



Housing

Study Session on Displacement in San José

October 1, 2019

Jacky Morales-Ferrand
Director of Housing

Kim Walesh
Deputy City Manager

Rosalyn Hughey
Director of PBCE

Kristen Clements
Division Manager, Housing

Adam Marcus
Policy Manager, Housing

Jeff Ruster
Assistant Director, OED

Victor Farlie
Sr. Executive Analyst, OED

Today's agenda

Residential Displacement

1. Introduction & background
2. Overview of academic research
3. Displacement in San José
4. Tools cities use
5. Panel
6. Next steps
7. City Council questions & discussion

Small Business Displacement

1. Overview
2. Strategies & Tools
3. City Council questions & discussions

Public comment



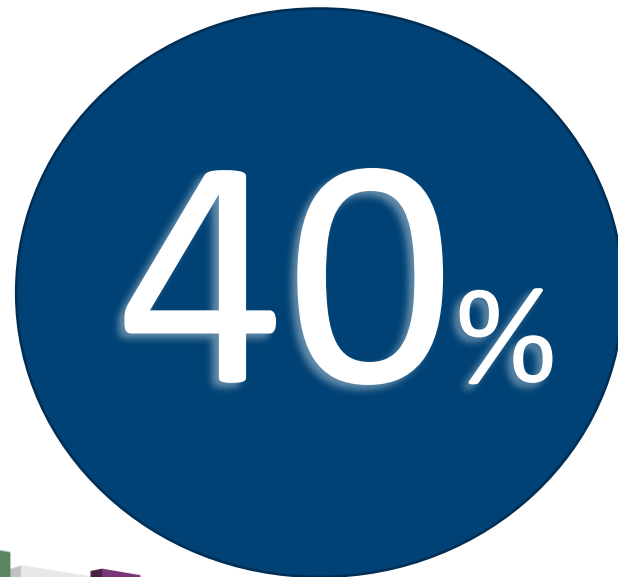
Timeline

- 🏠 Council priority-setting - Anti-Displacement Tenant Preference (spring 2017)
- 🏠 Mayor Liccardo Housing Crisis Rules memo (fall 2017)
- 🏠 Housing Crisis Response Workplan direction (June 2018)
- 🏠 Diridon Station Area Advisory Group (SAAG) (2018/2019)
- 🏠 PolicyLink Anti-Displacement Network (2018/2019)
- 🏠 Direction to develop citywide anti-displacement strategy (December 2018)
- 🏠 Citywide Strategy development (winter 2019)

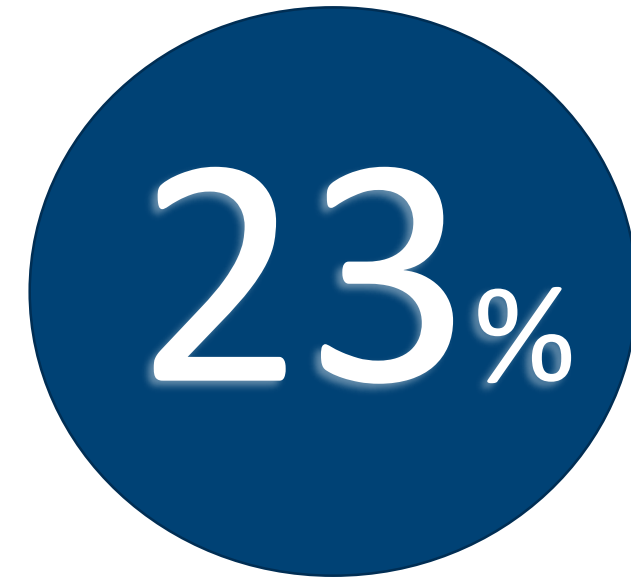


Nearly half of San José is low-income

Households
below 80% AMI



% of Homes
affordable/
rent-stabilized



Vision *(draft)*

As San José grows and secures planned investment, we will maximize the positive opportunities and prevent or minimize the negative impacts for our vulnerable residents, so they can succeed in our changing City.



Equitable development framework *(draft)*



Goal: Prevent/minimize/mitigate displacement of residents & local businesses

🏠 In order to.....

