



*Housing*

# Measure E

## Proposed Changes to Allocations

February 15, 2022  
Item 8.3

**Jacky Morales-Ferrand**

Director  
Housing Department

**Jim Shannon**

Budget Director  
City Manager's Office

**Rachel VanderVeen**

Deputy Director  
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# Today's Action

- June 2020: City Council Policy 1-18 amended to include allocation of Measure E funds
- September 2021: Rules Committee directed staff to identify resources to fund construction and operations of interim housing
- Today: Public hearing on the recommended changes to the allocation of funds in City Council Policy 1-18



# Housing and Homeless Crisis

- 🏠 76% rent burdened or severely rent-burdened households
  - 48% severely rent burdened
- 🏠 2014 – 2023 RHNA Goal: **20,849** affordable units
  - 5,057 affordable completed – **15,792** remaining
- 🏠 2023 – 2031 RHNA Goal: **34,486** affordable units
- 🏠 6,097 homeless in San José nightly



# Demand for Affordable Housing Funding

- Strong NOFA response  
19 new affordable  
developments seeking  
\$240 million for 2,275 new  
homes
- Depleted Measure A funds

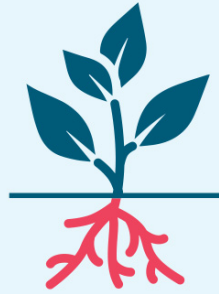


*Immanuel Sobrato Apartments  
106 affordable homes*



# Community Plan to End Homelessness

## STRATEGY 1



Address the root causes of homelessness through system and policy change

## STRATEGY 2



Expand homelessness prevention and housing programs to meet the need

## STRATEGY 3



Improve quality of life for unsheltered individuals and create healthy neighborhoods for all

# Pandemic Response

- 🏠 One Bridge Housing Community
- 🏠 Five Emergency Interim Housing Sites
- 🏠 Three HomeKey Hotels
- 🏠 5,941 permanently housed January 2020 (4,871 in SJ)



# Need for Homeless Sheltering Funding

- Estimated annual costs of **\$30 million** to operate existing and authorized HomeKey and bridge/interim housing sites
- Each new interim site estimated at **\$8 million** for City construction costs, and **nearly \$4 million** for annual operating costs
- 13 funding sources (Federal/State) are supporting the shelter system – only 2 are ongoing



# Policy Change: Category Descriptions

## Extremely Low-Income

- Predevelopment, acquisition, construction, operating costs/reserves, permanent financing
- Acquisition/rehab, preservation
- Limited commercial space (ex: childcare facilities)

## Low-Income

- *Same as above*

## Moderate-Income

- For-sale and rental housing programs
- Land trusts and shared-equity programs

## Homeless Services

- Homeless prevention, gender-based violence programs, legal services, rental assistance
- Outreach teams/encampment services, safe parking
- Interim housing construction and operations



# Policy Change: Allocation Percentages

Spending Category	Current %	Proposed %	2021-2022 (\$90M)	2022-2023 (\$65M)
Extremely Low-Income Households	45%	<b>40%</b>	\$35.2M	\$24.7M
Low-Income Households	35%	<b>30%</b>	\$26.4M	\$18.5M
Moderate-Income Households	10%	<b>5%</b>	\$4.4M	\$3M
Homeless Support Programs	10%	<b>25%</b>	\$22M	\$15M



# Next Steps

***Feb 4, 2022***

Initiation of the 60-day public hearing period

***Feb 15, 2022***

First public hearing

***Apr 12, 2022***

Second public hearing

Action to make changes to City Council Policy 1-18, **2/3 vote**

***April 14, 2022***

Review of the Measure E Spending Plan by the Housing and Community Development Commission (*as Measure E Oversight Committee*)

***April 26, 2022***

Update current year Spending Plan and budget

***May 1, 2022***

Proposed 2022-2023 Budget including the Measure E Spending Plan



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