations that the City has implemented to reduce discrimination in housing. These recommendations include:

1. **Demographics**-Continue to increase the distribution of fair housing pamphlets and brochures in multiple languages.
2. **Housing Stock**-Continue to carry out plans for high-density development in the Midtown and Transit Specific Plan Areas. Continue to the use of the density bonuses and monitoring the conditions of the City's housing stock.

3. **Land Use and Zoning**
 - a. Maintain awareness of HUD policy and update code if necessary for group homes.
 - b. Continue to monitor the State regulations for group's homes of 7 to 12 persons.
4. **Public Policies and Housing Affordability**-Continue to implement the affordable housing policies outlined in the Milpitas Midtown/Transit Specific Plan, HUD's 5 Year Consolidated Plan and the General Plan Housing Element, which encourages and supports affordable housing.
5. **Advertising**-Continue to regularly monitor the Milpitas Post and San Jose Mercury News for discriminatory real estate advertisements.
6. **Cases of Housing Discrimination**-Increase outreach efforts to all segments of the population and target the City's Asian community
7. **Awareness of Local Fair Housing Services**-Increase the amount of outreach made to housing legal and social services agencies, develop systematic plan to follow up with agencies upon completion of outreach programs, update the City's website to include information about Fair Housing Law, fair housing services and provides links to websites of agencies that investigate fair housing discrimination (i.e. Project Sentinel).

The City of Milpitas continues to take the following actions to address the recommendations in the AI Report:

1. **Demographics**-Milpitas will continue to embrace the cultural diversity of its residents. Milpitas Senior Center offers a variety of different recreational services to senior citizens, which include ethnic celebrations for various cultures, arts and crafts, and special lunches. Previously, Milpitas conducted a community meeting on the Senior Needs Assessment Study. The meeting was conducted in three different languages (Chinese, Vietnamese, and Filipino) at the Milpitas Senior Center for the benefit of the participants. Milpitas Recreation Division holds several ethnic celebrations and festivals throughout the year to embrace ethnic diversity in the community.

Milpitas offers Thai Chi Chih (reduce stress relaxation exercises), and Shiatsu Massage classes. Milpitas also translates many flyers, brochures, and other forms of outreach and advertising (including fair housing programs and services) in several languages. Milpitas funds a variety of agencies that provides services to different cultural groups such as Asian American Recovery Services, Filipino American Opportunities Development, and Indo American Community Service Center.

As stated above, Milpitas is an ethnically diverse community; with many of its residents foreign born, so English is not their native language. The City will continue to fund and encourage these types of programs and activities among different cultural groups. Milpitas will continue to work with Project Sentinel to increase the distribution of fair housing pamphlets and brochures in multiple languages.

2. **Housing Stock**-Milpitas has worked with housing developers to produce **1,713 affordable housing units with long-term affordability restrictions for very low, low and moderate-income households**. Incentives such as waiver or subsidy of development impact fees, density bonus ordinance, use of redevelopment agency funds for grants and loans have been used to encourage developers to construct affordable housing.
3. **Land Use and Zoning**-To date, Milpitas has changed the zoned of over 1,000 acres of land from commercial and industrial to residential and mixed use developments. Milpitas has expedited those applications proposing affordable housing developments during the review process. Milpitas has taken several land use and zoning actions to develop and encourage affordable housing including: 1) adoption of a density bonus ordinance to encourage multi-family developments. Milpitas will be amending its Zoning Ordinance to incorporate the new State Law as it pertains to the new density bonus regulations 2) expediting development applications for affordable housing projects, 3) providing CDBG grants to Service Providers for transitional and permanent housing for the homeless, 4) negotiated with private developers on providing affordable housing units in their private development projects, 5) waiving and/or subsidizing development fees to offset the cost to provide affordable housing units, 6) adoption of a Rent Control Ordinance to maintain affordability for 527 mobilehome units, 7) provide informational seminars on affordable housing and 8) allocating redevelopment funds to assist in providing affordable housing units
4. **Zoning Ordinance Amendments**-Milpitas will be amending its Zoning Ordinance in the spring/summer of 2011 to pursuant to the certified Housing Element Implementation Plan. The plan requires the approval of zoning amendments to allow homeless shelters, transitional and permanent supportive housing, farm-worker housing and single room occupancies (SRO's) by "right" instead of the conditional use permit process.
5. **Public Policies and Barriers to Affordability**- Milpitas General Plan Housing Element, Five-Year Consolidated Plan, Midtown Specific and Transit Area Plan include specific policies, goals and objectives to support and encourage the development of affordable housing to low and moderate-income households. The City of Milpitas provides the following housing opportunities as it relates to public policy and barriers to affordability:
 - **City of Milpitas Housing Rehabilitation Program**-Over the past nine years, this program has provided approximately **\$3.1 million** rehabilitation loans to very low and low-income homeowners.
 - **Emergency Housing Consortium**-CDBG funds provide shelter, housing opportunities and supportive services for homeless individuals, families and youths.
 - **Project Sentinel**-The program investigates housing discrimination and provides fair housing and tenant-landlords mediation services.
 - **Transit Overlay District**-This zoning ordinance overlay district was established to encourage and support high-density residential development within ¼ mile of transit stations (including an additional 5,500 new units).

