

District 1 — Roma Dawson
District 3 — Barry Del Buono
District 5 — Ruben Navarro
District 7 — Victoria Partida (VC)
District 9 — VACANT
Mayor — Ali Sapirman
Lived Experience (Mayor) — Sketch Salazar
Lived Experience Alternate (Mayor) — Gabriela Gabrian

Alain Mowad — District 2
Nuha Khan — District 4
Jen Beehler — District 6
Huy Tran — District 8
Roberta Moore — District 10
Daniel Finn — CAAC MR
(C) Ryan Jasinsky — CAAC ML

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

REGULAR MEETING AGENDA

March 13, 2025

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 comment for Brown Act meetings to **in person only**. The public will still be able to watch live broadcasts of commission meetings 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 to join the meeting.
- 3) **Telephone Device Instructions:** For participants who would like to listen to the meeting 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 or call **(408) 534-2961 by**

12pm the day 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.

APPROX. TIME	AGENDA ITEM
5:45	<p>I. Call to Order & Orders of the Day</p> <p style="padding-left: 40px;">A. Chair reviews logistics for Zoom meetings</p>
5:46	<p>II. Introductions and Roll Call</p>
5:50	<p>III. Consent Calendar</p> <p style="padding-left: 40px;">A. Approve the Minutes for the Regular Meeting of February 13, 2024</p> <p style="padding-left: 80px;">ACTION: Approve the February 13, 2024 action minutes</p>
6:00	<p>IV. Reports and Information Only</p> <p style="padding-left: 40px;">A. Chair</p> <p style="padding-left: 40px;">B. Director</p> <p style="padding-left: 40px;">C. Council District Liaison</p>
6:10	<p>V. Open Forum</p> <p style="padding-left: 40px;"><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></p>
	<p>VI. Old Business</p>
	<p>VII. New Business</p>
6:15	<p>A. 2025-2030 Consolidated Plan and Fiscal Year 2025-2026 Annual Action Plan Funding Priorities (S. Gutowski, Housing)</p> <p style="padding-left: 40px;">Action: Hold a public hearing on funding priorities for the 2025-2030 Consolidated Plan and Fiscal Year 2025-2026 Annual Action Plan for the use of federal funds from the U.S. Department of Housing and Urban</p>

Development (HUD) and provide Housing Department staff with input on the proposed funding priorities for the City's 2025-2030 Consolidated Plan and next Annual Action Plan.

**6:45 B. Annual Progress Report on the Housing Element and Housing Successor Report
(K. Clements, Housing, J. Ferguson, Planning)**

Action: Review the Annual Progress Report on the Housing Element and Housing Successor Report and make possible recommendations to staff and/or the City Council.

7:15 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.

7:20 IX. Meeting Schedule

The next **Regular Meeting** for the Commission is scheduled to be held on **Thursday, April 10, 2025 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 Recommendation
- Measure E Spending Plan
- Housing Trust Fund Budget
- Housing Balance Status Report

7:55 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, 14th 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, 12th Floor
San José, California 95113
Tel: (408) 534-2961
Email: 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 408-975-2694 向 Hong Hua 詢問詳細事宜。

HOUSING & COMMUNITY DEVELOPMENT COMMISSION
MEETING ACTION MINUTES

February 13, 2025

MEMBERS PRESENT:

Roma Dawson	Commissioner (D1) <i>Arrived at 5:51pm</i>
Alain Mowad	Commissioner (D2)
Nuha Khan	Commissioner (D4) <i>Arrived at 5:55pm</i>
Ruben Navarro	Commissioner(D5)
Jen Beehler	Commissioner (D6)
Victoria Partida	Vice Chair (D7) <i>Arrived at 5:51pm</i>
Huy Tran	Commissioner (D8)
Ali Sapirman	Commissioner (Mayor)
Daniel Finn	Commissioner (MR)
Ryan Jasinsky	Chair (ML)
Gabriela Gabrian	Commissioner (LE Alt)

MEMBERS ABSENT:

Barry Del Buono	Commissioner (D3)
Roberta Moore	Commissioner (D10)
Sketch Salazar	Commissioner (LE)

STAFF PRESENT:

Banu San	Deputy Director, Housing
Mindy Nguyen	Development Officer, Housing
Emily Hislop	Division Manager, Housing
Vanessa Pacheco	Senior Analyst, Housing

(I) Call to Order & Orders of the Day

A. Chair Jasinsky called the meeting to order at 5:45 p.m.

(II) Introductions – Commissioners and staff introduced themselves.

(III) Consent Calendar

A. Approve the Consent Calendar which includes Minutes for the Regular Meeting of December 12, 2024.

Commissioner Finn made the motion to approve the Consent Calendar with a second by Commissioner Beehler. The motion passed 8-0.

Yes	Mowad, Navarro, Beehler, Tran, Sapirman, Finn, Jasinsky, Gabrian (8)
No	None (0)
Absent	Dawson, Del Buono, Khan, Partida, Salazar (5)

Housing & Community Development Commission
DRAFT Minutes – Regular Meeting of February 13, 2025

(IV) Reports and Information Only

- A. Chair:** Chair Ryan Jasinsky reviewed logistics and guidelines for participation. Chair Jasinsky reviewed the functions, powers, and duties of the Housing and Community Development Commission.
- B. Director:** Director Erik Soliván was not in attendance, however Deputy Director Banu San was present. There were no updates.
- C. Council Liaison:** No updates were given as the Council Liaison was not present.

(V) Open Forum

(VI) Old Business

(VII) New Business

A. Rent Stabilization Program Fiscal Year 2024-2025 Quarter 2 Interaction Log Report For Mobilehomes (E.Hislop, V. Pacheco, Housing)

ACTION: Review the Measure E Transfer Tax Annual Report for Fiscal Year 2023-2024 revenues and expenditures and provide possible recommendations.

Commissioners asked clarifying questions and gave feedback to staff. No actions were taken.

(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, March 13, 2025 at 5:45 p.m., 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:

- 2025-2030 Consolidated Plan and Fiscal Year 2025-2026 Annual Action Plan Funding Priorities
- Workforce Housing Strategy Status Report

Housing & Community Development Commission
DRAFT Minutes – Regular Meeting of February 13, 2025

- Annual Progress Report on the Housing Element and Housing Successor Report

(X) Adjournment

Chair Jasinsky adjourned the meeting at 7:00 p.m.



Memorandum

TO: HOUSING AND COMMUNITY
DEVELOPMENT COMMISSION

FROM: Erik L. Soliván

SUBJECT: SEE BELOW

DATE: February 10, 2025

Approved

Date

**SUBJECT: 2025-2030 CONSOLIDATED PLAN AND FISCAL YEAR 2025-2026
ANNUAL ACTION PLAN FUNDING PRIORITIES**

RECOMMENDATION

Hold a public hearing on funding priorities for the 2025-2030 Consolidated Plan and Fiscal Year 2025-2026 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 2025-2030 Consolidated Plan and 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 2025-2030 Consolidated Plan and Annual Action Plan for FY 2025-2026. The Funding Priorities for FY 2025-2026 Annual Action Plan is presented first. The 2025-2030 Consolidated Plan and the FY 2025-2026 Annual Action Plan will be presented together to City Council in June 2025.

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).

Housing is currently developing the draft 2025-2030 Consolidated Plan. Although the majority of outreach has been completed, community engagement will remain a key component throughout the drafting of the 2025-2030 Consolidated Plan. Based on the collected feedback, strategies have been identified to address the high priority needs and City's goals.

The four priority categories of need identified are:

1. End Homelessness – Expand housing access and self-sufficiency resources for individuals and families experiencing or at risk of homelessness.
2. Increase Affordable Housing – Develop new affordable housing opportunities and preserve existing affordable housing.
3. Ensure Fair Housing – Combat housing discrimination and lower barriers to housing.
4. Strengthen Communities – Enhance community well-being and improve residents' quality of life.

All activities funded with the federal funding programs must support one or more of these four priorities identified in the 2025-2030 Consolidated Plan. In accordance with the City's Citizen Participation Plan, the Housing Department must provide three public hearings to create an opportunity for public comments on the Five-Year Consolidated Plan: (1) at least one hearing before HCDC, prior to publication of the draft Five-Year Consolidated Plan, to obtain the views and input of citizens, public agencies, and other interested parties; (2) at least one hearing before HCDC for the draft Five-Year Plan; and (3) at least one hearing before City Council prior to adoption of the Five-Year 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: (1) at least one hearing

before HCDC, prior to publication of the draft Annual Action Plan, to obtain the views and input of citizens, public agencies, and other interested parties of the Funding Priorities for the FY 2025-2026 Annual Action Plan; (2) at least one hearing before HCDC for the draft FY 2025-2026 Annual Action Plan; and (3) at least one hearing before City Council prior to adoption of the FY 2025-2026 Annual Action Plan.

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) 2025-2026 are also listed in Table 1. Note that FY 2025-2026 funding levels used in Table 1 is a general estimate of next year’s allocations, net of any estimated program income from loan repayments. Housing is anticipating 5% decrease funding allocations from HUD.

Table 1: Estimated FY 2025-2026 San José Federal Funding Levels

Funding Source	Primary Use	Estimated Allocations for FY 2025-2026
CDBG	Housing and Community Development Programs, Services, and Capital Improvements	\$7,489,232
HOME	Housing	\$2,522,607
ESG	Homeless Services and Shelter Operations	\$696,417
HOPWA	Housing Support for Persons with AIDS	\$1,711,027
TOTAL		\$12,419,284

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

2025-2030 Consolidated Plan Outreach and Engagement Process

HUD requires jurisdictions to complete an assessment for housing, homelessness, and other community development needs through analyzing census data and community outreach and engagement.

Staff conducted community outreach and engagement from October 2024 through February 2025 for the Consolidated Plan. Staff ensured that outreach was undertaken in multiple languages. Official public meetings were noticed in English, Spanish, Vietnamese, and Chinese. For the meetings, translators and accessibility equipment were available. These standards are consistent with the City's Citizen Participation Plan for the Consolidated Plan outreach.

In January and February 2025, the City held two at large community meetings for the general public at which participants were asked a variety of questions such as:

- What should the City's top priorities be over the next 5 years?
- What do you feel are the most common or pressing housing problems in the City?

The meetings were virtually and in person. Both meetings were held in the evening to ensure maximum participation. The in-person meeting provided childcare and refreshments for attendees.

In addition to the two at-large meetings, staff held 46 focus group and small stakeholder meetings, including residents from protected classes, community-based organizations, housing developers and housing advocates. These smaller format meetings helped to ensure that feedback was obtained from community members who did not feel comfortable taking on-line surveys, or who typically do not come to City-sponsored outreach meetings.

Staff attempted to maximize community input and minimize participants' efforts to attend. For example, staff attended the Amigos de Guadalupe event at the Mexican Heritage Plaza on November 5, 2024, where they educated community members on the Consolidated Plan and encouraged in-person and online completion of the survey. Staff partnered internally with the Rent Stabilization Program to provide informational flyers and surveys at neighborhood meetings and outreach events.

In total, approximately 412 people participated in public and focus group meetings, and 405 San José residents responded to the Citywide survey, for a total of 817 residents.

Community Feedback on Needs

Community input was helpful in confirming the housing and community development needs and concerns facing lower-income neighborhoods for which HUD's federal entitlement funds can be directed.

Across all community engagement events, the top needs expressed by participants included the following:

- Create additional affordable housing and provide more housing options for low-income renters.

