



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Erik L. Soliván

SUBJECT: See Below

DATE: August 31, 2026

Approved

Date:

9/4/26

COUNCIL DISTRICT: Citywide

SUBJECT: Fiscal Year 2025-2026 Consolidated Annual Performance and
Evaluation Report

RECOMMENDATION

- (a) Hold a public hearing to allow for public comment on the Fiscal Year 2025-2026 Consolidated Annual Performance and Evaluation Report.
- (b) Accept the report on the progress towards achieving the housing and community development goals identified in the City of San José's Fiscal Year 2025-2030 Five-Year Consolidated Plan and the Fiscal Year 2025-2026 Annual Action Plan regarding the use of federal funds from the United States Department of Housing and Urban Development for submittal to the United States Department of Housing and Urban Development by the September 28, 2026, deadline.

SUMMARY AND OUTCOME

This memorandum summarizes the accomplishments outlined in the Fiscal Year (FY) 2025-2026 Consolidated Annual Performance and Evaluation Report (CAPER), describing the progress toward achieving the housing and community development goals identified in the City's FY 2025-2030 Five-Year Consolidated Plan and the FY 2025-2026 Annual Action Plan.¹

¹ The Consolidated Plan documents the City's housing needs and its strategies for meeting those needs during a five-year period. For FY 2025-2026, the City was in its first year of the current Consolidated Plan cycle. The Annual Action Plan governs the expenditure of federal entitlement funds and competitive grants that the City receives from the United States Department of Housing and Urban Development.

The City leveraged its FY 2025-2026 federal funding allocations with other funding sources to provide vital resources for activities identified as the areas of greatest need in the FY 2025-2030 Five-Year Consolidated Plan. These needs focus on three overarching goals that inform the spending priorities in the FY 2025-2030 Five-Year Consolidated Plan. The goals are outlined below:

Spending Priority #1 – Reduce Unsheltered Homelessness: Expand housing access and self-sufficiency resources for individuals and families experiencing or at risk of homelessness.

Spending Priority #2 – Increase Housing Affordability: Develop new affordable housing opportunities and preserve existing housing.

Spending Priority #3 – Strengthen Communities: Enhance community well-being and improve residents' quality of life.

The City expended \$12,310,841 in federal funds for annual activities during FY 2025-2026.

BACKGROUND

CAPER Compliance

Approval of the FY 2025-2026 CAPER ensures compliance with the U.S. Department of Housing and Urban Development (HUD) reporting requirements and enables the City to continue qualifying for critically needed federal funds that support various housing and community development programs and services.

The accomplishments in the FY 2025-2026 CAPER reflect the outcomes specified in grant agreements with contracted service providers and the results of community development projects, including nonprofit facility improvements and capital projects undertaken by City departments. This memorandum summarizes accomplishments funded by federal funds. Activities funded by local or state funds are not included. As such, accomplishments in this memorandum reflect only a portion of the Housing Department's annual achievements.

HUD Formula Allocation for Federal Funding

All entitlement jurisdictions, such as the City, receive federal funding from HUD annually through a formula allocation. The federal funds, administered by the City's Housing Department, support several City initiatives and help the Housing Department advance its mission to strengthen and revitalize San José's communities through housing and neighborhood investments.

Required Documents

To qualify for these federal funds, HUD requires the City to complete the three documents identified below:

- 1) A ***Consolidated Plan*** that documents the City's housing needs and its strategies for meeting those needs during a five-year period.²
- 2) An ***Annual Action Plan*** that details the investment strategy in each of the five years within a consolidated plan cycle to meet identified priorities and objectives.³
- 3) A ***Consolidated Annual Performance and Evaluation Report*** that summarizes the City's progress in meeting the objectives of each respective annual action plan.

ANALYSIS

FY 2025-2026 Federal Entitlement Fund Allocation and Expenditures

During FY 2025-2026, the City received a total allocation of \$13,677,826 and expended a total of \$12,310,841 in federal funding from the following sources:

- Community Development Block Grant (CDBG);
- HOME Investment Partnerships Program (HOME);
- Emergency Solutions Grants (ESG); and
- Housing Opportunities for Persons with AIDS Program (HOPWA).