- **Section 8 Program**-Milpitas supports, encourages and provides public information to residents that are looking to participate in the Housing Authority of Santa Clara County. Notices will be provided to Milpitas residents when the Section 8 Program Waiting Lists opened to the general public.
 - **Disabled Accessibility**-Milpitas provides developers with an accessibility checklist when constructing new housing units. Funds from Santa Clara County Fair Housing Retrofit Funds will also be used to leverage city funds for ADA compliance. Milpitas also provides funding for Rebuilding Together, which makes ADA home repairs and improvements.
 - **Housing Affordability**-Milpitas will continue to provide financial assistance to housing developments, which provide a certain percentage of their units to low and moderate-income households. Milpitas also provide down payment assistance with the Redevelopment Agency 20% Low-Income Housing Set-Aside Funds for first-time homebuyers
 - **Green Building Ordinance**-In summer of 2009, Milpitas adopted standards and procedures to assistance households (included lower-income households) on energy efficiency and making home costs more affordable.
 - **Housing Element Implementation Plan**-The follow-up to the certified Housing Element requires Zoning Ordinance amendments to permit homeless shelters, transitional and permanent, farmworker, and single room occupancy uses by “right”. Milpitas will be drafting these zoning text amendments in the spring/summer 2011.
6. **Advertising**- Milpitas will continue to monitor discrimination in local housing advertisement that may uses unfair models. Milpitas has worked with Project Sentinel to provide fair housing services which includes flyers, brochures (in different languages), educational materials to local newspapers, meeting with local landlords to explain tenant/landlord fair housing rights, etc. Milpitas will also continue to monitor other forms of discrimination relating to people with disabilities, familial status, and families with children and senior citizens.
7. **Cases of Housing Discrimination**-Between July 2005 to July 2008 Project Sentinel conducted 65 investigations that were filed on the basis of housing discrimination in the City of Milpitas. The majority of cases involved discrimination on the basis of handicap/disability and ethnicity. The high percentage of cases filed on the basis of disability could be the result of greater public awareness of housing discrimination. Since both the FHAA and ADA are relatively new legislation; the public is learning about the new policies and gaining knowledge of where to file a compliant.

The majority of these cases investigated were counseled, meaning that no significant evidence of housing discrimination was found. Even though 47% of the cases investigated displayed compliance with the Fair Housing Law, the investigation of these cases remain significant, because its shows awareness about fair housing law. There were also a considerable proportion of cases that were referred to either DFEH, an attorney, or obtained some other form of referral. A referral is usually made when concrete evidence of housing discrimination is uncovered during the investigation. Out of the 13 referrals made, 7 were cases of housing

discrimination on the basis of disability and the remaining cases were filed on the basis of ethnicity. Two case settlements were obtained in the monetary amount of \$14,500 with required fair housing training.

As Co-Chairperson of the County of Santa Clara Fair Housing Task Force, Milpitas Staff continues to work with Project Sentinel on the Santa Clara County Fair Housing Retrofit Funds available to other cities within the county. These funds were awarded to Project Sentinel during several fair housing legal settlement cases against a developer, which fail to include ADA compliance within their project. The funds will be allocated to cities (matching funds from the cities are being proposed to leverage funds) to provide retrofitting units to comply with ADA requirements.

- 8. Awareness of Local Fair Housing Services-**Flyers and brochures on fair housing services are presently available at City Hall. Monitoring of housing service providers includes discussions on their outreach effort and promoting fair housing. Milpitas will update its City's website to provide additional information about fair housing law and provide links to websites of agencies that investigates fair housing discrimination. **Milpitas has increased its funding for fair housing services from \$15,000 to \$25,000/per year. The additional funding of \$15,000/per year will come from the Milpitas Redevelopment Agency 20% Low-Income Housing Set-Aside Fund.**

The CDBG cities within Santa Clara County and the County have prepared a Countywide Fair Housing Report to address a variety of fair housing issues. The report will identify causes, impacts, alternative actions and recommendations. Also, the cities and County of Santa Clara has established a Countywide Fair Housing Task Force to address the recommendations in the report.