- Retain existing residents, even as we welcome new ones
- Retain San José's diversity: socio-economic, racial/ethnic
- Stabilize & strengthen families, neighborhoods, & business districts
- Reduce homelessness
- Improve economic opportunity, mobility for all
- Embrace and secure San José's unique identity
- *Other desired outcomes?*



Consistent with the General Plan

Diversity and Social Equity
San Jose celebrates, embraces and involves a diverse blend of cultures and achieves social, cultural and economic equity.

Innovative Economy
San Jose's economy thrives on innovation, providing job opportunities for all and ample fiscal resources for a vibrant community.

Environmental Leadership
San Jose is a model of an environmentally sustainable and healthy city, a leader in green Technology and a vigilant steward of its resources for present and future generations.

Healthy Neighborhoods
San Jose's neighborhoods are attractive, affordable, and safe places to live with engaged community members.

Quality Education and Services
San Jose residents and businesses receive a broad range of high quality services and enjoy excellent educational opportunities for all.

Vibrant Arts and Culture
Arts and culture in San José connect people, provide rich opportunities for participation, and foster creativity.

San Jose embodies the energy and vitality of its unique human, natural and economic resources.

Interconnected City
The activities of daily life are in close proximity and easily accessible by walking, bicycling and public transit.

ENVISION SAN JOSE 2040



All-In Cities Anti-Displacement Policy Network

- 🏠 Competitive opportunity only 10 cities selected
- 🏠 Peer learning with cities across the country
- 🏠 Community forums & focus groups
- 🏠 Analysis & strategy
- 🏠 Publish a report – November



Project partners



Council District 5

- CM Magdalena Carrasco
- Francis Herbert

Housing Department

- Jacky Morales-Ferrand
- Kristen Clements
- Adam Marcus
- Jacklyn Joanino

PBCE

- Rosalynn Hughey
- Michael Brilliot

Working Partnerships USA

- Derecka Mehrens
- Asn Ndiaye
- Jeffrey Buchanan

Law Foundation

- Nadia Aziz
- Michael Trujillo

Silicon Valley Bicycle Coalition & Planning Commissioner

- Shiloh Ballard

Economic Development

- Jeff Ruster
- Vic Farlie
- Sal Alvarez

Somos Mayfair

- Zelica Rodriguez

AV Consulting

- Alejandro Vilchez



Overview of Academic Research on Residential Displacement

Anna Cash
Urban Displacement Project
U.C. Berkeley



Displacement in San José: Local Data, Analysis & Outreach

Housing Department



What policies/tools do we have in place?

🏠 Production:

- Inclusionary Housing Ordinance – 15% set-aside
- 10,000 affordable homes by 2022 (Housing Crisis Workplan)

🏠 Preservation:

- Long-term ground leases for affordable developments

🏠 Protection:

- Apartment Rent Ordinance
- Tenant Protection Ordinance (Just Cause)
- Ellis Act Ordinance
- Housing Equality Payment Ordinance
- Legal education and defense



Existing protections do not apply to all residents

- 🏠 Single women with children & large families
- 🏠 Renter groups with the majority having rent burdens, including:
 - Latino households (60%), Black households (59%), and Vietnamese households (57%)
- 🏠 Seniors
- 🏠 Disabled residents
- 🏠 Undocumented & mixed-status
- 🏠 Limited English speaking
- 🏠 Residents with criminal records
- 🏠 Sub-lesers
- 🏠 Renters in single family & duplexes

