

Housing Catalyst Team Work Plan Status Report

Community and Economic Development Committee

February 23, 2026

Item (d)1

Erik L. Soliván, Director, Housing Department

Chris Burton, Director, Planning, Building and Code Enforcement Department

Jerad Ferguson, Principal Planner, Planning, Building and Code Enforcement Department

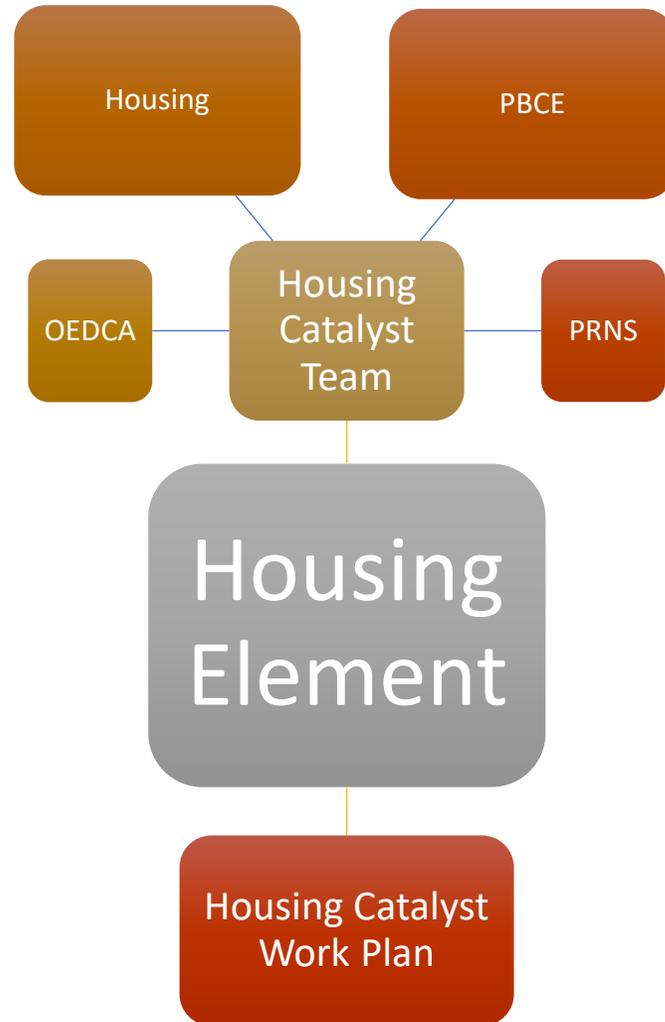


Housing



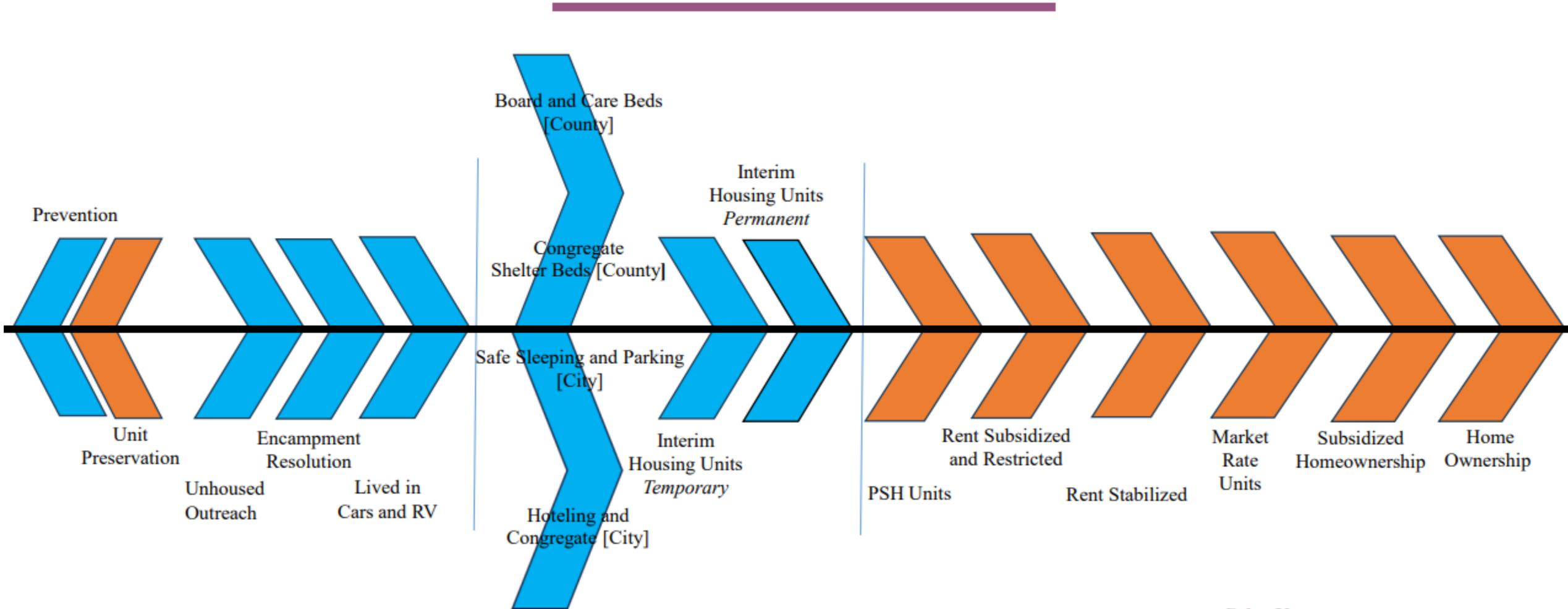
Planning, Building and Code Enforcement

Background



- **June 2023:** Housing Element Adopted & First Housing Catalyst Work Plan
- **January 2024:** Certification of Housing Element by State/Housing and Community Development
- **February 2024 & February 2025:** Annual Status Reports on Housing Catalyst Work Plan to Community and Economic Development Committee
- **March 2024 & March 2025:** Annual Status Reports to City Council with Housing Element Annual Progress Report

Housing Continuum



Color Key:

Blue: Neighborhood Services and Education City Service Area
Orange: Community & Economic Development City Service Area

Market Conditions & Incentive Programs

Market Conditions

- The housing market remains **high-priced** and **competitive**
- Recent data show **moderate price softening**, after years of rapid growth
- **Affordability challenges** persist amid **high baseline prices**
- Continued **limited inventory**, in part due to the high cost of development

Incentive Programs

- ✓ Multifamily Housing Incentive Program
- ✓ Downtown Residential Incentive Program

