

District 1 — Roma Dawson

District 3 — Barry Del Buono

District 5 — Ruben Navarro

District 7 — Victoria Partida (VC)

District 9 — Don Jackson

Mayor — Zenia Cardoza

Lived Experience (Mayor) — Sketch Salazar

Lived Experience Alternate (Mayor) — VACANT

Alain Mowad — District 2

Linh Vong — District 4

Jen Beehler — District 6

Huy Tran — District 8

Roberta Moore — District 10

Daniel Finn — CAAC MR

(C) Ryan Jasinsky — CAAC ML

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Commissioners are appointed by corresponding Council Members, but do not need to reside in that Council District.

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## **REGULAR MEETING AGENDA**

FEBRUARY 8, 2024

Virtual [Zoom Link](#)

Start time: 5:45 PM

Web ID: **940 5398 8541**

Location: City Hall, Wing Rooms 118-120

**888-475-4499 (Toll Free)**

Members of the public have a choice to attend the meeting either in person at the location listed above, or to attend virtually, viewing and listening to the meeting by following the instructions below. Additional instructions are provided below to those members of the Public who would like to comment on items on the agenda.

Beginning Tuesday, February 6, 2024, the City of San José will limit verbal public comments for Brown Act meetings to **in person only**. The public will still be able to watch live broadcasts of meetings of the commission on Zoom. The public may attend meetings in person to provide comment or may provide written comments on agenda items.

### **How to attend the Housing & Community Development Commission Meeting:**

- 1) **In person:** For participants that would like to attend in person, the physical location is listed on the upper left of this page.
- 2) **Electronic Device Instructions:** For participants who would like to join electronically from a PC, Mac, iPad, iPhone, or Android device, please click this URL: [Zoom Link](#).
  - a. Use a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer. Mute all other audio before speaking. Using multiple devices can cause an audio feedback.
  - b. Enter an email address and name.
- 3) **Telephone Device Instructions:** For participants who would like to join on their telephones, please dial **888-475-4499 (Toll Free)**.
- 4) **Public Comments prior to meeting:** If you would like to submit your comments prior to the meeting, please e-mail [mindy.nguyen@sanjoseca.gov](mailto:mindy.nguyen@sanjoseca.gov) or call **(408) 534-2961 no less than 90 minutes before the start of the meeting**. Comments submitted prior to the meeting will be considered as if you were present in the meeting.

*Note that the times for items shown below are approximate and intended only to notify the Commission of the approximate amount of time staff expects each item might take. Please note that items may be heard before or after the times shown, and plan accordingly.*

<b>APPROX. TIME</b>	<b>AGENDA ITEM</b>
<b>5:45</b>	<b>I. Call to Order &amp; Orders of the Day</b> A. Chair reviews logistics for Zoom meetings
<b>5:46</b>	<b>II. Introductions and Roll Call</b>
<b>5:50</b>	<b>III. Consent Calendar</b> A. <b>Approve the Minutes for the Regular Meeting of December 14, 2023</b> ACTION: Approve the December 14, 2023 action minutes.
<b>6:00</b>	<b>IV. Reports and Information Only</b> A. Director B. Council Liaison C. Chair
<b>6:05</b>	<b>V. Open Forum</b> <i>Members of the Public are invited to speak on any item that does <u>not</u> appear on today's Agenda and that is within the subject matter jurisdiction of the Commission. Meeting attendees are usually given two (2) minutes to speak during Open Forum; however, the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate due to a large number of speaker requests.</i>
	<b>VI. Old Business</b>
	<b>VII. New Business</b>
<b>6:10</b>	<b>A. Rent Stabilization Program Quarter 2 Mobilehome Interaction Log</b> ACTION: Approve Rent Stabilization Program Quarter 1 Mobilehome Interaction Log.
<b>6:25</b>	<b>B. Funding Priorities 2024-2025 Annual Action Plan (S. Gutowski, Housing Department)</b> ACTION: Review funding priorities for Fiscal Year 2024-2025 Annual Action Plan, give feedback to staff and make potential recommendations to City Council.

- 7:15**            **C. Draft Soft Story Retrofit Program**  
**(L. Joiner, A. Chacko, Planning, Building, and Code Enforcement Department)**  
ACTION: Review the proposed draft Citywide Mandatory Soft Story Seismic Retrofit Ordinance and Implementation Program and provide feedback to staff and/or City Council on the proposal.
- 8:45**            **D. Ad Hoc Report: Peer Led Advisory Committee on Homelessness**  
**(S. Salazar, D. Finn, R. Dawson, HCDC)**  
ACTION: Hear recommendations from the Ad Hoc Committee and set a special session of the Housing and Community Development Commission in the spring provide input on investments in homeless programs.
- 9:30**            **VIII. Open Forum**  
*Members of the Public are invited to speak on any item that does not appear on today's Agenda and that is within the subject matter jurisdiction of the Commission (per [Section 2.08.2840](#) of the San José Municipal Code). Meeting attendees are usually given two (2) minutes to speak during Open Forum; however, the time limit is in the discretion of the Chair of the meeting, and may be limited when appropriate due to a large number of speaker requests.*
- 9:35**            **IX. Meeting Schedule**
- The next **Regular Meeting** for the Commission is scheduled to be held on **Thursday, March 14, 2024 at 5:45 p.m. in Wing Rooms 118-120 at San José City Hall, 200 E. Santa Clara St., San José, CA 95113**. Items tentatively expected to be heard are:
  - Rent Stabilization Program Budget and Fee Recommendations
  - Housing Catalyst Work Plan Report and Housing Element Annual Progress Report
- 9:40**            **X. Adjournment**

*The City's [Code of Conduct](#) is intended to promote open meetings that welcome debate of public policy issues being discussed by the City Council, their Committees, and City Boards and Commissions in an atmosphere of fairness, courtesy, and respect for differing points of view.*

You may speak to the Commission about any discussion item that is on the agenda, and you may also speak during Open Forum on items that are not on the agenda and are within the subject matter jurisdiction of the Commission. Please be advised that, by law, the Commission is unable to discuss or take action on issues presented during Open Forum. Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the Commission unless listed on the agenda,

which has been posted not less than 72 hours prior to meeting. Agendas, Staff Reports and some associated documents for the Commission items may be viewed on the Internet at <http://www.sanjoseca.gov/hcdc>. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Commission.

Correspondence to the Housing & Community Development Commission is public record and will become part of the City's electronic records, which are accessible through the City's website. Before posting online, the following may be redacted: addresses, email addresses, social security numbers, phone numbers, and signatures. However, please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the Housing & Community Development Commission, will become part of the public record. If you do not want your contact information included in the public record, please do not include that information in your communication.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk, 200 East Santa Clara Street, 14<sup>th</sup> Floor, San José, California 95113, at the same time that the public records are distributed or made available to the legislative body. Any draft resolutions or other items posted on the Internet site or distributed in advance of the Commission meeting may not be the final documents approved by the Commission. Contact the Office of the City Clerk for the final document.

On occasion, the Commission may consider agenda items out of order.

The Housing & Community Development Commission meets every second Thursday of each month (except for July and sometimes December) at 5:45pm, with special meetings as necessary. If you have any questions, please direct them to the Commission staff. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

*The Levine Act* requires a Party in a Proceeding before the City of San José that involves any action related to their contract, license, permit, or use entitlement to disclose any campaign contributions to City elected or appointed officials totaling more than \$250 within the 12 months prior to the City decision. A Participant to a Proceeding may voluntarily report a campaign contribution. Please visit <https://www.sanjoseca.gov/your-government/appointees/city-clerk/levine-act> for updated forms and information.

**To request translation or interpretation services, accommodation, or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events, or printed materials, please call (408) 535-1260 as soon as possible, but at least three business days before the meeting. Please direct correspondence, requests, and questions to:**

City of San José Housing Department  
Attn: Mindy Nguyen  
200 East Santa Clara Street, 12<sup>th</sup> Floor  
San José, California 95113



Tel: (408) 534-2961

Email: [mindy.nguyen@sanjoseca.gov](mailto:mindy.nguyen@sanjoseca.gov)

**Para residentes que hablan español:** Si desea mas información, favor de llamar a Luisa Cantu al 408-535-8357.

**Tiếng Việt:** Xin vui lòng liên lạc Janie Le tại 408-975-4462.

**對於說華語的居民:** 請電 408-975-4450 向 Ann Tu 詢問詳細事宜。

**HOUSING & COMMUNITY DEVELOPMENT COMMISSION**  
**MEETING ACTION MINUTES**

**December 14, 2023**

<b>MEMBERS PRESENT:</b>	Roma Dawson Vacant Barry Del Buono Ruben Navarro Jen Beehler Victoria Partida Huy Tran Don Jackson Roberta Moore Zenia Cardoza Ryan Jasinsky Daniel Finn Sketch Salazar	Commissioner (D1) Commissioner (D2) Commissioner (D3) Commissioner (D5) <i>Arrived at 6:42pm</i> Commissioner (D6) Vice Chair (D7) Commissioner (D8) Commissioner (D9) Commissioner (D10) Mayor (CW) <i>Arrived at 6:05pm</i> Chair (ML) Commissioner (MR) Lived Experience (CW)
<b>MEMBERS ABSENT:</b>	Linh Vong Don Jackson	Commissioner (D4) Commissioner (D9)
<b>STAFF PRESENT:</b>	Rosalynn Hughey Omar Passons Rachel VanderVeen Mindy Nguyen Karly Wolak Lucas Ramirez Shelsy Bass Emily Hislop Noel Padilla Vanessa Pacheco Elizabeth Guzman Anakareli Gonzalez Yareli Rivera	Deputy City Manager and Acting Housing Director Deputy City Manager Assistant Director of Housing Development Officer, Housing Senior Supervisor, Housing City Council Liaison, District 2 Senior Development Officer, Housing Division Manager, Housing Senior Analyst, Housing Acting Senior Analyst, Housing Analyst, Housing Analyst, Housing Analyst, Housing

- (I) Call to Order & Orders of the Day**
  - A. Chair Jasinsky called the meeting to order at 5:45 p.m. and reviewed logistics for Zoom meetings**
- (II) Introductions – Commissioners and staff introduced themselves.**
- (III) Consent Calendar**

**Housing & Community Development Commission  
DRAFT Minutes – Regular Meeting of December 14, 2023**

- A. Approve the Consent Calendar which includes Minutes for the Regular Meeting of November 9, 2023 and the Measure E Annual Report.**

**Commissioner Finn made the motion to approve the Consent Calendar with a second by Commissioner Del Buono. The motion passed 9-0.**

Yes	Finn, Jasinsky, Dawson, Del Buono, Beehler, Partida, Tran, Moore, Salazar (9)
No	None (0)
Absent	Vong, Navarro, Jackson, Cardoza, (4)

**(IV) Reports and Information Only**

- A. Chair:** Chair Ryan Jasinsky reviewed logistics and guidelines for participation.
- B. Director:** Ms. Rachel VanderVeen shared that the City’s Housing Element has been submitted to HCD and is currently under review. Ms. VanderVeen extended an invitation from the City’s Senior Commission to attend the February meeting. Ms. VanderVeen and Ms. Karly Wolak will speak on affordable housing and senior housing. Ms. VanderVeen shared that Jerome Shaw, the Lived Experience Alternate has stepped down from the position and staff has begun recruitment to fill the position. Ms. VanderVeen notified the commissioners that Ms. Mindy Nguyen and Ms. Wolak will be conducting interviews to evaluate the addition of the Lived Experience Seat to HCDC.
- C. Council Liaison:** Mr. Lucas Ramirez shared that while the City’s Housing Element has not yet been approved, the City is already actively implementing the programs in the program including creation of housing overlay zones to facilitate ministerial approval of developments that include a certain amount of affordable housing and adopting a number of zoning codes to comply with state law. Mr. Ramirez also included that council directed staff to explore implementation of EB 1033, which allows local jurisdictions to allow individual sales of ADUs. In addition, Council provided direction to the safe park program in Berryessa to ensure proper investments in the program and has continue to protect more mobilehome parks by designating them with a mobilehome land use designation.

**(V) Open Forum**

**(VI) Old Business**

**(VII) New Business**

- A. Community Plan to End Homelessness Implementation Plan  
(O. Passons, City Manager’s Office)**

**ACTION:** Hear presentation and provide feedback to staff and the City Council on

**Housing & Community Development Commission  
DRAFT Minutes – Regular Meeting of December 14, 2023**

the Community Plan to End Homelessness Implementation Plan

**Commissioners asked clarifying questions and gave feedback to staff. No motions were made.**

**B. Rent Stabilization Program Annual Report FY 22-23 and Annual Report FY 21-22  
(E. Hislop, Housing Department)**

**ACTION:** Review the Rent Stabilization Program Annual Report FY 22-23 and Annual Report FY 21-22 and provide possible recommendations to staff

**Commissioners asked clarifying questions and gave feedback to staff. No motions were made.**

**(VIII) Open Forum**

*Members of the Public are invited to speak on any item that does not appear on today's Agenda and that is within the subject matter jurisdiction of the Commission. Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Commission.*

**(IX) Meeting Schedule**

The next Regular Meeting for the Commission is scheduled to be held on **Thursday, January 11, at 5:45 p.m., Wing Rooms 118-120, at San José City Hall, 200 E. Santa Clara St., San José, CA 95113.** Items expected to be heard are (updated):

- HCDC Workplan Amendments (as necessary)
- Housing Catalyst Team Workplan

**(X) Adjournment**

**Chair Jasinsky adjourned the meeting at 10:08 p.m.**



# Memorandum

**TO:** HOUSING AND COMMUNITY  
DEVELOPMENT COMMISSION

**FROM:** Emily Hislop

**SUBJECT:** SEE BELOW

**DATE:** February 1, 2024

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Approved

Date

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**SUBJECT: RENT STABILIZATION PROGRAM FISCAL YEAR 2023-2024  
QUARTER 2 INTERACTION LOG REPORT FOR MOBILEHOMES**

## **RECOMMENDATION**

Approve the Rent Stabilization Program interaction log report for mobilehomes in Quarter 2 of Fiscal Year 2023-2024.

## **SUMMARY AND OUTCOME**

This memorandum gives the Housing and Community Development Commission an update on the interactions Rent Stabilization Program (Program) staff had with residents, park owners and park managers of mobilehome communities in San José during Quarter 2 of Fiscal Year (FY) 2023-2024.

## **BACKGROUND**

The Program's mission is to enforce the City of San José housing ordinances through education, engagement, and collaboration to build and maintain safe, healthy, and sustainable communities. In administering the Mobilehome Rent Ordinance, Program staff provides education and information to protect the rights and improve relations between mobilehome residents and park owners/managers. This report provides the interaction log report for mobilehomes during Fiscal Year 2023-2024 Quarter 2.

## **ANALYSIS**

In Quarter 2, Program staff continued community engagement via phone and email assistance and provided referrals to legal and social services as needed. The Program received a total of 16 mobilehome park inquiries and conducted four site visits summarized in **Table 1**, during Quarter

2. **Table 1** shows a breakdown of the number of inquiries the Program received. The highest number of inquiries were in the category of miscellaneous and related to titling inquiries, fees, and homeless and service issues.