- Improve non-profit community services to provide and services for vulnerable populations, in particular individuals with disabilities, seniors, and the unhoused.
- Improve fair housing through provision of services (such as assistance with tenant/landlord issues and understanding laws and ordinances for renters).
- Enhance resident quality of life by improving neighborhood conditions and expanding economic opportunities.

These needs were similar to those noted in recent studies in the San José area, as well as local and state legislative priorities on housing, homelessness, and fair housing. Staff is now currently working on developing the draft Consolidated Plan and Annual Action Plan, which will be presented to the Housing and Community Development Commission in June and include a 30 day public comment period.

Annual Action FY 2025-2026 Development

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 Notice of Funding Availability (NOFA) contracted with multiple organizations to manage different programs. applications were for the following programs:

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

This is the third year of the processed NOFA, extending the duration one year. A full NOFA will be conducted in the winter of 2025.

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	Agency Partner	Description	Est. FY 2025-2026 Funding
Neighborhood Engagement	SOMOS	Leadership development and engagement training.	\$145,000
Neighborhood Engagement	VIVO	Citizenship Exam Prep training and Civic Awareness Classes for recent immigrants.	\$45,000
Legal Services	BALA	Citywide legal services for low-income tenants	\$150,000
Legal Services	Legal Link	Neutral tenant/landlord counseling and dispute resolution services (Legal Training)	\$10,000
Legal Services	Project Sentinel	Neutral tenant/landlord counseling and dispute resolution services	\$150,000
Senior Nutrition	POSSO	Meals and support programs for seniors.	\$293,385
Homeless Outreach	HomeFirst	Citywide outreach and shelter	\$330,000
TOTAL		15% of CDBG allocation	\$1,123,385

Neighborhood Engagement-SOMOS Mayfair

To address the challenges of the Mayfair and surrounding East San José areas, SOMOS Mayfair proposes to engage in community and power-building activities through the Eastside Neighborhood Development Program, which will offer community-based, resident-centered leadership training and basic needs support. These programs will enhance resident advocacy skills that will in turn position residents in places where decisions are made about their families, their homes, and their communities.

Neighborhood Engagement- Vietnamese Voluntary Foundation (VIVO)

The mission of VIVO is to empower refugees and immigrants, low-income ethnic families to become productive participating citizens, to benefit themselves, their families, and their communities through providing comprehensive community cultural, educational, health and social services. VIVO proposes to provide English as a Second Language workshops, basic computer, and digital literacy classes as a first step for settlement. VIVO will also provide civic awareness and engagement programs with workshops on community and social issues.

Legal Services- Bay Area Legal Aid (BALA), Legal Link. Project Sentinel

Legal Services will be offering two programs. Citywide Legal Services for Low-Income Tenants and Neutral Tenant/Landlord Counseling and Dispute Resolution. Housing is completing an RFP to secure an agency to provide both programs to our qualifying residents.

Citywide legal services for low-income tenants program will be offering the following areas of legal services: Housing Development and Management; Real Property laws and codes, federal subsidy programs, and eviction diversion and mediation strategies. Services may only benefit persons of low-to-moderate income (income at or below 80% of the area median income) and residing in the service area.

Neutral tenant/landlord counseling and dispute resolution services program will engage in several community education approaches to increase community awareness of the laws and issues surrounding fair housing and rental rights. Recommended methods include fair housing workshops for members of the housing industry, educational workshops to assist property owners and/or managers who have been found through complaint investigation to discriminate in rental housing, regular publicity of fair housing services through local media, and speaking appearances before appropriate groups and organizations.

*Senior Nutrition – Portuguese Organization for Social Services and Opportunities (POSSO)
Senior Access and Health Support*

POSSO will provide its core senior nutrition and general health and wellness support services to socioeconomically burdened seniors in San José that will promote aging in place, prevent isolation, and improve the quality of life of these individuals. It is important to note that POSSO is the only language accessible source of senior services in San José - including nutrition, transportation, and wellness services.

Homeless Citywide Outreach – HomeFirst

Homeless Outreach and Engagement program will offer individualized support to high-needs individuals and households living on the streets and in encampments in San José. Services are participant-centered and may include connections to shelter and services, providing basic needs supplies, such as hygiene items, food, water, and clothing and conducting housing eligibility assessments

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 and our non-profit partners.

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	Department/Non-Profit Partner	Description	Est. FY 2025-2026 Funding
Sidewalk Repair Program	DOT	Repair city owned sidewalks in low-mod neighborhoods	\$150,000
Accessible Pedestrian Signal	DOT	Accessibility device installed at a traffic signal that provides audible and vibrotactile cues	\$434,463
Hoffman via Monte Safety Improvements	PW	Installing underground conduits and underground pull boxes, installing new streetlights,	\$742,941
Mid-Pen Housing Arbor Park Sprinkler Heads	Mid-Pen Housing	Replacement of sprinkler heads in units and common areas.	\$290,590
TOTAL			\$1,617,994
Mid-Pen Housing Italian Gardens Roofing/Lighting	Mid-Pen Housing	Roof replacement and replace common area lighting.	\$1,491,582 from CDBG fund balance

Sidewalk Repair Program (DOT)

DOT is looking to repair City owned sidewalks identified in Low-Mod communities. Useable and safe sidewalks are essential to ensuring community safety. The locations have been identified and contractors are standing by. Once the work is assigned, the work will be completed within 45 days, with some minor delay possibly extending the work to 90 days total. DOT has the systems in place and is partnering with property owners to get sidewalks repairs/replaced completed in FY2025-2026.

Accessible Pedestrian Signal (A/PS) Community Improvement Project (DOT):

The City’s Department of Transportation (DOT) is installing 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 allowed 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 requested \$559,374 in FY 2024-2025 and \$434,463 in FY 2025-2026.

The project is installing 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. This is Year 2 of the installation project.

Hoffman via Monte Safety Improvements (PW)

A need for additional lighting was expressed by the residents in three areas along Mesa Drive, Carlsbad Drive and Almaden Road in the Hoffman Via Monte neighborhood. The lighting improvement goals for each of the streets were determined from the City of San Jose Streetlight Design Guide based on the recommendation of Lighting Standards RP-8. A lighting analysis was performed for all three areas, and it was determined that there was a need to add additional lighting to meet current lighting goals. Once installed, residents will see an immediate improvement in lighting.

The project is installing underground conduits and underground pull boxes, installing new streetlights, replacing existing streetlights, relocating existing street lights, and installing poles and foundations.

The area being targeted includes; Carlsbad Drive between Via Mesa Drive and Tucson Drive: New lamp fixture changes on 4 existing streetlights, relocation of 1 existing streetlight, and installation of 1 new streetlight, pole and foundations, install about 277 linear feet of underground conduit.

Mesa Drive between Via Monte Drive and Almaden Road: New lamp fixture changes on 7 existing streetlights, relocation of 4 existing streetlights, and installation of 4 new streetlights, poles and foundations, install about 750 linear feet of underground conduit.

Almaden Road between Mesa Drive and Via Monte Drive: New lamp fixture change on 1 existing streetlight, and installation of 3 new streetlights, poles and foundations, install about 100 linear feet of underground conduit.

Mid-Peninsula Housing-Italian Gardens Roofing and Lighting Improvements (Mid-Pen Housing)

Italian Gardens is located at 1500-1560 Almaden Road in the Gardner District approximately two miles south of downtown San Jose. Italian Gardens houses low-income families earning between 30% to 80% AMI. The property is composed of twelve residential buildings, two community buildings, and the historic leasing office called the Lo Curto House.

MidPen Housing will be replacing the roofs for 12 residential buildings and the two community buildings. The buildings consist of pitched roofing with asphaltic composition shingle roofing.

MidPen will also be replacing/updating the common area lighting. The current lighting, particularly in the hallways and parking lot areas are very dim. By switching to new LED fixtures, the common areas will be brightened which will increase security and reduce safety concerns for residents. Switching the lighting to LED will massively save the property on utility costs, freeing up the budget to address more pertinent capital needs.

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.

Mid-Peninsula Housing-Arbor Park Fire Sprinkler Heads Replacements (Mid-Pen Housing)

Arbor Park, located in eastern San Jose, was built in 2001. In 2003, MidPen Housing purchased the property to preserve its affordability. The property houses low-income families earning between 30% to 60% AMI. Arbor Park consists of 75 units of spacious 12 one-bedroom, 40 two-bedroom, and 23 three-bedroom apartments.

The scope of work will consist of replacing the fire sprinkler system. The property is 23 years old and the fire sprinkler system is aged and outdated. MidPen will be replacing all sprinkler heads in the units and the common areas at the property.

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

CDBG Activities	Department/ Agency Partner	Description	Est. FY 2025-2026 Funding
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Enhanced Code Enforcement (PBCE)	PBCE	Enhanced Code Enforcement in Targeted Neighborhood	\$1,273,703
Minor Home Repair	Habitat for Humanity	Owner-occupied single-family home and mobile home repairs	\$476,304
TOTAL			\$1,750,007

Enhanced Code Enforcement (PBCE)

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.

Minor Home Repair – Habitat for Humanity

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 led 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

CDBG Activities	Agency Partner	Description	Est. FY 2025-2026 Funding
Microenterprise Program	Upwards	Child Care Providers Business/Technical Training	\$1,500,000
TOTAL			\$1,500,000

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.

CDBG Administration

Recognizing the significant requirements associated with managing CDBG funds, HUD allows funding of administrative planning and oversight using up to 20% of the sum of the annual allocation plus the current year’s program income. In addition to grant planning and oversight, fair housing is the sole service that can be paid from the Administrative category as well as the Public Services category. In FY 2025-2026, some Administrative funds will go towards fair housing programs listed below and will pay other City departments’ staff’s work on CDBG-related activities. This includes the City Attorney’s Office work to perform legal reviews of all federal contracts, and PBCE’s work to provide required environmental review support for all federally funded projects. The Housing Department line item also includes staff work on the Assessment of Fair Housing and Housing Element. The Housing Department administration consists of contract negotiations and development, monthly review of invoices and supporting documentation, tracking spending trends, contract monitoring and audit coordination with HUD.

Table 6: Administration Costs

CDBG Activities	Department/Agency Partner	Description	Est. FY 2025-2026 Funding
Fair Housing	Law Foundation of Silicon Valley-Consortium	Fair Housing	\$200,000
CAO	CAO	Support services from CAO	\$19,493
PBCE	PBCE	Support services from Environmental Planner	\$71,097
Administration	Housing	20% is designated by HUD for Program Administration	\$1,207,256
TOTAL			\$1,497,846

Fair Housing – Law Foundation of Silicon Valley Consortium

The primary purpose of the San Jose Fair Housing Legal and Education Services Collaborative project is to build inclusive sustainable communities free from discrimination through complaint-based investigation, systematic testing, and legal representation designed to help victims of housing discrimination to access or maintain the housing of their choice.

HUD provides 20% of the CDBG allocation to be used in administrative and planning activities.

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 funds will be used in the Home Repair Program to ensure affordable housing stock is maintained.

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.