Building More Housing Focus Area

Goal 3.2: Initial Entitlement Analysis Summary

May 29, 2019 –
December 31, 2026

103

Total Projects
Entitled

31,375*

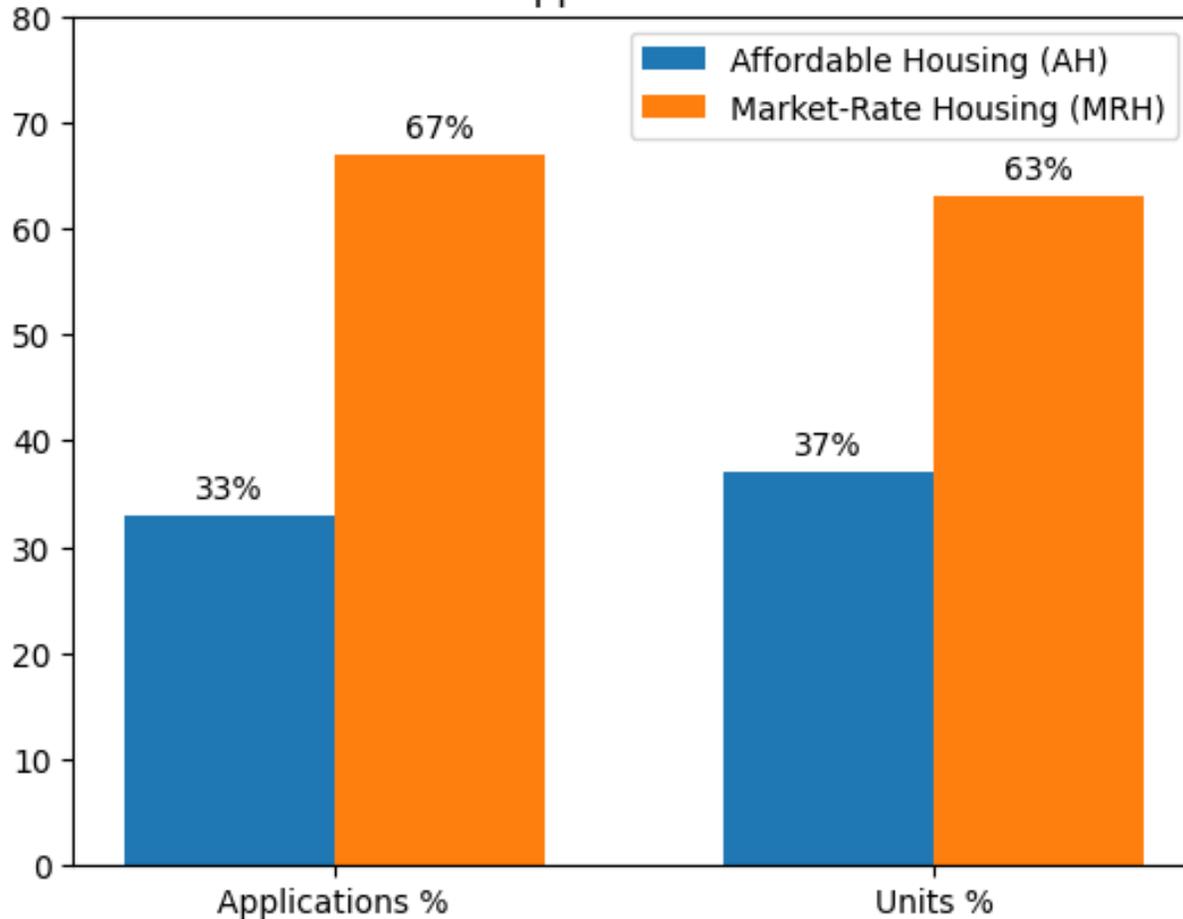
Total Units Entitled

| Council District | Applications | Units |
|------------------|--------------|--------|
| 1 | 13% | 2,825 |
| 2 | 1% | 203 |
| 3 | 34% | 15,310 |
| 4 | 13% | 4,431 |
| 5 | 5% | 728 |
| 6 | 21% | 4,076 |
| 7 | 4% | 1,858 |
| 8 | 0% | 0 |
| 9 | 4% | 973 |
| 10 | 6% | 971 |