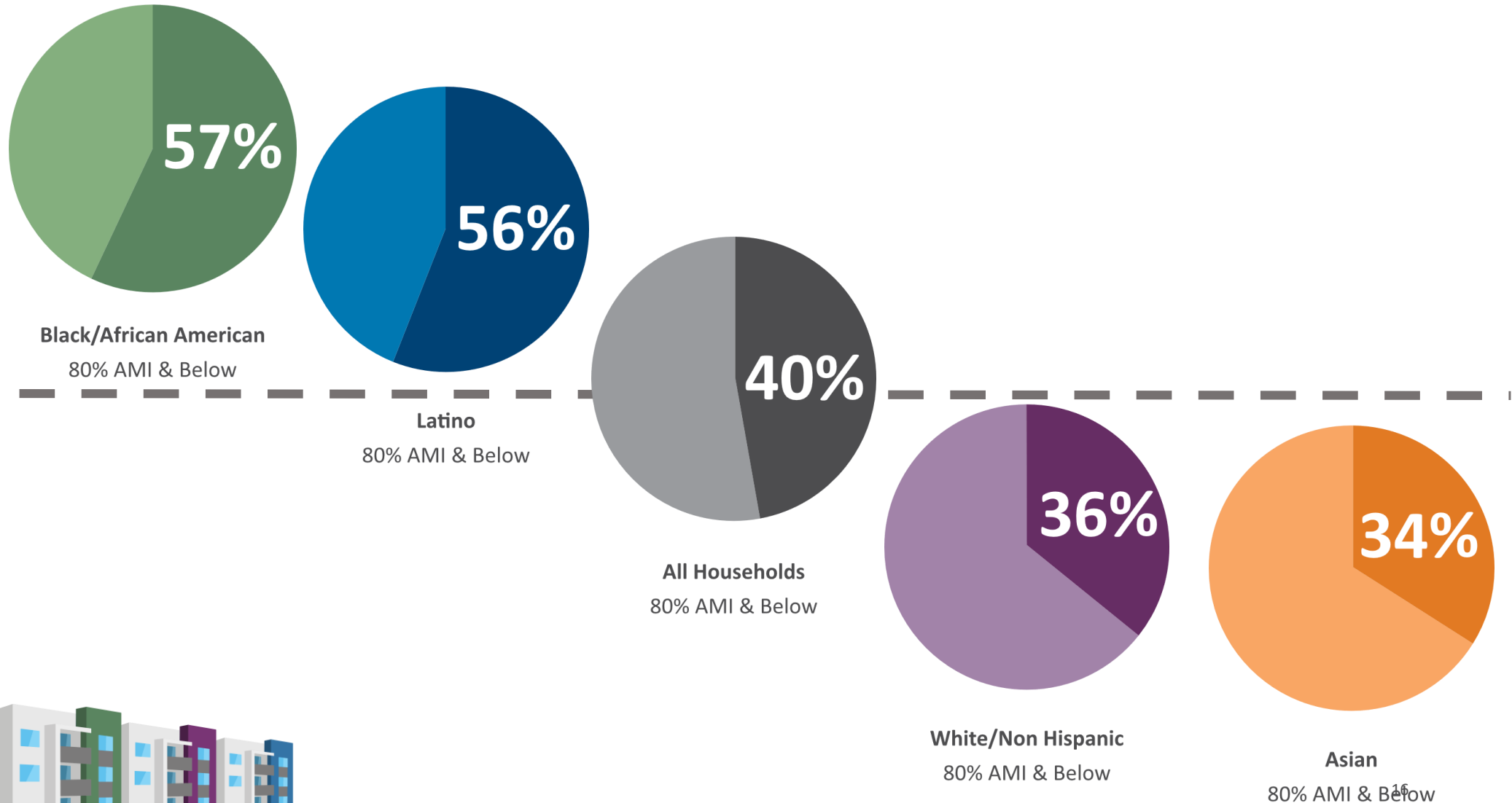


Low-income in San José: Demographics

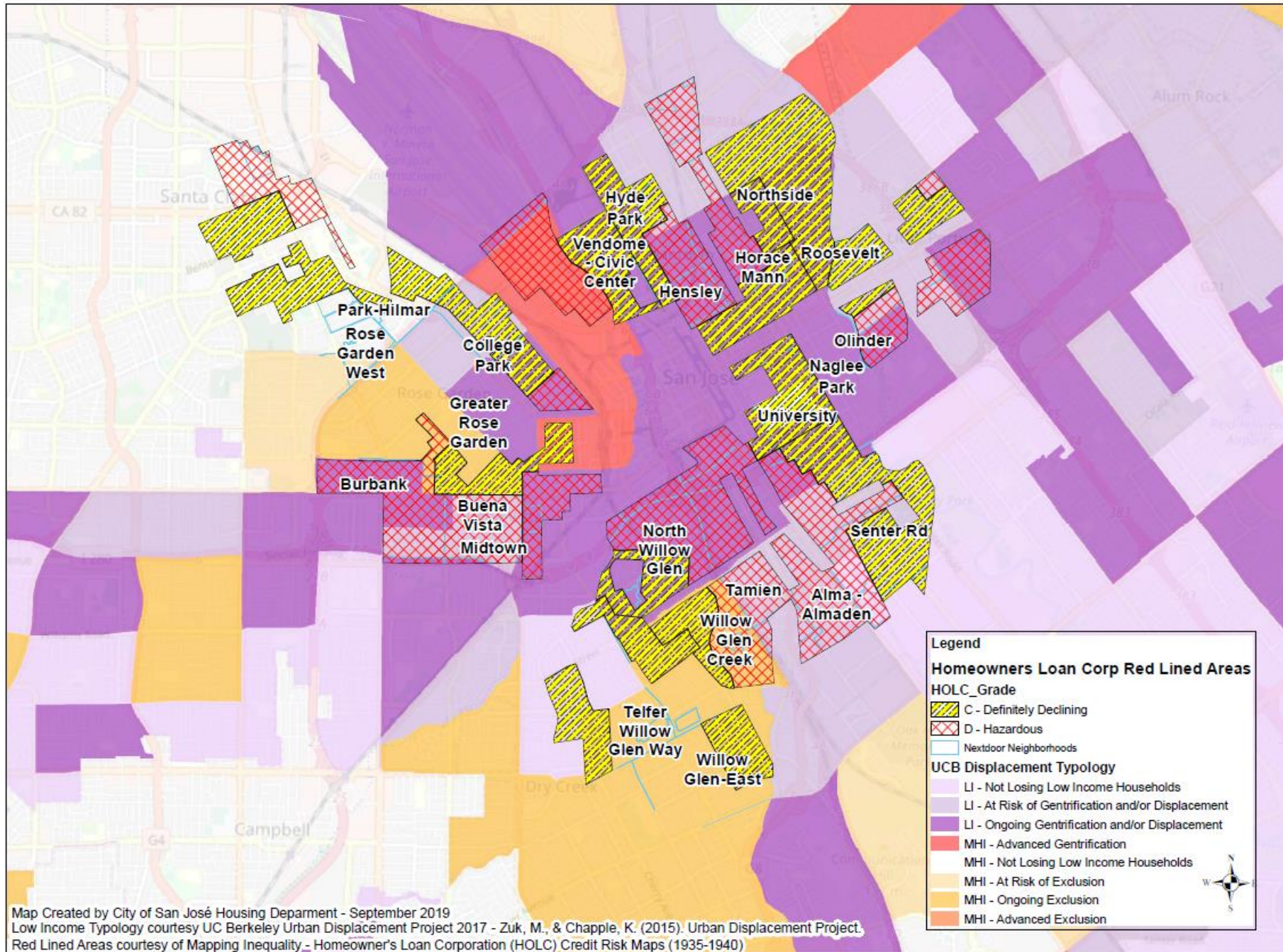
- ▲ Low-income households earn less than 80% AMI (\$103,900/year for a family of 4)
- ▲ 40% of all households are LI/VLI/ELI
- ▲ Teachers, retail workers, admin assistants, food service workers, mechanics, social workers
- ▲ Women-headed households are more likely to be low-income in San José