**Table 1: Summary of Call Inquiries Received in FY 2023-2024 Quarter 2**

Topic	Inquiries Received
Rent Increases	1
Maintenance	0
Request for Information	3
Eviction Information	1
Referral	0
Miscellaneous (Service issues, title inquiries, etc.)	7
Site Visits	4
<b>Total</b>	<b>16</b>

*Additional information about these inquiries is found in the Call Log Report (Attachment A).*

### **Site Visits**

Program staff conducted four site visits throughout Quarter 2. Staff visited Mountain Shadow, Mountain Springs, Spanish Cove and Quail Hollow mobilehome parks. Program staff met with park management at each site, and while there, staff were able to ask questions, address concerns, and develop an understanding of each mobilehome park community. The goal of the site visits is to strengthen the communication and collaboration between the Program and mobilehome communities, and to discuss the ways to help support mobilehome residents.

### **Mobilehome Space Fee Invoices**

During Quarter 2 program staff mailed out the Mobilehome Ordinance Summary letter to all mobilehome parks. The Mobilehome Ordinance Summary letter is to be sent annually by February of each year. At the same time, Program staff mailed out the annual mobilehome fee exemption form for park owners to complete. The fee exemption form allows park owners to apply for a fee exemption if any of the following apply: 1) a park owner occupies a mobilehome lot, 2) a rental unit with plumbing, electrical, and sewage permits were issued after September 7, 1979, or 3) if the mobilehome park has a long-term lease or rental agreement with a mobilehome resident that is twelve months or longer. Of the 58 mobilehome parks that received the fee exemption form, a total of seven parks requested fee exemptions based on long-term leases and plumbing, electrical, or sewage permits being issued after September 7, 1979. Staff approved all seven-exemption requests and sent invoices, which are due to be paid by January 31, 2024.

## **CONCLUSION**

Program staff continues to communicate with the public and respond to their needs. In Quarter 2, most of the inquiries were in the category of miscellaneous which includes titling inquiries, fees, homeless services and service issues. Program staff addressed mobilehome residents' concerns and questions by offering the appropriate referrals. Program staff also conducted four site visits this quarter.

## **EVALUATION AND FOLLOW-UP**

The Rent Stabilization Program interaction log for mobilehomes for FY 2023-2024 Quarter 2 is prepared for the Housing and Community Development Commission and will not be a report reviewed by the City Council. Staff provides periodic reports to the Commission and is currently working on two-year Annual Report for the Commission's consideration.

## **COMMISSION RECOMMENDATION/INPUT**

The Commission's recommendations on the report will be received and reviewed by Program staff. These recommendations may be implemented into future Program activities and reports.

## **FISCAL/POLICY ALIGNMENT**

The report aligns with the San José Municipal Code Chapter 2.08, Part 28, which gives the Commission the ability to make recommendations regarding operations and administration of Chapter 17.22 and 17.23 of the Municipal Code.

Emily Hislop  
Division Manager, Housing Department

The primary authors of this memorandum and report are Elizabeth Guzman, Analyst. For questions, please contact Emily Hislop, Division Manager at [emily.hislop@sanjoseca.gov](mailto:emily.hislop@sanjoseca.gov)

**ATTACHMENT A - Call Log Report**





# Memorandum

TO: HOUSING & COMMUNITY DEVELOPMENT COMMISSION  
(HCDC)

FROM: Elizabeth+Guzman

SUBJECT: CALL LOG REPORT

DATE: 1/24/2024

Total Calls=16

	Date	Requestor	Mobilehome Park	Topic	Language
Oct	10/12/2023	City Staff	MOUNTAIN SHADOWS MOBILEHOME PARK	Office Information	English
Oct	10/12/2023	City Staff	MOUNTAIN SPINGS	Office Information	English
Oct	10/16/2023	RESIDENT	GOLDEN WHEEL PARK	Allowable Rent Increase	English
Oct	10/19/2023	RESIDENT	IMPERIAL SAN JOSE MOBILE ESTATES	Mobilehome HCD Title	English
Oct	10/24/2023	RESIDENT	GOLDEN WHEEL PARK	Ordinance;Office Information	English
Oct	10/26/2023	RESIDENT	LAMPLIGHTER MOBILEHOME PARK	Mobilehome HCD Title	English
Oct	10/27/2023	Mobilehome Resident Advocate	COLONIAL MOBILE MANOR MOBILEHOME PARK	Office Information	English
Nov	11/2/2023	RESIDENT	Unavailable	Homeless	English
Nov	11/8/2023	City Staff	SPANISH COVE MOBILEHOME PARK	Ordinance	English
Nov	11/17/2023	RESIDENT	GOLDEN WHEEL PARK	Mobilehome Eviction	English
Nov	11/30/2023	LANDLORD	VILLAGE OF THE FOUR SEASONS	Fees	English
Nov	11/30/2023	City Staff	QUAIL HOLLOW MOBILEHOME PARK	Ordinance	English
Dec	12/1/2023	RESIDENT	CASA ALONDRA MOBILEHOME PARK	Mobilehome HCD Title	English
			CASA ALONDRA		

Dec	12/7/2023	City Staff	MOBILEHOME PARK	Mobilehome HCD Title	English
Dec	12/7/2023	RESIDENT	CASA ALONDRA MOBILEHOME PARK	Mobilehome HCD Title	English
Dec	12/12/2023	TENANT	SAN JOSE VERDE MOBILEHOME PARK	Service	English

Brief Synopsis on Disposition of Calls

**10/12/2023 - MOUNTAIN SHADOWS MOBILEHOME PARK**

Program staff conducted a site visit.

**10/12/2023 - MOUNTAIN SPINGS**

Program staff conducted a site visit.

**10/16/2023 - GOLDEN WHEEL PARK**

Resident received notice that their rent will increase to about 5.5%. Staff confirmed that the resident is not covered under the Mobilehome Rent Ordinance because they are under a long term lease. Resident was provided with information to the Mobilehome Assistance Center through HCD.

**10/19/2023 - IMPERIAL SAN JOSE MOBILE ESTATES**

Resident inquired about removing her deceased husband's name off her mobilehome title/registration. Staff referred her to the State of California's Registration and Titling department for further assistance.

**10/24/2023 - GOLDEN WHEEL PARK**

Resident requested information on converting long-term lease to regular lease covered under the Mobilehome Rent Ordinance. Program staff informed resident that they needed to contact legal services and park management for further assistance. Program staff also recommended the Mobilehome Assistance Center but resident has already contacted them. Staff will follow up with other resources.

**10/26/2023 - LAMPLIGHTER MOBILEHOME PARK**

Resident inquired about getting an updated Title for his mobilehome. Program staff referred him to HCD Title and Registration Department for further assistance.

**10/27/2023 - COLONIAL MOBILE MANOR MOBILEHOME PARK**

Mobilehome Housing Advocate informed staff that the park owner for Colonial Manor was raising the income requirement by 3.5x the space rent for the senior park. The advocate explained that norm for income requirement for any mobilehome park is typically 2-3x the space rent, but not above. They asserted that this is concerning matter as this will impact the number of affordable units that would be available to seniors.

**11/2/2023 - Unavailable**

Resident is homeless and is looking for shelter. Staff provided all info available

**11/8/2023 - SPANISH COVE MOBILEHOME PARK**

Program staff conducted a site visit.

**11/17/2023 - GOLDEN WHEEL PARK**

Resident called to inquire information on what the MRO says on late rent fees. Staff let them know that the MRO does not speak to late fees but gave him legal services phone numbers and the Mobilehome Assistance Center for further information and assistance with the 3-day notice resident received.

**11/30/2023 - VILLAGE OF THE FOUR SEASONS**

Property owner inquired about property at 2155 The Alameda. Program staff informed property owner that the rental property located at 2155 THE ALAMEDA, SAN JOSE CA 95126 in San Jose is used for transient accommodations for periods of less than thirty (30) days such as a hotel/motel making the rental property exempt.

**11/30/2023 - QUAIL HOLLOW MOBILEHOME PARK**

Program staff conducted a site visit.

**12/1/2023 - CASA ALONDRA MOBILEHOME PARK**

Resident called the Program because he wanted to know who had the authority to remove the City of San Jose as part owner of his mother's mobilehome. Staff took down information from the resident and asked if it was okay to share with Housing Department staff who used to oversee the Mobilehome Repair Program. Resident agreed and staff shared the information with the Housing Department staff member. Staff informed the resident know that Housing Department or Program staff would follow up with further information.

**12/7/2023 - CASA ALONDRA MOBILEHOME PARK**

Staff received additional documents from the resident who is looking into removing the City of San Jose as an owner of his mother's mobilehome. Staff forwarded that information to the Senior Development Officer in the Housing Department who is investigating more information regarding a potential loan with the City.

**12/7/2023 - CASA ALONDRA MOBILEHOME PARK**

Resident called following up on the inquiry. Staff let him know that we have not found any information yet, but once we had something we would contact him.

**12/12/2023 - SAN JOSE VERDE MOBILEHOME PARK**

A resident had been dialing all numbers in the City Hall directory and indicated that Program staff was the first person to answer their call. Resident asked if someone named Iman is working in the Mayor's office. Staff could not respond to her inquiry, however the resident expressed gratitude for answering her call.

Elizabeth+Guzman  
Rental Rights & Referrals Program  
Analyst+II,+Policy+and+Special+Projects



# Memorandum

**TO:** HOUSING AND COMMUNITY  
DEVELOPMENT COMMISSION

**FROM:** Ragan Henninger

**SUBJECT:** SEE BELOW

**DATE:** January 25, 2024

Approved

Date

**SUBJECT: FISCAL YEAR 2024-25 ANNUAL ACTION PLAN FUNDING  
PRIORITIES**

## **RECOMMENDATION**

Hold a public hearing on funding priorities for the Fiscal Year 2024-25 Annual Action Plan for the use of federal funds from the U.S. Department of Housing and Urban Development (HUD) and provide Housing Department (Housing Department) staff with input on the proposed funding priorities for the City's next Annual Action Plan.

## **SUMMARY AND OUTCOME**

The goal of this publicly noticed hearing is to give the public and the Commissioners an opportunity to provide comments and possible recommendations on funding priorities for the City's Annual Action Plan for FY 2024-25.

## **BACKGROUND**

As an entitlement jurisdiction, the City receives federal formula grants each year from HUD for a variety of housing and community development activities. The amount that the City receives each year is based on several factors including population, poverty levels, and housing statistics.

### **Five-Year Consolidated Plan**

Every five years, HUD requires jurisdictions that receive federal funding by formula to develop a Five-Year Consolidated Plan. The Five-Year Consolidated Plan identifies priority needs, goals, actions, and funding strategies for its four federal housing and community programs: 1) Community Development Block Grant (CDBG); 2) HOME Investment Partnerships Program (HOME); 3) Emergency Solutions Grant (ESG); and 4) Housing Opportunities for Persons with AIDS (HOPWA).

On August 11, 2020, the City Council approved the City's *2020-2025 Consolidated Plan*,<sup>1</sup> which identified four categories as areas of greatest need within the community and identified broad project goals to address these needs. The four priority categories of need are:

1. Prevent and Address Homelessness – Increase housing opportunities and self-sufficiency for homeless populations and assist in the prevention of homelessness for at-risk individuals and families.
2. Create and Preserve Affordable Housing – Create new affordable housing opportunities and preserve existing affordable housing.
3. Promote Fair Housing – Promote fair housing and lowered barriers to housing.
4. Strengthen and Stabilize Communities – Strengthen and stabilize communities' condition and help to improve residents' ability to increase employment prospects and grow assets.

All activities funded with the federal funding programs must support one or more of these four priorities identified in the *2020-2025 Consolidated Plan*.

### Annual Action Plan

In accordance with the federal funding requirements, the City prepares an Annual Action Plan to document how it plans to utilize its federal resources each year. An Annual Action Plan outlines one-year strategies that will keep the City on track to meet its Five-Year Consolidated Plan goals. Included in Annual Action Plans are funding recommendations for specific actions and activities for each of the four federal funding sources. Annual Action Plans also describe how the City will support the goals and meet the needs identified in the Five-Year Consolidated Plan. Prior to an Annual Action Plan's final approval by the City Council, the Housing Department must provide for a 30-day public review of a draft Annual Action Plan. In accordance with the City's Citizen Participation Plan, the Housing Department must provide three public hearings on draft Annual Action Plans to create an opportunity for public comment.

### Federal Funding Sources and their Uses

San José receives four major sources of federal funding annually from HUD, as listed in Table 1. Each of these sources is distinct and supports specific housing and community development needs. The primary use for each fund and the amount that is projected to be allocated for fiscal year (FY) 2024-25 are also listed in Table 1. Note that FY 2023-2024

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<sup>1</sup> 2020-2025 Consolidated Plan -

<https://www.sanjoseca.gov/home/showpublisheddocument/67099/637417146276030000>

funding levels are used in Table 1 as a general estimate of next year’s allocations, net of any estimated program income from loan repayments:

Table 1: Estimated FY 2024-25 San José Federal Funding Levels

<b>Funding Source</b>	<b>Primary Use</b>	<b>Estimated Allocations for FY 2024-2025</b>
CDBG	Housing and Community Development Programs, Services, and Capital Improvements	\$8,350,201
HOME	Housing	\$3,380,549
ESG	Homeless Services and Shelter Operations	\$743,071
HOPWA	Housing Support for Persons with AIDS	\$1,797,713
<b>TOTAL</b>		<b>\$14,271,534</b>

Regulatory requirements for the use of HOME, ESG, and HOPWA are specific: HOME funds must be used to create affordable housing opportunities; ESG funds must be used to support efforts addressing homelessness; and HOPWA funds must be used for housing and services for individuals with AIDS or HIV. CDBG is the most flexible federal funding source and may be used to fund a wide range of housing and community development needs. For this reason, funding priority decisions typically focus on the use of CDBG.

**ANALYSIS**

The City’s Housing Department invited qualified organizations to submit proposals to oversee various programs funded by CDBG, ESG, and HOPWA Program funds, for FY 2023-24, and FY 2024-2025 in January 2023. This NOFA contracted with multiple organizations to manage different programs. applications were for the following programs:

- Neighborhood Engagement (CDBG)
- Fair Housing- Legal Services (CDBG)
- Senior Nutrition (CDBG)
- Minor Home Repair (CDBG)
- Homeless Outreach (ESG and CDBG)
- Rental Assistance and Support Services (HOPWA)

This is the second year of the processed NOFA.

***CDBG Priorities***

**CDBG Public Services**

CDBG funds can be used for a variety of services for low-income individuals. Program regulations limit funding for public services to 15% of the annual CDBG allocation combined with the prior year’s program income from loan repayments. The amounts allocated reflect not only the City’s priorities, but also the actual costs to deliver eligible programs and the staff capacity of the grantee organizations.