Table 1 below details how these federal funds were utilized during FY 2025-2026 in alignment with the City's three spending priorities outlined in the FY 2025-2026 Annual Action Plan.

² For FY 2025-2026, the City was in the first year of its FY 2025-2030 Five-Year Consolidated Plan cycle.

³ The Annual Action Plan for FY 2025-2026 was approved by the City Council on June 3, 2025. | Web Link: <https://www.sanjoseca.gov/home/showpublisheddocument/130458/639118698374970000>

Table 1: FY 2025-2026 Federal Expenditures by Spending Priority

Spending Priorities	CDBG	HOME	ESG	HOPWA	Total
Reduce Homelessness	\$330,000	--	\$469,891	--	\$799,891
Increase Housing Affordability	--	--	--	\$1,772,673	\$1,772,673
Strengthen Communities	\$7,844,771	\$280,521	--	--	\$8,125,292
Administration	\$1,413,910	\$93,079	\$51,964	\$54,032	\$1,612,985
<u>TOTAL EXPENDITURES*</u>	\$9,588,681	\$260,521	\$521,855	\$1,826,705	\$12,310,841

**The total expenditure amounts may differ from the amounts reflected in the City's approved budget due to timing differences in program expenditures reflected in HUD's Integrated Disbursement and Information System. The City's submission of the CAPER to HUD on September 28, 2026 will reflect the most updated records of program expenditures.*

Annual Progress on Spending Priority Outputs

The following summaries highlight outputs of the programs and services⁴ that support each of the three spending priorities.

Spending Priority #1 – Reduce Unsheltered Homelessness

The federally funded programs highlighted in Spending Priority #1 provide critical infrastructure within the City's overall homelessness response system, allowing the City to meet the immediate needs of unsheltered residents while also laying the foundation to invest in longer-range solutions.

However, these federally funded programs represent only a portion of the City's broader efforts to reduce homelessness. The City's various initiatives also include several state and locally funded programs and services, including proactive outreach to encampments, a robust interim shelter portfolio providing non-congregate units and supportive services to individuals and families experiencing homelessness, and safe parking programs for households residing in recreational vehicles.

Table 2 represents a data sample of the federally funded programs that responded to homelessness in FY 2025-2026 and highlights program outputs.

⁴ Several programs and services were supported through a combination of federal and non-federal funding. Where applicable, these programs and their leveraged funding sources are noted within their respective tables.

Table 2: Reduce Unsheltered Homelessness Expenditures Sample

Program	Agency	Total Contract Amount⁵	Projected Number Served	Output
Citywide Outreach for Unsheltered Populations	HomeFirst Services of Santa Clara County	\$330,000 CDBG \$415,712 ESG	720 individuals	666 individuals received individualized support through street outreach interactions.
Homeless Management Information System	County of Santa Clara	\$205,000 ESG	240 users	Homeless Management Information System access and technical assistance for 400 users across the City and County to maintain standardized data collection, coordination, and analysis in a centralized database system.

Citywide Outreach for Unsheltered Populations – HomeFirst Services of Santa Clara County

The Citywide Outreach for Unsheltered Populations program aims to respond to individuals experiencing homelessness by offering street-based case management and connecting them to basic needs services, including providing referrals to shelter and housing. Funded by CDBG and ESG, these efforts provide critical assistance to those in need and strengthen the capacity of service providers in San José. This year, 403 Vulnerability Index – Service Prioritization Decision Assistance Tool assessments were completed, entering individuals into the County’s Coordinated Entry System and providing a gateway for them to access local, state, and federally funded resources throughout the County, including congregate and non-congregate shelter, rapid rehousing, and permanent supportive housing. A total of 3,249 light-touch outreaches, such as providing hygiene kits or resource information, were completed, surpassing the project goal of 2,900. A total of 801 case management sessions were conducted across the 666 individuals who were engaged by this program, reflecting the Citywide Outreach program’s flexibility to meet participants where they are at and offer a wide spectrum of supports, from light-touch rapport building to continuous case management. Through

⁵ Total Contract Amounts presented in Tables 2 through 5 represent the Not to Exceed Award Amount for each of the associated grant agreements between the CITY and the GRANTEE. These values do not represent the total amount expended – expenditures frequently come in under the Contract Amount.

this street outreach program, 90 individuals transitioned from an unsheltered environment to one of the City's 22 interim housing sites, and 12 individuals exited directly into permanent housing.

Homeless Management Information System – County of Santa Clara

The Homeless Management Information System is a centralized database used by countywide homelessness service providers, local governments, and housing agencies to streamline coordinated services for individuals and families at risk of or experiencing homelessness. Through the City's ESG funding, the County provided the City with quarterly outcome and demographic reports, comprehensive training to City and non-profit users, and produced regular reports on county-wide system performance of the Continuum of Care. This strengthened coordination and data-sharing allows the City and its partners to respond more efficiently and strategically to residents' needs, ultimately helping prevent homelessness and reduce the number of people living unsheltered.

Spending Priority #2 – Increase Housing Affordability

The federally funded programs highlighted in Spending Priority #2 support the creation and preservation of affordable housing opportunities for low-income residents throughout the City. HOPWA funds were used to provide tenant-based rental assistance and supportive services to individuals living with HIV/AIDS. Table 3 represents a data sample of the number of households that received services in FY 2025-2026 as a result of the FY 2025-2026 federal funding allocation.⁶

Table 3: Increase Housing Affordability Expenditures Sample

Program	Agency	Total Contract Amount	Projected Number Served	Output
Rental Assistance and Supportive Services for Individuals Living with HIV/AIDS in Santa Clara County	Bay Area Community Health	\$1,665,691 HOPWA	98 households	95 households with HIV/AIDS remained stably housed through rental assistance and received supportive health services.

⁶ As the nearest metropolitan statistical area qualified to receive and administer HOPWA entitlement funds, the City administers HOPWA grant funding for San Benito County. The San Benito County HOPWA program serves 12 households with \$300,000 of HOPWA funds.

Rental Assistance and Supportive Services for Individuals Living with HIV/AIDS in Santa Clara County – Bay Area Community Health

Bay Area Community Health addresses the urgent housing needs of low-income individuals living with HIV/AIDS and their families, including those who have experienced domestic violence, dating violence, or sexual violence. Households served through rental assistance are also provided with a range of supportive services, including medical case management, outpatient ambulatory health services, early intervention services, mental health services, substance use disorder counseling, and psychosocial support. The program supports each client with locating and obtaining housing and sets aside funds for rental, utility, and move-in cost assistance. Bay Area Community Health provided rental assistance to 95 households, 100% of whom maintained permanent housing during FY 2025-2026, exceeding the contractual outcome goal of 95%. Among these households, 48 obtained and/or maintained income, with three experiencing a substantial increase in their income.

Spending Priority #3 – Strengthen Communities

Activities pertaining to the Strengthen and Stabilize Communities Spending Priority were entirely funded through CDBG. This spending priority provides funding for programs, services, and projects that promote viable urban communities through decent housing, suitable living environments, and expanded economic opportunities.

These objectives are sub-grouped into three categories:

- 1) Public Services;
- 2) Community Development Investment Non-Construction Projects; and
- 3) Community Development Investment Construction Projects.

Public Services

Table 4 represents a data sample of the number of individuals served through public services programs during FY 2025-2026, aimed at strengthening and stabilizing the community.

Table 4: Strengthen Communities Expenditures Sample – Public Services

Program	Agency	Total Contract Amount	Projected Number Served	Output
Senior Access and Health Support ⁷	Portuguese Organization for Social Services and Opportunities	\$345,535 CDBG	160 individuals	214 seniors received nourishing meals and door-to-door transportation services.
Eastside Neighborhood Development Program	SOMOS Mayfair, Inc.	\$145,000 CDBG	170 individuals	170 individuals participated in leadership programs, education programs, or received basic needs and supportive services.
Neighborhood Engagement Program	Vietnamese Voluntary Foundation	\$45,000 CDBG	100 individuals	182 individuals participated in educational classes and/or received case management services.
Citywide Legal Services ⁸	Bay Area Legal Aid	\$150,000 CDBG	48 individuals	84 low-income San José tenants received advice, brief services, or legal representation.
Neutral Tenant-Landlord Counseling and Dispute Resolution ⁹	Project Sentinel	\$150,000 CDBG	344 individuals	388 individuals received counseling, tenant rights education, and/or mediation services.
Neutral Tenant-Landlord Counseling and Dispute Resolution ¹⁰	Legal Link	\$10,000 CDBG	10 individuals	13 individuals received legal consultation.

⁷ CDBG funded only part of the Senior Access and Health Support program. An additional 217 individuals were served using the Housing Trust Fund.

⁸ CDBG funded only part of the Citywide Legal Services Program. An additional 28 individuals were served using Housing Trust Fund.

⁹ CDBG funded only part of Project Sentinel's Neutral Tenant-Landlord Counseling and Dispute Resolution program. An additional 195 individuals were served using Housing Trust Fund.

¹⁰ CDBG funded only part of Legal Link's Neutral Tenant-Landlord Counseling and Dispute Resolution program. Grant activities were supported by Housing Trust Fund

Senior Access and Health Support – Portuguese Organization for Social Services and Opportunities

Portuguese Organization for Social Services and Opportunities, best known as POSSO, operates a hybrid hot-and-frozen meal delivery program to ensure homebound seniors have uninterrupted access to nutritious, individualized meals while maximizing resources and maintaining service quality, reliability, and efficiency. With CDBG funding, POSSO served 214 seniors in FY 2025-2026 through its combined meal and transportation services. This flexible meal delivery approach, supported by regular wellness checks and social interactions, helps POSSO staff identify emerging needs and connect participants with additional assistance. POSSO also provided 725 door-to-door transportation trips, enabling seniors to attend medical appointments, obtain groceries and medications, access nutrition programs, and engage in essential community resources, thereby fostering active aging and reducing social isolation among older adults.

Eastside Neighborhood Development Program – SOMOS Mayfair, Inc.

The Eastside Neighborhood Development program is operated by the Sí Se Puede Collective, a group of non-profits dedicated to uplifting East San José. This group includes SOMOS Mayfair Inc. as the lead, the School of Arts and Culture at the Mexican Heritage Plaza, Grail, Veggielution, and Amigos de Guadalupe. The Sí Se Puede Collective focuses on community engagement and empowerment through resident-centered leadership development training and essential supportive services, such as case management, financial literacy training, arts education programs for youth, and workforce training and education programs. Notably, they provided professional development for 10 childcare providers, trained a cohort of 13 individuals through a leadership development program that included ongoing support for veterans, and assisted 36 families by translating and filling out forms and applications required to access basic needs.

Neighborhood Engagement Program – Vietnamese Voluntary Foundation

The Vietnamese Voluntary Foundation, Inc., best known as VIVO, is a community-based organization serving extremely low- and very low-income seniors in the Santee neighborhood of East San José. VIVO exceeded its FY 2025–2026 service goals by enrolling 182 participants—well above its target of 100—and by delivering substantially more instructional and support service hours than planned across English as a Second Language, computer literacy, citizenship preparation, civic engagement, and case management. These results underscore VIVO's role in providing high-impact, accessible programs to residents with the greatest need, improving residents' quality of life, and enhancing community wellbeing.

Citywide Legal Services – Bay Area Legal Aid

Bay Area Legal Aid operates the *Legal Advice Line* and supports callers by screening for eligibility and legal needs, providing legal advice, and providing referrals to external legal services. They also deliver outreach and community education, which includes holding *Know Your Rights* workshops within the community, providing information about services at community events, and providing technical assistance to other community-based organizations. During the grant period, the Legal Advice Line received 97 calls from San José residents. 100% of legal representation in the form of advice or brief services resolved at least one barrier to safe and stable housing. Similarly, 100% of legal representation in the form of full representation resulted in at least one positive outcome for the client, exceeding the contract goal of 85%. Outcomes tracked include prevented evictions, obtained opportunities for other housing options, and retained/preserved housing.