Low-income in San José: Proportions by race

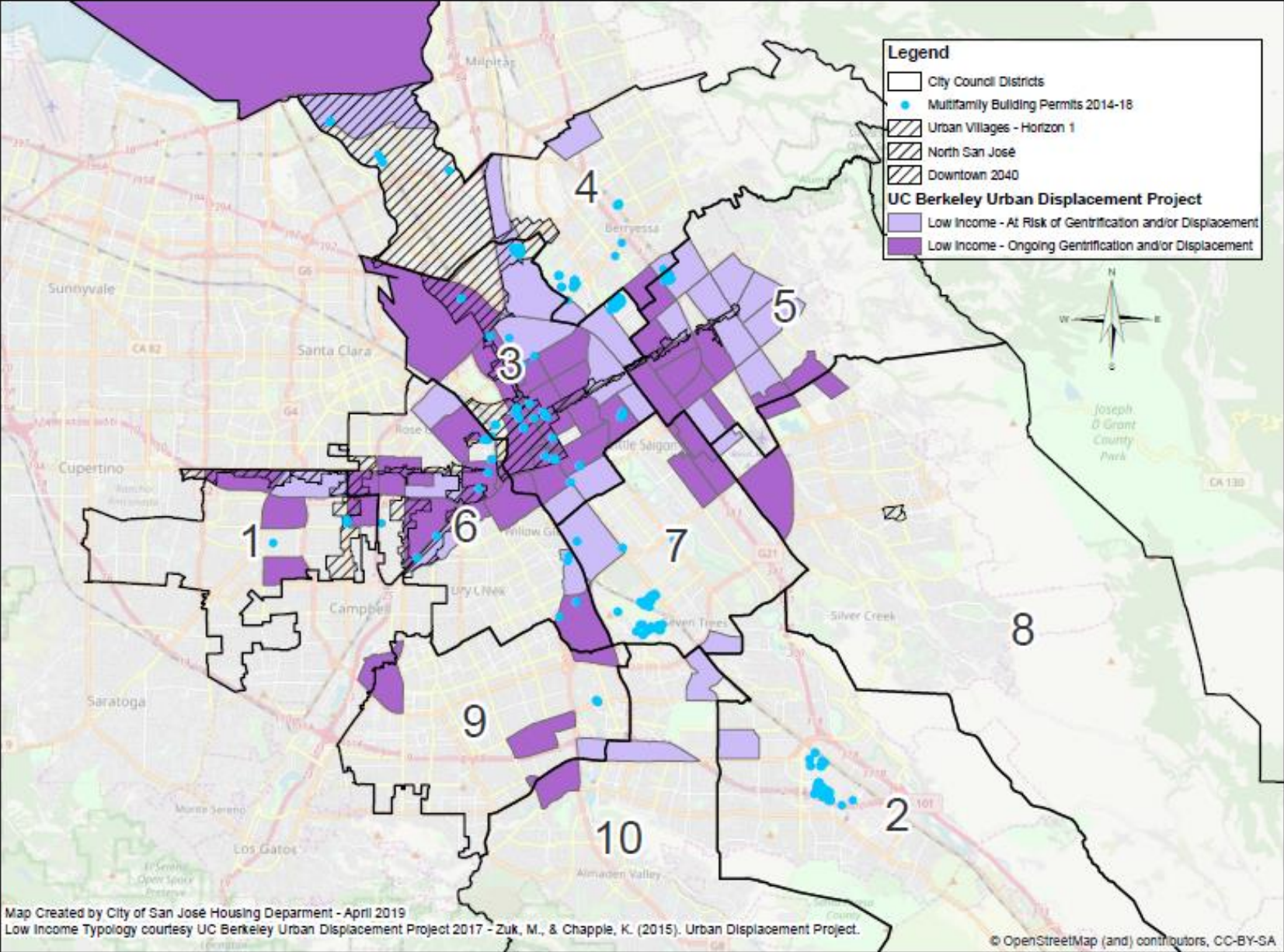


Historic Redlining and Recent Urban Displacement in San José



Map Created by City of San José Housing Department - September 2019
 Low Income Typology courtesy UC Berkeley Urban Displacement Project 2017 - Zuk, M., & Chapple, K. (2015). Urban Displacement Project.
 Red Lined Areas courtesy of Mapping Inequality - Homeowner's Loan Corporation (HOLC) Credit Risk Maps (1935-1940)

Displacement, growth areas, and transit



Housing stock in San José

Type of housing	# homes	% of all homes
Market-rate (rental & ownership)	253,047	77%
Rent-stabilized apartments <i>(built or rented before September 7, 1979)</i>	39,009	12%
Deed-restricted affordable apartments	19,020	6%
Rent-stabilized mobilehomes	10,845	3%
Naturally-occurring affordable rental housing	7,896	2%
Total	329,817	100%

Source: American Community Survey, City of San Jose Housing Department, and Costar.

Deep listening



~ 740
Community
members
engaged

4
Events

8
neighborhood
leader
interviews

2
Commission
updates

4
Community
Forums

3
Languages

5
Renters
focus groups

240
responses
to online
survey



What have we heard from the community?