Table 7: Proposed HOME Projects

HOME Activities	Agency Partner	Description	Est. FY 2025-2026 Funding
Home Repair Program	Rebuilding Together Silicon Valley	Owner-occupied single-family home and mobile home repairs	\$1,500,000
Home Repair Program	Habitat for Humanity	Owner-occupied single-family home and mobile home repairs	\$191,955
New Affordable Housing Development	Housing Community Housing Development Organization (CHDO)	CHDO Set Aside (15% HOME Set Aside) for Development of Affordable Housing	\$378,391
Fair Housing	Law Foundation of Silicon Valley-Consortium	Fair Housing	\$200,000
Administration	Housing	10% is designated by HUD for Program Administration	\$252,261
TOTAL			\$2,522,607

Home Repair Program – Rebuilding Together Silicon Valley and Habitat for Humnity

City provides emergency and minor repairs to homeowners who meet eligibility requirements under the HOME requirements. The goal is to keep low- and moderate-income persons in their homes. Minor repairs are completed at no charge to the homeowner and the home can be any type of owner-occupied housing, such as single-family house, mobile home, or condominium. Services provided under the “minor” category is intended to address health and safety deficiencies that do not elevate to “emergency,” but that the homeowner simply cannot pay for on their own. Deficiencies include, but are not limited to, debris removal, replacement of doors, windows, installation of ramps/lifts, ADA improvements to bathroom(s), lighting improvements, flooring repairs/replacements accessibility improvements, replace broken windows, doors, and other minor repairs.

Fair Housing – Law Foundation of Silicon Valley Consortium

The primary purpose of the San Jose Fair Housing Legal and Education Services Collaborative project is to build inclusive sustainable communities free from discrimination through complaint-based investigation, systematic

testing, and legal representation designed to help victims of housing discrimination to access or maintain the housing of their choice.

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. \$417,850 in ESG funds will be used in FY 2025-2026 to assist in Citywide outreach.

Table 8: Proposed ESG Projects

ESG Activities	Department/Agency Partner	Description	FY 2024-25 Funding
Homeless Outreach	HomeFirst	Citywide outreach and shelter (60% of ESG Allocation)	\$417,850
County Homeless Management Information System	County of Santa Clara	Operation of the Homeless Management Information System (secure web-based database) in compliance with HUD and the State.	\$226,336
Administration	Housing	7.5% is designated by HUD for Program Administration	\$52,231
TOTAL			\$696,417

Homeless Citywide Outreach – HomeFirst

Homeless Outreach and Engagement program will offer individualized support to high-needs individuals and households living on the streets and in encampments in San José. Services are participant-centered and may include connections to shelter and services, providing basic needs supplies, such as hygiene items, food, water, and clothing and conducting housing eligibility assessments

HMIS Homeless Management Information System – County of Santa Clara Office of Supportive Housing

The County oversees HMIS, a secure web-based data warehousing system, as the primary client data collection and management tool in Santa Clara County. Funding for HMIS is used for software

licensing, user training, data quality monitoring, reporting, performing regular maintenance and installing upgrades as necessary to ensure optimal performance of system software and hardware.

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 9: Proposed HOPWA Projects

CDBG Activities	Department/Agency Partner	Description	Est. FY 2025-2026 Funding
Rental Assistance and Supportive Housing	Bay Area Community Health (BACH)	Rental assistance and supportive housing for HOPWA participants	\$1,359,696
Rental Assistance and Supportive Housing	San Benito County	Rental assistance and supportive housing for HOPWA participants	\$300,000
Administration	Housing	3.0% is designated by HUD for Program Administration	\$51,331
TOTAL			\$1,711,027

Rental Assistance and Supportive Services – Bay Area Community Health and San Benito County

Bay Area Community Health (BACH) provides rental assistance and supportive services for qualified low-income people living with AIDS/HIV and their families.

Additionally, as the nearest metropolitan statistical area, the City administers the HOPWA grant funding for San Benito County. The Housing Department coordinates with San Benito County staff to administer approximately \$300,000 in rental assistance in that County.

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 2025-2030 Consolidated Plan and FY2025-2026 Annual Action Plan in May 2025, and upon completion, will make a copy available to the public for review for 30 days. Officially noticed public hearings on the draft 2025-2026 Annual Action Plan will include one Commission meeting and a City Council meeting to be held in June 2025. Staff then will submit the final 2025-2030 Consolidated Plan and the FY 2025-2026 Annual Action Plan to HUD by August 2025.

PUBLIC OUTREACH

Public hearing of the FY 2025-2026 Funding Priorities will be conducted at the Housing and Community Development Commission meeting on March 13, 2025. 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 Plan¹ requirement to hold one publicly noticed hearing on funding priorities prior to drafting the FY 2025-2026 Annual Action Plan.

COMMISSION RECOMMENDATION/INPUT

Staff will collect public and commissioners' feedback and will report comments back to HUD. The FY 2025-2026 Funding Priorities discussion is the first step in completing the FY 2025-2026 Annual Action Plan, which will be presented to HCDC and City Council in June 2025.

FISCAL/POLICY ALIGNMENT

The proposed funding priorities are consistent with the City's draft Consolidated Plan 2025-2030 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.

SECTION 84308 GENERALLY

In 2022, the California Legislature passed SB 1439, a bill that amended Section 84308 of the Political Reform Act ("the Act")

¹ 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>.

Section 84308 prohibits certain officials from taking part in an entitlement for use proceeding if the official has received a contribution exceeding \$250 from a party or participant in the proceeding within the preceding 12 months. An official is also prohibited from accepting, soliciting, or directing a contribution exceeding \$250 from a party or participant in the proceeding for a certain period of time after a final decision is rendered in such a proceeding.

A “party” is any person who files an application for, or is the subject of, a proceeding involving a license, permit, or other entitlement for use. A “participant” is person who is not a party but who actively supports or opposes a particular decision in a proceeding involving a license, permit, or other entitlement for use, and has a financial interest in the decision.

A party to a proceeding before an agency involving a license, permit, or other entitlement for use must disclose on the record any contribution in an amount of more than two hundred fifty dollars (\$250) made within the preceding 12 months to an official of the agency

Erik L. Solivàn
Director, Housing Department

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



Memorandum

TO: HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

FROM: Erik L. Soliván

DATE: March 6, 2025

SUBJECT: SEE BELOW

SUBJECT: REVIEW OF THE ANNUAL PROGRESS REPORT ON THE IMPLEMENTATION OF THE SAN JOSE GENERAL PLAN HOUSING ELEMENT AND THE HOUSING SUCCESSOR TO THE REDEVELOPMENT AGENCY ANNUAL REPORT

RECOMMENDATION

Review the Calendar Year 2024 Annual Progress Report (Annual Progress Report) and the Fiscal Year 2023-2024 Housing Successor to the Redevelopment Agency Annual Report (Housing Successor Report) and make possible recommendations to staff and/or the City Council.

SUMMARY AND OUTCOME

City Council's review of the Annual Progress Report and Housing Successor Report will enable staff to submit both the City of San José's Calendar Year 2024 Annual Progress Report on the Sixth Cycle 2023-2031 Housing Element to its General Plan and the Fiscal Year 2023-2024 Housing Successor Report to the State of California by April 1, 2025, as required. The Commission's review will inform City Council's consideration.

Please see the City Council memorandum with attachments.



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Chris Burton
Erik L. Soliván

SUBJECT: See Below

DATE: February 24, 2025

Approved

Date:

COUNCIL DISTRICT: Citywide

SUBJECT: Acceptance of the Annual Progress Report on the Implementation of the San José General Plan Housing Element and the Housing Successor to the Redevelopment Agency Annual Report

RECOMMENDATION

1. Accept the Calendar Year 2024 Annual Progress Report on the implementation of San José's Sixth Cycle 2023-2031 Housing Element.
2. Accept the Fiscal Year 2023-2024 Housing Successor to the Redevelopment Agency Annual Report.

SUMMARY AND OUTCOME

Approval of this request will enable staff to submit both the City of San José's (City) Calendar Year 2024 Annual Progress Report (Annual Progress Report) on the Sixth Cycle 2023-2031 Housing Element and the Fiscal Year 2023-2024 Housing Successor to the Redevelopment Agency Annual Report (Housing Successor Report) to the State of California by April 1, 2025, as required. City Council's acceptance of the Annual Progress Report is required prior to submitting the report to the California Department of Housing and Community Development (HCD) and the Governor's Office of Land Use and Climate Innovation.

BACKGROUND

The Housing Element establishes a comprehensive policy framework to implement San José's residential strategies and outlines the City's plan to meet its affordable and market-rate housing production goals. Determination of housing production goals through the Regional Housing Needs Allocation (RHNA) process is made by HCD, the

Subject: Acceptance of the Annual Progress Report on the Implementation of the San José General Plan Housing Element and the Housing Successor to the Redevelopment Agency Annual Report

California Department of Finance, and regional Councils of Government throughout the state. The state agencies calculate statewide housing needs based upon population projections and regional population forecasts used in preparing regional transportation plans. The statewide need is then distributed to regional Councils of Government throughout California, which work with cities and counties within their purview to assign each jurisdiction its share of RHNA. Each jurisdiction is then responsible for planning how to accommodate its RHNA allocation through its Housing Element.

It is to be noted that assigning housing goals to jurisdictions does not automatically result in the approval of housing entitlements or the production of homes. Building homes is dependent on developers, which are subject to market forces. Jurisdictions cannot control the market but are obligated to establish policies to encourage the development of housing.

The City is a member of the Association of Bay Area Governments (ABAG), the Bay Area’s Council of Government. ABAG, which is staffed by the Metropolitan Transportation Commission (collectively, Bay Area Metro), oversees housing goals for the region’s nine counties and 101 cities. Bay Area Metro is responsible for distributing RHNA goals to Bay Area governments through an allocation methodology consistent with development and growth patterns, access to high opportunity, and proximity to jobs, among other factors. **Table 1** shows San José’s RHNA for the eight-year planning period from January 2023 through January 2031 is 62,200 housing units. This RHNA allocation is a 77% increase from the City’s previous 2014-2023 RHNA cycle allocation of 35,080 units.¹ This cycle’s goal equates to an annual production rate of 7,775 units.

Table 1 – San José’s 2023-2031 RHNA Allocation

Income Level	2023-2031 RHNA Allocation	% of 2023-2031 RHNA	2015-2023 RHNA Allocation	% Change 2015-2023 to 2023-2031
Very Low-Income	15,088	24%	9,233	63%
Low-Income	8,687	14%	5,428	60%
Moderate-Income	10,711	17%	6,188	73%
Above Moderate-Income	27,714	45%	14,231	95%
Total RHNA	62,200	100%	35,080	77%

In the current Housing Element cycle, RHNA is divided into four income categories that encompass all levels of housing need – very low-income, low-income, moderate-income, and above moderate-income. HCD combines extremely low-income and very

¹ It is worth noting that the City’s percentage increase in RHNA allocation for the sixth cycle was significantly lower than for many jurisdictions throughout California.

low-income units into the very low-income category but requires identification of the extremely low-income units in its detailed tables. Because extremely low-income is an important focus in San José, this memorandum includes all income categories, including extremely low-income, so tables and charts show five categories instead of the four categories defined by RHNA.² A significant portion of San José’s current RHNA goal (38% or 23,775 units) is focused on extremely low-income, very low-income, and low-income households, as defined by HCD and shown in Table 2 below. All levels of affordability are expressed as a percentage of Area Median Income (AMI) for Santa Clara County.

Table 2 – HCD 2024 Income Limits for Santa Clara County

Income Level % of AMI	Household Size							
	1	2	3	4	5	6	7	8
Extremely Low-Income (30% AMI)	\$38,750	\$44,250	\$49,800	\$55,300	\$59,750	\$64,150	\$68,600	\$73,000
Very Low-Income (50% AMI)	\$64,550	\$73,750	\$82,950	\$92,150	\$99,550	\$106,900	\$114,300	\$121,650
Lower Income (80% AMI)	\$102,300	\$116,900	\$131,500	\$146,100	\$157,800	\$169,500	\$181,200	\$192,900
Median Income (100% AMI)	\$129,000	\$147,450	\$165,850	\$184,300	\$199,050	\$213,800	\$228,550	\$243,300
Moderate Income (120% AMI)	\$154,800	\$176,900	\$199,050	\$221,150	\$238,850	\$256,550	\$274,250	\$291,900

On January 29, 2024, HCD certified the City’s Housing Element.³ State law requires jurisdictions to prepare an Annual Progress Report each calendar year that details the implementation of their Housing Element and submit it to HCD and the Governor’s Office of Land Use and Climate Innovation. All jurisdictions, including charter cities such as San José, must submit annual reports. With the acceptance of a completed Annual Progress Report by City Council, staff will submit the report to HCD and the Governor’s Office of Planning and Research by the April 1, 2025 deadline.