Neutral Tenant-Landlord Counseling and Dispute Resolution – Project Sentinel

Project Sentinel receives information and referral calls from low- and moderate-income tenants throughout San José and provides information, referrals, counseling, and education on tenant and landlord rights and responsibilities. Conciliation and mediation services are provided with the goal of stabilizing housing or preventing eviction, displacement, or homelessness. Outreach and educational workshops are provided to both tenants and landlords. This grant term, Project Sentinel worked on 95 open cases for extensive counseling, with cases involving conflict navigation, resource referrals, and protracted assistance to empower an individual to resolve conflict. Among the participants who received dispute resolution services, 91% successfully resolved at least one rental housing issue, exceeding the project goal of 85%. In addition, Project Sentinel conducted 23 conciliations and mediations, with 22 reporting improved communication or matter resolution.

Neutral Tenant-Landlord Counseling and Dispute Resolution – Legal Link

The primary purpose of this project is to build out a Housing Justice Worker program across the City of San José, in which Legal Link trains and supports a new frontline of community justice workers to strengthen and expand the capacity of the local legal safety net for tenants. While delivering education to housing justice workers, the project also refers tenants to mediation and dispute resolution services, legal nonprofits, housing counselors, courthouses, and private bar associations. This program organized three community partner meetings and provided 13 one-on-one legal consultations for Housing Justice Workers.

Community Development Investment Non-Construction Projects

Table 5 represents a data sample of the number of individuals served through community development investments in non-construction projects during FY 2025-2026 aimed at strengthening and stabilizing the community.

Table 5: Strengthen Communities Expenditures Sample – Community Development Investment Non-Construction Projects

Program	Agency	Total Contract Amount	Projected Number Served	Output
Business Operation and Optimization Support Tools	Upwards (formerly WeeCare)	\$1,048,394 CDBG	131 providers	131 participating microenterprises received focused support to strengthen and grow their daycare businesses.
Enhanced Code Enforcement	Planning, Building, and Code Enforcement Department	\$1,273,703 CDBG	400 Housing Units Inspected	500 housing units were inspected for compliance with housing and blight codes, preventing the deterioration of neighborhoods.
Fair Housing Legal and Education Services Collaborative	Law Foundation of Silicon Valley	\$200,000 CDBG \$200,000 HOME	104 individuals	154 individuals were provided with legal education and legal representation.

Business Operation and Optimization Support Tools – Upwards/WeeCare

Through the Business Operation and Optimization Support Tools (BOOST) program, Upwards (formerly WeeCare) provides business support and technical assistance to participating microenterprise childcare providers who fall within the low and moderate income bracket. During FY 2025-2026, 131 participants, over which 90% were female head of households, participated in the BOOST program. BOOST supported childcare providers in creating 41 new community jobs by offering teacher assistant subsidies that eased upfront hiring costs such as CPR/first aid certification and fingerprinting. This targeted assistance helped participating childcare providers confidently move forward with onboarding new staff and expanding services. With CDBG funding, Upwards improved operational stability and financial viability for San José-based low and moderate-income daycare providers thus creating jobs within the childcare field and ultimately increasing childcare capacity within San José.

Enhanced Code Enforcement – Planning, Building, and Code Enforcement Department

The Planning, Building, and Code Enforcement Department provided enhanced code enforcement services in targeted low- and moderate-income neighborhoods. With these CDBG funds, the Planning, Building, and Code Enforcement Department expanded proactive inspections and services for multifamily housing properties. Efforts focused on eight selected areas: Santee, Jeanne, Cadillac/Winchester, Roundtable, Hoffman/Via Monte, Poco Way, Foxdale, and Washington neighborhoods. These efforts addressed substandard housing conditions to improve neighborhood livability, and promote safe, healthy living environments for San José residents.