Milpitas has currently executed a contract agreement with Project Sentinel to prepare an update to its Analysis of Impediments to Fair Housing Report (AI Report) to reflect the most current impediments to fair housing choices, which potentially impact the residents of Milpitas. The revised AI Report should be completed by the spring of 2011.

Enhance Coordination between Public and Private Housing and Social Service Agencies

Milpitas will continue to encourage housing-related organizations to work together, collaborate and share their expertise with one another, especially those agencies that provide and manage housing, and social services.

Program Specific Requirements Funds Expected to be Available

<u>CDBG</u>	
2011-2012 Entitlement Grant	\$638,938
Program Income FY 2011-2012	<u>\$50,000</u>
Total:	\$688,938

*Estimated Program Income from the Single Family Housing Rehabilitation Program

Evaluate and Reduce Lead-Based Paint Hazards

The City of Milpitas will continue to enhance public sector efforts to inform private property-owners about the hazard of lead based paint. Risk assessment and hazard reduction can be more easily accomplished while performing other major repair work (i.e. rehabilitation repairs and improvements). The major obstacle to most mandated programs continues to be cost. Milpitas will continue to work with representatives from the city and county, housing organizations, public health agencies, children's advocacy groups, tenant and property owner's organizations and private physicians to address this matter. The continuing goals are to identify and inform property-owners of public and private resources available to reduce or abate lead based paint.

Because of the age of the Milpitas housing stock (approximately 60% of the units within Milpitas were built after 1970), Milpitas' housing stock is relatively new and contains very little lead base hazardous material. The City of Milpitas will continue to work with the County of Santa Clara Environmental Health Department, as additional funding becomes available, in the design and implementation of programs related to the detection, abatement, prevention and education of the incidence of lead based paint in the housing stock.

Presently, Milpitas along with several other CDBG cities in Santa Clara County are working with HUD to establish adequate capacity to comply with the Lead-Based Paint Rule (24 CFR Part 35). This task includes identifying trained, licensed, and certified personnel to conduct lead-based paint inspections, housing rehabilitation projects that will require inspections and funding sources.

Milpitas has started to negotiate with local contractors and establish a process to address lead based paint in housing units. Milpitas has allocated CDBG Housing Rehabilitation Administration to implement its Lead-Based Paint Program to conduct environmental testing for lead based paint prior to performing the required single-family rehabilitation home repairs and improvements. **Over the past several years, a total of 6 single-family homes were inspected for lead-based paint. Based on the initial inspections, no lead-based paint has been found in any Milpitas current homes that have been inspected.**

Milpitas has also received from the County of Santa Clara a copy of their "hot zones" map which overlays three different indicators: (1) housing built before 1950, (2) poverty and (3) children under the age of six (based on census tracts) to identify areas where the risk of lead poisoning is the highest. Nearly all of the reported cases of lead poisoning in the county came from the "hot zones".

Reduce the Number of Poverty Level Families

Milpitas will continue to support a variety of other support services used by low-income households to make ends meet. The main goal shall be to prevent very low-income persons, especially, those earning 30% or less of median income from becoming homeless. The long-term goal is to provide more affordable housing options and economic opportunities so this group is not

forced to pay most of their available income for housing with little left over for other needs (child care, transportation, food, health care, etc.) For fiscal year 2010-2011 Milpitas will continue to support agencies such as Second Harvest Food Bank, Milpitas Food Pantry, and Milpitas Nutritional Program (**\$85,638**) for senior citizens. An average of 92 senior meals is served daily at the Milpitas New Senior Center.

Rebuilding Together will provide housing service for **25** Milpitas residents to correct health and safety hazards enhance accessibility for disabled people and improve energy efficiency to make housing cost more affordable for seniors on fixed-incomes.

San Jose Conversation Corps-Provide rental apartment rehabilitation to **20** Milpitas residents to make units habitable, comfortable and energy efficient for low and moderate-income persons. Program will rehabilitate eight residential apartment units to improve the residential energy efficiency by using double-pane windows, weather stripping doors, windows electrical outlets, replace incandescent light bulbs with compact florescent light bulbs and install water aerators.