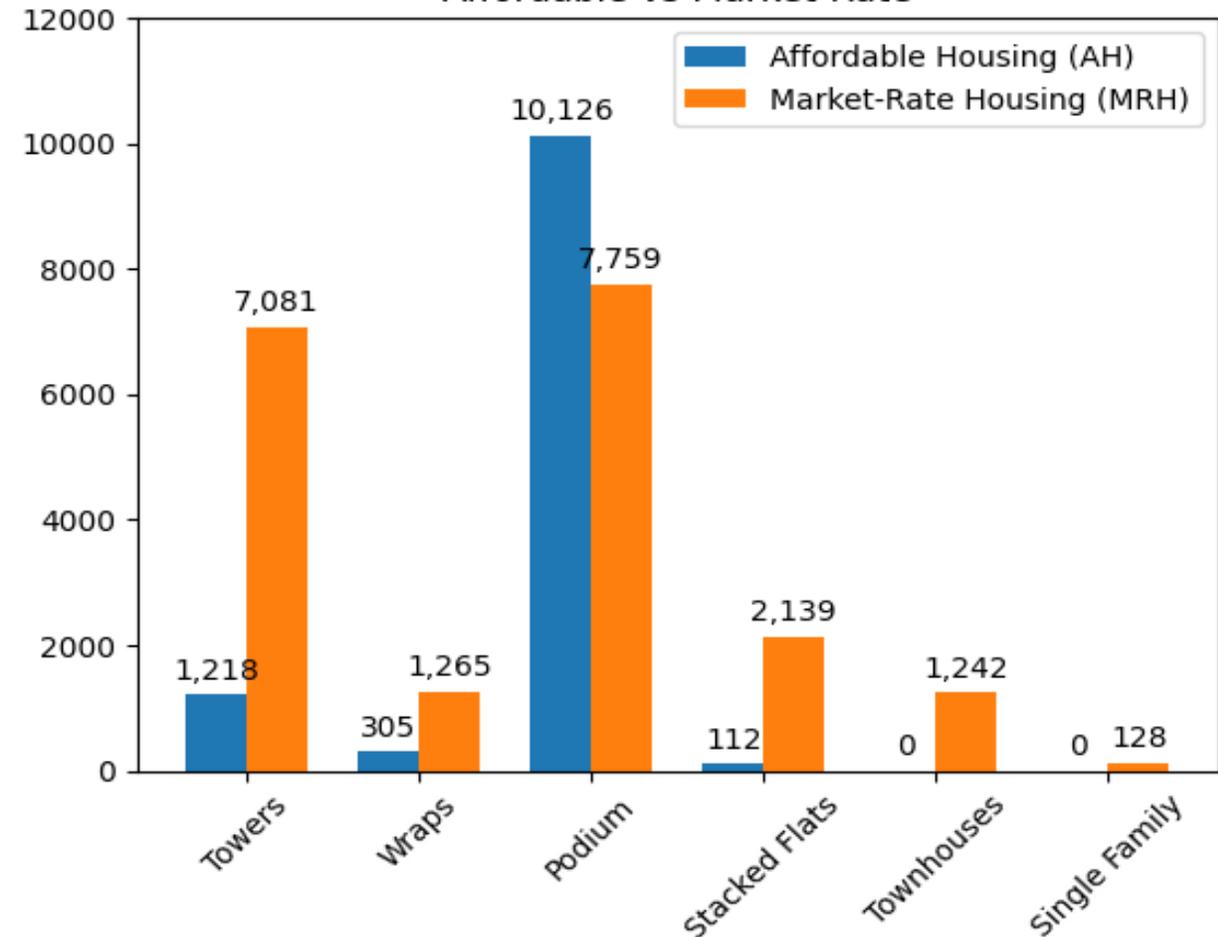
*This is updated from the
approximate number in the memo