Table 2: Proposed CDBG-funded Public Services

Public Services	Description	FY 2024-25 Funding
Neighborhood Engagement	Leadership development and engagement training	\$200,000
Legal Services	Citywide legal services for low-income tenants	\$200,000
Legal Services	Landlord counseling and fair housing services	\$200,000
Senior Nutrition	Meals and support programs	\$302,530
Homeless Outreach	Citywide outreach and shelter	\$350,000
<b>TOTAL</b>	<b>15% of CDBG allocation</b>	<b>\$1,252,530</b>

CDBG Community Development Investment (CDI) Activities

CDBG Community Development Investment (CDI) funds can be used to fund public infrastructure and other needs that serve low-income individuals. There is no limit on the amount of funding that may be dedicated to the CDI category. The proposed funding priorities in this category include the following CDI activities:

Housing Department staff coordinates with other City departments to identify infrastructure and other capital projects eligible for CDBG that benefit the City’s lower-income communities.

Table 3: Proposed CDBG-funded Community Development Investment (CDI) Activities

CDBG Activities	Description	FY 2024-25 Funding
Fair Swim Center/Tot Lot (PRNS and PW)	Rehabilitate building and tot lot	\$396,065
Accessible Pedestrian Signal (DOT)	Accessibility device installed at a traffic signal that provides audible and vibrotactile cues	\$559,374
African American Community Services - Windows (PW)	Window replacement	\$120,000



Fire Stations LED Replacement (PW)	LED replacement fixtures	\$350,000
<b>TOTAL</b>		<b>\$1,425,439</b>

**Fair Swim Center/Tot Lot (PRNS and PW)**

The Fair Swim Center project consists of building improvements at the Fair Swim Center and renovation of the adjacent tot lot playground. The project will improve day to day operations of the Fair Swim center and provide enriching activities for the East San José residents. The Tot lot project scope will include demolition of outdated play equipment, installation of new play equipment geared for early childhood development, new resilient surfacing for improved accessibility, and minor enhancements to perimeter fencing and landscape areas. The Fair Swim Center building improvements would include interior restroom enhancements', restoration and extending life of building exterior and painting, exterior signage for improved wayfinding and increased attendance and use of the Swim Center, and site aquatics equipment procurement. Implementing these site improvements will promote and provide recreational activities that will create a lasting impact for residents for a safe, welcoming, dynamic, and enjoyable location to serve the community. This project was part of the CDBG – CBO Acquisition, Rehabilitation, and Public Facilities Projects under the FY 2022-23 Annual Action Plan and \$300,000 was appropriated in the FY 2022-23 Mid-Year Budget Report. Environmental review was completed, and the project started renovating the tot lot. \$516,000 was allocated in FY 2023-24 Annual Action Plan. Additional \$396,065 is needed in FY 2024-25 to continue with the tot lot improvements and to begin work on the building improvements.

Housing completed an internal Notice of Funding Availability (NOFA) for possible CDI projects for FY 2024/25 in December 2023. The City Manager’s Office, Public Works Department, Department of Transportation, and Parks Recreation and Neighborhood Services Department were informed of the availability of CDBG funding. The following submitted projects are eligible to receive CDBG funding:

**Accessible Pedestrian Signal (APS) Community Improvement Project (DOT):**

The City’s Department of Transportation (DOT) desires to install Accessible Pedestrian Signals (APS) at signalized intersections in order to improve accessibility and safety, particularly for our most vulnerable users. An APS is an accessibility device installed at a traffic signal that provides audible and vibrotactile cues to let pedestrians (especially visually-impaired pedestrians) know when the traffic signal is in its “WALK” or “DON’T WALK” intervals. These devices provide clear feedback in multiple formats when it is safe to enter a crosswalk at an intersection.

San José has almost 1,000 traffic signals throughout the city. Approximately 32% of our signals are currently equipped with APS. In order to equitably provide all pedestrians the ability to safely cross the streets, DOT would like to continue to install APS at priority locations. CDBG funding would allow for significant progress to be made in installing APS in the City’s Low-Income Neighborhood Areas, many of which are also located in existing or emerging Project

**Hope Areas.** Project Hope is an innovative neighborhood engagement and empowerment program that aims to improve the quality of life in the City of San José by promoting creation of neighborhood associations in underserved areas stressed by crime, blight and violence. This project aims to provide inclusivity, benefit, and safety to all users of our transportation network, particularly those that need it the most. Total cost of the project is \$927,652. DOT is requesting \$559,374 in FY 2024-25 and \$275,513 in FY 2025-26. The department will contribute \$92,765.

The proposed project will install APS at 108 locations throughout San José. All project locations are in CDBG Low-Mod Census Tracts. Many project locations are in existing and emerging Project Hope Areas. The list of project locations is in Attachment A.

### **African American Community Services Agency-Window Replacement (PW)**

The African American Community Services Agency facility located at 304 N 6th Street and provides educational, cultural, social, and recreational programs, services, and activities to the community. This facility serves as a site for training, resource distribution, and community gatherings. The upgrades to the existing windows, which are believed to be the original windows, would prevent water intrusion from the rains during storm events, ensure the efficiency of the heating and cooling systems as well as contribute to the beautification of the building and its neighborhood. The total cost of the project is \$300,000. Public Works has appropriated \$180,000 towards this project. \$120,000 in CDBG funds is needed to complete the window replacements.

### **San José Fire Station Exterior LED Installation (PW)**

The exterior lighting at the listed fire stations is antiquated, provides poor visibility, and most of the lighting is low pressure sodium which has been phased out due to environmental reasons. The purpose of this project is to replace the exterior lighting at these fire stations so staff and public can have good visibility when accessing the locations. \$350,000 is requested to complete the LED replacement in FY 2024-25.

Fire stations requesting updated lighting:

- Fire Station #3 98 Martha St, San José, CA 95112
- Fire Station #5 1380 N 10th St, San José, CA 95112
- Fire Station #7 800 Emory St, San José, CA 95126
- Fire Station #16 2001 S King Rd, San José, CA 95122
- Fire Station #18 4430 Monterey Rd, San José, CA 95111
- Fire Station #20 1120 Coleman Ave, San José, CA 95110
- Fire Station #26 528 Tully Rd, San José, CA 95111
- Fire Station #30 454 Auzerais Ave, San José, CA 95126
- Fire Station #34 1634 Las Plumas Ave, San José, CA 95133
- Fire Station #35 135 Poughkeepsie Rd, San José, CA 95123

The Housing Department evaluates CDI capital projects based on funding availability, project readiness, public feedback, and uses’ alignment with stated Five-Year Consolidated Plan objectives and CDBG eligibility rules. Readiness includes the ability to spend all allocated funds promptly, preferably within the fiscal year, including obtaining project environmental clearances for the use of federal funds prior to funding commitment.

CDBG – CDI Non-Construction

Non-construction CDI projects include programs and other indirect services benefitting low- and moderate-income individuals and households.

Table 4: Proposed CDI Non-construction Projects

<b>CDBG Activities</b>	<b>Description</b>	<b>FY 2024-25 Funding</b>
Enhanced Code Enforcement (PBCE)	Enhanced Code Enforcement in Targeted Neighborhood	\$1,100,000
Minor Home Repair	Owner-occupied single-family home and mobile home repairs	\$1,650,000
<b>TOTAL</b>		<b>\$2,750,000</b>

Enhanced code enforcement and job creation are two of the only “service” activities that can be funded with CDI funds. For enhanced code enforcement to be eligible, it must be proactive and linked with a special program, such as Project Hope. The City’s Planning, Building and Code Enforcement (PBCE) Department will use CDBG resources for enhanced code enforcement in four specific neighborhoods that include Santee, Five Wounds/Brookwood Terrace, Cadillac/Winchester - Project Hope, and Roundtable - Project Hope II.

City provides emergency and minor repairs to homeowners who meet eligibility requirements under the CDBG requirements.

CDBG-Microenterprise Program – BOOST Program

The CDBG definition of a microenterprise is a business that has five or fewer employees, one or more of whom owns the enterprise. All part-time and full-time employees on the business payroll at the time of assistance must be counted. Eligible microenterprise assistance activities refer to technical assistance and/or general support services to Low and Moderate Income (LMI) business that directly lead to the establishment of either new businesses or the expansion of existing businesses (e.g., new employees, higher sales volume or revenue, etc.)

Table 5: Proposed Microenterprise Program

<b>CDBG Activities</b>	<b>Description</b>	<b>FY 2024-25 Funding</b>
Microenterprise Program	Child Care Centers	\$1,000,000
<b>TOTAL</b>		<b>\$1,000,000</b>

The goal of the BOOST Program is to provide comprehensive business and technical support to participating microenterprise childcare providers, contributing to the establishment and maintenance of a robust and sustainable local childcare ecosystem. This enhances the overall sustainability of LMI providers through operational stabilization and revenue maximization, which, in turn, improves the quality of life of the families they serve

HOME Priorities

The HOME program may provide financial assistance to help increase the supply of affordable rental and homeownership housing for low-income households through the acquisition, rehabilitation, or construction of affordable housing and through the provision of tenant-based rental assistance. HOME rules require that new affordable housing developments must have all other financing obtained and be able to start construction within one year of committing the funds. For this reason, for certain projects, the Housing Department must hold a significant portion of funds until a project is almost ready to start construction.

Table 6: Proposed HOME Projects

<b>HOME Activities</b>	<b>Description</b>	<b>FY 2024-25 Funding</b>
New Affordable Housing Development	Affordable Housing Development	\$2,335,409
New Affordable Housing Development	CHDO Set Aside (15% HOME Set Aside)	\$507,082
Law Foundation of Silicon Valley-Consortium	Fair Housing	\$200,000
<b>TOTAL</b>		<b>\$3,042,491</b>

On October 10, 2023, the City Housing Department released a \$50 million new construction Notice of Funding Availability (NOFA) to assist with construction of affordable multifamily rental housing for extremely-low-, very-low-, and low-income individuals and families. Proposals were reviewed, scored, and ranked in order of funding priority by an evaluation panel.

An information memorandum will be taken to City Council on February 27, 2024, and recommendations for funding commitments for the projects will be taken to City Council after the projects are entitled and ready to move forward. The developments to be recommended for funding commitments will include set-asides for supportive housing units that are restricted as Permanent Supportive Housing for chronically homeless individuals and families; Rapid Re-Housing for people at risk of homelessness; Transitional-Aged Youth housing for young adults; and No Place Like Home units for adults with serious mental illness who are experiencing homelessness. The developments will bring 115 apartments of new supportive housing and more than 338 apartments of new affordable housing to San José.

HOME funds are required to be committed right before construction closes on a development. At least 15 percent of HOME funds must be set aside for specific activities to be undertaken by a special type of nonprofit called a Community Housing Development Organization (CHDO). A CHDO is a private nonprofit, community-based organization that has staff with the capacity to develop affordable housing for the community it serves. In order to qualify for designation as a CHDO, the organization must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience.

ESG Priorities

The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 amended to the McKinney-Vento Homeless Assistance Act, revised the Emergency Shelter Grants Program, and renamed it to the Emergency Solutions Grants (ESG) program. The ESG Interim Rule took effect on January 4, 2012. The change in the program name reflects the change in focus from addressing the needs of homeless people in emergency or transitional shelters to assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. \$445,843 in ESG funds will be used in FY 2024-25 to assist in Citywide outreach. The City will be inviting qualified organizations to submit proposals to oversee the homeless outreach services in the Spring 2024.

Table 7: Proposed ESG Projects

<b>ESG Activities</b>	<b>Description</b>	<b>FY 2024-25 Funding</b>
Homeless Outreach	Citywide outreach and shelter (60% of ESG Allocation)	\$445,843
County Homeless Management Information System	Operation of the Homeless Management Information System (secure web-based database) in compliance with HUD	\$200,000
<b>TOTAL</b>		<b>\$645,843</b>

HOPWA Priorities

Housing Opportunities for Persons with AIDS (HOPWA) is the only Federal program dedicated to addressing the housing needs of low-income people living with HIV/AIDS and their families.

Table 8: Proposed HOPWA Projects

<b>CDBG Activities</b>	<b>Description</b>	<b>FY 2024-25 Funding</b>
Rental Assistance and Supportive Housing	Rental assistance and supportive housing for HOPWA participants	\$1,671,873
<b>TOTAL</b>		<b>\$1,671,873</b>

**CONCLUSION**

Identifying priority funding areas and potential programs helps San José’s residents and communities to meet their needs and could help them to become more resilient so they may better cope with the City’s changing market forces. These funding priorities are responsive to needs identified by the community and are consistent with existing City priorities.

**EVALUATION AND FOLLOW-UP**

Staff will complete the draft 2024-25 Annual Action Plan in April 2024, and upon completion, will make a copy available to the public for review for 30 days. Officially noticed public hearings on the draft 2024-25 Annual Action Plan will include one Commission meeting and a City Council meeting to be held in April 2024. Staff then will submit the final 2024-25 Annual Action Plan to HUD by May 15, 2024.

**PUBLIC OUTREACH**

Public hearing of the FY 2024-25 Funding Priorities will be conducted at the Housing and Community Development Commission meeting on February 8, 2024. This provides the public and commissioners an opportunity to comment on the potential uses of the City’s anticipated federal funds. This hearing checks the City’s Citizen Participation Plan<sup>2</sup> requirement to hold one publicly noticed hearing on funding priorities prior to drafting the FY 2024- 25 Annual Action Plan.

**COMMISSION RECOMMENDATION/INPUT**

Staff will collect public and commissioners’ feedback and will report comments back to HUD.

<sup>2</sup> San José’s Citizen Participation Plan for U.S. Department of Housing and Urban Development Programs, amended Aug. 4, 2020, p.9, <https://www.sanjoseca.gov/home/showpublisheddocument/64406/637369832783670000>.

The FY 2024-25 Funding Priorities discussion is the first step in completing the FY 2024-25 Annual Action Plan, which will be presented to HCDC and City Council in April 2024.

### **FISCAL/POLICY ALIGNMENT**

The proposed funding priorities are consistent with the City's *Consolidated Plan 2020-25*, adopted by the City Council on August 11, 2020, and with the City's Adopted *Housing Element 2014-2023*, in that the action provides services to very low-income households. It also furthers the advancement of the *Community Plan to End Homelessness 2020-2025* approved by the City Council in February 2020.