Fair Housing Legal and Education Services Collaborative – Law Foundation of Silicon Valley

The Fair Housing Legal and Education Services Collaborative¹¹, led by the Law Foundation of Silicon Valley, is comprised of the following partner organizations: Project Sentinel, Senior Adult Legal Assistance, and the Asian Law Alliance. The Fair Housing Legal and Education Services Collaborative offers a comprehensive and coordinated fair housing program that fields and investigates discrimination complaints and provides enforcement, litigation services, and general fair housing education. This year, of the 12 full legal representation cases completed, all cases prevented eviction, resulted in an opportunity for other housing options, or retained/preserved housing. In addition to full legal representation, brief legal representation was provided to 123 individuals, and 18 outreach and education workshops were conducted.

Community Development Investment Construction Projects

Table 6 represents an update of community development investment construction projects, funded during FY 2025-2026 with CDBG, aimed at strengthening and stabilizing the community.

¹¹ The Fair Housing Legal and Education Services Collaborative is a separate program from the San José Legal Services – Housing Rights Consortium; both programs are managed by the Law Foundation of Silicon Valley through separate grant agreements.

Table 6: Strengthen Communities Expenditures Sample – Community Development Investment Construction Projects

Program	Department or Agency	Total Award Amount¹²	Amount Expended¹³
Accessible Pedestrian Signal #1	Transportation Department	\$928,285	\$710,443
Accessible Pedestrian Signal #2	Transportation Department	\$715,013	\$223,814
Pedestrian & Traffic Safety Improvements	Transportation Department	\$495,344	\$462,588
Sidewalk Repair Program	Transportation Department	\$150,000	\$11,373
Fire Station LED Replacement	Public Works Department	\$350,000	\$317,714
Guadalupe Alley Lighting and Signage	Public Works Department	\$150,000	\$41,698
Rigoletto/Tully/Brahms Lighting Improvements	Public Works Department	\$260,000	\$38,033
Fair Swim Center Improvements (Tot Lot)	Public Works Department	\$912,065	\$906,416
	Parks, Recreation and Neighborhood Services Department		
Blossom Valley Family Center Rehabilitation	Catholic Charities of Santa Clara County	\$3,088,808	\$1,720,282
La Placita Black Box Theater and Café	School of Arts and Culture	\$3,000,000	\$753,620
Field to Farmstand: Building East San Jose's Community Food Infrastructure	Veggielution	\$750,000	\$0

Accessible Pedestrian Signal #1 – Transportation Department

The Accessible Pedestrian Signal #1 project will install audible and vibrotactile pedestrian signals at 108 signalized intersections in CDBG-eligible low- and moderate-income census tracts, improving crossing safety for blind and visually impaired pedestrians and advancing compliance with the Public Rights-of-Way Accessibility Guidelines. Installation is over halfway complete, with 62 of 108 signalized intersections upgraded. The project remains on schedule for completion in early 2027.

¹² Total Award Amount in Table 6 represents the multi-year award amount for each construction project.

¹³ Amount Expended in Table 6 represents the actual amount drawn down for the project during FY 2025-2026.

Accessible Pedestrian Signal #2 – Transportation Department

The Accessible Pedestrian Signal #2 project is the second phase of the City's Accessible Pedestrian Signal program and will install audible and vibrotactile crossing signals at 83 additional signalized intersections in low- and moderate-income areas, bringing them into compliance with current Caltrans and Public Rights-of-Way Accessibility Guidelines standards. Installation will begin immediately following completion of Accessible Pedestrian Signal Project #1, anticipated in early 2027.

Pedestrian and Traffic Safety Improvements – Transportation Department

The Pedestrian and Traffic Safety Improvements project provided pedestrian and traffic safety improvements at six locations in CDBG-eligible neighborhoods in Council Districts 2, 5, 7, and 8, including enhanced crosswalks, curb extensions, pedestrian refuge islands, Americans with Disabilities Act-compliant curb ramps, speed humps, and updated striping and signage. Construction was completed at all six locations in June 2026, delivering meaningful safety upgrades that slow traffic, shorten crossing distances, and make everyday trips safer for children, seniors, and families who walk these streets.