Affordable/ Market-Rate Breakdown

Affordable vs Market-Rate Housing
Share of Applications and Units



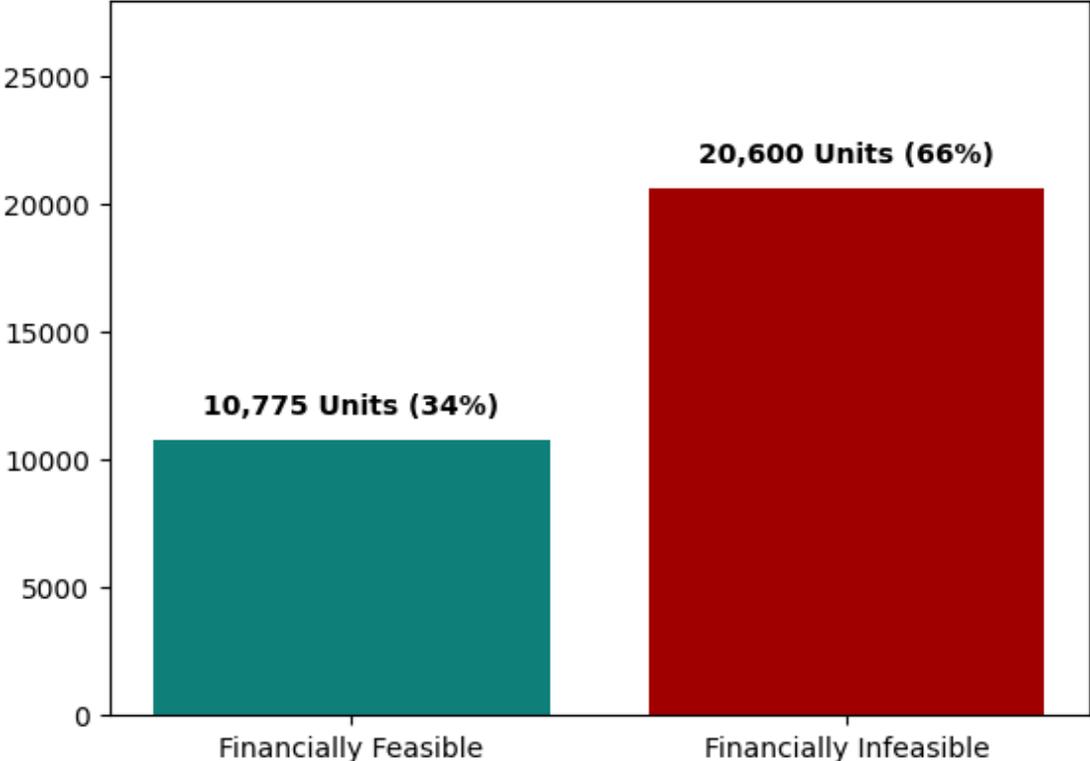
Units by Product Type
Affordable vs Market-Rate