RAGAN HENNINGER  
Deputy Director, Housing Department

For questions, please contact Stephanie Gutowski, Housing Policy and Planning Administrator, at (408) 975-4420 or at [stephanie.gutowski@sanjoseca.gov](mailto:stephanie.gutowski@sanjoseca.gov)





ALUM ROCK AV & SUNSET AV	5	-	73.6%	503710	2	1880	2360	503710	1	1530	1565	503707	2	1930	2210				
MCLAUGHLIN AV & WILLIAM CT/ST	3	Existing	73.5%	501502	1	1335	1850	501501	2	2540	2540	501502	2	1970	2460				
FIRST ST & MARTHA ST	3	Existing	73.4%	503112	1	1945	2920	501700	3	2450	2460	501600	5	805	1300				
FIRST ST & HOLGER WY/LAMPLIGHTER WY	4	-	73.2%	505009	1	3025	4125	505009	2	1210	1285								
BAL HARBOR WY/MCCREERY AV & STORY RD	5	Existing	72.9%	503703	1	600	785	503703	3	2180	2285	503504	2	1340	1460	503504	1	1410	1625
MCLAUGHLIN AV & MELBOURNE BL	3	Existing	72.9%	501502	2	1655	2460	501501	1	2105	2470								
ELEVENTH ST & SAN ANTONIO ST	3	-	72.8%	501300	3	1405	1710	501300	4	385	625								
SANTA TERESA BL & THORNWOOD DR	10	-	72.1%	512027	1	1315	1825												
MCLAUGHLIN AV & SUMMERSIDE DR	7	-	71.8%	503111	3	1485	2065	503118	2	1875	2055	503118	3	2755	2860				
BERMUDA WY & Ocala AV	5;8	Existing	71.6%	503504	4	340	505	503504	5	445	485	503504	3	1770	1935				
CARNELIAN DR & MCLAUGHLIN AV	7	-	71.6%	503110	2	920	1255	503117	2	1425	1685								
LEXANN AV & SILVER CREEK RD	7;8	-	70.8%	503304	4	600	865	503305	1	1210	1450								
HAVANA DR/OCALA DR & KING RD	5;7;8	Existing	70.6%	503504	5	225	485	503504	3	1770	1935	503401	3	1840	2055				
BISCAYNE WY & KING RD	5;7	-	70.5%	503504	3	1530	1935	503401	2	1225	1275	503504	1	1410	1625				
ALMADEN EX & SHADOW RUN DR	7	-	70.5%	503121	1	2725	3865												
KING RD & WAVERLY AV	7;8	Existing	70.0%	503306	3	645	1095	503306	2	1930	2105	503402	3	4140	4190				
KEYES ST & TENTH ST	3	-	69.8%	503112	1	1945	2920	503112	2	1110	1155								
ELEVENTH ST & KEYES ST	3	-	69.8%	503112	1	1945	2920	503112	2	1110	1155								
CHALLENGER AV & MCKEE RD	5	-	69.6%	503804	2	1180	1435	503903	1	1585	2015								
MT VISTA DR & WHITE RD	5	-	69.5%	503510	2	765	1150	503508	2	2665	3150	503508	1	3045	3720				
JULIAN ST & THIRTEENTH ST	3	Emerging	69.5%	501200	4	660	950												
ELEVENTH ST & JULIAN ST	3	Emerging	69.5%	501200	4	660	950												
CUNNINGHAM AV & KING RD	7;8	Existing	69.5%	503306	2	1290	2105	503504	5	445	485	503402	2	1715	1890	503401	3	1840	2055
KEYES ST & SENTER RD	3;7	-	69.1%	503105	1	1590	2450	503112	2	1110	1155								
SENER RD & SOUTHSIDE DR	7	-	68.9%	503213	2	1745	2405	503213	1	1715	1870	503204	1	2240	3250				
ABORN RD & KING RD/SILVER CREEK RD	7;8	-	68.3%	503304	4	600	865	503304	3	1295	1550	503305	1	1210	1450				
MONTEREY RD & SOUTHSIDE DR	7	-	68.2%	503204	2	545	1355	503204	5	2495	2720								
BARBERRY LN & KING RD	7;8	-	68.0%	503304	3	1000	1550	503305	1	1210	1450								
DAVID AV & WINCHESTER BL	1	Existing	67.9%	506501	3	1720	2155	506402	3	1675	2365								
MCGINNESS AV & STORY RD	5	Emerging	67.9%	503510	1	2690	3320	504001	2	2090	2600								
SENER RD & SINGLETON RD	7	Emerging	65.7%	503210	1	1450	2525	503217	1	2055	2120								
SENER RD & SYLVAN DALE AV	2;7	Emerging	65.5%	503210	1	1450	2525	503217	2	1290	1380	503210	2	1505	1885				
ELEVENTH ST & WILLIAM ST	3	Emerging	65.3%	501300	3	1405	1710	501600	4	1225	1680								
EMPIRE ST & TENTH ST	3	Emerging	63.8%	501101	2	1065	1975	501102	2	1625	1875								
JULIAN ST & TWENTY FIRST ST	3	Emerging	61.8%	501200	2	800	1295												
JULIAN ST & NINETEENTH ST	3	Emerging	61.8%	501200	2	800	1295												
FRUITDALE AV & SHERMAN OAKS DR	6	Emerging	61.6%	502102	3	525	1440	502102	1	2010	2345								
HOPKINS DR & Ocala AV	5;8	Existing	60.2%	503504	4	340	505	503507	2	815	830	503504	5	445	485				
AUZERAIS AV & MERIDIAN AV	6	Emerging	59.9%	502002	3	2180	2835	501900	1	2125	3530								
MERIDIAN AV & SADDLE RACK ST	6	Emerging	59.9%	502002	3	2180	2835	501900	1	2125	3530								
GRANT ST & VINE ST	3	Existing	57.6%	501700	2	285	495												
HELLYER AV/SEBASIAN WY & SENTER RD	2;7	Emerging	55.8%	503217	3	825	1205	503208	2	1315	1585	503210	2	1505	1885				
EDENVIEW DR & MONTEREY RD	2	Existing	55.7%	512042	1	520	1370	512042	2	1340	1375								



# Memorandum

**TO:** HOUSING AND COMMUNITY  
DEVELOPMENT COMMISSION

**FROM:** Lisa Joiner  
Ray Riordan  
Rosalynn Hughey

**SUBJECT:** SEE BELOW

**DATE:** February 8, 2024

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Approved

Date

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**SUBJECT: POLICY FRAMEWORK FOR THE PROPOSED DRAFT SOFT STORY SEISMIC RETROFIT ORDINANCE AND IMPLEMENTATION PROGRAM**

## **RECOMMENDATION**

Review the proposed draft Soft Story Seismic Retrofit Ordinance and Implementation Program and provide feedback to staff and/or City Council on the proposal.

## **SUMMARY AND OUTCOME**

This memorandum provides a policy framework for the proposed draft Soft Story Seismic Retrofit Ordinance and Implementation Program. Staff requests feedback from the Housing and Community Development commission (Commission) on the content of the proposed draft ordinance and implementation program. Staff will reflect the Commission's comments as work on the proposed draft ordinance and implementation program progresses. Staff is currently scheduled to present the draft ordinance and implementation program to the Community and Economic Development Committee on March 25, 2023.

## **BACKGROUND**

The City of San José has adopted building standards to ensure that newly constructed buildings can withstand most seismic events. However, older buildings in San José were built to previous building code standards that were less stringent with respect to seismic safety. One type of seismically vulnerable building is multifamily "soft story" buildings. A soft story building is a multi-story building in which one or more floors have windows, wide doors, large unobstructed commercial spaces, or other openings in places where a shear wall would normally be required

for stability as a matter of earthquake engineering design.<sup>1</sup> Soft story buildings pose a concern because one floor of the building (usually the ground floor parking or commercial space) has significantly less lateral rigidity than stories on top of them. These buildings have a greater risk than average of collapsing during an earthquake, which would render homes uninhabitable and could physically endanger residents.

A 2003 report from the Association of Bay Area Governments (ABAG) estimated that soft story buildings would account for two-thirds of the uninhabitable buildings that could result from a major earthquake along the Hayward fault.<sup>2</sup> An earthquake of this magnitude could cause significant impacts in San José in terms of loss of life, response, and recovery costs. The risks that soft story buildings pose may be disastrous as they can:

- Threaten the lives of residents;
- Start fires that spread to nearby buildings;
- Cause financial loss to building owners and tenants; and
- Displace people or force tenant relocation.

Benefits of a soft story program include:

- Preserves health and safety during an earthquake;
- Reduces the number of displaced individuals that require Mass Care and Shelter - Cost of Mass Care and Shelter is estimated at \$222 per person per day (\$666,000 for 100 people per month) compared to Cost of Soft Story Mitigation - \$40,000 to \$130,000 per property; and
- Preserves the number of habitable spaces available.

**Table 1** provides the history of City Council direction to staff to develop a Soft Story Seismic Retrofit Program, as well as an overview of staff progress to date.

**Table 1 – City Council Direction to Develop a Soft Story Seismic Retrofit Program and Overview of Staff Progress**

<b>Date</b>	<b>Action</b>
2014	City Council directed staff to explore ways to incentivize soft story building retrofits.
2017	City Council ranked development of a soft story retrofit program as City’s overall 8th policy priority.
2018	City submitted \$6 million <i>Hazard Mitigation Grant Program</i> application to California Governor's Office of Emergency Services.
2019	Grant application forwarded to Federal Emergency Management Agency (FEMA).
2021	Phase 1 Grant Awarded after completing requested modifications and re-submitting grant application.

<sup>1</sup> [Soft story building - Wikipedia](#)

<sup>2</sup> The HayWired Scenario: [https://pubs.usgs.gov/sir/2017/5013/sir2Q175Q13ah\\_v1.1.pdf](https://pubs.usgs.gov/sir/2017/5013/sir2Q175Q13ah_v1.1.pdf)

2022	City entered into agreement with Consultant to do an Inventory Analysis and assist with development of mandatory ordinance and program implementation.
2023	City begins pre-ordinance outreach with building/property owners and residents; researches similar program in San Francisco, Oakland, and Los Angeles; and explores funding mechanisms. City applies for additional \$25 million FEMA grant.

**ANALYSIS**

For the purposes of this program, soft story residential buildings are defined as existing wood frame and are:

- Multi-unit residential buildings;
- Two or more stories that contain three or more dwelling units; and
- The ground floor contains parking, large windows or garage doors, or other similar open floor or basement space, that causes soft, weak, or open-front wall lines.

A mandatory ordinance requires the retrofitting of residential buildings that are under this definition. To that end, the purpose of the program is to require building/property owners to retrofit their buildings to avoid collapse and reduce damages sustained in a major earthquake and very importantly avoid or limit harm to people living in the units. The guiding principles in developing the program include:

- Health and safety of residents;
- Equity and inclusion of vulnerable and disadvantaged residents; and
- Cost avoidance for mass care and shelter in the event of an earthquake.

**Existing Building Inventory**

San José’s permanent housing stock comprises approximately 206,000 buildings containing about 351,000 units. Of those, about 17,000 buildings and 156,000 units are in multi-unit (three or more) apartment and condominium buildings. Buildings constructed before approximately 1990 with a soft story pose a widely recognized seismic risk to tenants, owners, and the City. San José has between 2,600 and 3,600 such buildings, containing between 18,000 and 25,000 units – five to seven percent of its total housing stock. In some neighborhoods, the pre-1990 soft story buildings comprise up to 20 percent or more of the local housing stock, comparable with other Bay Area cities that have already adopted mandatory soft story retrofit programs.

**Policy Framework/Considerations**

*1. What Buildings to Include in the Program*

**Table 2** shows the breakdown of the soft story buildings by age, size, and ownership type. Each of the four rows represents the scope of a possible mitigation program. For example, the top row shows the smallest program, which would consider only the oldest (pre-1978) and largest (5 or

more units) buildings and would ignore newer and smaller buildings even if they are also collapse-prone. The bottom row includes all the buildings that the City considers having likely soft story deficiencies; this row corresponds to the range of 2,600 to 3,600 buildings mentioned above.

**Table 2 – Soft Story Buildings by Age, Size, and Ownership Type**

<b>Buildings</b>	<b>Apartments</b>	<b>Condominiums</b>	<b>Total</b>
Pre-1978 5+ units	949 – 1,273 buildings 9424 – 12,063 units	103 – 222 buildings 700 – 1,502 units	1052 – 1495 buildings 10,124 – 13,565 units
Pre-1990 5+ units	1,118 – 1,441 buildings 10,716 – 13,355 units	523 – 831 buildings 3,382 – 5,729 units	1,641 – 2,272 buildings 14,098 – 19,084 units
Pre-1978 3+ units	1487 – 2,008 buildings 11,467 – 14,773 units	160 – 355 buildings 929 – 1,990 units	1,647 – 2,363 buildings 12,396 – 16,763 units
Pre-1990 3+ units	1,665 – 2,185 buildings 12,792 – 16,098 units	901 – 1,392 buildings 5,391 – 8,508 units	2,566 – 3,577 buildings 18,183 – 24, 606 units

## 2. *Retrofit Costs*

Retrofit project costs are estimated to be \$65,000 to \$195,000 per property. These costs assume a 30% increase in labor costs to comply with the City’s prevailing wage statutes and are inclusive of Design Costs, Permits and Construction. Costs will vary by property size and mitigation level necessary. Property owners that do not receive City grant funding for the mitigation are not required to comply with prevailing wage rates and may be able to negotiate lower rates with the contractors.

Other costs to property owners may be for the initial Screening Form to be filled out by a licensed Structural Engineer. Property owners may opt to self-certify their properties are under the ordinance. In such cases, they will not be required to get a licensed engineer’s certification and can start the design and permitting process. Property owners who believe that their properties are not soft story or have already completed seismic retrofit of their property will be required to get an engineer’s certification. Approximate costs for the initial screening and submission by a licensed engineer are shown below:

Screening: Assuming a per-hour cost rate of \$250, which may be negotiable with the engineering firm:

- One to two hours for a single building, including travel and online (or email) submittal (\$250 -\$500)
- Two to three hours total for a multi-building site, up to 5 buildings (\$500 - \$750)
- Three to four hours total for a multi-building site, 6-10 buildings (\$750 - \$1,000)

To fund the retrofit work, it is expected that property owners may need to seek private financing such as lines of credit secured by their properties. In addition, the following may be sources of funding:

- **Rebates:** A limited number of City rebates through HMPG grant funding can pay for project costs to owners of eligible properties. Staff will continue to seek additional grant funds to assist property owners to defray the costs of the seismic retrofit mitigations. City has applied to FEMA for a \$25 million HMGP grant and anticipates notification in fall 2024.
- **Capital Pass-throughs:** Properties covered by the City's Apartment Rent Ordinance are limited to a 5% annual rent increase. Owners of those properties can apply with the Rent Stabilization Program to recoup some or all the retrofit costs over a 20-year period through a monthly pass-through to tenants that would be in addition to the 5% rent increase, capped at no more than 3% of a tenant's baseline rent that does not increase with the annual rent increase. The pass-through amount may be reduced if owners receive a publicly funded grant to subsidize the cost of the seismic retrofit.

**Property taxes:** It is anticipated that any mitigation work will trigger an increase in the property value. Thus, retrofits normally would have the potential to increase annual property taxes. However, the Santa Clara County Assessor's Office provides a tax exemption (BOE 64) for property owners to claim an exemption for seismic safety construction for exclusion from reassessment. Information for claiming this exemption may be found at [CAA e-Forms Service Center - Santa Clara: BOE-64 \(capropeforms.org\)](https://www.sccapropforms.org/).

### 3. *Impact of Retrofit Costs on Rents*

Most of the apartments proposed to be covered by the Soft Story Retrofit Ordinance also are covered by the City's Apartment Rent Ordinance.<sup>3</sup> This rent stabilization ordinance limits annual rent increases to 5% and restricts any additional amounts that owners may petition the Rent Stabilization Program to pass through to tenants. It is possible that some renters could not afford additional rent increases and would need to move to other apartments. Staff's proposed design of the proposed Rebate Program could reduce impacts of additional capital pass-throughs for properties qualifying for the Rebate.