Sidewalk Repair Program – Transportation Department

The Sidewalk Repair Program will repair and replace damaged and deteriorated sidewalks in the public right-of-way within low-income census tracts, eliminating tripping hazards and restoring safe, accessible pedestrian pathways. During FY 2025-2026, project design and scope were finalized. Following review and approval of the Memorandum of Performance, the project will proceed to construction.

Guadalupe Alley Lighting and Signage – Public Works Department

The Guadalupe Alley Lighting and Signage project will install four solar-powered streetlights in a Guadalupe Washington neighborhood alleyway near Almaden Avenue to improve safety and deter illegal dumping. The project is located in a census tract that is 81% low- and moderate-income. Construction is nearly complete, and staff are working with the contractor to obtain the Certificate of Substantial Completion. The project is anticipated to be fully completed by October 31, 2026.

Rigoletto/Tully/Brahms Lighting Improvements – Public Works Department

The Rigoletto/Tully/Brahms Lighting Improvements project will provide five streetlight upgrades, three new streetlights, and approximately 400 linear feet of conduit near Rigoletto Drive, Brahms Avenue, and Tully Road to improve nighttime safety in low- and moderate-income areas. The project is in the pre-construction phase, with design and bid preparation proceeding according to the project schedule.

Fair Swim Center Improvements (Tot Lot) - Public Works Department and Parks, Recreation and Neighborhood Services Department

The Fair Swim Center Improvements project renovated the Fair Swim Center tot lot and building with new early-childhood play structures, resilient safety surfacing, renovated restrooms, exterior restoration, and new signage, creating a safe and welcoming recreational hub for East San José families. The project was completed in June 2026 and celebrated with a ribbon-cutting ceremony on June 15, marking the grand opening of the newly renovated Tot Lot playground and the start of the Recreation Swim season. This multi-year project transformed an aging facility and is a tangible example of CDBG funding directly improving quality of life for the neighborhood's youngest residents.

Blossom Valley Family Center Rehabilitation Center – Catholic Charities of Santa Clara County

The Blossom Valley Family Center Rehabilitation project will rehabilitate and convert a 4,750-square-foot Family Center at Blossom Valley Senior Apartments at 399 Blossom Hill Road, providing wraparound services, including behavioral health, benefits enrollment, tax preparation, employment, rental, and food assistance, to low-income seniors and South San José residents. Rehabilitation work is nearing completion, with punch list items, final inspection, and project closeout documentation underway. The project is anticipated to reach completion by September 30, 2026.

La Placita Black Box Theater and Café – School of Arts and Culture

The La Placita Black Box Theater and Café project will construct a Black Box Theater and community-serving café at La Placita, located at 1747–1785 Alum Rock Avenue, along with site and accessibility upgrades. The project will expand affordable arts and cultural programming for low- and moderate-income residents of Mayfair and East San José. Project construction is well underway, with design, engineering, and site work actively progressing. The project remains on track for completion in Spring/Summer 2027.

Field to Farmstand: Building East San Jose's Community Food Infrastructure - Veggielution

In January 2026, Veggielution was awarded \$750,000 of CDBG funding to construct a new produce packing facility and upgrade community spaces used for food distribution, workforce training, and resident-led leadership development. Upon completion, the project will provide paid and volunteer career training to at least 60 residents annually, support 20 local food entrepreneurs each year through Eastside Grown, and maintain safe, inclusive community spaces that primarily serve low and moderate income residents of East San José.

Demographics

The City aims to ensure that federally funded programs serve residents with the greatest needs. As a major administrator of federal housing and community development funds, the Housing Department tracks and administers resources in accordance with applicable federal requirements to ensure they are directed to eligible beneficiaries and in a manner consistent with federal law.

Program Participants Aggregated by Race and Ethnicity Demographics

Table 7 and Table 8 below provide the overall race and ethnicity demographic distribution of HUD-funded activities in which the City's grantees reported the race and ethnicity of program participants served in FY 2025-2026.