ANALYSIS

Housing Market Overview

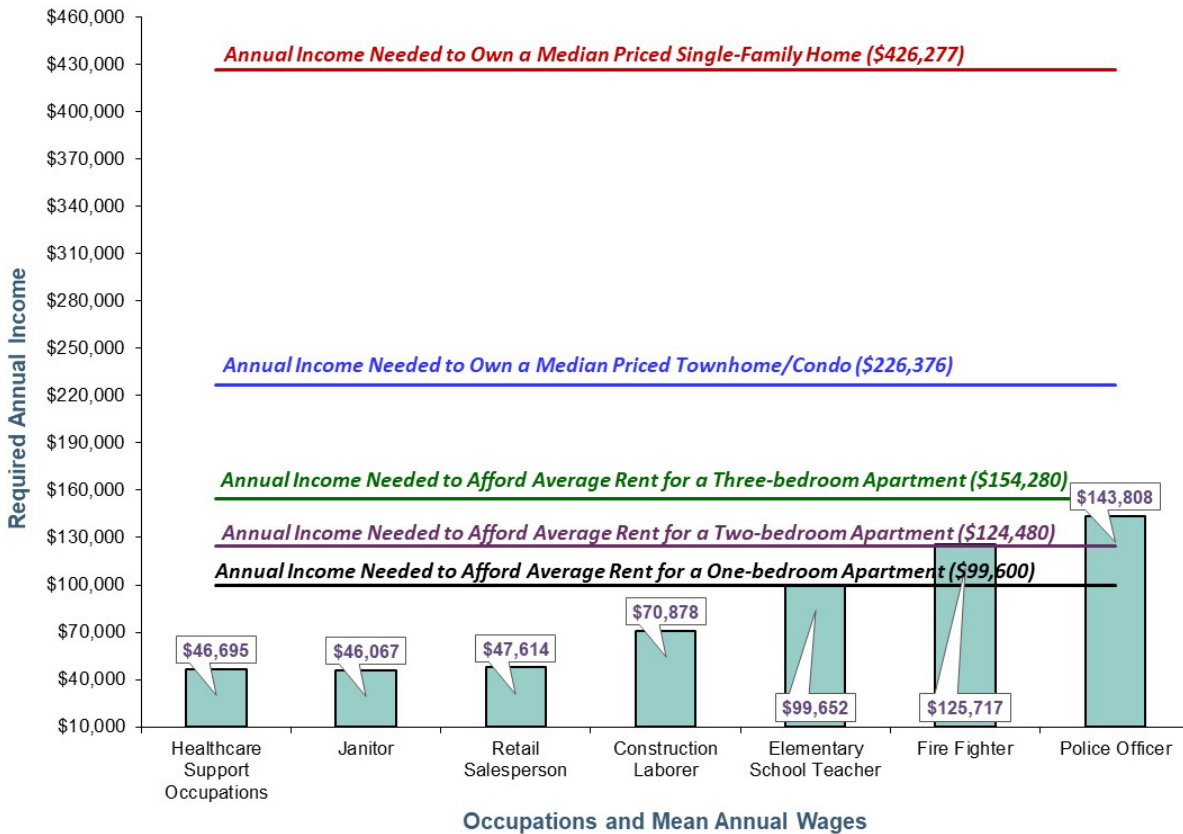
San José remains one of the most expensive cities in the nation to rent or to buy a home. Market rents continue to be significantly out of reach for many San José workers,

² [Assembly Bill 3093 \(Wicks, 2024\)](#), which was signed into law and became effective January 1, 2025, expanded RHNA categories to also include extremely low-income and acutely low-income categories. HCD will issue guidance on future reporting and planning requirements for these two income groups by the end of 2025.

³ The 2023-2031 Housing Element is posted at <https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/planning-division/citywide-planning/housing-element>.

including teachers, construction workers, and retail salespersons, as shown in Figure 1.⁴

Figure 1 – Q4 2024 Housing and Rent Affordability for San José’s Workforce



CoStar reports that San José’s average apartment rents are third highest in the nation, behind New York and San Francisco. Average effective rents in San José had increased 2.2% from 2023 to 2024. CoStar expects that San José will see stable rents and a stable vacancy rate if the economy improves, as population has been increasing and rental demand should remain strong due to high for-sale home prices. The average effective rent in 2024 in San José across all apartment classes and sizes was \$2,798,⁵

⁴ Mean Annual Wages – State Employment Development Department (EDD) for San José – Santa Clara MSA – Q1 2024; Income to afford average rent calculation uses CoStar Q4 2024 Average Effective Rents, rent at 30% of income and a single-income household; Income to afford mortgage uses Santa Clara County Association of REALTORS Dec. 2024 median home sales prices; payments at 30% of income, 20% down, Dec. 2024 Freddie Mac 30-year fixed rate of 6.85%, 1.46% property tax, \$557 HOA dues for condos, and a single-income household.

⁵ CoStar.

up slightly from \$2,737 in 2023. **Table 3** compares rents and incomes needed to afford deed-restricted, rent-stabilized, and Class A⁶ market-rate housing in San José.

Table 3 – Comparison of Incomes and Rents⁷

Income Category and Rent Level	1-Bedroom (2 people)		2-Bedroom (3 people)	
	Max Income	Affordable Rent	Max Income	Affordable Rent
Extremely Low-Income (30% AMI)	\$44,250	\$1,106	\$49,800	\$1,245
Very Low-Income (50% AMI)	\$73,750	\$1,843	\$82,950	\$2,073
Low-Income (60% AMI)	\$88,440	\$2,211	\$99,540	\$2,488
Low-Income (80% AMI)	\$116,900	\$2,922	\$131,500	\$3,287
Moderate-Income (110%)	\$162,140	\$4,053	\$182,490	\$4,562
Moderate-Income (120%)	\$176,900	\$4,422	\$199,050	\$4,976
Average Rents for		Rent		Rent
Rent Stabilized Apartments (per Rent Registry)		\$1,920		\$2,341
Average 2024 Effective Rent Class A		\$3,090		\$3,848

* Note: The definition of affordable rent limit under state law includes a 30% housing cost standard plus a reasonable utility allowance by unit type. As the affordable rent limits also include a reasonable utility allowance, direct comparisons with rent stabilized and market-rate rents should be further adjusted by the cost of utilities.

Table 3 indicates that average Class A rents for both one- and two-bedroom apartments were well below the affordable rent limit for moderate-income residents as of the end of 2024. It also indicates that average effective rents for rent-stabilized apartments were affordable to a significant portion of low-income renters.⁸

San José’s overall average residential rental vacancy rate for 2024 was 4.6%, down slightly from 2023’s average vacancy rate of 5.1%. Vacancy rates for higher-priced Class A apartments remain higher than for lower-priced housing. Class A properties had an average rental vacancy rate of 6.4% in 2024, while average vacancy rates for less

⁶ Housing Class/Star Rating is defined by CoStar and is based on building characteristics such as location, size, quality of construction and materials, and amenities. See Attachment C for details.

⁷ Maximum Income and Affordable Rents from San José 2024 Income and Rent Limits at <https://www.sanjoseca.gov/home/showpublisheddocument/115074/638640691798600000>; Average 2024 Effective Rents Class A Rents from CoStar; Rent Stabilized Apartment rents as of Dec. 2024 from City’s Rent Registry data.

⁸ However, note that as these observations are based on averages, there also are many higher rents out of range for these residents’ income levels.

expensive and often affordable Class C housing were lower at 4.1%. These figures compare to 2023's slightly higher averages of 6.7% for Class A and 4.5% for Class C. As a 'healthy' vacancy rate is considered to be 5%, this illustrates continuing and increasing demand for less expensive Class C. (Definitions for CoStar building classes are included in **Attachment A**).

San José's for-sale market remains expensive, with stubbornly high median prices despite heightened interest rates. Even though home prices cooled a bit towards the end of the year, the median single-family detached home price in San José was \$1,650,000 as of December 31, 2024. This constituted a 9% increase year-over-year. Home sales were up 27% from the prior year. Days-on-market rose slightly from 19 days in Q4 2023 to 23 days in Q4 2024.⁹

The Federal Open Market Committee's interest rates began to drop in summer 2024; however, 10-year Treasury Yields continued to increase towards 5%, a record high, thereby mitigating the impact of the Federal Open Market Committee's rate reductions on the cost of residential mortgage interest rates. The 30-year fixed-rate mortgage¹⁰ dropped to 6.08% in October 2024 before rising to 6.85% in December 2024 because of inflationary pressures on the 10-year Treasury Yield.

Despite higher interest rates, single-family home prices in San José as of 2024 Q4 increased year-over-year with sale timelines under one month. This indicates an inherently strong market with a large pool of higher-income buyers able to buy homes.

The national Cost of Housing Index¹¹ confirms that local for-sale prices are very high relative to local incomes. It identified the San Jose-Sunnyvale-Santa Clara Metropolitan Area as the most cost-burdened market for home purchases in the U.S., with mortgage payments on a median-priced new single-family home constituting about 87% of median family income. This ratio is over twice the national average of 38% of average household income that would be spent on mortgage costs for a median-priced new single-family home. San José's expensive for-sale market ultimately means that the opportunity to purchase will continue to be even more challenging for middle- and lower-income households and will continue to produce significant demand for rental apartments and for affordable homeownership product.

⁹ Santa Clara County Association of Realtors, Dec. 2024.

¹⁰ Freddie Mac 30-year Fixed Rate Mortgage; [10-Year Treasury Yield](#)

¹¹ [National Association of Home Builders \(NAHB\) / Wells Fargo Cost of Housing Index](#) for 4th quarter 2024. National calculations are based on a national median income of \$97,800 and a median new home price of \$420,400. San José Metro Area calculations are based on a median income of \$184,300 and a median new home price of \$1,900,000.

Summary of Residential Applications and Approvals in 2024

Site entitlement permit applications received in 2024 are summarized in **Table 4**. As noted in Table 4, in 2024, 788 applications for residential development were submitted to the City’s Planning and Building Divisions of the Planning, Building, and Code Enforcement Department for the development of 7,556 units, of which 63% were market-rate and 37% were affordable. Among those applications, applicants submitted 651 building permit applications for accessory dwelling units (ADUs) and 43 were Planning applications. Compared to 2023, there were an approximately 2,000 additional units that were submitted. A majority of these additional units were submitted through state Builder’s Remedy law.

For streamlined land use permit processing for restricted affordable housing, there were five planning permit applications – six under Senate Bill (SB) 423 (2023) totaling 434 units. SB 423, a new law that updated SB 35, allows for streamlined ministerial review of residential or mixed-use projects that meet specific affordability levels and other criteria and do not require CEQA clearance, community meetings, discretionary review, or public hearings, thereby reducing Planning Division staff’s review times by an average of two months compared to other affordable housing projects. There was a decrease in the number of units that utilized this streamlining process. In 2023, six applications for 1,011 units applied using SB 423. Planning Division staff anticipates that ministerial applications will continue to increase as developers seek time savings. In December 2024, City Council approved a new local ministerial ordinance to streamline certain multifamily infill projects. This new process provides applicants an additional option for a streamlined review process. Applicants also submitted eight applications under SB 9 for duplexes and 25 applications for SB 9 lot split. Although SB 9 lot splits do not have proposed units associated with the application, they show future single-family and duplex applications that will be submitted after the lot split.