Milpitas also obtains Quarterly Statistical Data of Public Families from the County of Santa Clara to monitor and track the number of Milpitas residents that are involved with Cal WORKS, other social services and public assistance demographics to determine the greatest need for CDBG funds. Several key categories such as Cal Works and Medi-Cal caseloads have been slightly reduced from the past year for Milpitas residents. A total of 467 Cal WORKS cases (or 2.8%) of the total in Santa Clara County are Milpitas households.

Develop Institutional Structure

Milpitas will continue to work with and support non-profit organizations, which provide programs and services to low and moderate-income households. Milpitas will also continue to work with private industries, in particular financial and development groups, to encourage the development of affordable housing opportunities in Milpitas.

PART III: STRATEGIC PLAN-FY 2011-2012

Milpitas will continue to encourage local housing social service providers to pursue all available public and private funding to achieve the goals identified in the Consolidated Plan. It is anticipated that funding from a combination of federal, state and local resources will be used to pursue a majority of the identified strategies. Funding resources will be coordinated and leveraged whenever possible to maximize their potential. Milpitas plans to use available programs, services, and special initiative resources in a coordinated and integrated manner to achieve its affordable and supportive housing goals, as well as an expansion of support activities and programs related to assisting low-income families and individuals.

Summary

The following is a summary of Milpitas priorities and plans to be pursued over the next one year of the Consolidated Plan. It was derived from the overall analysis of needs, market and inventory

conditions as described in the Consolidated Plan. These plans take into consideration the following factors revealed in the analysis of Milpitas Housing Affordability, Availability and Adequacy:

- In 2007 and 2010, Milpitas Consolidated Plan and Housing Element has been approved and certified by HUD and State of California, Department of Housing and Community Development.
- Milpitas current Regional Fair-Share Housing Allocation (2007-2014) from ABAG is 2,487 units which consist of the following:

Milpitas Regional Housing Needs Allocation (RHNA) 2007-2014

	Very Low	Low	Moderate	Above Mod	Total
City of Milpitas	689	421	441	936	2,487
Percentage Distribution	27.7%	16.9%	17.7%	37.6%	100.0%

Source: Association of Bay Area Governments (ABAG)

To date, Milpitas has met approximately 40% of its very low, low and moderate-income housing needs. A total of 154% of its above moderate-income housing needs have been met. It is anticipated with the adoption of the Milpitas Midtown Specific Plan in 2002 (3,000 units) and the Transit Area Specific Plan approved in June 2008 (5,500 units), Milpitas will be able to meet its regional fair-share housing allocation.

- The Area Median Income in Santa Clara County was \$103,500 (2010)
- Milpitas average household size is 3.52 and average family size is 3.57, both continue to be the highest in Santa Clara County (CA-DOF 2010).
- City of Milpitas Percentage of Total Population in Poverty was 5.4% (603 Households-2008).
- City of Milpitas has approved and/or constructed 1,713 affordable below market rate housing units with long-term affordability restriction agreements. An additional 168 affordable housing units are proposed in future residential projects.
- In 1992, City of Milpitas adopted a Rent Control Ordinance for Mobilehome Parks in which governs 572 units. Seventy percent (70%) of Milpitas mobilehome park residents are senior citizens. With the closer of the South Main Street Mobilehome Park (45 spaces/units), 527 mobilehome park units will still be affordable.
- The December 2010 median price home in Milpitas was \$505,000 decreased (approx. 10%) from \$560,000 in December 2009.
- The Bay Area has experienced a 124% increase in the number of foreclosures for for-sale homes between 2008 and 2009.

- Milpitas greatest needs for affordable housing is Renters with income levels between 31%-50% of the area median income, Renters with large families (5 persons or more), Persons with Special Needs (disabled, homeless, seniors, female-headed households HIV/AIDS and drug and alcohol addictions).
- The number of renters and specifically senior citizen low-income households that pays more than 30% of their income for rent. A significant number of senior's pay more than 35% of their income for housing.
- Milpitas has rezoned approximately 1,000 acres of land through its Midtown Specific Plan Area to; accommodate approximately 5,000 units, to meet its regional fair share of housing (2,487 units).
- Milpitas has completed Transit Area Specific Plan that will accommodate approximately 5,500 new dwelling units, in which is anticipated that 20% of these units (1,100 units) will be affordable to low and moderate-income households.
- Milpitas has 19,153 occupied housing units (12,501-owner-occupied and 6,911 renter-occupied-2010 CA-DOF)
- Milpitas housing vacancy rate was 1.34% (258 units) as identified in the CA-DOF 2010)

Milpitas must direct its Federal, State and local resources to housing programs and activities that directly benefit very low and low-income households. In-fill development and accessory units will be encouraged. More attention will be directed to the needs of extremely low-income individuals and households. Milpitas will continue to explore innovative resources to aid in development of affordable housing and support services to benefit lower income households.

