

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER, OR THE CITY MANAGER'S DESIGNEE TO APPLY FOR AND EXECUTE DOCUMENTS REQUIRED FOR PARTICIPATION IN THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S PATHWAYS TO REMOVING OBSTACLES TO HOUSING (PRO HOUSING) TO ADDRESS THE BARRIERS TO PRESERVING AFFORDABLE HOUSING IN SAN JOSE

WHEREAS, on July 27, 2023, the U.S. Department of Housing and Urban Development ("HUD") released a Notice of Funding Availability ("NOFA") announcing \$85 Million in available funds for the Pathways to Removing Obstacles to Housing ("PRO Housing") program; and

WHEREAS, funding for PRO Housing is sourced from the 2023 Consolidated Appropriations Act and uses the statutory and regulatory framework of the Community Development Block Grant ("CDBG"); and

WHEREAS, PRO Housing funds are made available for recipient communities to identify and remove barriers to affordable housing production and preservation; and

WHEREAS, barriers to affordable housing may include restrictive land use policies, inefficient permitting processes, inadequate infrastructure, a lack of financial resources, a lack of development capacities, environmental hazards or other impediments to affordable housing; and

WHEREAS, applicants are expected to identify the barriers to affordable Housing production that are unique to their own communities and applicants who demonstrate both a) progress and commitment to overcoming local barriers to affordable housing,

and b) an acute demand for housing affordable to households with incomes below 100 percent of the area median income (“AMI”); and

WHEREAS, the City of San José faces one of the most severe affordable housing crises among major U.S. cities. Santa Clara County was ranked by HUD as amongst the highest need in the country with San José accounting for the largest share of cost burdened households in the county; and

WHEREAS, in Santa Clara County, one of the key contributing factors to the housing crisis is the loss of naturally occurring affordable housing and faces the risk of losing 2,059 units, representing 7% of its current affordable housing stock; and

WHEREAS, the county approved 1,596 new units for low and very-low income families between 2015 and 2017, but the pace of development has not kept up with the growing demand, leading to continued loss of naturally occurring affordable housing; and

WHEREAS, the Housing Department supports the preservation of existing income-restricted affordable housing developments and seeks to protect naturally occurring affordable housing units in the private market; and

WHEREAS, the PRO Housing grant award proceeds will partially fund the acquisition, rehabilitation, and operations of existing affordable housing and build the capacity of local community organizations to manage and operate these buildings; and

WHEREAS, the Housing Department is preparing a Notice of Funding Offered to provide gap financing to acquire existing buildings in anti-displacement target areas as well as capacity building support for local community groups; and

WHEREAS, HUD plans to award up to 20 recipients ranging from 1 Million to 10 Million dollar grant awards, and grant awards are expected to cover a six year period of performance beginning January 31, 2024 to September 20, 2029; and

WHEREAS, applications are due no later than October 30, 2023 and the City intends to submit an application for an amount not to exceed \$10,000,000 for the acquisition and rehabilitation of existing for affordable housing;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager, or the City Manager’s designee, on behalf of the Applicant, is hereby authorized to execute any documents related to applying for and participation in the U.S. Department of Housing and Urban Development’s Pathways to Remove Obstacles to Housing (PRO Housing).

//
//
//
//
//
//
//
//
//
//
//
//
//
//
//
//

ADOPTED this _____ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk