



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: November 3, 2020

Approved

Date

11/3/2020

COUNCIL DISTRICT: 1, 3, 5

SUPPLEMENTAL

SUBJECT: INTERNAL TRANSFER FOR AFFORDABLE HOUSING SITES

REASON FOR SUPPLEMENTAL

The purpose of this supplemental memorandum is to provide additional information regarding the affordable housing siting policy and the transfer of city owned sites for future development of affordable housing.

ANALYSIS

The Housing Department is currently working to develop an affordable housing siting policy that will inform decision making related to the future siting of affordable housing. Until the new affordable housing siting policy is developed and adopted by the City Council, specific areas identified for the development of affordable housing include North San José, Diridon Station Area, Downtown, West San Carlos Urban Village, Berryessa Bay Area Rapid Transit (BART) Urban Village and the Blossom Hill/Snell Avenue Urban Village. Funding of future affordable housing will be directed to these geographic areas.

As staff prepared the proposed sites as internal transfers for development of affordable housing, these areas were not considered when selecting available sites. Instead, consideration of availability of land and potential for new development were the considerations made in the selection of the sites.

The table below describes the location in relation to the growth areas identified for future affordable housing development and the poverty rate for sites that are not located in a growth area. Consistent with the U.S. Housing and Urban Development (HUD) program guidelines,

investments of new affordable housing in areas with more than 20% of the current population reporting under the poverty rate are considered areas with an over concentration of poverty. In past years, the Housing Department has utilized this measure to determine if proposed developments are located in desirable areas, or if mitigating factors were in place for areas with an overconcentration of poverty.

Council District	Address	Location
1	3707 William Road (West Community Policing Center)	This site is not located in one of the specified growth areas. This site is located in the West side of the City, generally considered an opportunity area for the development of new affordable housing. In addition, there are few opportunities for affordable housing in Council District. The area has a 12.6% poverty rate.
5	1749 Mt. Pleasant	This site is not located in one of the specified growth areas. However, it is anticipated because of the limited number of units that can be produced, that this site will provide an opportunity for the development of ownership housing for low and moderate income households. Homeownership for moderate and below households provides an opportunity for residents to stabilize their housing. The area has an 8.28% poverty rate.
3	430 Park Ave	This site is located in one of the specified growth areas, the Diridon Station Area and is consistent with City Council direction.

The Housing Department is recommending that the City Council approve the acquisition of both the William Road and Mt. Pleasant site even though they are not located in growth areas because they offer unique development opportunities, will assist the general fund, and are not located in high poverty areas.

/s/

JACKY MORALES-FERRAND
Director, Housing Department

For questions, please contact Rachel VanderVeen, Deputy Director, at (408) 535-8231.