Priority Analysis and Strategy Development

This section reviews the fiscal year 2011-2012 Milpitas plans and priorities to be pursued over the next year and how they relate to the Consolidated Plan (July 1, 2007-June 30, 2012), in addressing the needs identified in the Housing and Homeless Needs Assessment. Milpitas Consolidated Plan has been sent to HUD in June 2002. Milpitas is currently preparing its Five-Year Consolidated Plan for 2012-2017. In September 2010, the Housing Element was certified by State of California, Department of HCD was found to be in full compliance with state housing laws.

The Consolidated Plan Priority Needs Summary rates the Milpitas priorities. Those activities not anticipated to be a priority would be provided no assistance. The rationale behind the general priorities established for allocating Federal, State and local resources within the City is based upon review of Milpitas needs which shows that extremely low income renters, senior citizens and other special needs groups have the most difficulty finding affordable housing, employment, and other support services.

The Consolidated Plan Priority Needs Summary shows the "high" priority will be given to providing assistance to very low and low-income households and to homeless individuals and families and other persons of special needs, as well as activities aimed at preventing homelessness.

A “Medium” Priority is given to assisting low-income households in a wide variety of housing and support services.

A “Low” Priority is given to those groups currently small in number or least in need of assistance. However, should additional funding become available, the City will implement programs and activities as appropriate.

Strategy 1: Continue to provide funding to non-profit agencies and organizations, which serve the very low and low-income Milpitas residents and the homeless

Milpitas will continue to provide funding to those non-profit agencies and organizations, which provide housing and other support services to very low and low-income households. Agencies and organizations such as Alum Rock Counseling Center, Catholic Charities, Emergency Housing Consortium, Milpitas Food Pantry, and Senior Adult Legal Services, which are funded through the City of Milpitas Community Development Block Grant Program, will be encouraged to provide services to low-income households in Milpitas, especially, those households with special needs for affordable housing and support services.

Previous funding includes funding for the Emergency Housing Consortium to construct a Shelter for Homeless and Runaway Youths. The project consist of relocation and renovation of a historic home for the program service area, 22 spaces for underground parking, 10 emergency beds, a full service day center, classrooms, 12 beds of transitional housing and 20 beds for permanent affordable housing. It is anticipated that this facility will serve 500 youths annually.

Strategy 2: Rehabilitation of substandard units will be encouraged and financial assistance will be provided whenever possible

The Milpitas Housing Rehabilitation Loan Program is funded by CDBG. The program will continue to assist low-income households. Rehabilitation will also include energy efficient methods for single and multi-family units

Milpitas is exploring apartment rehabilitation and has identified several multi-family projects, in need of improvements and repairs. Milpitas will explore other types of funding sources (i.e. Home, Section 108, etc.) to finance the apartment rehabilitation program. Milpitas’ Code Enforcement Section and Building Division will continue to abate substandard housing conditions in affected units. The Code Enforcement Section will continue to respond to citizen complaints regarding housing code problems and Project Sentinel will continue to provide mediation and negotiate tenant and landlord disagreements.

Strategy 3: Conservation of Existing Affordable Housing Stock

Milpitas will continue to encourage the conservation of the rental housing stock because rental units are the most affordable housing for lower income households. Milpitas will assist local

non-profits with regulatory and technical issues as well as to help identify potential funding resources.

The Santa Clara County Housing Authority (SCCHA) administers the Section 8 Program. Milpitas will continue to work with the Housing Authority to maintain the existing Section 8 subsidy levels and to encourage additional subsidies for Milpitas residents whenever possible. As previously mentioned, Milpitas is exploring the development of an apartment rehabilitation program.

A total of 613 Milpitas residents have vouchers and are living in Section 8 units. Another 1,866 residents are on the waiting lists.

Milpitas will maintain its existing Mobilehome Rent Control Ordinance to ensure the continued affordability to the 527-mobilehome units. Approximately 70% of the tenants at the mobilehome parks are low-income senior citizens. Milpitas will also assist, as feasible, a local non-profit or tenant organization in the buyout or conversion to tenant ownership if such a proposal is presented. Milpitas Neighborhood Beautification Ordinance (NBO) has also established program guidelines and award programs for maintaining and improving the general housing stock in individual neighborhoods.

