

GPT21-001 & ER21-032: 2023-2031 Housing Element

City Council Item 10.2

June 20, 2023

Presenters:

Ruth Cueto, Principal Planner, PBCE

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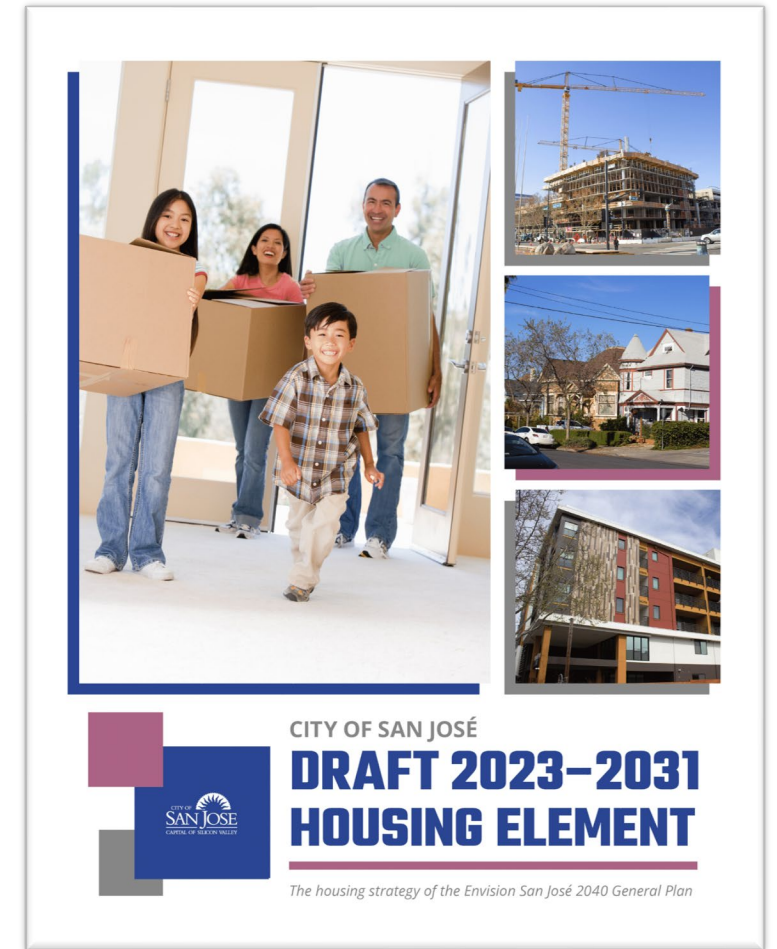
*Planning, Building and
Code Enforcement*

