



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Councilmember Arjun Batra

SUBJECT: SEE BELOW

DATE: March 20, 2023

Approved *Arjun Dev Batra*

Date March 20, 2023

SUBJECT: APPROVAL OF THE FISCAL YEAR 2023-2024 MAYOR'S MARCH BUDGET MESSAGE

RECOMMENDATION

- 1) Approve the Mayor's March Budget Message for Fiscal Year 2023-2024
- 2) Approve the memo signed by Councilmembers Ortiz, Torres, Davis, Doan and myself.
- 3) Direct the City Manager to issue a Manager's Budget Addendum that estimates the cost to implement the following service enhancements:
 - a. Affordable Housing
 - i. Provide funding to:
 1. Identify and purchase properties within San José suitable for permanent affordable housing using funds that would have otherwise been included in Notices of Funding Availability; and
 2. Perform initial pre-planning and development work to allow for a process whereby affordable housing developers could respond to a City-issued Request for Proposals to own, build and operate Affordable Multifamily Buildings for properties for which acquisition of real estate, basic planning (max # of units, # of stories etc.), zoning, community clearances, and City financing availability have been completed.
 - b. Project Hope - Increase funding to allow for sufficient staffing resources at each site to perform the below listed responsibilities (this is in addition to expanding the Project Hope to all sites as suggested the memo).

BACKGROUND

Affordable Housing:

The current process of creating new Affordable buildings/homes in San Jose takes about four years from planning to occupancy. The non-profits/developers typically acquire a property and then work iteratively with the planning department to satisfy zoning, planning, environmental, height, stories, number of units restrictions/requirements. Once a non-profit/developer is "entitled," he seeks funds from the City of San Jose whenever the City announces availability of funds through NOFA.

I am proposing a new process whereby City Housing identifies and purchases several properties suitable for building affordable homes, potentially using NOFA funds, and performs initial pre-planning and development work.

In this new process, affordable housing developers could respond to a City-issued Request for Proposal to own, build and operate Affordable Multifamily Buildings for properties for which acquisition of real estate, basic planning (max # of units, # of stories etc.), zoning, community clearances, and the availability of City financing have been completed.

This approach has the potential of delivering a larger number of affordable homes at a quicker pace.

Project Hope:

Last month PRNS identified the 18 Opportunity Spots for the entire city in their proposed 3-year strategic plan. We were pleased to see that our neighborhood, Hoffman Via Monte was no longer on the list for the first time in 27 years. We believe that in addition to Project Hope what the District 10 assigned one-dedicated staff has been doing in the last eight years there, has made a difference in the quality of life for that neighborhood.

In 2013, the District 10 office created a Liaison position to work with the property owners and the residents. Jose Salcido, a retired Santa Clara County Deputy Sheriff, continues to fill that position. These are some of the efforts Jose has worked on:

- Prepared maps of the neighborhood highlighting each building’s tier status so he could focus on the Tier 3 buildings.
- Managed the effort to bring in the Restricted Permit Parking program to the neighborhood.
- Organized Halloween costume giveaways brought park activations at Chris Hotts Park and organized Christmas events with the help of Westgate and Menlo churches. Walmart also participated by donating bikes and costumes to support these efforts.
- Attended the monthly MGPTF Tech Team meetings to engage in conversations and share information about the neighborhood beyond what Project Hope reports.
- Helped tenants resolve issues of overcharging rents by landlords, or other actions where property owners were taking advantage of tenants.
- Helped a tenant identify alternative housing and available services when they could no longer afford their rent and were at risk of becoming homeless.
- Worked with nearby faith-based organizations and non-profits to augment the work of Project Hope and support the efforts of the Neighborhood Association.
- Meets monthly with property owners where different City departments make presentations, such as Code Enforcement, Housing, Tri-County Housing Association to teach on legal issues regarding rental properties.
- Helped in the formation of relationships between the different property owners to
 - minimize the issue of problem tenants being evicted from one building and going across the street to another building owned by a different owner and continuing to cause problems in the neighborhood.

- work together to share best practices on operating their rental units, including cameras, leases, evictions, as well as work together to make improvements in common areas, often reducing their costs as they can go in together for large projects.

Through trial and error, and after two failed pilot programs, success has been found in having Project Hope work alongside Jose’s efforts.

The focus of Project Hope is to empower the tenants by organizing them into a neighborhood association. They made great progress at this within the first year of operation and continue to support the Association. They also brought consistency in scheduling litter pick-ups and dumpster days, but most important are the monthly neighborhood association meetings and the implementation meetings occurring with the stakeholders (police, code enforcement, housing, safe schools initiative, etc.).

What Project Hope does not do is work with the property owners. This is a critical component, and the partnership between the District 10 Liaison and Project Hope has been a successful combination. Jose reports to the Councilmember and to the Tech Team things that Project Hope staff usually doesn’t see in the course of their work. Project Hope has its focus and purpose, but they aren’t currently funded or staffed to do everything outlined above.