Strategy 4: Participation by the Private Sector in Development of Affordable Housing

Through alternative financing programs in the public and private sectors, whenever possible, Milpitas will encourage developers (non-profit and for-profit) to leverage their funding to the furthest extent possible. Several non-profit and for-profit developers have expressed interest in working with the City to develop a Senior Housing Project. Milpitas has provided \$1.1 million in funding for the Santa Clara County Housing Trust Fund to raise \$30+ million (with the goal to leverage this funding to \$1.3 billion) to assist 5,000 families in affordable housing. This allocation would provide approximately 3,000 affordable rental apartments, support 800 first-time homebuyers with down payment assistance, and serve more than 1,000 homeless individuals and families through housing and support services. A large portion of the funding has been provided from several major high-tech corporations in Silicon Valley such as Intel, Applied Materials, and Cisco Systems.

To date, fifty two (52) Milpitas First-time Homebuyers residents have received very low interest rate loans to purchase a home within Milpitas through the Housing Trust Fund. Milpitas has also provided financial assistance and other incentives (density bonus ordinance, waiver of development fees, etc.) to private developers to encourage the construction of affordable housing projects.

Milpitas has worked with and will continue to work with developers on their approved and proposed residential development projects. As required by the City's affordable housing policy, it is anticipated that 20% of all the residential units in the projects will be designated as affordable housing for very low, low and moderate-income households. It is estimated that the private sector will invest over \$285 million into the development projects in Milpitas over the next 5 years.

Housing Bond Advisory Committee

Milpitas participates in the County of Santa Clara Housing Bond Advisory Committee which established a permanent funding pool for affordable housing projects within Santa Clara County.

County of Santa Clara-Office of Affordable Housing

County of Santa Clara has established an Office of Affordable Housing. This agency will be working with the local jurisdictions to address the affordable housing needs countywide. The City of Milpitas will be an active participant in the Office of Affordable Housing.

Strategy 5: Provision of Equal Housing Opportunities

Milpitas will continue to provide financial support to programs that provide fair housing and counseling services to Milpitas residents including “Project Sentinel” and other similar programs. Milpitas has prepared and continues to implement its Analysis to Impediments to Fair Housing Report, which identifies potential barriers to obtaining fair housing. The Cities within Santa Clara County and the County have prepared a countywide Supportive Housing Initiative Report to assist in addressing several issues including constraints to affordable housing and removing housing barriers. **Milpitas has increased its funding for Project Sentinel Fair Housing Services from \$15,000 to \$25,000.**

Milpitas will continue to work with Project Sentinel to address fair-housing issues and participate in tenant-landlord resolutions with regards to housing discrimination.

Strategy 6: Other Processes and Procedures to be reviewed to Prohibit or Negatively Impact Affordable Housing Opportunities

In-Fill Development

Milpitas will continue to review in-fill development sites to determine their appropriateness for multi-family developments. However, the amount of land available for in-fill development has been reduced over the number of years to accommodate various types of development, including affordable housing projects. The Midtown Specific Plan has assisted on developing in-fill development parcels of land that can accommodate future housing developments. Milpitas applied for the Infill Infrastructure Grant from State Department of Housing and Community Development and is waiting to here the results of the application review.

Provision of Sufficient Land Zoned for Multi-Family Units

Over the past several years, Milpitas has identified approximately 1,000 acres of land that has been rezoned for housing sites. Milpitas is presently updating and revising its General Plan Housing

Element as required by State of California Housing Element Law. The Housing Element will identify appropriate housing sites to provide general plan amendments and underline zoning changes to increase the density on parcels of land to accommodate future high-density multi-family developments. In February 2010, State of California, Department of Housing and Community Development found the Milpitas General Plan Housing Element in compliance with state housing laws. **Also, Milpitas Midtown Specific Plan proposes land use alternatives to 1,000 acres of land, which would accommodate a variety of housing types in the range from approximately 3,000 housing units. The Transit Area Specific Plan would permit densities for an additional 5,500 units.**

Density Bonus Ordinance

Milpitas will continue to implement the Density Bonus Ordinance, which allows a developer to obtain concessions and incentives (financial and reduction of development standards) for developing very low, low income, and senior citizens housing projects. The units must remain affordable for at least thirty 30 years pursuant to deed restrictions. Milpitas has granted financial concessions in the form of reduction in park, building and plan checking fees. Milpitas has also granted reductions in development standards (required parking, setbacks, park dedication, etc.) to accommodate affordable housing developments.