Table 7: Overall Race Demographic Data

Race	Total Program Participants	% of Total
White	903	31%
Black/African American	206	7%
Asian or Asian American	448	16%
American Indian, Alaska Native, or Indigenous	27	1%
Native Hawaiian or Other Pacific Islander	27	1%
Middle Eastern or North African	0	0%
American Indian/Alaska Native and White	9	0%
Asian and White	3	0%
Black or African American and White	3	0%
American Indian or Alaskan Native, or Indigenous and Black or African American	8	0%
Other	1,241	44%
Total	2,875	100%

Table 8: Overall Ethnicity Demographic Data

Ethnicity	Total Program Participants	% of Total
Hispanic	1,202	42%
Not Hispanic	1,673	58%
Total	2,875	100%

The FY 2025-2026 race and ethnic demographic data indicate that HUD-funded programs predominantly served low-income populations identifying as Hispanic, White, and Asian or Asian American. Given that the racial demographics of residents in San José reflect a similar makeup (31% of residents identify as White, 24% identify as Hispanic, and 41% identify as Asian)¹⁴, these findings indicate that the City's HUD-funded programs are achieving equitable representation of serving the diverse residents of San José.

Income Level of HUD-Funded Program Participants

For HUD-funded activities in which the City's grantees reported the income level of program participants served, Table 8 below provides the overall income level distribution of program participants served during FY 2025-2026.

Table 8: Income Level Distribution of HUD-Funded Program Participants

Income Level*	Program Participants	% of Total
Extremely Low-Income (\$38,750 or less)	1,817	67%
Very Low-Income (\$64,550 or less)	439	16%
Low-Income (\$102,300 or less)	458	17%
Total	2,714	100%

**The income of 161 program participants were not reported because the program participants were under the age of 18. As such, the income level of 161 program participants are not included in the total program participants column.*

The income level demographic data indicates that HUD-funded programs predominantly served extremely low-income residents, going up from FY 2024-2025 (58%). Many of the extremely low-income households served by HUD-funded programs are severely rent-burdened, spending more than half of their income on housing, which leads to greater risks of housing instability, evictions, and homelessness. These findings further support that the City's HUD-funded programs and services were invested to support our most vulnerable residents.

EVALUATION AND FOLLOW-UP

Upon City Council approval, staff will submit the FY 2025-2026 CAPER to HUD by the September 28, 2026 deadline.

¹⁴ United States Census Bureau, 2020 Census, San José, Santa Clara County, California | Web Link: https://data.census.gov/profile/San_Jose_CCD,_Santa_Clara_County,_California?q=060XX00US0608592830#populations-and-people.

COORDINATION

The preparation of this memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

In accordance with the City's Community Participation Plan, the draft FY 2025–2026 CAPER is available to the public for a 15-day review and comment period. Additionally, the City must hold two public meetings to provide members of the public an opportunity to provide input on the accomplishments reported in the draft FY 2025–2026 CAPER. The City published the draft FY 2025–2026 CAPER for public review and comment on September 1, 2026. The City will accept public comments regarding the draft FY 2025–2026 CAPER until September 22, 2026. Additionally, the following public meetings will be held for public input:

- Housing and Community Development Commission meeting on September 10, 2026; and
- City Council meeting on September 22, 2026.

Public notices regarding the public meetings and public review and comment period were also provided in five languages (English, Spanish, Vietnamese, Chinese, and Tagalog), in accordance with the City's Language Access Plan. Moreover, a public notice regarding the public review and comment period was published in five languages on August 5, 2025, in the following newspapers: the *Mercury News*, *El Observador*, *Vietnam Daily News*, *World Journal* (Chinese), and the *Asian Journal* (Tagalog).

Furthermore, this memorandum will be posted on the City Council Agenda website for the September 22, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

Housing Department staff will present the draft CAPER to the Housing and Community Development Commission on September 10, 2026. A supplemental memorandum documenting any comments received at the Housing and Community Development Commission meeting will be provided to the City Council before its September 22, 2026 meeting.

CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

PUBLIC SUBSIDY REPORTING

This item does not provide a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Erik L. Soliván

Director, Housing Department

For questions, please contact Nosheen Hossain, Senior Development Officer, Housing Department, at nosheen.hossain@sanjoseca.gov or (408) 534-2953.