### 4. *Tenant Coordination Plans and Tenant Notifications*

Staff anticipates that the proposed ordinance would require apartment property owners to create Tenant Coordination Plans. These Plans would facilitate communication with residents on their expected impacts from retrofit work. Details would include ways that the property would be affected during retrofits, and how much notice residents would be given before work starts.

Included in the Plans would be owners' schedule of required notifications to residents at multiple times during the retrofit process. Staff proposes the following notification schedule:

---

<sup>3</sup> The City's rent stabilization ordinance (or Apartment Rent Ordinance) provides protections to tenants in buildings with three or more units completed prior to September 7, 1979. A fact sheet on the Apartment Rent Ordinance can be found here: <https://www.sanjoseca.gov/home/showpublisheddocument/50281/637358528771630000>.



- Soft Story Status: So that residents know whether their building has a soft story and falls under the City's Ordinance, owners would need to notify residents 45 days of screening completion if the property is confirmed to be a qualifying soft story building.
- Retrofit Process: So that residents can plan for any future inconvenience; owners would notify residents at least 30 days prior to the start of construction. Notices would include the anticipated length of construction, active construction work hours, and areas to which residents temporarily will have limited or no access.
- Retrofit Completion: So that residents can understand when the building work is complete and is safer to inhabit, owners would notify residents within 30 days of notification from the City that the completed work has been approved and that the property is in compliance with the Soft Story Ordinance.

The Program's administrative guidelines will establish required contents for Tenant Coordination Plans including notification details regarding required retrofits. Requirements also will include notifications to be given in multiple languages other than English.

#### 5. *Potential of Temporary Tenant Relocation*

Retrofit work will be limited to buildings' ground floor areas containing parking, large windows or garage doors, or other similar open floor or basement space that causes soft, weak, or open-front wall lines. It is possible that some tenants may be asked to move temporarily to another vacant unit in their property for a short time. Few residents, if any, are expected to need to relocate to stay temporarily in another property so that retrofit work can be completed. Tenants who remain in their homes during the daytime may experience noise and dust during active construction. Access to parking garage or storage areas may be limited temporarily during construction. If any apartments become temporarily uninhabitable due to retrofit work, property owners are required to compensate tenants needing to stay elsewhere per the City's Municipal Code Section 17.20.2100.

#### 6. *No Expected Permanent Tenant Relocation due to Physical Impacts of Retrofit*

Based on information from the City's consultant and other cities' experiences, no direct, permanent tenant relocation is anticipated due to the seismic retrofit work itself. Mitigation work will be limited to buildings' ground floor areas containing parking, large windows or garage doors, or other similar open floor or basement space that causes soft, weak, or open-front wall lines.

#### 7. *Temporary or Permanent Decrease of Housing Services to Tenants*

It is possible that seismic retrofits may cause temporary inconvenience or lack of access to tenants while work is being performed as described in the section above. Though reportedly far less likely, some tenants may experience a permanent loss of a housing service such as parking or storage once the retrofit is complete. If this occurs, properties covered by the City's

Apartment Rent Ordinance could be subject to tenant petitions for rent decreases based on permanent reductions in housing services.

For temporary reductions in services related to seismic retrofit projects, staff proposes the following be included in the ordinance:

- No reduction in rent should be awarded in a tenant petition based on housing services filed pursuant to Section 17.23 of the San José Municipal Code in which all the following apply:
  - the reduction in services relates to the seismic retrofit project
  - the reduction in services occurs while work is being performed to complete the project
  - the length of time of the reduction in services is reasonable
  - the reduction in services is temporary (occurring during project work)
  - the property owner has complied with all noticing requirements in the Soft Story Ordinance or the administrative guidelines and is in compliance with the City's Apartment Rent Ordinance.

This purpose of this proposal is to acknowledge that tenants do receive an added benefit of a safer structure. The proposal would also minimize related administrative issues a property owner may encounter in complying with the requirements of the Soft Story Ordinance. It would prevent what could be hundreds of petitions being filed for expected, reasonable, limited, and temporary conditions related to the retrofit work.

### *8. Soil Liquefaction*

At the November 9, 2023, meeting of the Housing and Community Development Commission, Commissioners considered a report<sup>4</sup> from its Ad Hoc Committee on Seismic Retrofit on its findings and recommendations. The report titled "*HCDC Ad Hoc Seismic Retrofit Committee Preserve Affordable Housing Short Term and Long-Term Overview & Policy Framework Recommendation, November 1, 2023*" can be found at [638345374658330000 \(sanjoseca.gov\)](https://www.sanjoseca.gov/638345374658330000). Commissioners discussed the effect of soil liquefaction on soft story buildings during an earthquake. Soil liquefaction occurs when a cohesionless saturated or partially saturated soil substantially loses strength and stiffness in response to an applied stress such as shaking during an earthquake or other sudden change in stress condition, in which material that is ordinarily a solid behaves like a liquid.<sup>5</sup> While soil liquefaction is a significant contributor to soft story failures, other factors such as inadequate building design, poor construction quality, and lack of maintenance can also lead to such failures. Soils in the Bay Area tend to have a higher potential for liquefaction. **Attachment A-1** shows the soil liquefaction in the San Francisco and the Santa Clara areas. **Attachment A-2** shows that a major portion of San José's soil tends to have a higher potential for liquefaction. Seismic retrofits or strengthening the

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<sup>4</sup> Commission meeting packet and written public comment, Nov. 9, 2023, at <https://www.sanjoseca.gov/your-government/departments-offices/housing/housing-community-development-commission/agendas-synopses>.

<sup>5</sup> [Soil liquefaction - Wikipedia](#)

building structure through retrofits in the parking spaces or open areas, will reduce the collapse of a building during an earthquake; however, given the large portion of the City subject to liquefaction, using liquefaction potential is not recommended to prioritize implementation of the Program.

9. *Program Implementation Considerations*

Compliance Groups

To facilitate a phased approach to mitigation, staff is considering that each subject building will be assigned to a compliance group as follows:

- Group 1. Subject Buildings permitted for construction prior to January 1, 1978, containing 20 or more Dwelling Units
- Group 2. Subject Buildings permitted for construction prior to January 1, 1978, containing Five to 19 Dwelling Units
- Group 3. Subject Buildings that were permitted for construction between January 1, 1978, and January 1, 1990, containing 20 or more Dwelling Units
- Group 4. All remaining Subject Buildings

Subject buildings receiving Rebate grant funds from the City must adhere to program requirements, which may include separate (shorter) deadlines and will include prevailing wage requirements.

Compliance Schedule

Staff is considering the effective date for the proposed ordinance, as well as a schedule for compliance. Table X provides an example of a potential compliance schedule with four compliance groups.

**Table 2 Proposed Compliance Schedule**

<b>Compliance Group</b>	<b>Screening</b>	<b>Design and Permit Application</b>	<b>Construction</b>
<b>Group 1</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>
<b>Group 2</b>	<b>1 year</b>	<b>4 years</b>	<b>6 years</b>
<b>Group 3</b>	<b>1 year</b>	<b>5 years</b>	<b>7 years</b>
<b>Group 4</b>	<b>1 year</b>	<b>6 years</b>	<b>8 years</b>

10. *Rebate Program Considerations*

The proposed Rebate Program is designed to partially offset costs for some building's retrofits. Approximately \$4.5 million of the City's current HMPG grant award will be made available in the form of rebates.

Objectives – The City's proposed objectives for the Rebate Program are to:

- Promote early compliance in completing soft story retrofits;
- Assist owners to afford the cost of retrofits;
- Help minimize displacement risk for lower-income renters; and
- Impact the greatest number of residents with available funds.

Priorities – Following are the proposed priorities to determine rebate awards:

- Property location: Buildings would receive highest priority for a rebate if located in:
  - Areas of high displacement risk per U.C. Berkeley's Urban Displacement Project<sup>6</sup> maps; or,
  - Census tracts with high numbers of lower-income renters, who would be most likely to experience financial stress if rents increased due to the pass-through of retrofit capital costs
- Property size: Smaller properties with 20 or fewer units, to help support the properties least likely to financially afford retrofit costs.

Process – The proposed process for the rebates is anticipated as follows:

- Application window: Applicants would apply for a rebate during a defined period (60 or 90 days) early in the Program rollout.
- Reimbursement: To comply with the federal grant requirements, eligible properties would need to have City signoffs that seismic retrofits had been satisfactorily completed before rebates could be awarded. Therefore, rebates would be funded on a reimbursement basis after final Building Division signoff on improvements.
- Apartment Rent Ordinance: For properties under the City's Apartment Rent Ordinance, owners seeking approval for capital pass-through rent increases would file for petitions and rebates at the same time. Allowable pass-throughs also would be lowered by at least 50% for owners receiving rebates.

Prevailing Wage Rates – If rebates are awarded, the use of public funds requires prevailing wage rates be paid to contractors. Therefore, the program would have these features:

- As rebates are awarded on a reimbursement basis, owners would need to gauge their likelihood of receiving a rebate having retrofit work done for two reasons: 1) To determine how they will finance retrofit work; and 2) To determine if they need to pay prevailing wage rates to contractors. The City's rebate application form and process will

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<sup>6</sup> Urban Displacement Project map of the Bay Area: <https://www.urbandisplacement.org/maps/sf-bay-area-gentrification-and-displacement/>

enable applicants to determine how well their application meets the City's priorities to gauge their likelihood of receiving a rebate.

- City staff would help educate owners and contractors on prevailing wage rates and their administration.

## **Outreach and Engagement**

Staff conducted outreach from May 2023 through January 2024 with assistance from a consultant, [Community Planning Collaborative](#). Since May 2023, staff has engaged with multiple stakeholders in over a dozen meetings including:

- Residents
- Tenant groups
- Building owners
- Housing Providers Roundtable
- California Apartment Association
- Bay Area Housing Network
- Building and Trades Council

**Attachment B** provides an executive summary report of the engagement activities in which the consultant participated. Additionally, promotores conducted outreach in neighborhoods and attended community meetings.

Key takeaways from engagement activities include:

- City needs to clarify for housing providers that other building requirements will not be triggered due to retrofit work;
- Housing providers are interested in connections to qualified contractors;
- Tenants are very concerned about increased rents due to pass-throughs and increased risk of displacement;
- Housing providers want a reasonable timeframe for compliance and requested streamlined City processes;
- Housing providers are concerned about retrofits' cost and their ability to be financed; and
- Creating a Soft Story Retrofit Ordinance adds another layer to the "stack" of requirements currently imposed on building owners, including State requirements for balcony repair and City requirements for building electrification.

## **EVALUATION AND FOLLOW-UP**

Next steps include:

- March 25, 2024 – Community and Economic Development Committee Meeting
- April 2024 – City Council consideration/action
- May-August 2024 – Post-ordinance outreach
- Fall 2024 – Initiate program implementation

## **PUBLIC OUTREACH**

X This memorandum will be posted on the Housing Department website for the February 8, 2024 Commission meeting.

X Staff has completed the pre-ordinance outreach to multiple stakeholders as stated above in the Outreach and Engagement section.

## **COMMISSION RECOMMENDATION/INPUT**

At the November 9, 2023, meeting of the Housing and Community Development Commission, Commissioners considered a report<sup>7</sup> from its Ad Hoc Committee on Seismic Retrofit on its findings and recommendations. The report titled “*HCDC Ad Hoc Seismic Retrofit Committee Preserve Affordable Housing Short Term and Long-Term Overview & Policy Framework Recommendation, November 1, 2023*” can be found at [638345374658330000 \(sanjoseca.gov\)](https://www.sanjoseca.gov/638345374658330000).

/s/  
LISA JOINER  
Deputy Director,  
Planning, Building and  
Code Enforcement

/s/  
RAYMOND RIORDAN  
Director,  
Office of  
Emergency Management

/s/  
ROSALYNN HUGHEY  
Deputy City Manager and  
Acting Housing Director

The principal authors of this memorandum are Abraham Chacko, Project Manager, Lisa Joiner, Deputy Director for Planning, Building and Code Enforcement, and Kristen Clements and Emily Hislop, Division Managers for Housing. For questions, please contact Abraham Chacko at [Abraham.chacko@sanjoseca.gov](mailto:Abraham.chacko@sanjoseca.gov) or Lisa Joiner at [lisa.joiner@sanjoseca.gov](mailto:lisa.joiner@sanjoseca.gov)

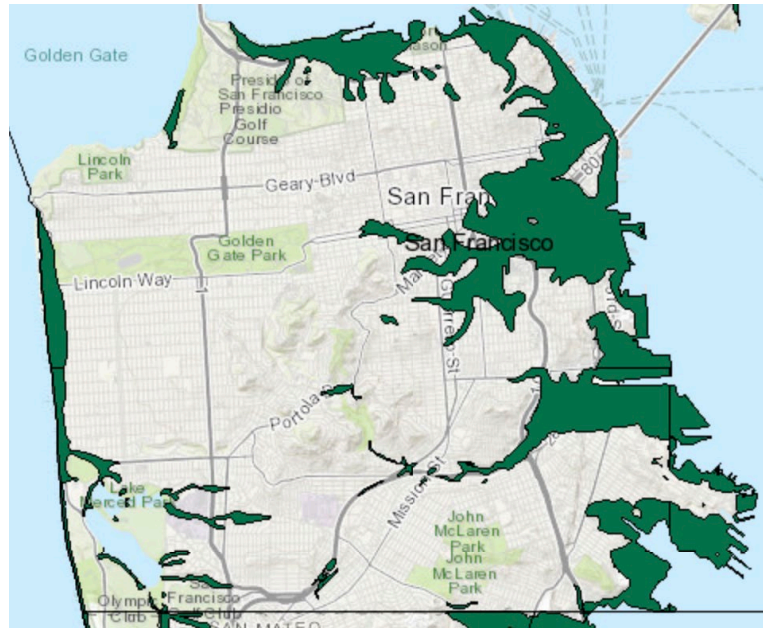
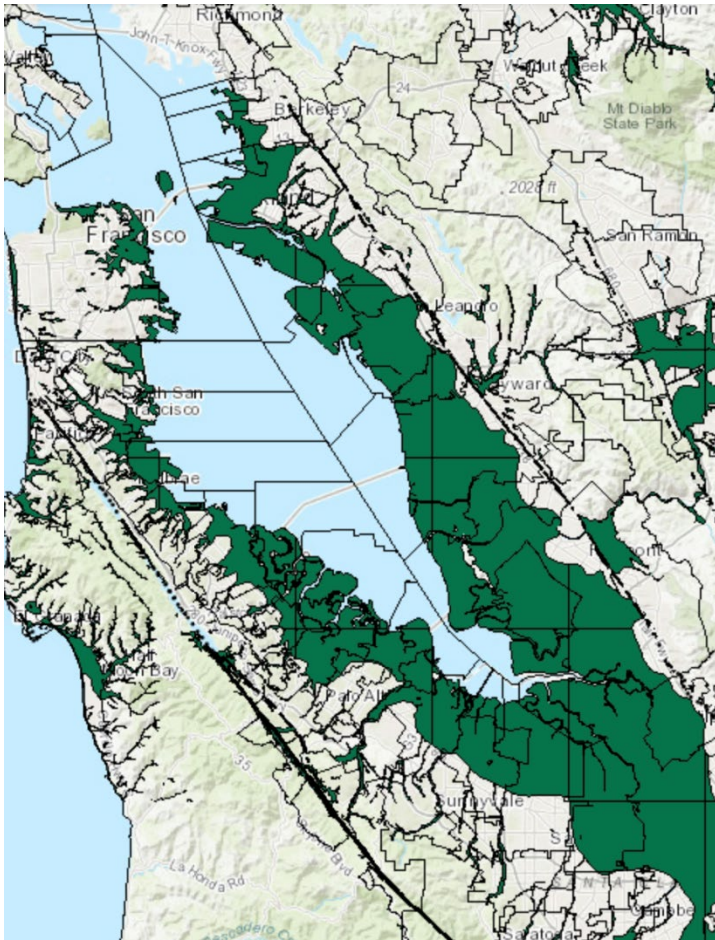
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<sup>7</sup> Commission meeting packet and written public comment, Nov. 9, 2023, at <https://www.sanjoseca.gov/your-government/departments-offices/housing/housing-community-development-commission/agendas-synopses>.



