



Memorandum

TO: CITY COUNCIL

FROM: Councilmember Matt Mahan

SUBJECT: Housing Crisis Workplan
Status Report

DATE: August 9, 2021

APPROVED:

RECOMMENDATION:

Adopt staff recommendation to accept the status report and direct the City Manager to ensure that the next Housing Crisis Workplan status report include:

1. A metrics-based estimate of potential impact (e.g., number of new units produced, increase in permit applications, decrease in average inspection wait time, etc.) for each strategy that has been prioritized in the workplan, and
2. An ongoing assessment of actual impact in terms of the identified metric(s) for each completed strategy, and
3. Discussion of the overall prioritization of strategies based on estimated impact and learnings from recent implementation of the workplan.

BACKGROUND:

Thank you to staff within the Planning, Building, and Code Enforcement (PBCE) Department, Housing Department, and Office of Economic Development (OED) for your tireless efforts to address our regional housing crisis and for this status update, which outlines 43 strategies we have completed or plan to complete to address the crisis.

In order to leverage our limited staff capacity and other resources most effectively, the City Council ought to continuously evaluate and prioritize strategies within the Housing Crisis Workplan based on expected impact. We've set an ambitious goal as a city to produce 25,000 new homes by 2023, with at least 10,000 qualifying as affordable.

To achieve this goal and the even more ambitious housing production goals laid out in the Envision 2040 General Plan, we must allocate resources toward the strategies that we believe will have the largest impact on housing production in San Jose.

Staff's expert insight into the likely impact of each potential strategy and assessment of learnings from recent implementation should guide Council's prioritization process. For strategies whose impact is hard to estimate, staff might adopt a rough approximation, such as assigning high, medium and low impact estimates with a rationale. In this case, however, it will be even more important that we use clear evaluative metrics to assess success post-implementation. These metrics could include any measurable outcome related to encouraging housing production that the City has the ability to positively influence, ranging from customer service goals within PBCE to attracting local investment in homebuilding.

By estimating impact upfront, staff will help Council evaluate the effectiveness of completed strategies so we can collectively learn for future decisions. As we learn over time where our efforts are, and are not, having the desired impact, future Councils will be in a position to make even better decisions rooted in recent, real world experience.

Surely, we will be required to pursue some workplan strategies simply due to state law or other legal or process requirements that are indirectly related to housing production. This is to be expected and should be clearly noted in the workplan. It may also be the case that we are not yet prepared to estimate impact for a given potential strategy. In this case, staff could place the strategy in a backlog for future consideration. Our goal should be to focus on the strategies that will have the largest impact in the shortest reasonable timeframe, not to boil the ocean.

Thank you for considering this proposed approach. By being more metrics—and more to the point, outcomes—oriented, Council can empower staff to focus on the strategies that have the most direct and significant impact on the production of new housing. Together, I'm confident that we can have a real and lasting impact on the housing crisis facing our community.