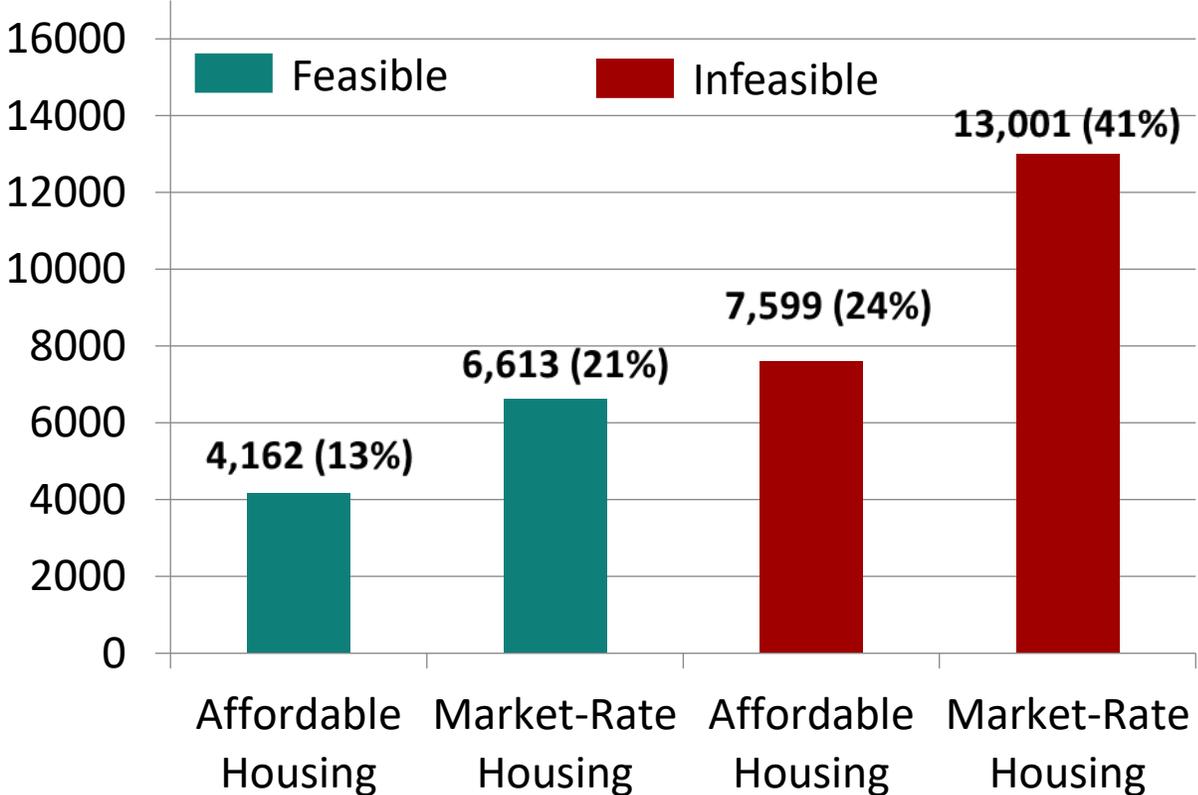
Project Feasibility/ Infeasibility

Entitled Projects analyzed for feasibility based on the Cost of Residential Development Study product types

Overall Feasibility Assessment



Feasibility Breakdown by Housing Type