Milpitas has amended its Zoning Ordinance to incorporate the new State Density Bonus provisions with allow housing developers flexibility in providing affordable housing units.

Milpitas Affordable Housing Policy

Milpitas affordable housing policies require that each residential developer provide 20% affordable housing (very low, low and moderate-income) in their projects. The level of affordability is negotiated on a project-by-project basis. City Staff requires the level of affordability by reviewing the Association of Bay Area Governments-Regional Housing Determination Needs (2007-2014) and requires each developer to provide it fair-share of affordable units in the project.

Based on the level of financial assistance (and city housing needs) provided to the developer (including grants, loans, grants and loans combination, payment of developer impact fees, first-time homebuyer down payment assistance, etc.), City Staff determines the appropriate level of affordable housing required in each project. **This process has been extremely successfully, Milpitas has increased it affordable housing stock from 150 units of affordable housing in 1993 to the current 1,590 affordable units.**

Payment of Development Fees

The Milpitas City Council will continue to consider requests to waive or subsidize City developer fees to assist in reducing the cost to developers that develop affordable housing units. These fees include building and fire permits, plan checking, parkland dedication, water and sewer,

school impact and traffic mitigation fees controlled by the City, and cost of entitlement applications. The waiver of developer impact fee are tied the number of affordable housing units within each individual projects. Milpitas has subsidized approximately **\$5.3 million in developer impact fees to financial assistance affordable housing projects.**

Homeless Facility Sites

The City will continue review its current Zoning Ordinance to consider the provisions of emergency housing facilities and transitional housing facilities in specific zoning categories (i.e. residential, commercial, and industrial). Pursuant to the certified Housing Element, Milpitas will be preparing Zoning Ordinance Amendments to permit homeless shelters, transitional, permanent, and farmworker housing , along with single room occupancy (sro's) unit by "right".

Procedural Reforms

Milpitas will continue to review its development procedures and recommend appropriate changes to facilitate the construction of affordable housing units. All internal governmental constraints to expedite approval of affordable housing projects will be reviewed and addressed in a timely manner. Milpitas is currently implementing **"Road Map to Service Improvements"**, to review and enhance customer service.

Modification to Development Standards

Milpitas will continue to review its development standards and recommend modifications to development standards, which pose an unnecessary impediment to the construction of affordable housing units. Development standards (i.e. parking, setbacks, height, private and public open space, etc.) have been reduced on several affordable housing projects to limit the unnecessary burden or financial costs to support the project.

Institutional Structure

Milpitas will continue to implement financing affordable housing and supportive housing strategies through the Building, Planning, and Neighborhood Services Divisions. The development process has been reviewed to become streamlined to expedite and promote "fast-tracking" of affordable housing projects.

Milpitas will continue to work with other cities and the County of Santa Clara to address the issues of homelessness and other regional issues. Several collaborative efforts involved all of the cities and the County of Santa Clara such as the Second Harvest Food Bank and Catholic Charities. Milpitas has participated (data and funding) in the Countywide Homeless Survey. The majority of housing strategies will be accomplished by supporting non-profit organizations providing Programs and services to low and very low-income households. Milpitas will also work with

private for-profit industry, in particular financial and development groups, to encourage the development and affordable housing opportunities in the City.

Overcoming Gaps

There are a number of gaps in program and service delivery. There is a need to improve coordination of services on a Citywide and Countywide basis and increase funding available to provide adequate services. The CDBG entitlement cities and County of Santa Clara staff continue

Meeting to discuss data, resources and other ways to coordinate requests for information to both the public and private countywide agencies. These meetings have been beneficial to help better understand the County and the non-profit social service structure. HUD also continues to meet with this group of cities and the County to clarify issues and assist in our planning process and efforts.

Monitoring of CDBG Subrecipients

Milpitas continues to monitor the activities and programs of its Subrecipients that receive CDBG funding. Monitoring visits are scheduled in advance by staff to meet and address the following issues:

- Meet and discuss with Subrecipients their annual goals and objectives.
- Review their financial reports and supplemental documentation to insure that the CDBG funds are being used and allocate appropriately.
- Conduct CDBG Workshops to assist new CDBG Subrecipients on the program regulations, requirements, and other technical assistance.
- Identify areas of improvement to increase the level of communications between the City and its Subrecipients.
- Assist Subrecipients on obtaining additional funds and new resources to carryout programs and services.