Attachment B, Table A provides project-specific details on residential applications.

Table 4 – Residential Applications Received in 2024

Application Type	# of Applications	Total Units
Planning permit	43	6,832
ADU (Building)	651	651
Single Family Residences (Building)	59	59
Duplex (Building)	2	4
SB 9 Duplex (Building)	8	10
SB 9 Lot Split (Public Works)	25	0
TOTAL	788	7,556

Approvals in 2024 are indicated in **Table 5**. Staff approved planning permit applications for 3,263 housing units in 2024, of which 2,144 were market-rate and 1,119 were

affordable. As compared to 2023, this is a 33% decrease of 4,903 housing units entitled (when 3,152 were market-rate and 1,751 were affordable). Of all units entitled in 2024, 101 units (3%) were in urban villages. This proportion is significantly lower than in 2023 when 42% of entitled units were in urban villages. This low proportion is due to the absence of large multifamily developments in the total unit count, as ADUs are more likely to be built in single-family neighborhoods outside of urban villages. In 2023, staff approved two SB 423/SB 5 applications. There was a decrease in approval of these streamlining applications over 2023 when seven ministerial applications were approved. **Attachment B, Table A2** provides details on completed permit applications.

Table 5 – Residential Planning Permits Approved, Units

Project Type	2024 Units	2024 %
Market-rate	2,144	66%
Affordable	1,119	34%
TOTAL	3,263	100%

Summary of Building Permit Activity in 2024

In 2024, the City issued building permits for 2,075 new residential units. This was a 29% decrease from 2023. Of the building permits issued, 184 units were market-rate while 2,023 were affordable. **Table 6** illustrates this 2023 activity by income category.

Table 6 – Residential Building Permits Issued, Units

Project Type	2024 Units	2024 %
Market-rate	184	8%
Affordable	1,891	92%
TOTAL	2,075	100%

Figure 2 below shows that the City was able to meet 5% of its annual market-rate permit goals and 47% of its affordable housing permit goals in 2024. Affordable units are those offering rents affordable to extremely low-, very low-, low- and moderate-income households (as detailed in Table 2 above).

Per California Government Code 65400.2, for purposes of the housing element portion of the annual report, 25 percent of a jurisdiction's moderate-income regional housing need allocation may include the number of units in an existing multifamily building that were converted to deed-restricted rental housing for moderate-income households by the imposition of affordability covenants and restrictions for the unit. Modera, located at 787 The Alameda, met the above criteria. Catalyst Housing Group purchased the development from Mill Creek Residential Trust. Catalyst recorded 75-year affordability restrictions to the benefit of the City in February 2024. The restrictions require 132 units be affordable to households earning up to 80% AMI with rents set at an 80% AMI rent

level (which falls in the moderate-income rents range). The 132 units are included in the affordable permits data above.

Figure 2 –2024 RHNA Residential Building Permit Performance

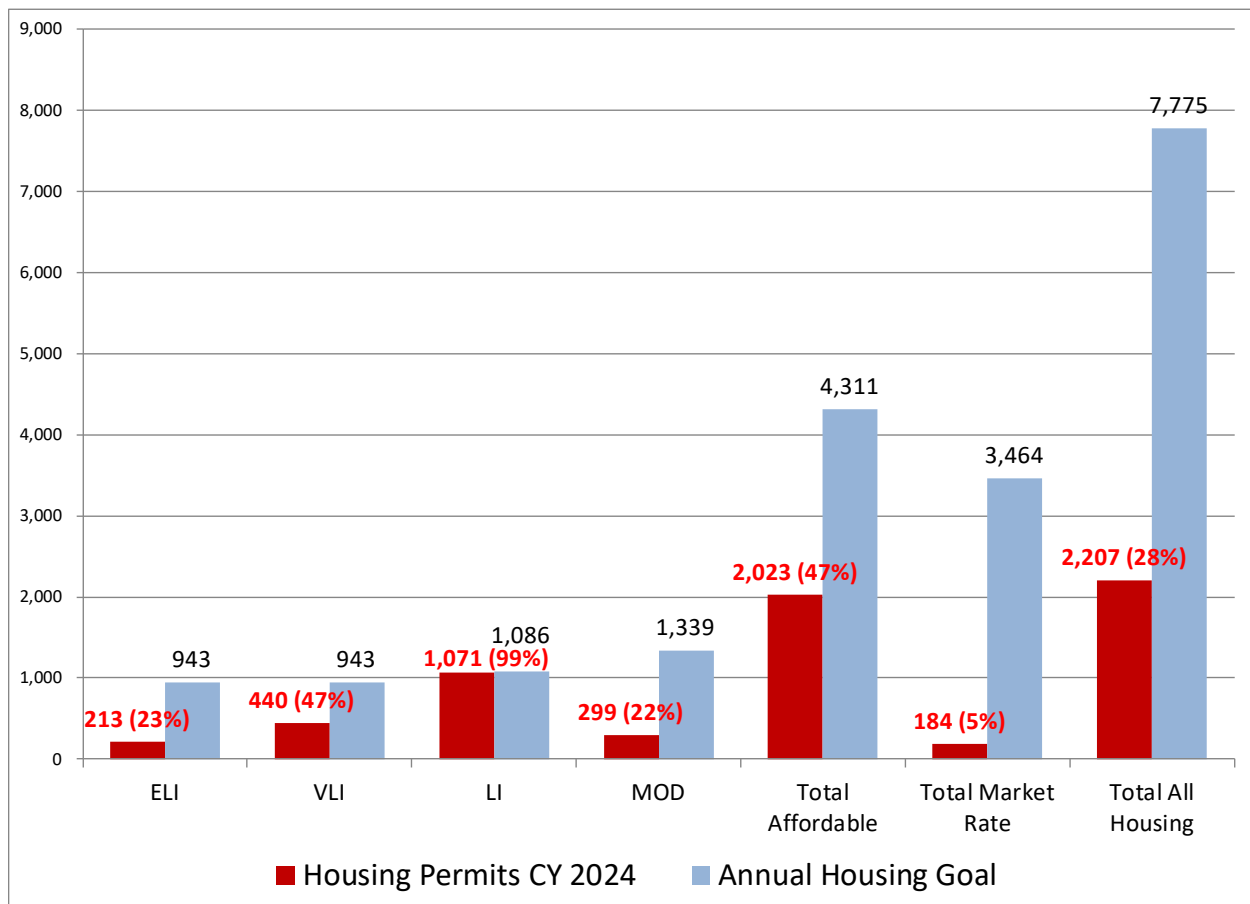
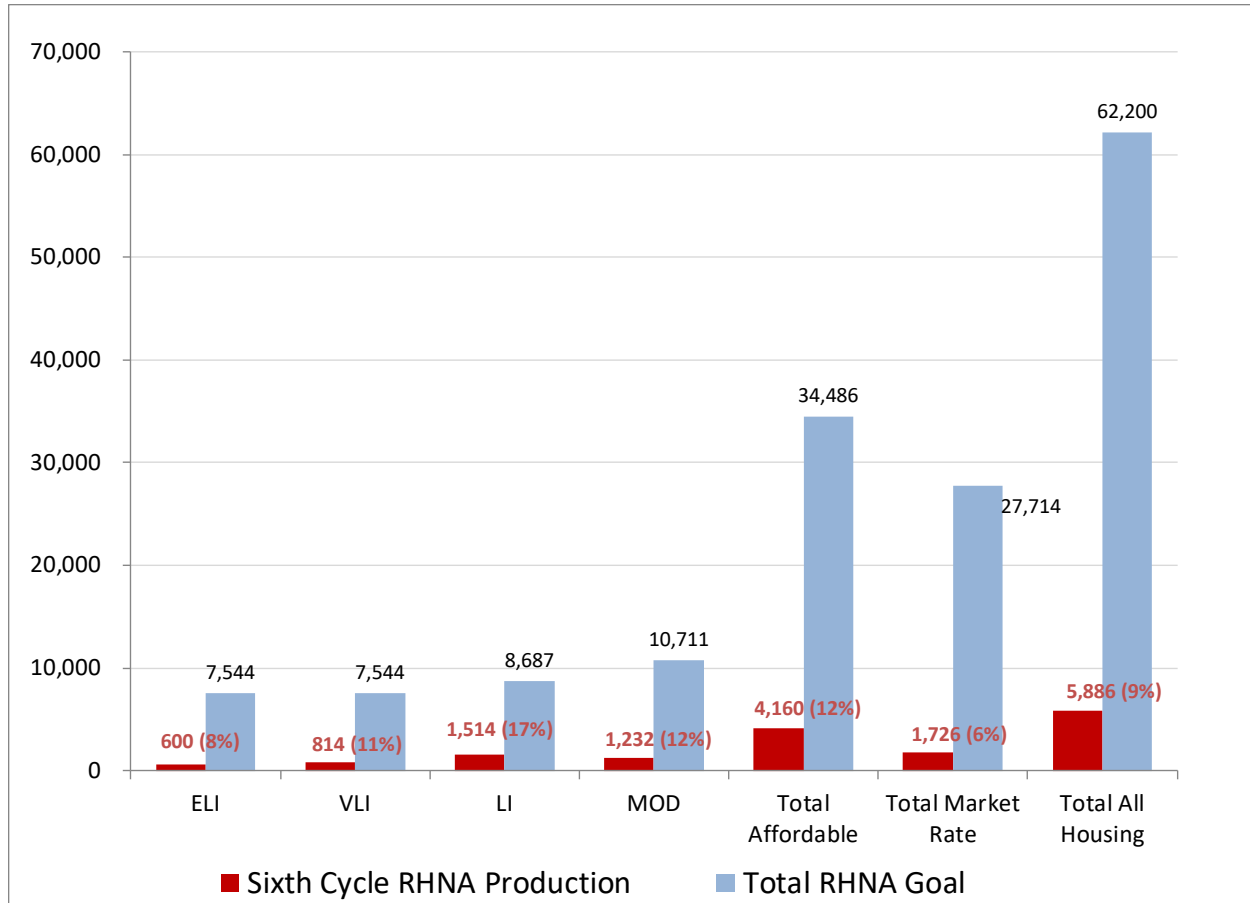


Figure 3 below shows that the City has met 6% of its market-rate permit goals and 12% of its affordable housing permit goals at the end of two years into its eight-year RHNA cycle.

Figure 3 – Cumulative RHNA Residential Building Permit Performance



In 2024, the City issued 558 building permits for ADUs, compared to 441 in 2023. ADU building permits issued increased 26% in the last year. In the last few years, the building permit volume for ADUs had been around 400-450 yearly. ADU building permit issuances significantly increased following Zoning Ordinance updates approved by the City Council in 2016 and 2018 to comply with state law, as well as permit process enhancement efforts to encourage the construction of ADUs.

In 2024, ABAG shared that it had determined with HCD that jurisdictions should utilize actual or anticipated affordability of ADUs for affordability assumptions and Annual Progress Reports. However, if the information was not available, jurisdictions were able to utilize the ADU affordability assumptions from ABAG’s ADU affordability methodology for Annual Progress Reports covering calendar years 2023 and 2024. The methodology sets the affordability levels at: 30% very low-income, 30% low-income, 30% moderate-income, and 10% above moderate-income. **Table 7** and **Figure 2** include ADUs as affordable units based on this methodology. Since the methodology only applies to the first two years of the Housing Element cycle, staff created a voluntary survey in March

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2024 to collect data on affordability levels for ADUs. The survey was sent to applicants who submitted or obtained an ADU permit within the 2024 calendar year. Thus far, staff has received 66 responses. Staff will continue to collect data to determine future affordability levels and continue to work with the Association of Bay Area Governments to determine future ADU affordability methodology.