Entitlement Analysis Findings and Next Steps

Findings

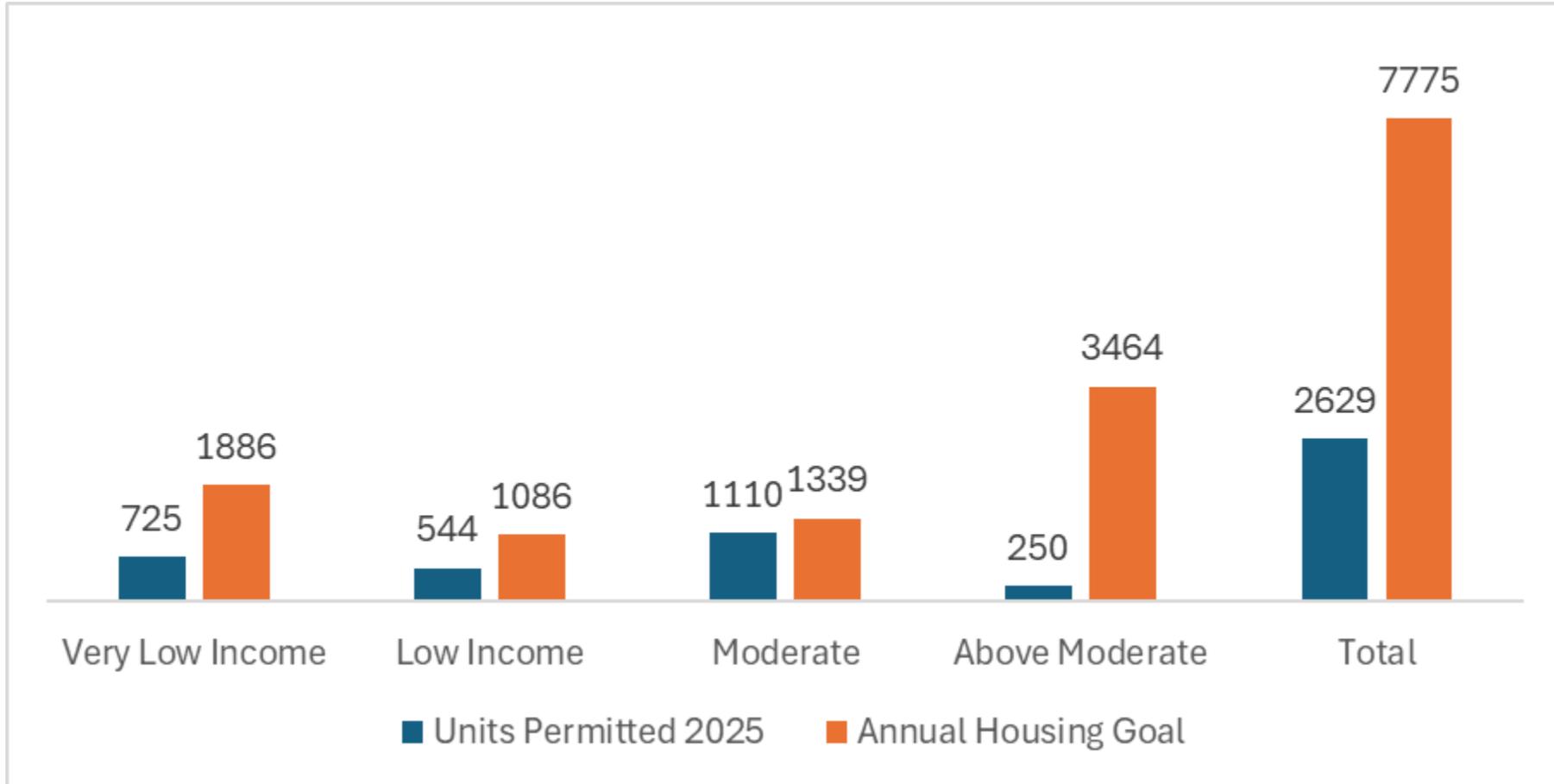
- Two-thirds of the entitled units are financially infeasible; one-third are financially feasible.
- Many projects remain stalled three or more years after receiving City approval.