Staff Recommendation

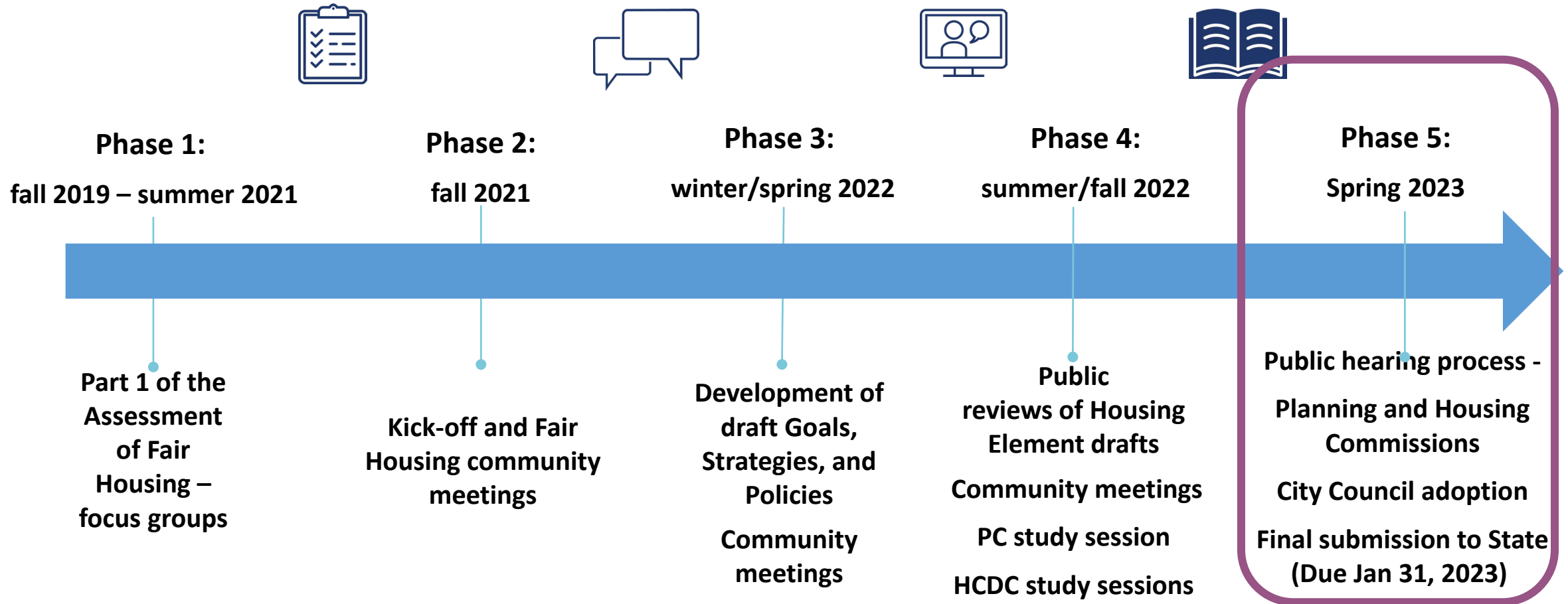
1. Certify the Supplemental Environmental Impact Report to the Envision San José 2040 General Plan Final Program Environmental Impact Report (FEIR), adopted through Resolution No. 76041, and Supplemental EIR Resolution No. 77617, adopted on December 15, 2015, and Addenda thereto, in accordance with CEQA; and
2. Adopt a resolution approving the General Plan Text Amendment to amend the Envision San José 2040 General Plan to include the 2023-2031 Housing Element, revise Chapter 7 (“Housing Element”) of the General Plan, and repeal the 2014-2022 Housing Element.

What is the Housing Element?

- The City's official housing policy document
- Required by State law - part of City's General Plan
- Plan on how to accommodate housing needs
- An opportunity to have a conversation with residents and stakeholders about San José's housing future
- Both highly technical planning document and publicly-focused policy and program workplan
- Updated in 8-year planning cycles
 - 5th cycle: 2014 to 2023
 - 6th cycle: 2023 to 2031



San José's timeline



Housing Element Highlights: Community Engagement

- 9** community meetings
- 11** strategy working group meetings
- 21** focus groups
- 51** small stakeholder meetings
- 3** advisory group meetings
- 6** intergovernmental agency meetings
- 14** formal public meetings
- 6** tabling events
- 3** special events on fair housing
- 1** podcast
- 3** public surveys

4,200+
total
duplicated
participants

San José's 6th Cycle RHNA Targets

INCOME CATEGORY	NUMBER OF UNITS	PERCENT OF TOTAL RHNA	INCREASE IN UNITS VS. LAST CYCLE
Very Low-Income (≤ 50% AMI; includes Extremely Low-Income)	15,088	24%	5,855 (↑65%)
Low-Income (51-80% AMI)	8,687	14%	3,259 (↑60%)
Moderate-Income (81-120% AMI)	10,711	17%	4,523 (↑73%)
Above Moderate-Income (Market-rate)	27,714	45%	13,483 (↑94%)
Total	62,200	100%	27,120 (↑77%)

55%



Housing Element Highlights: Findings of Fair Housing Analysis

Contributing factors to segregation:

- Exclusion from "High Resource" and growth areas
- Inequitable patterns of investment and disinvestment
- Displacement
- Racial disparities in homelessness
- Lack of access for persons with disabilities
- Discrimination in the housing market

Housing Element Highlights: Housing needs

Need 1: Address Affordability and Displacement

San José is one of the most expensive places to live in the U.S. Housing prices continue to climb. Many people have left in recent years, and there is widespread fear of getting pushed out of the City due to the cost of living.

Need 2: Address Homelessness

As housing costs have increased, so has homelessness. Homelessness is much more obvious in the City than in the past, and it will continue to get worse without intervention.

Need 3: Address Racial/Ethnic Segregation

Housing has been, and continues to be, a major area of discrimination in American society, and San José is no exception. Because of past and present discrimination, there are large differences by race and income as to who owns a home. This widens the differences in wealth between races.

Need 4: Address Disparities in Opportunity

Historic discrimination, City service disparities, and different income levels have resulted in different neighborhoods having different access to resources and opportunity. Without change, all residents in San José will not have the same chance to succeed in their lives.

Need 5: Support Persons Living with Disabilities

In the City's community engagement process for our Assessment of Fair Housing, persons with disabilities consistently identified problems of housing discrimination, difficulty finding accessible housing, and problems fulfilling requests for reasonable accommodations.

Housing Element Highlights: Constraints to Housing

- Non-Governmental Constraints
 - Construction costs
 - Availability of financing
 - Resident opposition
- Governmental Constraints
 - Fees and exactions
 - Urban Village strategy

Housing Element Highlights: Goals

Goal 1:
An abundant and affordable housing stock

Focus

- Production
- Preservation
- Processes

Goal 2:
Sufficient housing for people experiencing homelessness

Focus

- Housing options for unhoused persons
- Services provision
- Systems of care

Goal 3:
Housing stability and opportunities to build wealth for all residents

Focus

- Code Enforcement
- Renter protections
- Legal services & education
- Access to housing
- Homeownership
- Economic opportunity

Goal 4:
Healthy, thriving neighborhoods with access to good jobs, schools, transportation, and other resources

Focus

- Equity-focused investing in neighborhoods
- Affordable TOD
- Preventing displacement
- Building CBOs' capacity

Goal 5:
Racially and socially inclusive neighborhoods that overcome past and present discrimination

Focus

- Better accessibility for persons w/disabilities
- Equitable community engagement
- More participation in decision-making by those w/lived experience
- Plans & metrics

Housing Element Highlights: Programs & Policies

- 132 programs and policies
 - Linked to 5 goals
 - Include support for all "3Ps"
 - **Production, Protection, and Preservation**
- Reduce barriers to housing production
- Increase housing choices
- Remedy underinvestment in lower-resource areas
- Listen to voices of protected class residents

Housing Element Highlights: Sites Inventory

Summary of Residential Capacity to Accommodate 2023-2031 RHNA

UNIT CATEGORY	LOWER	MODERATE	ABOVE MODERATE	TOTAL
Pipeline/Approved Units	5,083	178	14,830	20,091
ADUs	1,733	866	289	2,888
Opportunity Sites	20,811	10,545	20,874	52,230
Total	27,627	11,589	35,993	75,209
<i>Buffer on Opportunity Sites</i>	23%	20%	66%	33%

Housing Element Highlights: Sites Inventory

- Methodology for Opportunity Sites
 - Sites consistent with Envision San José General Plan 2040
 - General Plan and Zoning allow for residential uses
 - Realistic capacity based on historic trends and site characteristics

Housing Element Highlights: Sites Inventory

- Fair Housing Analysis
 - Avoid concentrating lower-income sites in low-resource areas, per HCD requirements
 - 89% of lower-income sites are in Moderate/High/Highest Resources areas
 - 5.5% of lower-income sites are in racially/ethnically concentrated areas of poverty (R/ECAPs)
 - Approximately 70% of lower-income *units* are in areas where the median household income is over \$110,000 and above

Changes to Draft since May PC Hearing

- **Chapter 3:** Updated description of programs and policies, metrics, and timelines; Consolidated overlapping policies/programs
- **Chapter 4:** Added Section 4.2.3 and parts of Section 4.3.1 inadvertently omitted when posted for the Planning Commission
- **Chapter 5:** Updated total unit count for Pipeline projects (also found in App. G) included new table, Table 5-12, to Section 5.6
- **Appendix F:** Provided additional information on existing uses of sites in the inventory and identified sites classified as consolidated

Next Steps

- Submittal of Council-approved Housing Element to HCD
- HCD has 60 days to review the adopted Housing Element and report its findings back to the City

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