Table 7 – ADU Units by Affordability

Affordability Levels	Ratio of Units Assumed	Issued	Final
Very Low-Income	30%	167	110
Low-Income	30%	167	110
Moderate-Income	30%	167	109
Above Moderate-Income	10%	57	36
Totals	100%	558	365

Of the units with building permits issued in 2024, 1,164 units (53%) were located in urban villages. In 2023, 36% of building permits issued were in urban villages. While this is an increase, 1,052 units are for affordable multifamily developments. The remaining units are townhomes and ADUs. In 2024, no major market-rate multifamily developments were approved in urban villages. Production in urban villages is challenged by multiple factors. These include an ongoing market weakness in Class A residential due to current interest rates, increasing construction costs, and slowed rent growth. As these factors are likely to continue in the near-term, it is important that the City consider other development strategies that respond to these constraints and produce needed housing.

Building Permit Type and Location

In 2024, the City saw a 41% decrease in permits for multifamily units year-over-year (from 2,498 to 1,472) and a 19% increase for ADUs (from 470 to 558). As shown in **Table 8**, 71% of units permitted were multifamily and 27% were ADU units. As shown in Table 6, the City issued building permits for 1,708 affordable multifamily units. This was a 268% increase from 2022 when 464 affordable units were issued building permits.

Table 8 – Share of Units Receiving Building Permits by Property Type

Year	Multifamily	ADUs	Single-Family Detached	Single-Family Attached	Duplexes	Total*
2024	71%	27%	1%	0.8%	0.2%	100%
2023	81%	15%	2%	2%	0.1%	100%

Note: Totals may not add to 100% due to rounding.

Attachment C contains a map illustrating where 2024 multifamily and ADU building permits are located.

Certificates of Occupancy

In 2024, the City issued certificates of occupancy for 1,480 residential units, a 14% increase from 2023. Of the 1,480 units that received certificates of occupancy, 595 (40%) were market-rate and 885 (60%) were affordable. Approximately 73% (1,081 units) of the units that received certificates of occupancy were in multifamily developments and approximately 25% (365 units) were ADUs. The remaining units were single-family homes and duplexes. Of the five largest multifamily projects that received certificates of occupancy in 2024, three were affordable housing developments – Blossom Hill Senior Apartments (147 apartments), Virginia Street Studios (301 apartments), and Kelsey Ayer Station (115 apartments) – and two were market-rate housing developments – Almaden Terrace Condominiums (96 condos) and Miro (304 apartments). Details on certificates of occupancy are in **Attachment B, Table A2**.

Progress on Programs and Policies

In addition to reporting on housing production, HCD requires annual updates on the City's programs and policies that support housing production. **Attachment B, Table D** provides a comprehensive progress update for 2024.

Units Rehabilitated, Preserved, and Acquired

Attachment B, Table F summarizes the units that were preserved or rehabilitated in 2024. Preservation and rehabilitation only count toward RHNA goals in very narrow circumstances, and San José developments do not qualify under the state's rules. However, it is important to note that the City took action to preserve and extend affordability restrictions for two existing affordable housing developments for a total of 222 apartments to ensure their continued long-term affordability. The City also assisted in the rehabilitation of 2,532 apartments by funding Code Enforcement activities and rehabilitation through Rebuilding Together and Habitat for Humanity.

Units Lost to Expiring Affordability Restrictions

In 2024, affordability restrictions expired on one restricted affordable housing development, Kimberly Woods Apartments, that had offered 42 apartments affordable to low-income renters earning 60% AMI.

Important Legislation

As in previous years, the California State Legislature passed many new laws related to housing in the 2024 legislative session. Some bills of note that became law in 2024 included:

- **AB 3093 (Ward, 2024):** This new law creates two new income categories, Acutely Low Income and Extremely Low Income, in the RHNA process and throughout Housing Element law. AB 3093 stems from the alarming increase in homelessness across California and ensures that jurisdictions' housing planning processes are inclusive of the most vulnerable Californians – those experiencing, and at risk of, homelessness. Guidance for how HCD will expect jurisdictions to plan for acutely low-income and extremely low-income populations should be issued by 2026 for use in the seventh Housing Element cycle.
- **AB 2667 (Santiago, 2024):** This new law requires the utilization of a standard reporting format to be developed by HCD for the seventh and subsequent revisions of the Housing Element. It requires a draft inventory of sites to be made available to HCD and the public, posted to the jurisdiction's website, and announced via email to individuals and organizations that previously requested notices. Posting and notification must occur at least 90 days prior to initial adoption and at least seven days prior to subsequent adoption submittals if changes to inventory occurred. The bill also requires that the portion of reporting indicating the number of units approved or disapproved include the following subcategories for each opportunity area: acutely low income, extremely low income, very low income, lower income, moderate income, and above moderate income. HCD, upon review, will notify jurisdictions if they are not in substantial compliance with any statutes.
- **AB 2663 (Grayson, 2024):** This bill requires local agencies that have a website and collect inclusionary housing in-lieu fees post annually the amount of fees collected in the previous year and whether those fees are intended to be used for housing developments. The law takes effect on January 1, 2026. Every five years thereafter, the local agency must also post on its website the amount of fees collected within the past five years and on which residential developments those fees were used.

Need for Funding and Resources

The City of San José continues to face significant budget shortfalls and a growing population of persons experiencing homelessness and requiring immediate shelter. As reported in the 2026-2030 Five-Year Forecast, the City's deficit in 2025-2026 is projected to be \$45.7 million while the population of persons experiencing unsheltered

homelessness continued to increase. These conditions resulted in difficult decisions to invest in the expansion of shelter capacity while making continuing, though limited, investments in housing development. In addition, the cost of developing affordable housing continues to rise as per unit loan subsidies from the City exceed \$225,000, while state resources for affordable housing production from low income housing tax credit financing and caps to private activity bonds remain hyper-competitive.

At this time of need for significantly more restricted affordable homes, most of the City's funding sources to subsidize affordable housing have been negatively impacted by current economic conditions. The Housing Department has several funding sources where the development of affordable housing is an allowable use: Low-and Moderate-Income Housing Asset Fund (LMIHAF), Inclusionary Fee Fund (Inclusionary Housing Ordinance fees), Commercial Linkage Fees, Measure E Real Property Transfer Tax (Measure E), and federal HOME Investment Partnership Program (HOME) and Community Development Block Grant funds.

The City's LMIHAF revenues are projected to be \$14.5 million per year in the near future. Revenues from City loan repayments are down because high interest rates have continued to discourage affordable housing owners from refinancing their properties' senior bank loans. In addition, properties' operating costs have increased significantly due to much higher insurance costs and higher utility costs. LMIHAF revenue decreases both reduce the ability for the City to recycle existing loan repayments to new affordable housing properties and strain the Housing Department's ability to support its staffing levels.

Measure E, the real property transfer tax approved in March 2020, is the City's other major source of funding for affordable housing. Measure E generated \$50.5 million in its first year and \$110 million in its second year, with three-quarters being used to support the production of affordable housing. The City lowered Measure E revenue estimates to \$50 million for the 2023-2024 Adopted Budget due to the continued slow-down in the local real estate market but is estimating an average of \$64 million in annual Measure E revenues in the 2026-2030 Five-Year Forecast. In addition, the continuing rise in the City's unsheltered homeless population balance against continuing operating deficits has pushed additional Measure E funds into interim housing solutions and taken advantage of the state's streamlining the production of interim housing units.

In May 2023, the City projected it would receive approximately \$2 million total in Inclusionary Housing Ordinance in-lieu fee payments over the next five years. This estimate is significantly depressed under the current economic and labor cost environment having curtailed construction starts. In addition, City Council has authorized rate and tax reduction incentive programs for multifamily housing production in the Downtown and the growth areas around the City in an effort to balance the high costs of development and spur housing production at all income levels.

The City Council also approved a Commercial Linkage Fee on new commercial spaces to fund affordable housing in 2020. As of the end of FY 2023-2024, the Commercial Linkage Fee had generated \$4.9 million in total revenue. Given that the commercial space development market is likely to continue its focus on rehabilitating existing buildings, it is anticipated that the City will continue to receive minimal payments of Commercial Linkage Fees over the next five years.

Another important local source for affordable multifamily housing – Santa Clara County Measure A – is exhausted. As of January 2025, San José affordable housing developments have received \$415 million in Measure A funds to build and renovate 3,278 affordable units.¹²

From the sources listed above, the Housing Department periodically issues NOFAs to subsidize new affordable housing developments. **Table 9** provides details on the City’s most recent NOFAs.

Table 9 – Recent City of San José Affordable Housing New Construction NOFAs

NOFA Issue Date	NOFA Amount (\$ Millions)	Amount Committed to date* (\$ Millions)	# Affordable Units Committed	# Affordable Units Construction Completed to Date	# Affordable Units to be Completed in 2025-2026	# Affordable Units to be Completed in 2026-2027
August 2018	\$100	\$92	831	831		
June 2021	\$75	\$0	-	-	-	
December 2021	\$150	\$169	1,043		593	351
October 2023	\$50	\$22	152		103	
Total	\$375	\$283	2,026	831	696	351

*Note: Any uncommitted funds from a given round were rolled into the following round’s amount available.

In an effort to streamline housing production and financing, the Housing Department has revised and synchronized the project financing regulations for city loan subsidies with CTCAC. It also aligned the timing of financing with Santa Clara County Office of Supportive Housing and the Santa Clara County Housing Authority to extremely low-income and very low-income units in affordable housing projects. The regulatory and financing alignment will reduce the time to build and cost of the project; thereby, ultimately, reducing public subsidies.

¹² Memo to County of Santa Clara Board of Supervisors, Jan. 28, 2025, https://files.santaclaracounty.gov/exjcpb1571/2025-01/housing-bond-report-25.pdf?VersionId=kZQ_5wB6swh4MfrVemKtFyxtSGVdpCwt.

The City's affordable RHNA goals require an average of 2,972 affordable homes be issued building permits each year. **Table 9** illustrates the use of all of available City's revenues to create affordable housing, yet NOFA competitions over six years fell well short of the City's new goal for just one year.

Housing Successor to Redevelopment Agency Annual Report

The Housing Successor Report is included as **Attachment D**. The Housing Successor Report is based on the fiscal year and is required to be submitted with the Annual Progress Report. The City is the Housing Successor for the former San José Redevelopment Agency. The Housing Successor Report provides information on receipts and expenditures in the Low- and Moderate-Income Housing Asset Fund (LMIHAF, Fund 346), which contains repayments of loans made with original redevelopment funds for affordable housing.

LMIHAF is the City's major asset related to redevelopment. At the end of FY 2023-2024, the City as Housing Successor had \$716,154,479 in total LMIHAF assets comprised of cash, loan receivables, and real property owned by the Housing Successor. Besides information on aggregate expenditures, the Housing Successor Report includes several expenditures tests that the Housing Successor must meet. The City met all of them in FY 2023-2024.