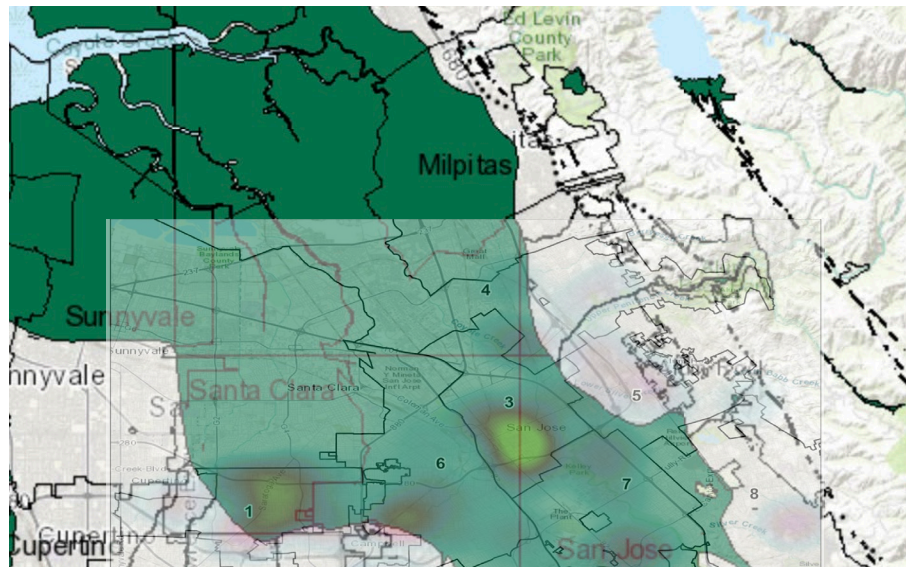
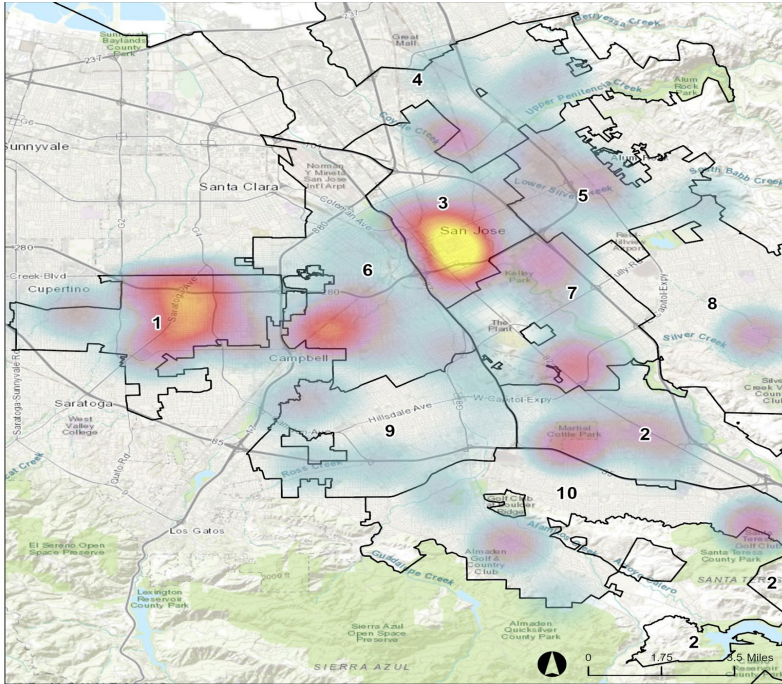
## ATTACHMENT A-1

### SOIL LIQUEFACTION IN SAN FRANCISCO AND SANTA CLARA



# ATTACHMENT A-2

## SOIL LIQUEFACTION IN SAN JOSE





## ATTACHMENT B

### PRE-ORDINANCE OUTREACH REPORT EXECUTIVE SUMMARY

Between June and September 2023, the City of San Jose conducted pre-Ordinance outreach and engagement for the proposed Soft Story Retrofit Program. The purpose was to raise awareness of



the Soft Story Retrofit Program, gather feedback from key stakeholder groups on potential program options, and address questions. In total, the City conducted over twelve meetings. The two main groups of stakeholders engaged were housing providers and tenant groups. Some of the key takeaways are:

- Meeting participants agreed that health and safety should be priorities.
- Both **housing providers and tenants were interested in understanding the financial impacts** of a soft story retrofit mandate and stressed the importance of receiving adequate finance assistance.
  - Housing providers want to feel prepared and certain that they will be able to secure the financing needed to begin retrofits and their ability to pass through costs.
  - Tenants are interested in minimizing the potential for rent increases.
- **Housing providers want to have a reasonable timeframe for compliance** and want to see efforts from the City to streamline processes, taking in account financing, permitting, and labor procurement challenges.
- Both **housing providers and tenants encourage more outreach and engagement to be conducted** to ensure that more people understand the risk of soft story buildings, know about the efforts of the program, and are engaged in the process.
- **Tenants are worried about displacement impacts** and want to see the program structured in a way that protects and offers direct assistance to tenants.

**From:** [REDACTED]  
**To:** [REDACTED]  
**Subject:** Fw: seismic retrofit feedback  
**Date:** Saturday, February 3, 2024 12:57:12 PM

---

Hi Rachel and Mindy,

Below is an email that Jeff would like included in the HCDC packet. Please let me know if you need anything further. Have a great weekend.

Sincerely,

Ryan Jasinsky

---

**From:** Jeff Zell [REDACTED]  
**Sent:** Saturday, February 3, 2024 11:44 AM  
**To:** Housing and Community Development Commission ML <HCDCML@sanjoseca.gov>  
**Subject:** seismic retrofit feedback

[External Email]

You don't often get email from [REDACTED] [Learn why this is important](#)

Writing in because my first amendment rights via zoom are now prohibited. Please read aloud at the 2/8 HCDC meeting.

Feedback for the proposed seismic retrofit ordinance:

Ordinance should include **\*all\*** residential pre-1990 buildings 3 units and higher.  
Passthrough period should be 10 years and allowed amount increased to 5%.  
Passthrough should be automatic, unopposable by tenants, and applicable within 60 days of finaling the permit.  
Implement a pre-screening program for rebates to see how much owner will receive before starting the work.  
Rebates to be disbursed within 60 days of finaling the permit.  
Reduction in services petitions during seismic work to be disallowed, unless it's a permanent reduction after completion of the work.

Emphasis on the following:

Seismic retrofit permit fees to be waived (free) for this mandatory expense. This ordinance should be about safety and not about being a money maker for the City.  
Rebates should be available to any owner using any labor. This ordinance should be about safety and not about lining the pockets of influential labor unions.

---

**From:** [Housing and Community Development Commission 10](#)  
**To:** [VanderVeen, Rachel](#)  
**Cc:** [Nguyen, Mindy](#); [Housing and Community Development Commission ML](#); [Housing and Community Development Commission 7](#); [Batra, Arjun](#); [Dexter, Michele](#); [Mahan, Matt](#); [Rocha, Vincent](#); [Reed, Jim](#)  
**Subject:** HCDC 2/8: Ad Hoc Committee Report For Public Comment and Present Tonight on Soft Story Retrofit  
**Date:** Thursday, February 8, 2024 11:05:11 AM  
**Attachments:** [HCDC Seismic Retrofit Ad Hoc 11-9-2023 Final.pdf](#)  
[HCDC Seismic Retrofit Committee Report 11-01-2023.pdf](#)

---

Dear Rachel,

The Ad Hoc Committee's report and presentation on the Soft Story Retrofit Program are attached for public comment.

This includes critical findings for optimizing program effectiveness.

Thank you for letting me present some of the slides during the meeting tonight.

Regards,  
Roberta Moore  
Commissioner D10

**HCDC Ad Hoc Seismic Retrofit Committee  
Preserve Affordable Housing Short Term and Long Term  
Overview & Policy Framework Recommendation, November 1, 2023**

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**Ad Hoc Committee**

- Roberta Moore, Chair**  
HCDC D10, Housing Provider Representative
- Jen Beehler, Vice Chair**  
HCDC D6 Representative
- Roma Dawson**  
HCDC D1 Representative
- Barry Del Buono**  
HCDC D3 Representative
- Ryan Jasinsky**  
HCDC Chair & Mobilehome Resident Representative

**Staff Liaison**

Rachel VanderVeen, Assistant Director

**HCDC Ad Hoc Seismic Retrofit Committee**  
**Preserve Affordable Housing Short Term and Long Term**  
**Overview & Policy Framework Recommendation, November 1, 2023**

## Overview

FEMA and the City of San Jose want to minimize their risk and their cost from a catastrophic earthquake. A seismic retrofit program must be mandated to receive FEMA funds. Significant resource limitations (engineers, materials, and cost) will hinder smooth roll-out of a program that targets all buildings at once.

Every building is vulnerable to an earthquake in California including steel buildings. The buildings to be considered most at risk of significant damage during a catastrophic earthquake are any wood buildings built on a hillside, in a liquefaction zone, and/or with a soft story, as well as single-family homes built with a cripple wall.

Tens of thousands of buildings were damaged during the 1994 Northridge earthquake including buildings built with steel that cracked. Steel is not a guarantee of protection. Only 200 of these buildings were soft story buildings. Almost half of the buildings lost during the 1989 Loma Prieta earthquake were soft story buildings. San Francisco's buildings sustained more soft story damage than other cities likely because these buildings were also built on a hill, which is another major factor for damage. While the 1989 Loma Prieta earthquake killed 63 people and caused \$6 billion in property damage, there were no multi-unit soft story buildings reported as damaged. In San Jose, the housing units today either withstood this significant earthquake activity or have already been rebuilt with the new standards.

## Purpose

The purpose of this recommendation is to balance protection of residents and property in the event of a catastrophic earthquake with preservation of affordable housing stock today and tomorrow given the current barriers to retrofitting.

## Strategy

A seismic retrofit mandate will have the most success with a strategic phased roll-out targeting the most at risk buildings first and applying FEMA funds and City assistance to these buildings. A policy framework for this strategic roll-out is recommended herein.

## Soft Story

The City has defined a soft story building as any 3+ unit wood-frame building built before 1990. The accurate definition of a soft story building is a building that has a large opening on the first floor, such as a carport, so it is unable to carry the weight of the stories above the carport during a catastrophic event. This applies to single family homes as well as multi-unit homes.

## Risk of Earthquakes

Earthquakes, even significant ones, are a regular occurrence in California. There have been 54 significant earthquakes in California since the 1906 earthquake. In the past 112 years, given the number of deaths and damage, 7 of these (6%) may warrant a seismic retrofit ordinance and

**HCDC Ad Hoc Seismic Retrofit Committee**  
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only 3 achieved public notoriety. See Appendix 1. For example, there were two significant earthquakes in Alum Rock since 2022 without damage to property or life. One was a 5.2 in magnitude. There were also significant foreshocks along the San Andreas fault in 1988 and 1989 that occurred without public notice.

The risk varies due to several factors especially if a building is on bedrock or clay. Some cities, such as Mill Valley, made the effort to identify the degree of risk in establishing their retrofit policies. Refer to Appendix 2 for more information.

San Jose is on the North American Plate of the San Andreas Fault. 31%+ chance of an earthquake magnitude of 6.7+Some areas are more at risk for severe damage than others. According to ABAG, San Jose is most impacted by the San Andreas fault, liquefaction zones, and hillsides. Refer to Appendix 3 for ABAG’s list of type of buildings at risk.



**Housing Units at Risk**

ABAG estimates there are 2,630 soft story (multi-unit) buildings in Santa Clara County. A subset of these are located in San Jose.

“Based on the collected damage information from the 1994 [Northridge Earthquake](#), the Associated Bay Area Governments (ABAG) [estimates](#) San Jose can expect 30,000 living units damaged or vacated.”\*

ABAG’s estimate means 9.5% of San Jose’s 313,944 households are at risk and most of these buildings are single family homes. Less than ½ of 1% of San Jose’s units are in a soft story multi-unit building. The reality is all structures, even those built with steel, are at risk.

**ARO Units Lost**

While most housing units at risk are single family homes, this retrofit mandate only targets Apartment Rent Ordinance multi-unit buildings (ARO) which is a small percentage of San Jose’s households. ARO owners do not have the funds to pay the \$20,000+ per unit for these retrofits. Singling out these properties puts San Jose’s most affordable units at risk of being taken off the market and converted to condominiums. ARO units are the last of San Jose’s affordable housing stock where rents are lower than market rents. Keeping these units on the market may be more important than retrofitting them.

**Barriers to Retrofitting**

Skyrocketing Inflation, cost of construction, and rising interest rates have increased retrofit costs significantly since San Francisco implemented their policy making. Today, the actual costs of retrofitting a building are unpredictable. San Francisco’s owners were able to refinance the funds and keep their monthly costs the same. San Jose owners will not be able to do this.

**HCDC Ad Hoc Seismic Retrofit Committee**  
**Preserve Affordable Housing Short Term and Long Term**  
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For example, the cost per unit in SF averaged \$12,000 and the interest rates were 3%. Today, these costs are estimated at \$20,000 per unit and interest rates are closer to 8% which will more than triple the cost to retrofit.

Resources are constrained and costs to all parties are high. Following are the four most important reasons for a strategic phased approach should San Jose choose to implement a seismic retrofit mandate:

1. Most ARO mom and pop providers (who are the primary target of this proposed mandate) will not be able to afford this price, nor will they be able to get loans to finance it. Therefore, more of these affordable housing units will become uninhabitable.
2. Resource availability is constrained. There are:
  - Lack of engineers, contractors, and other trades people to perform the retrofits.
  - Limited city resources for processing retrofit compliance applications.
  - Shortages of raw materials (steel) world-wide for completing the job.
3. The cost to renters and owners is high. Following are estimates given current information received:
  - Cost of retrofit to owner: \$20,000+ per unit. (Refer to Appendix 4 for another cost estimate.)
  - Cost of loan per unit: \$155 per month
  - Interest rates: 8%+
  - Cost to get an exemption waiver: \$15,000+ per building.
  - Cost to renter through current Capital-improvement Pass-through: \$166.67+ per month.
4. The City, County, and State continue to add one set of burdens after another on ARO Housing Providers, as follows:
  - Eviction Moratorium: Lost Rent and Administrative Burden
  - Electrification Mandate: \$250,000+ per building
  - Seismic Retrofit Mandate: \$20,000+ per unit
  - Balcony and Staircase Retrofit Mandate
  - Rent Stabilization Program: Administrative Burden and Fees

## Conclusion / Recommendation

A soft story retrofit program would provide benefit to FEMA, the City of San Jose, and a select number of people in the event of a catastrophic earthquake. The cost of this program will be in the hundreds of millions of dollars if not closer to the \$1.3 Billion already spent in Los Angeles.