- 🏠 We all belong in San José and we contribute to this community
- 🏠 San José is home
- 🏠 Residents need solutions today, not in the distant future
- 🏠 Fear that once you leave, you'll never come back to SJ
- 🏠 Attendance is shrinking in schools, religious institutions
- 🏠 Apartments are very overcrowded
- 🏠 Displaced residents have become homeless, have couch-surfed, & have new, long commutes
- 🏠 Everyone should contribute their fair share to prevent displacement



“Flowers are growing in the ‘hood as soon as people are leaving.”

- Teen girl at Cafecito meeting in the Mayfair neighborhood



What have we heard from the Diridon SAAG?

- Acquire land & build affordable housing in areas well-served by transit
- Acquire, rehab & preserve affordability of existing multifamily housing in areas at greatest risk of gentrification
- Build high-density housing outside of Diridon, incl. East Side
- Use community ownership models to build & preserve housing (e.g., community land trusts)
- Increase funding support for organizations that provide legal assistance & education to tenants; fund legal defense for low-income residents in SCC



Staff takeaways

- 🏠 We have made progress, but gaps remain
- 🏠 Existing protections do not apply to all residents
- 🏠 Displacement is disrupting communities
- 🏠 Displacement prevention is homelessness prevention
- 🏠 We need short-term solutions to keep pace with growth
- 🏠 Some growth areas and transit overlap with naturally affordable housing
- 🏠 Dedicated resources & strategies are especially needed for preservation and protection



Resource gaps

- 🏠 Funding to reach goal of 10,000 new affordable homes
- 🏠 Funding & strategy to preserve restricted affordable housing
- 🏠 Funding & strategy to acquire & preserve naturally affordable housing
- 🏠 Education on & enforcement of existing laws
- 🏠 Solutions that build assets & provide permanent stability for low-income residents
- 🏠 Local living wage jobs & training



Examples of Tools that Cities Use Nationally to Mitigate Residential Displacement



Denver: Regional TOD Fund

- 🏠 \$24M = \$5M public + \$19M private/philanthropic
- 🏠 Streamlined loans to acquire & hold strategic properties
- 🏠 Preservation or future development of housing & nonprofit space near high-quality transit
- 🏠 Renters below 60% AMI, homebuyers below 95% AMI