Excess Surplus Test

The excess surplus test requires that the Housing Successor cannot have unencumbered funds that exceed the aggregate amount deposited into the fund during the preceding four fiscal years. If a Housing Successor fails to meet the excess surplus test, it may be required to transfer excess LMIHAF funds to the state. The Housing Successor Report indicates that the aggregate amount deposited into the fund during the four prior years was \$158.2 million, while the unencumbered amount at the end of FY 2023-2024 was \$80.3 million. Therefore, the Housing Successor met this test because the balance does not exceed the aggregate amount deposited for the test period.

Senior Housing Test

Redevelopment law places a limit on the number of affordable housing units funded for senior citizens, as many jurisdictions focused on using most of their redevelopment funds for affordable housing to create homes for this uncontroversial population. The rule is, if this percentage exceeds 50% of units assisted over the last 10 years, the Housing Successor cannot expend future LMIHAF funds on new senior housing until it has reduced this percentage to 50% or below. The Housing Successor Report indicates

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that 31% of the City-assisted housing over the last 10 years (FY 2014-2024) was for senior affordable housing. Therefore, the City, as Housing Successor, met the senior housing test and can continue to fund senior affordable housing with LMIHAF funds.

Income Tests

Redevelopment dissolution law put in place two five-year income-related tests for the use of LMIHAF funds. First, at least 30% of LMIHAF funds must be spent for the development of rental housing affordable to extremely low-income households earning at or below 30% AMI. This City met this test by spending 39.5% in the 2019-2024 time-period. The City is next scheduled to report on this test in 2029.

Second, no more than 20% of LMIHAF funds can be spent for the development of rental housing affordable to and occupied by households earning between 60% and 80% of AMI. The City last satisfied the test by spending 3.3% of LMIHAF on households earning 61% to 80% AMI during the 2019-2024 time period. The City is next scheduled to report on this test in 2029.

EVALUATION AND FOLLOW-UP

After City Council accepts the Annual Progress Report and the Housing Successor Report, staff will submit the approved documents to HCD and the Governor's Office of Land Use and Climate Innovation by the state-mandated April 1, 2025 deadline.

COORDINATION

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the March 18, 2025 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

This memorandum will be heard by the Housing and Community Development Commission on March 13, 2025. Due to the timing of the submission of this report and

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strict submission deadlines, a summary of the Housing and Community Development Commission's feedback will be included in the presentation for this item.

CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

ERIK L. SOLIVÁN, DIRECTOR
Department of Housing

/s/

CHRIS BURTON, DIRECTOR
Department of Planning, Building, and Code
Enforcement

For planning-related questions, please contact Jerad Ferguson, Principal Planner, Planning, Building, and Code Enforcement Department, at jerad.ferguson@sanjoseca.gov or (669) 223-1160. For housing-related questions, please contact Kristen Clements, Division Manager, Housing Department, at kristen.clements@sanjoseca.gov or (408) 535-8236.

ATTACHMENTS

Attachment A: CoStar Building Class & Star Rating Definitions

Attachment B: San José Housing Element Annual Progress Report for CY 2024 (Tables A-J)

Attachment C: Map of Building Permits Issued in 2024

Attachment D: Housing Successor to Redevelopment Agency Annual Report FY 2023-2024

Costar Multi-family Class Definitions

Class A: In general, a class A building is an extremely desirable investment-grade property with the highest quality construction and workmanship, materials and systems, significant architectural features, the highest quality/expensive finish and trim, abundant amenities, first rate maintenance and management; usually occupied by prestigious tenants with above average rental rates and in an excellent location with exceptional accessibility. It may have been built within the last 5-10 years, but if it is older, it has been renovated to maintain its status and provide it many amenities.

Class B: In general, a class B building offers more utilitarian space without special attractions. It will typically have ordinary architectural design and structural features, with average interior finish, systems, and floor plans, adequate systems and overall condition. It will typically not have the abundant amenities and location that a class A building will have.

Class C: In general, a class C building is a no-frills, older building that offers basic space. The property has below-average maintenance and management, a mixed or low tenant prestige, and inferior elevators and mechanical/electrical systems.

Class F: A functionally or economically obsolete building is one that does not offer a viable alternative for space and does not "compete" with others of similar type for occupancy by businesses seeking a location for operations. These buildings will usually have externally visible physical or structural features as well as internal ones that render it undesirable to be leased and therefore not competitive with any other properties in the market. The property may even be tagged as "Condemned" by the local authorities.

Costar Multi-family Star Rating Definitions

RATING	GROUP	DEFINITION	
	<p>A 5-Star building represents the luxury end of multi-family buildings defined by finishes, amenities, the overall interior/exterior design and the highest level of specifications for its style (garden, low-rise, mid-rise, or high-rise).</p>		
	Architectural Design	Exterior Materials/Façade	High-quality durable materials – natural stone, glass, well detailed and constructed metal panel, wood veneer, or terracotta cladding; accentuating lighting.
		Fenestration/Glazing/Views	Large windows, abundant natural day lighting, generally available exterior views, high efficient glazing specification.
		Overall Aesthetics	Representing current trends and standards in design and/or of a timeless, perhaps a historic quality. Aesthetically exceptional arrangement of forms, massing and materials. Possibly designed by a notable or signature architect.
	Structure/Systems	High ceilings; modern energy-efficient, central HVAC, individually controlled systems, high-speed elevators, likely new or newly renovated.	
	Amenities	Unit Amenities/Design	Requires numerous high quality finishes such as hardwood floors, granite countertops, stainless steel appliances, bay window(s), crown molding, a balcony/patio and in-unit washer/dryers. Also typically has an open floor plan and high/vaulted ceilings of 9'+
		Site Amenities	Requires plentiful on-site shared facilities including a clubhouse/party room, fitness center, business center, pool, concierge, etc.
	Site/Landscaping	Continually maintained landscaping where applicable; exterior gathering spaces, roof terrace or courtyard.	
Certifications	Possibly a certified/labeled green and energy efficient building.		
	<p>4-Star buildings are constructed with higher end finishes and specifications, providing desirable amenities to residents and designed/built to competitive and contemporary standards.</p>		
	Architectural Design	Exterior Materials/Façade	Durable materials, well-detailed and constructed metal panel, wood veneer or terracotta cladding; possibly exhibiting minor signs of weathering and wear.
		Fenestration/Glazing/Views	Large windows, great natural day lighting and views.
		Overall Aesthetics	Representing recent trends and standards in design and/or of a timeless, perhaps an historic quality.
	Structure/Systems	Likely to have some 5 Star qualities, or of a prior generation of buildings.	
	Amenities	Unit Amenities/Design	Includes some high quality finishes such as hardwood floors, granite countertops, stainless steel appliances, bay window(s), crown molding, a balcony/patio and in-unit washer/dryers. Also may have an open floor plan and high/vaulted ceilings.
		Site Amenities	Several on-site shared facilities such as a Clubhouse/Party Room, Fitness Center, Business Center, Pool, Concierge, etc.
	Site/Landscaping	Well maintained landscaping where applicable; likely to have exterior gathering spaces, roof terrace or courtyard.	
Certifications	Possibly a certified/labeled green and energy efficient building.		
	Architectural Design	Exterior Materials/Façade	Brick, stucco, EIFS, precast concrete, vinyl or fiber cement siding, possibly 4 Star materials with signs of age.
		Fenestration/Glazing/Views	Punched windows, fair mix of glazed and opaque surfaces that provide adequate natural light.
		Overall Aesthetics	Average with respect to background buildings, contextually appropriate.
	Structure/Systems	Likely smaller and older with less energy-efficient and controllable systems.	
	Amenities	Unit Amenities/Design	Average quality finishes, layout conducive to compact lifestyle

RATING	GROUP	DEFINITION	
			but not necessarily an open floor plan.
		Site Amenities	A few on-site shared facilities and spaces such as a Clubhouse/Party Room, Fitness Center, Business Center, Pool, Laundry Facilities, etc.
	Site/Landscaping	Modest landscaping and likely small or no exterior spaces.	
	Certifications	Possibly a certified/labeled green and energy efficient building.	
★★★	Architectural Design	Exterior Materials/Façade	Brick, stucco, EIFS, precast concrete, siding with noticeable aging.
		Fenestration/Glazing/Views	Small, seemingly inadequate windows.
		Overall Aesthetics	Average, functional.
	Structure/Systems	Purely functional.	
	Amenities	Unit Amenities/Design	Below average finishes, inefficient use of space.
		Site Amenities	Likely only one or no on-site shared facilities.
	Site/Landscaping	Minimal or no landscaping, no exterior spaces.	
Certifications	Unlikely a certified/labeled green and energy efficient building.		
★★	Practically uncompetitive with respect to typical multi-family investors, may require significant renovation, possibly functionally obsolete.		

Jurisdiction	San Jose	
Reporting Year	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle 01/31/2023 - 01/31/2031	

**ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation**

Note: "*" indicates an optional field
Cells in grey contain auto-calculation formulas

**Table A
Housing Development Applications Submitted**

Project Identifier					Unit Types		Date Application Submitted	Proposed Units - Affordability by Household Incomes							Total Approved Units by Project	Total Disapproved Units by Project	Streamlining	Density Bonus Applications	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Prior APN*	Current APN	Street Address	Project Name*	Local Jurisdiction Tracking ID	Unit Category (SFA,SFD,2 to 4,5+ ADU,MH)	Tenure R=Renter O=Owner	Date Application Submitted (see instructions)	Very Low-Income Deed Restricted	Very Low-Income Non Deed Restricted	Low-Income Deed Restricted	Low-Income Non Deed Restricted	Moderate-Income Deed Restricted	Moderate-Income Non Deed Restricted	Above Moderate-Income	Total PROPOSED Units by Project	Total APPROVED Units by Project	Total DISAPPROVED Units by Project	Please select state streamlining provision's the application was submitted pursuant to.	Did the housing development application seek incentives or concessions pursuant to Government Code section 65915?
Summary Row: Start Data Entry Below								580	195	2106	195	99	195	4186	7556	627	0		
	685-03-003	510 Saddle Brook Dr		CP24-005	SFD	R	4/2/2024						0	1	1			NONE	No
	484-21-046	2940 Alum Rock Ave		H24-042	5+	R	6/11/2024	40		200		60		0	300			NONE	Yes
	456-09-005	1966 Almaden Rd		H23-043	5+	O	2/2/2024						0	27	27			NONE	No
	499-19-029	2492 McLaughlin Ave		H23-046	SFD	O	2/28/2024						0	6	6			NONE	No
	464-35-033	873 Blossom Hill Rd		H24-004	5+	O	1/31/2024						0	162	162			NONE	No
	690-29-001	200 Hayes Ave		H24-005	SFA	O	2/8/2024						0	11	11			NONE	No
	261-41-096	966 Pacific Ave		H24-010	SFA	O	3/5/2024	2				3		28	33			NONE	Yes
	249-34-006	555 N 10th St		H24-011	2 to 4	O	3/6/2024						0	2	2			NONE	No
	481-12-004	36 N 34th St		H24-015	5+	R	3/13/2024	10					0	56	66			NONE	No
	601-03-070	226 N White Rd		H24-016	SFA	O	6/25/2024	1						8	9			NONE	Yes
	241-03-025	1655 Berryessa Rd		H24-017	5+	O	3/28/2024					13	0	53	66			NONE	No
	015-48-004	7 Topgolf Dr		H24-018	5+	R	4/2/2024			780				0	780			NONE	Yes
	477-02-063	185 E Humboldt St		H24-019	SFA	O	4/8/2024			14				54	68			NONE	No
	101-19-002	2611 N 1st St		H24-021	5+	O	5/3/2024			25			0	98	123			NONE	No
	477-73-070	2222 Senter Rd		H24-024	5+	O	4/30/2024			75			0	297	372			NONE	Yes
	101-05-004	2107 N 1st St		H24-026	SFA	O	5/24/2024			21			0	80	101			NONE	No
	230-09-021	1280 Campbell Ave		H24-030	SFA	O	5/30/2024			2				11	13			NONE	No
	230-18-033	2165 The Alameda		H24-032	5+	R	3/11/2024			174				0	174			NONE	Yes
	264-30-090	470 S Market St		H24-034	5+	R	6/20/2024	185		33				2	220			NONE	Yes
	245-05-015	1207 N Capitol Ave		H24-035	5+	R	8/14/2024	13		114				1	128			NONE	Yes
	259-31-071	255 W Julian St		H24-049	5+	O	8/27/2024						0	600	600			NONE	No
	467-22-121	35 S 2nd St		H24-050	5+	R	8/26/2024						0	768	768			NONE	No
	467-46-081	300 S 1st St		H24-051	5+	R	10/17/2024						0	1147	1147			NONE	No
	274-50-062	826 N Winchester Blvd		H24-052	5+	R	9/17/2024						0	135	135			NONE	No
	484-24-099	2820 Florence Ave		H24-054	5+	O	9/20/2024	5						31	36			NONE	Yes
	462-14-021	VTA Station (W Capitol & Narvaez)		MP24-001	5+	R	3/12/2024	203						0	203			SB 423 (2023)	Yes
	414-24-038	1999 Camden Ave		MP24-002	5+	R	4/5/2024	73		16				1	90			SB 423 (2023)	Yes
	434-19-032	544 W Alma Ave		MP24-006	5+	R	7/1/2024			89				1	90			SB 423 (2023)	Yes
	101-30-006	2830 N 1st St		MP24-007	5+	R	7/31/2024			120				362	482			NONE	No
	462-02-024	4747 Narvaez Rd		MP24-009	SFA	O	10/15/2024			22		23		0	45			SB 423 (2023)	Yes
	456-09-008	2080 Almaden Road		MPA22-004-01	5+	R	10/15/2024			6				0	6			SB 423 (2023)	Yes
	477-11-003	1170 Roberts Ave		PD24-004	SFD	O	4/11/2024						0	8	8			NONE	No