Soft story multi-unit housing represents the smallest fraction of those buildings at risk during a catastrophic earthquake. It does not address the 99.58% of houses at risk. Targeting a small group of property owners puts an unfair burden on those providing affordable housing to San Jose's residents while protecting very few people.

Every mandate that goes into place costs housing providers time and money without the ability to recover these costs. Many ARO owners have not recovered from the Eviction Moratorium, yet more "mandates" are on the near horizon. These mandates are being implemented without regard to survival of these crucial allies in providing affordable housing. Bottom line:

- Most ARO owners will not be able to refinance or get loans to do the retrofit. Therefore, most buildings targeted will not be able to comply.
- The stigma of a building being identified/tagged as a soft story decreases the property value and hinders the sale of such buildings. For example, sales of multi-unit buildings with possible soft story structures have come to a halt in San Jose just with the threat of this mandate. Soft story multi-family is now on a check list of what not to buy in San Jose.

How much can the city put on one type of business and expect it to survive? The City should not rely on a broad sweeping mandate that requires property owners to pay for an expensive waiver to be removed. Instead, a strategic approach targeting the most at risk buildings, utilizing FEMA funding, city assistance, and capital pass through will be crucial to preserving the limited affordable housing stock in San Jose. If implemented, the assessment process and phased approach as outlined in the policy framework is most important to success. This won't take 25 years, but it is unrealistic to require that compliance on all units will be completed in 10 years.



**HCDC Ad Hoc Seismic Retrofit Committee**  
**Preserve Affordable Housing Short Term and Long Term**  
**Overview & Policy Framework Recommendation, November 1, 2023**

## Policy Framework

The purpose of this policy framework recommendation is to begin to protect properties that most need it, while preserving as much of the affordable housing stock as possible should City Council decide to proceed with this mandate.

## Strategy

Here is a strategic phased approach to prioritize the buildings by risk factors to preserve affordable housing stock in the short term and in the long term:

### Phase 1

1. Identify all qualifying “soft story” structures per state law.
2. Assess all qualifying “soft story” structures for vulnerability utilizing FEMA funding.
3. Assign a designation A, B, or C:
  - A are most vulnerable structures (refer to criteria for most vulnerable structures in Table 1: Buildings to Target).
  - B structures have some vulnerability.
  - C structures have little or no vulnerability.
4. Determine City Policies (refer to programs in Table 2: City Policies)

### Phase 2

1. Conduct a risk / benefit analysis for the target buildings selected.
2. Establish costs of retrofitting per unit.
3. Identify funding available for Category “A” structures.
4. Identify sufficient qualified contractors, architects, engineers, and raw materials exist to complete all Category “A” structures.
5. Identify the timeframe in which all Category “A” structures must be retrofitted.
6. Roll-out program.

### Phase 3

1. Evaluate impact on consequences of retrofit mandate:
  - Rent Increases
  - Loss of Units
  - Renter Displacement
  - Housing Provider and Renter Complaints
2. Conduct a risk /benefit analysis based on the true impact. (Determine how many units “protected” versus how many units were removed from the market.) Weigh the risks against the benefits of proceeding and make a go-no go decision.
3. If proceed, with retrofit mandate, then implement Phase 2, steps 2 through 6 with Category B units.

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**Table 1: Buildings to Target**

Some areas are more at risk for severe damage. There are specific criteria for identifying the most at risk buildings. All criteria must be met to for retrofit to be required, as follows:

<b>Criteria</b>	<b>Most Vulnerable Structures for Category A</b>
Landslide, and Liquefaction Risk	Conduct an evaluation of this like Mill Valley. Target buildings on hills & liquefaction zones.
Years Built -Pre 1970 had higher building standards and better-quality materials. -1980 Soft-story laws advised and building practices improved. -1990 Soft-story Laws enacted.	Category A: Target buildings built 1970 to 1979) (Phase 3: Category B: Target larger multi-unit buildings built 1950 to 1969 when soft story buildings were built. After completion and evaluation of Category A in Phase 2.)
Soft story over carport	Target multi-unit buildings with a carport under the living space. (Do not expand to wood construction with cripple walls as most properties needing retrofiting would be single-family homes.)
Number of Stories and Configuration (Hardest to escape)	Target multi-unit buildings with 2+ stories that do not have direct egress from the unit, i.e., when unit entry is on the 2 <sup>nd</sup> floor +.
Number of Units	Category A: 12+ Units (Phase 3: Category B: 5+ Units. After completion and evaluation of Category A in Phase 2.)
Type of Structure	Target buildings built with wood construction. Steel construction is already reinforced.

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Table 2: City Policies

San Jose’s Building Department expects to get recoup their costs of implementation. Equity would dictate that the Housing Providers get to do the same. The city needs to do its part to contribute to this program so as many buildings as possible are retrofitted. This diagram includes are what other cities, including Oakland, San Francisco, Fremont, and Alameda offered. We Recommend San Jose adopt the following:

Program	Recommendation From other City’s Programs
Funding Available per Unit from City and FEMA	TBD
Permit Fee Waivers	Waive 5% of permit fees from total cost of retrofitting to owners who comply with the ordinance within the given timeline.
Capital Improvement Pass Through	Streamline the pass-through application. Allow 5% increase over 10 years. Do not allow renter to block this capital pass through. Any grants or reimbursements owner receives for project will be deducted from the actual cost of project when calculating pass-through.
Permitting Process	Streamline permit process including: <ul style="list-style-type: none"> <li>• Give official approval without requiring plans or calculations prepared by an architect or engineer for 2 story buildings.</li> <li>• Expedite approval.</li> <li>• Do not require the owner to submit plans.</li> </ul>
Pre-existing Conditions	Waive mandate to upgrade of the plumbing, mechanical, electrical and fire life/safety system unless they constitute a material hazard to life or property.
Tiered Approach Considering adding years for completion for the smaller buildings and to allow for resource availability.	For each Category (A, B, C): Tier 1: Give up to 4 Years for buildings with more than 20 units. Tier 2: Give up to 6 Years for buildings with fewer than 20 units.
Post Warning	Earthquake warning. This is a soft-story building. Occupants and visitors may not be safe inside or near this building during an earthquake.

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 Preserve Affordable Housing Short Term and Long Term  
 Overview & Policy Framework Recommendation, November 1, 2023**

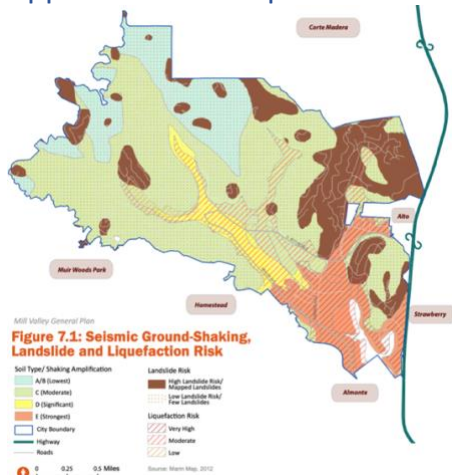
**Appendix**

**Appendix 1: Catastrophic Earthquakes**

Date	Magnitude	Area	Loss of Life and Property
1906, April 18	7.8	<a href="#">Great San Francisco Earthquake (and Fire)</a>	3,000 dead; \$524 million in property damage; includes damage from fire
1971, February 9	6.6	<a href="#">San Fernando</a>	65 dead; more than 2,000 injured; \$505 million in losses
1989, October 17	6.9	<a href="#">Loma Prieta</a>	63 dead; 3,737 injured; \$6 billion in property damage
1992, April 25	7.2	<a href="#">Cape Mendocino</a>	356 injured; \$48.3 million in property damage. Followed the next day by two aftershocks of magnitude 6.6 and 6.5
1992, June 28	7.3	<a href="#">Landers &amp; Bear</a>	1 dead; 402 injured; \$91.1 million in property damage
1994, January 17	6.7	<a href="#">Northridge</a>	57 dead; more than 9,000 injured; about \$40 billion in property damage
2019, July 5	7.1	Ridgecrest	1 dead; estimate of economic losses \$5.3 billion. Preceded by M6.4 foreshock on July 4.

Source: <https://www.conservation.ca.gov/cgs/earthquakes/big>

**Appendix 2: Earthquake Risk Mill Valley**



Source: <https://www.cityofmillvalley.org/DocumentCenter/View/3345/Soft-Story-Mitigation-Program-Presentation-By-David-Bonowitz-SE?bidId=>

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Appendix 3: Fragile Housing Types

**TABLE 2** Commonly-found Fragile Housing Types in the Bay Area

<b>Fragile Housing Type</b>	<b>Definition</b>	<b>Notes</b>
Hillside	Located in a “zone of required investigation” for earthquake-induced landslide.	Hillside homes may also have structural damage due to ground shaking
Single family cripple wall	Contains a crawl space and/or stairs leading up to the front door.	Commonly found in bedroom communities, rare in city centers and dense suburbs. Common in older, more established regions such as San Francisco and Alameda counties.
Single family house over garage	Garage with living space above it that lacks interior walls and may be unable to support the living space above it.	Commonly found in dense pre-1950’s suburbs like San Francisco, or post 1950’s suburbs with attached multicar garages. Highly prevalent in more recently urbanized areas such as Santa Clara and Contra Costa counties.
Unreinforced masonry	Masonry buildings that lack any structural support aside from mortar.	1% of total regional housing stock, most significant in San Francisco and Alameda counties. Mandated to be inventoried by state law.
Multi-family cripple wall	Contains a crawl space and/or stairs leading up to the front door.	Commonly found in pre-1920’s neighborhoods.
Multi-family soft story	Contains large openings on the first floor, typically for parking or commercial space, with residential units on the upper floors.	Pre-1950: mixed or high density suburban neighborhoods. Significant in older cities – over 10% in San Francisco. Post-1950: Fairly prevalent, especially in San Mateo County. Also found in large subdivision developments (Fremont, Hayward).
Multi-family non-ductile concrete	Concrete structures lacking steel reinforcement to add ductility, or the ability to bend without breaking.	Commonly found in high-density suburban neighborhoods.

Source: [https://abag.ca.gov/sites/default/files/soft\\_story\\_report\\_web\\_version\\_v2.pdf](https://abag.ca.gov/sites/default/files/soft_story_report_web_version_v2.pdf)

Appendix 4: Retrofit Cost Estimate

Here is another estimate of the potential cost from 2022 when prices were lower:

Due to variations in building size and conditions, there is a wide range of potential costs. New steel and foundation elements will drive costs higher. Including design and construction, costs may be:

- Between \$35,000 and \$70,000 for a 3-unit or 4-unit building
- Between \$40,000 and \$130,000 for a larger building.

*Source: David Bonowitz, S.E., based on Berkeley and San Francisco mandatory programs. Values are in 2022 dollars and do not include any costs for geohazard mitigation, temporary tenant relocation, or tenant compensation for loss of housing services.*

**HCDC Ad Hoc Seismic Retrofit Committee**  
**Preserve Affordable Housing Short Term and Long Term**  
**Overview & Policy Framework Recommendation, November 1, 2023**

## Additional Sources of Information

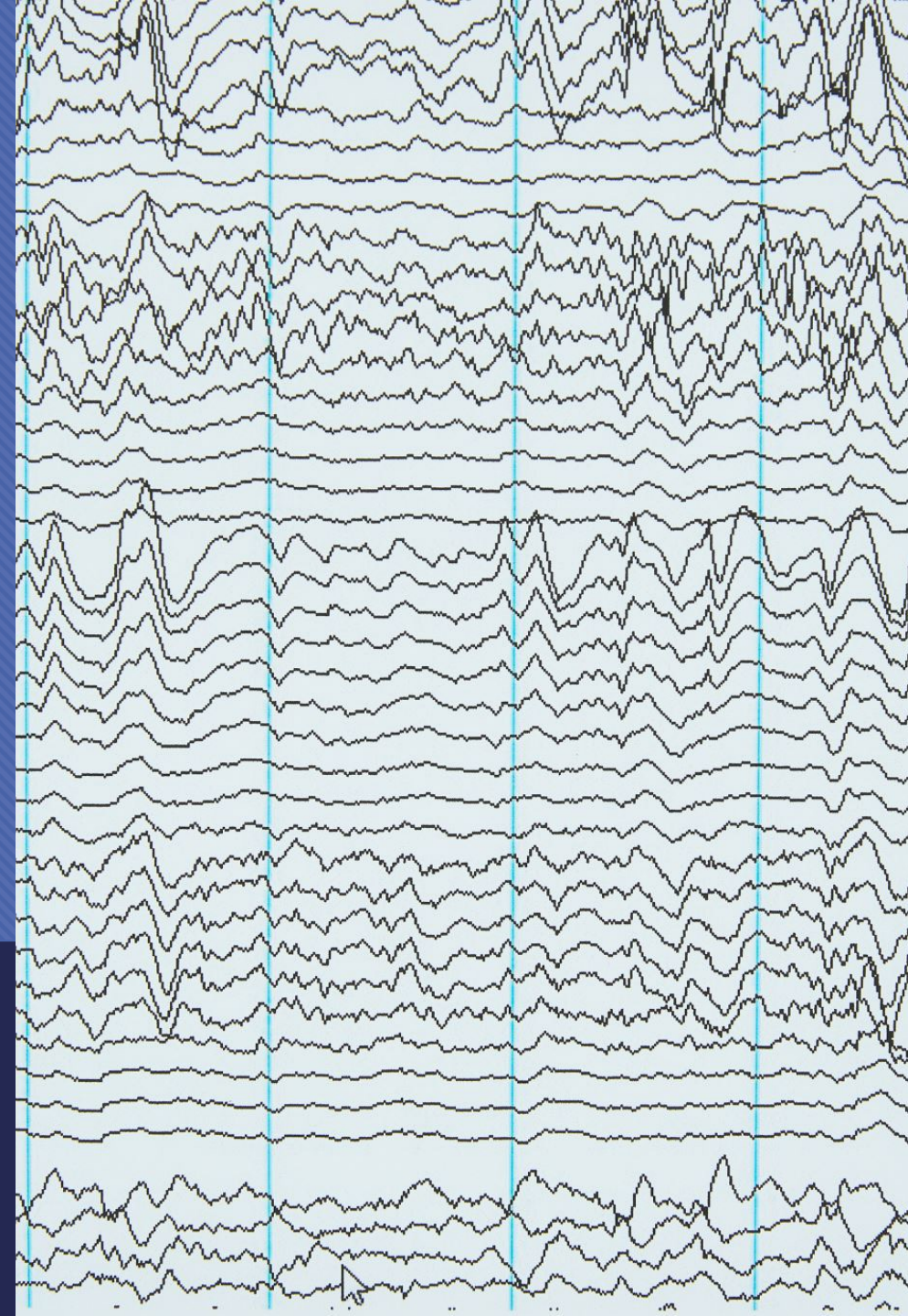
- Oakland, San Francisco, Fremont, Mill Valley, and Alameda's Seismic Retrofit Program
- [https://upload.wikimedia.org/wikipedia/commons/9/9e/20200202193400%21Shake\\_Map\\_Northridge\\_1994.jpg](https://upload.wikimedia.org/wikipedia/commons/9/9e/20200202193400%21Shake_Map_Northridge_1994.jpg)
- <https://www.earthquakeauthority.com/California-Earthquake-Risk/California-Earthquake-History-Timeline#CAEarthquake5>
- <https://www.google.com/search?client=safari&rls=en&q=number+of+housing+units+in+san+jose&ie=UTF-8&oe=UTF-8>
- \*<https://www.earthquakeauthority.com/Blog/2020/Earthquake-Risk-in-San-Jose#:~:text=San%20Jose%20earthquake%20risk%20is,%2C%20Calaveras%2C%20and%20San%20Andreas.>
- <https://www.conservation.ca.gov/cgs/earthquakes/big>
- <https://abag.ca.gov/our-work/resilience/data-research/earthquake#:~:text=Earthquake%3A%20Risks%20%26%20Resources&text=Currently%2C%20there%20is%20a%2072,related%20risks%20in%20this%20region>
- <https://www.latimes.com/california/story/2022-10-20/l-a-hits-1-billion-earthquake-milestone-8-000-buildings-retrofitted#:~:text=Kehl%20Tonga%20of%20Cal%2DQuake,story%20apartment%20building%20in%20Hollywood.&text=In%20the%201994%20Northridge%20earthquake,in%20which%2016%20people%20died.>
- [https://abag.ca.gov/sites/default/files/soft\\_story\\_report\\_web\\_version\\_v2.pdf](https://abag.ca.gov/sites/default/files/soft_story_report_web_version_v2.pdf)
- <https://la.curbed.com/2018/1/17/16871368/earthquake-apartments-safe-northridge>
- <https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/building-division/soft-story-retrofit>
- <https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/building-division/soft-story-retrofit/soft-story-ordinance-retrofit-program-faq>