Next Steps

- Staff is working to complete the comprehensive analysis by overlaying the data with, but not limited to, planned areas, approval years, incentive programs, Area Median Income (AMI) breakdown, and proposed rents.
- Any additional findings will be presented at the June 15, 2026, Community and Economic Development Committee Focus Area update.

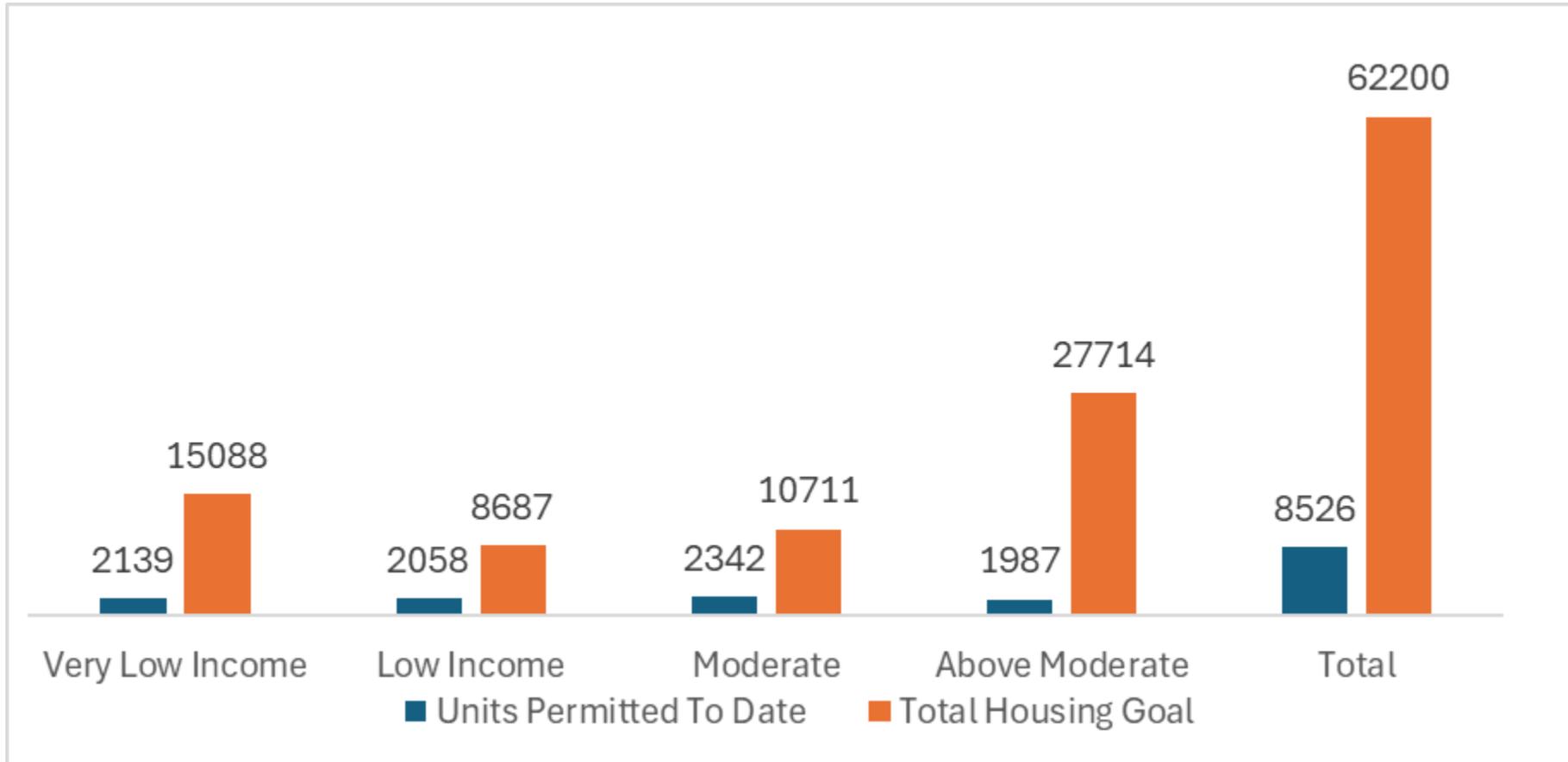
RHNA Progress

Units Permitted in Calendar Year 2025



Regional Housing Needs Allocation (RHNA) Progress

Total Units Permitted June 20, 2022, through December 31, 2025



General Plan Four-Year Review

- Significant 6th Cycle Housing Element (2023-2031) Housing Catalyst Work Items
 - *Small Multifamily Housing (P-35)*
 - *Evaluation of Urban Village Planning Process (P-40)*
- Prepare City for 7th Cycle Housing Element (2031-2040)
 - *Due January 2031*
- General Plan Task Force October 2025 to June 2026

Completed Items

- Allow “SB 9” Type Housing on Additional Properties (P-11)
- Group Homes for Seven or More Persons (P-42)
 - *January 13th City Council approval*
- Moderate-Income Housing Strategy (P-15)
 - *May 2025 Community & Economic Development Committee*

State Housing & Community Development Emphasis on Specific Programs

- ✓ City Infill Housing Ministerial Approval Ordinance (P-7) – *complete*
- ✓ Housing Balance Report (I-4) – *complete*