It is anticipated that these actions stated above would be useful to further the overall goals and objectives identified throughout the Milpitas 2010-2011 Action Plan and the Five-Year Consolidated Plan.

Performance Measurements

The City of Milpitas 2011-2012 Action Plan has incorporated performance measurements associated with the programs and activities that are funded during the next fiscal year. The performance measurements is a program management tool to establish the organizational process for gathering information to determine the status and level of programs and activities being funded in order to meet there established goals and objectives.

The Performance Measurements objectives are identified in three (3) categories:

- Creating Suitable Living Environments
- Providing Decent Affordable Housing
- Creating Economic Opportunities

Based on the selected performance measurement objectives stated above, the appropriate outcomes are identified below to best reflect the desired outcomes achieved through the funded Of CDBG the programs and activities in the Action Plan:

- Availability/Accessibility
- Affordability
- Sustainability

The Outcomes and Objectives Codes are identified in Table 3A (Summary of Specific Annual Outcomes) and the Description of Projects attached to the Action Plan:

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environ.	SL-1	SL-2	SL-3
Economic Opportunity	E0-1	E0-2	E0-3

In conclusion, the performance measurements used to determine the outcomes of programs and activities funded through the Action Plan will allow the residents of Milpitas, decision-makers, HUD and other interested parties obtain a better understanding on the program results that directly and indirectly impact and benefit the residents within the community.

Citizens Participation Process

On April 19, 2011, City of Milpitas will hold a public hearing on the adoption of the Milpitas 2011- 2012 Action Plan to obtain public comments prior to the final adoption and submittal to HUD.

Public notices of the meeting were placed in the Milpitas Post for the required 30-day review period (March 18 to April 18, 2011) prior to the hearing date letters were sent out to over **19** Public Service and Housing Providers to comment on the Draft Action Plan. Attached is a list of Public Service and Housing Providers that received letters.

Since the Performance Measurements identified above does not warrant substantial or significant change to the Action Plan as outlined in the City of Milpitas Community Development Block Grant Citizen Participation Process, the information has been submitted and incorporated into the document and does not constitute an amendment to the Action Plan. The performance measurements are identified as new Federal Government/HUD reporting requirements as part of the compliance with the CDBG Program regulations.

The goals and objectives identified in the Draft and Final Action Plan are in full compliance with the local policies and procedures adopted in the Milpitas Citizen Participation Plan. The following dates and schedule allow maximum citizen participation in the review of the Milpitas 2010-2011 Action Plan:

January 3, 2011 and February 3, 2011

Advertise Request for Community Development Block Grant proposals in the Milpitas Post Newspapers. Notices were also included in the City's Cable TV and Web Site. Public notices were available during the entire 30-day application acceptance period (January 3-February 3, 2011).

January 3, to February 3, 2011

CDBG application period opened for 30 days to receive applications.

February 18, 2011

Advertised for Community Advisory Committee (CAC) meeting to review CDBG application proposals (Meeting Date: March 2, 2011).

March 18, 2011 to April 18, 2011

Advertised for 30 days to provide the general public the opportunity to review and comment on the Draft Action Plan. Also, copies of the plan were sent to Service and Housing Providers and other interested parties. Copies were available in the Milpitas Public Library, City Hall Information Desk and Community Development public counter at City Hall.

April 1, 2011

Advertised for City Council review of CDBG Funding Proposals and adoption of Draft Action Plan (City Council Meeting: April 19, 2011).

April 19, 2011

Milpitas City Council held a public hearing to obtain input and comments on the Draft Action Plan and Adopts Final Action Plan (and CDBG Funding for FY 2011-2012).

May 13, 2011

Submit Final Action Plan to HUD.

August 19, 2009 to September 5, 2011

Public review and comments Period Starts for Consolidated Annual Performance and Evaluation Report (CAPER) for FY 2010-2011.

September 6, 2011

Milpitas City Council holds public hearing to obtain input and comments on the Draft CAPER Report.

September 30, 2011

Submit Consolidated Annual Performance and Evaluation Report (CAPER) to HUD.

Attachments: City of Milpitas Planned Activities
Performance Measurements (Table 3A Summary of Specific Annual Objectives
and Description of Project
Certifications
Application for Federal Assistance
Funding Matrix
Public Notice of Accepting CDBG Applications
Public Notice on Action Plan (30-Day Public Review Period)
Letter to Service Providers
Distribution Lists of Service Providers
Public Notice on Adoption of Action Plan and CDBG Funding
Transit Area Specific Plan