# Seismic Retrofit Overview & Policy Framework Report

Prepared by Commissioner Moore  
D10 & Housing Provider Representative

For HCDC, November 9, 2023





# Ad Hoc Committee

## HCDC AD Hoc Committee

Roberta Moore, Chair

HCDC D10, Housing Provider Representative

Jen Beehler, Vice Chair

HCDC D6 Representative

Roma Dawson

HCDC D1 Representative

Barry Del Buono

HCDC D3 Representative

Ryan Jasinsky

HCDC Chair & Mobilehome Owner Representative

## Staff Liaison

Rachel VanderVeen, Assistant Director

## Process

- 9/18 Ad Hoc Committee held first meeting to create purpose, strategy, and next steps. Commissioners Moore, Dawson, Beehler, Del Buono, and Staff Rachel VanderVeen attended.
- 10/2 Ad Hoc Committee meeting held to review information gathered. Commissioners Moore, Dawson, Beehler, Del Buono, and Staff Rachel VanderVeen attended. Lisa Joyner (City Building Department) and Anil Babbar (CAA) presented.
- 10/23 Ad Hoc Committee meeting held to discuss report and policy framework. Commissioners Moore and Staff Rachel VanderVeen attended.
- 10/25 Commissioner Moore wrote draft report and e-mailed to Ad Hoc Committee for feedback. No feedback received.
- 10/30. Ad Hoc Committee meeting held to discuss feedback on report and policy framework. Commissioner Moore and Staff Rachel VanderVeen attended.
- 10/30 Commissioner Moore sent revised draft report with changes requested to committee for feedback. No feedback received.
- 10/31 Staff Rachel VanderVeen sent final report to all Commissioners.
- 11/6 Ad Hoc Committee meeting held to review presentation Commissioner Moore created. Commissioners Moore and Dawson and Staff Rachel VanderVeen attended.
- 11/6 Commissioner Moore e-mailed revised presentation with changes requested to Ad Hoc Committee and Staff Rachel VanderVeen for distribution to HCDC.



# Overview



PURPOSE



STRATEGY

# Living Units Identified at Risk

## AT RISK

- Hillside
- Single family cripple wall
- Single family house over garage
- Multi-family soft story

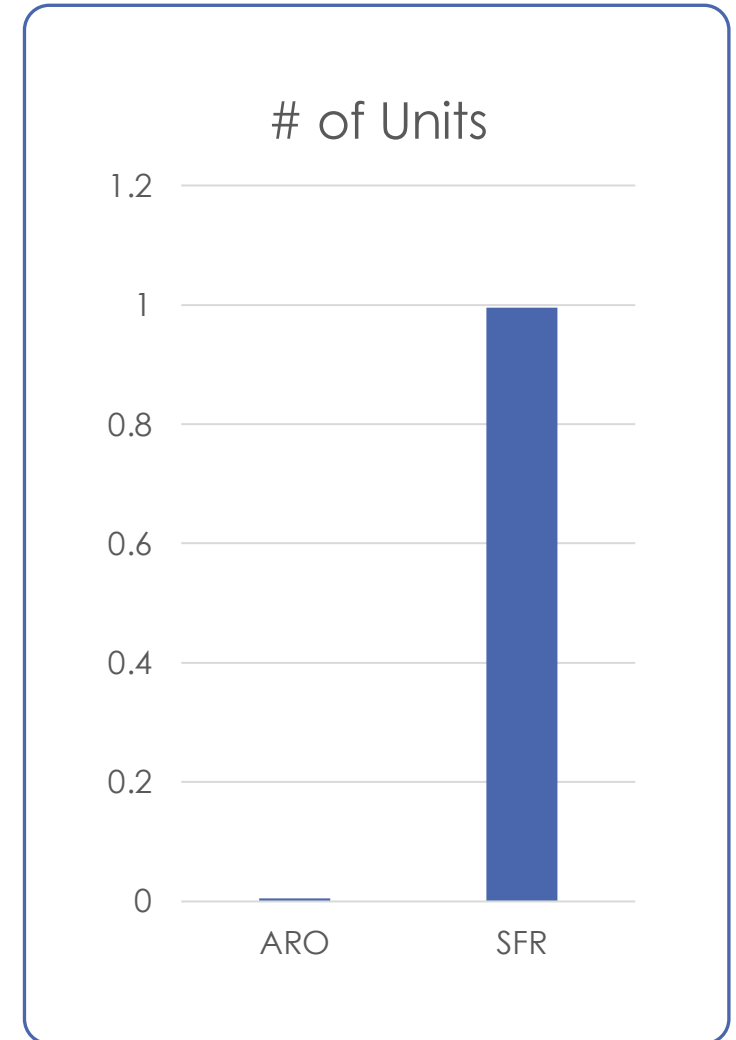
## PROPOSED

- 30,000 Living Units in San Jose = 9.5%
- 2,630 Soft Story Santa Clara County.

## ANALYSIS

- <1% of San Jose's Living Units ARO Multi-family Soft Story. (Source: ABAG, Census, ARO Study)

Source: ABAG



# Every Structure Vulnerable



## 1989 Loma Prieta

63 Deaths

\$6 Million in Property Damage including Roads, Bridges, Steel Structures.

Most Damaged where in San Francisco on Hillside and in Marina District: Landfill and Liquefaction Zones.



## 1994 Northridge

57 Deaths

\$15.3 Billion in Property damage including Tens of Thousands Buildings and Steel Structures.

200 Soft Story.

25 Evaluated for Structural Damage. Likely in Landfill and Liquefaction Zones.

City-level NHD Determinations	IN	NOT IN
Fault		<b>X</b>
Landslide	<b>X</b>	
Redevelopment Area	<b>X</b>	
Special Geologic Hazard Study Area		<b>X</b>

County-level NHD Determinations	IN	NOT IN
Fault		<b>X</b>
Landslide		<b>X</b>
Liquefaction	<b>X</b>	
Compressible Soils		<b>X</b>
Dike Failure		<b>X</b>



# Barriers/Challenges

## Cost

- Affordability: \$20k+ per unit
- Inflation & Interest Rates: 8%+
- Cost of Loan: \$155 per Unit
- Cost to Renter: \$167 per Unit
- Lack of Financing: Small Housing Providers

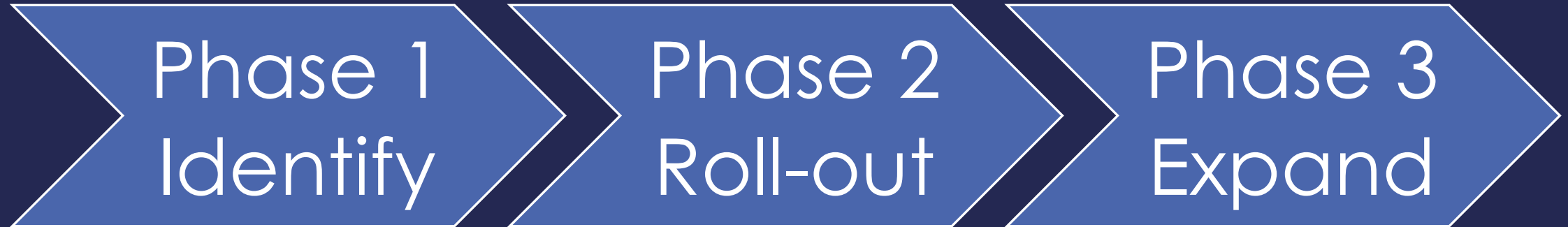
## Materials & People

- Shortages of Steel
- Lack of Engineers, Architects, Contractors, etc.
- Limited City Resources for Processing Permits

## Burden ARO Providers

- Eviction Moratorium: Lost Rent and Administrative Burden
- Electrification Mandate: \$250,000+ per building
- Seismic Retrofit Mandate: \$20,000+ per unit
- Balcony and Staircase Retrofit Mandate
- Rent Stabilization Program: Administrative Burden and Fees

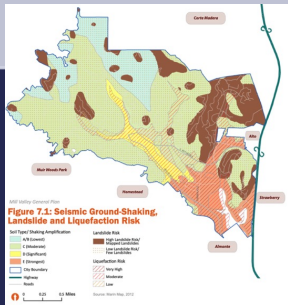
# Policy Framework



# Buildings Target

## Hazard Zones

- Compressible Soils, Fault, Landslide, Liquefaction



Source: City of Mill Valley

## Units

- Phase 2: 12+
- Phase 3: 5+

## Age

- Phase 2: 1970-'79
- Phase 3: 1950-'69

## How Built

- Soft Story over Carport or Garage, Wood Construction

County-level NHD Determinations	IN	NOT IN
Compressible Soils		X
Dike Failure		X
Fault	X	
Landslide		X
Liquefaction		X

Source: Natural Hazards Disclosure



# City Incentives

Permit Fee Waivers  
(5%)

100% Capital  
Improvement Pass  
Through pre-  
Approved

Streamline Permit  
Process

Waive Pre-existing  
Conditions

- Tiered Approach:
- 20+ Units = 4 Years
  - Less than 20 Units =  
6 Years

Post Earthquake  
Warning



# Risk/Benefit Assessment

## CATASTROPHIC EARTHQUAKE

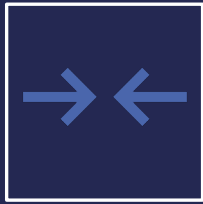
- RISKS
  - Loss of Property & Life
- BENEFICIARIES
  - Government: FEMA & City
  - Owners & Residents: <1%

## MANDATE RISKS

- INVESTMENT: Hundreds of millions to \$1.3 Billion Los Angeles.
- LOST UNITS: Affordable habitable units become uninhabitable or converted to condo because can't be retrofitted or sold.



# Commission Discussion



Mandate



Phased  
Approach



Buildings to  
Target



City  
Incentives

# New Sources of Information

Area of San Francisco that suffered the most damage was the Marina district where four buildings were destroyed by fire and several others collapsed, many of which were apartment buildings common in the area. (Karl 12) To understand why this was the case a brief history of the Marina district is required.

- [https://ivypanda.com/essays/analysis-of-damage-to-apartment-buildings-in-the-1989-loma-prieta-earthquake/#:~:text=\(Karl%2012\)%20This%20was%20the,destroyed%20and%203%2C530%20businesses%20damaged.](https://ivypanda.com/essays/analysis-of-damage-to-apartment-buildings-in-the-1989-loma-prieta-earthquake/#:~:text=(Karl%2012)%20This%20was%20the,destroyed%20and%203%2C530%20businesses%20damaged.)

Major property damage in San Francisco's Marina District 60 mi (97 km) from the epicenter resulted from liquefaction of soil used to create waterfront land. Other effects included sand volcanoes, landslides and ground ruptures. Some 12,000 homes and 2,600 businesses were damaged Marina 70 buildings.

- [https://en.wikipedia.org/wiki/1989\\_Loma\\_Prieta\\_earthquake/#:~:text=Major%20property%20damage%20in%20San,and%202%2C600%20businesses%20were%20damaged](https://en.wikipedia.org/wiki/1989_Loma_Prieta_earthquake/#:~:text=Major%20property%20damage%20in%20San,and%202%2C600%20businesses%20were%20damaged)

The term "soft story" as used throughout this report refers specifically to older, wood-frame multi-story buildings with an especially weak, flexible, or otherwise vulnerable ground story. Often (but not always), the soft story deficiency is indicated by large openings in the ground story walls, typically due to garage doors, open parking stalls, or large storefront windows. These buildings, built before current building codes, have ground stories that have a tendency to collapse when shaken hard enough.

- [https://abag.ca.gov/sites/default/files/soft\\_story\\_report\\_web\\_version\\_v2.pdf](https://abag.ca.gov/sites/default/files/soft_story_report_web_version_v2.pdf)

The Seismic Hazards Mapping Act (SHMA) of 1990 (Public Resources Code, Chapter 7.8, Section 2690-2699.6) directs the Department of Conservation, California Geological Survey to identify and map areas prone to earthquake hazards of liquefaction, earthquake-induced landslides and amplified ground shaking. The purpose of the SHMA is to reduce the threat to public safety and to minimize the loss of life and property by identifying and mitigating these seismic hazards. The SHMA was passed by the legislature following the 1989 Loma Prieta earthquake.

- <https://www.conservation.ca.gov/cgs/sh/seismic-hazard-zones/#:~:text=The%20easiest%20way%20is%20to,your%20city%20or%20county%20office.>

Other:

- <https://www.bloomberg.com/news/articles/2023-05-25/apartment-landlords-bleeding-cash-imperil-47-billion-of-loans#xj4y7vzkg>
- <https://bayarearetrofit.com/wp-content/uploads/ABAG-Shaken-Awake.pdf>
- [City of San Jose: Housing Provider Meetings, Real Estate Agents, Housing Providers, SCCAOR, CAA](#)