- Affordable Housing Tools for North San José (P-4)
 - *Reevaluate in the future based on annual cost of development*
- Diridon Affordable Housing Production Goal (P-9) – *Ongoing efforts*
- Small Multifamily Housing (P-35) – *Part of General Plan Four-Year Review*
- Evaluation of Urban Village Planning Process (P-40) – *Part of General Plan Four-Year Review*
- Review and Revise Planning Permit Conditions(P-41) – *Anticipated by fall 2026*

Key Anti-Displacement & Preservation Work Items

- Soft Story Program (R-13)
- Eviction Prevention Activities (S-12)
- Tenant Preferences that Help Fight Displacement (S-20)

Newly Added Items

- ✓ Inclusionary Housing Ordinance and Program Updates (PZ-2) – complete
- Mobilehome Rent Ordinance Updates (SZ-3) – in progress
- Linking Land to Capital – Entitlement and Feasibility Analysis – in progress

Next Steps

- February 25, 2026 - Joint Study Session with Planning Commission and Housing and Community Development Commission
- March 10, 2026 - Focus Areas update at City Council
- March 24, 2026 - Combined City Council item on Housing Catalyst Team Work Plan and Housing Element Annual Progress Report
- Ongoing - Updates to the Housing Catalyst Team Work Plan on the Planning, Building and Code Enforcement dashboard

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