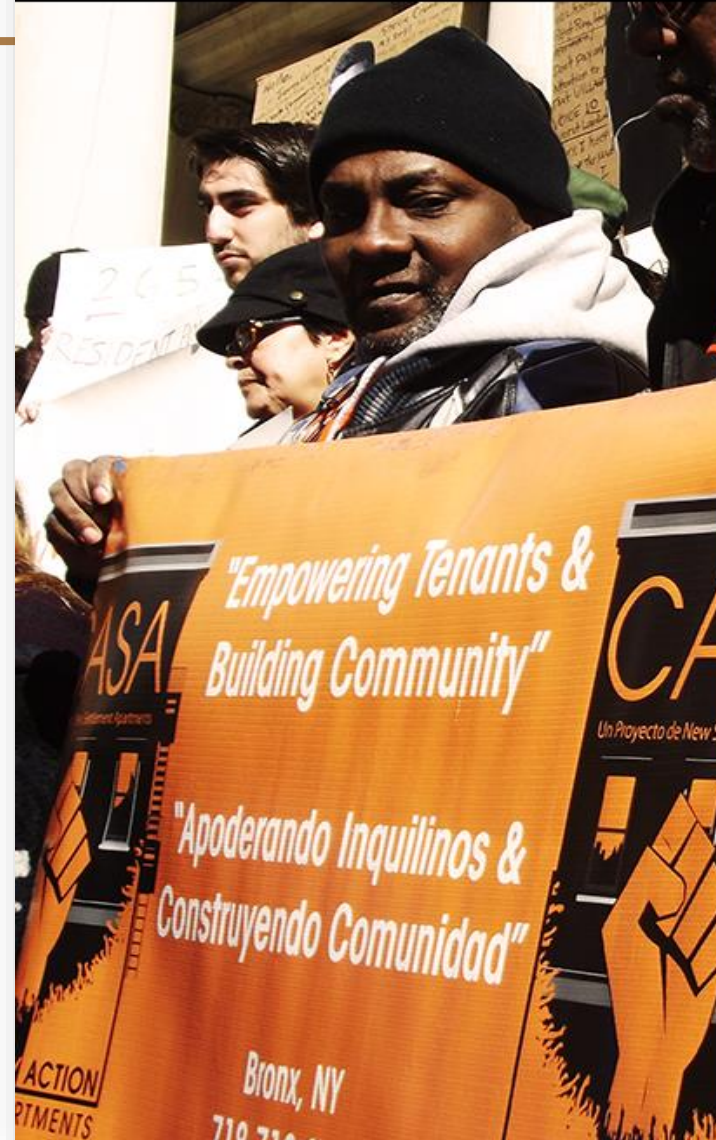


NYC:

Right to Counsel program



**Randy Dillard, Southwest Bronx
60 year old single dad of 5**



“ Having a lawyer
in housing court
was the
difference
between
winning my
case and living
in a shelter. ”

#RTCNYC #Intro214
www.righttocounselnyc.org

Many cities: Community ownership

- ▲ Community land trusts, limited equity co-ops, other structures
- ▲ Need tailored financing, capacity building, ongoing support
- ▲ Examples:
 - CLTs – 225 throughout the U.S. – newly in Washington DC, New York City, San Diego, Pittsburgh, Buffalo, Reno
 - Co-ops - New York City, Washington DC, Los Angeles, Atlanta, Baltimore, San Francisco



Production

Challenge	Potential Solutions
Lack of funding to subsidize new affordable housing	Pursue new public & private funding sources
Lack of asset building opportunities	Explore feasibility for co-ops & community land trust models
Build more affordable housing both in areas of opportunity & areas with displacement pressure	Develop strategy & funds to buy & hold land in strategic places



Preservation ideas

Challenge	Potential Solutions
<p>Very little funding for preservation of existing affordable & NOAH</p>	<p>Create a public, private & philanthropic revolving loan fund preservation</p>
<p>Some growth areas overlap with NOAH</p>	<p>Enable affordable developers to get advanced notices of property sales & create more acquisition/rehab funds to create affordable housing</p>
<p>Affordable housing restrictions are not permanent</p>	<p>Create a pathway for permanent affordable & assess feasibility of Community Land Trust Models</p>



Protection ideas

Challenge	Potential Solutions
Existing tenant protections do not apply to all residents	Implement new State law; Expand tenant protections to duplexes
Protect high-barrier populations (large families, disabled, undocumented, criminal record, ESL)	Support populations-specific strategies to remove barriers to housing & services for these groups
Protect vulnerable tenants and families	Increase funding for Homelessness Prevention & evaluate effectiveness of legal fund for tenants facing evictions



Panel: Impacted Resident and Housing Provider Perspectives

Rosalynn Hughey, Director, PBCE (*Moderator*)

Nadia Aziz, Directing Attorney, Law Foundation of Silicon Valley

Shawn Milligan, Partner, KT Urban

Victor Vasquez, Community Organizing Program Manager, SOMOS Mayfair

Jeff Zell, Zell Associates, Inc.



Panel questions

1. What's your experience with & perspective on residential displacement?
2. What do you think are the ingredients for solutions that would address this problem?
3. How should we seek to balance our planned growth with the need to keep our low-income residents in our community?
4. Do you have other reactions to what has been presented today?



Next Steps for Developing the City's Residential Anti-Displacement Strategy



Outreach & engagement



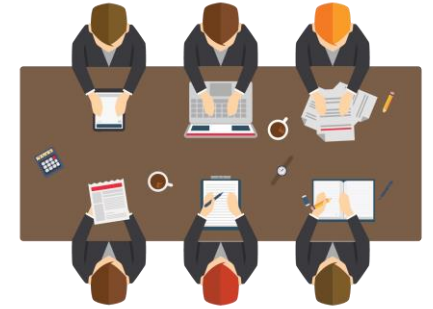
SURVEY

October 2019



**COMMUNITY &
STAKEHOLDER
MEETINGS**

Fall/Winter 2019



**CITY
COMMISSIONS**

Winter 2019





City Council Questions and Discussion: Residential Displacement



Stay connected

Citywide Residential Anti-Displacement Strategy Website

sanjoseca.gov/displacement