Worksheet: San José		ANNUAL ELEMENT PROGRESS REPORT										Notes: "Y" indicates an achieved fact	"N" indicates an unachieved fact
Reporting Year: 2024		Housing Element Implementation										2024	2024
Item ID	Item Description	Start	End	Category	Sub-Category	Priority	Status	Progress	Notes	2024	2024	2024	2024
1000001	Y
1000002	Y
1000003	Y
1000004	Y
1000005	Y
1000006	Y
1000007	Y
1000008	Y
1000009	Y
1000010	Y
1000011	Y
1000012	Y
1000013	Y
1000014	Y
1000015	Y
1000016	Y
1000017	Y
1000018	Y
1000019	Y
1000020	Y
1000021	Y
1000022	Y
1000023	Y
1000024	Y
1000025	Y
1000026	Y
1000027	Y
1000028	Y
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1000087	Y
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1000089	Y
1000090	Y
1000091	Y
1000092	Y
1000093	Y
1000094	Y
1000095	Y
1000096	Y
1000097	Y
1000098	Y
1000099	Y
1000100	Y

Jurisdiction	San Jose	
Reporting Year	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	01/31/2023 - 01/31/2031

**ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation**

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.
Please contact HCD if your data is different than the material supplied here

Table B Regional Housing Needs Allocation Progress Permitted Units Issued by Affordability														
		1	2										3	4
Income Level		RHNA Allocation by Income Level	Projection Period - 06/30/2022-01/30/2023	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	15,088	194	567	486	-	-	-	-	-	-	-	1,414	13,674
	Non-Deed Restricted		-	-	167	-	-	-	-	-	-	-		
Low	Deed Restricted	8,687	184	259	904	-	-	-	-	-	-	-	1,514	7,173
	Non-Deed Restricted		-	-	167	-	-	-	-	-	-	-		
Moderate	Deed Restricted	10,711	51	114	132	-	-	-	-	-	-	-	1,232	9,479
	Non-Deed Restricted		-	768	167	-	-	-	-	-	-	-		
Above Moderate		27,714	322	1,220	184	-	-	-	-	-	-	-	1,726	25,988
Total RHNA		62,200												
Total Units			751	2,928	2,207	-	-	-	-	-	-	-	5,886	56,314
Progress toward extremely low-income housing need, as determined pursuant to Government Code 65583(a)(1).														
		5											6	7
		Extremely low-income Need		2023	2024	2025	2026	2027	2028	2029	2030	2031	Total Units to Date	Total Units Remaining
Extremely Low-Income Units*		7,544		387	316	-	-	-	-	-	-	-	703	6,841

*Extremely low-income housing need determined pursuant to Government Code 65583(a)(1). Value in Section 5 is default value, assumed to be half of the very low-income RHNA. May be overwritten.

Please Note: Table B does not currently contain data from Table F or Table F2 for prior years. You may login to the APR system to see Table B that contains this data.

Note: units serving extremely low-income households are included in the very low-income RHNA progress and must be reported as very low-income units in section 7 of Table A2. They must also be reported in the extremely low-income category (section 13) in Table A2 to be counted as progress toward meeting the extremely low-income housing need determined pursuant to Government Code 65583(a)(1).

Please note: For the last year of the 5th cycle, Table B will only include units that were permitted during the portion of the year that was in the 5th cycle. For the first year of the 6th cycle, Table B will only include units that were permitted since the start of the planning period. Projection Period units are in a separate column.

Please note: The APR form can only display data for one planning period. To view progress for a different planning period, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

VLI Deed Restricted
VLI Non Deed Restricted

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

Jurisdiction		San Jose	
Reporting Year		2024 (Jan. 1 - Dec. 31)	
Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
P-1 Align Zoning with the General Plan	Align zoning with General Plan designations for all sites planned for housing by April 2024.	2024	In 2024, staff completed the rezonings for sites planned for housing. City Council approved rezonings for 1,894 sites in growth areas.
P-2 Subsidize Extremely Low-income Housing Including Permanent Supportive Housing for Homeless	Continue to prioritize funding to create affordable homes for extremely low-income individuals and families, including permanent supportive housing for people experiencing homelessness, to meet the needs of the community and create more balance in the affordable housing portfolio. To that end, the City will actively pursue local, state, and federal funding sources to support these efforts.	Ongoing 2023-2031	Staff plans on releasing a New Construction and Preservation Request for Proposals for ELI, VLI, LI and PSH housing during Q1 2025. Of funding committed in CY 2024 39% of City subsidy was committed to ELI households, 22% of City subsidy was committed to PSH units. Apartments housing 51 ELI households and 21 PSH households began construction during CY 2024.
P-3 North San José Affordable Housing Overlay Zones	Identify areas for housing to be integrated into North San José and propose changes to the General Plan, zoning code, and Rincon South Urban Village Plan to facilitate the production of all 24,000 planned housing units in North San José. To integrate affordability, identify North San José-specific Affordable Housing Overlay Zones that support only Industrial uses, 100% affordable housing, or market-rate housing that integrates affordable units into their developments. Rezone identified sites in the North San José Affordable Housing Overlay Zones through the Sites Inventory rezoning process. Sites that are rezoned are subject to the requirements of Government Code Section 65583.2, subdivisions (h) and (l), including: <ul style="list-style-type: none"> o By-right permitting of owner-occupied and rental multifamily uses for developments in which 20 percent or more of the units are affordable to lower-income households o A minimum site capacity of 16 units o A minimum density of 20 units per acre o At least 50 percent of the shortfall of low- and very-low RHNA can be accommodated on sites designed for exclusively residential uses or if accommodating more than 50 percent of the low- and very-low RHNA on sites designated for mixed- uses, the sites must be designated for mixed- uses. 	2024	Staff completed work necessary to create the new zoning overlays in North San José and rezoned sites in North San José as described in the December 2023 and January 2024 Council memos defining the strategy. In 2024, staff started analyzing additional sites to be included in the North San José General Plan and zoning overlay. Staff did a site-by-site analysis and established a preliminary list of sites. Staff is preparing the environmental review for the candidate sites and plan to bring the project for Council consideration in 2025.
P-4 Affordable Housing Tools for North San José	<ul style="list-style-type: none"> - Identify any new land use-related tools (other than P-3 Affordable Housing Overlay Zones) that could help incent production of affordable homes in North San José to economically integrate that area and meet the City's goal of 20% of all North San José homes being restricted affordable for lower-income residents. Tools could include but are not limited to a proposed North San José Density Bonus program that is appropriate for site dimensions and feasibility in that area and is compatible with the City's Inclusionary Housing Ordinance. o Produce a feasibility study to examine the affordability levels that would be feasible for developers to construct affordable homes onsite in mixed-income properties, assuming use of a North San José Density Bonus. o Create a North San José Affordable Housing Implementation Plan that summarizes feasible strategies and estimates of the number of affordable homes created through the Inclusionary Housing Ordinance with a North San José Density Bonus, City subsidy for 100% affordable developments (P-5), and North San José Affordable Housing Overlay Zones (P-3). 	2024-26	This program commits the City to pursue further strategies to catalyze affordable housing creation in North San José. In early 2024, Planning staff completed work on program P-3 "North San José Affordable Housing Overlay Zones" which created two new housing zoning overlays in North San José. One overlay zone allows Mixed-income Housing and requires at least 25% of units be restricted affordable, and the second overlay zone requires 100% restricted Affordable Housing. In 2024, the City received one application for review of a mixed-income project with 362 market-rate units and 122 affordable units. Additionally, staff had preliminary conversations with property owners about one other site under the Mixed-income Overlay that is likely to move forward with a development application. Thus far, the ministerial approval process has been attractive to these developers, and staff intends to evaluate the success of these overlays further before recommending any additional tools or changes in North San José under this program. Additionally, the Housing Department's forthcoming New Construction and Preservation Request for Proposals (expected in the first quarter of 2025) will prioritize for award new construction of affordable housing in the North San José growth area.
P-5 Affordable Housing Investments in North San José	<ul style="list-style-type: none"> - Direct City resources to help meet the City's goal of 20% of all North San José homes being restricted affordable for lower-income residents. - Prioritize City land acquisition in North San José for future 100% affordable housing new construction opportunities, then conduct Requests for Proposals to award development rights through ground leases to developers. - Ensure that future City Notices of Funding Availability for new construction prioritize affordable development proposals in North San José. 	2023-31	In 2024, staff drafted a New Construction and Preservation Request for Proposals for release in first quarter 2025. This RFP will incentivize developments in North San Jose by awarding additional scoring points to developments in this key growth area.

P-6 Regular Coordination Meetings for Affordable Housing	To facilitate and speed the construction process for affordable housing, continue Housing Navigator services to coordinate construction-related permits, inspections, and other post-entitlement processes across departments for affordable housing developments, and with external parties such as utilities and other public agencies required to sign off on construction completion.	2023-31	Last year, staff from several departments met monthly to coordinate construction related affordable housing permits. In 2024, 6,406 units have, or will soon have, benefited from this effort. The City began the hiring process for a full-time Housing Navigator staff member to coordinate this work and anticipates having the position filled by spring 2025.
P-7 City Infill Housing Ministerial Approval Ordinance	<ul style="list-style-type: none"> - Adopt and implement a City Infill Housing Ministerial Approval Ordinance to streamline approval of infill housing developments that meet objective development standards without public hearing, qualify for a CEQA ministerial exemption, and include deed- restricted affordable units on-site, which could allow compliance with the City's current Inclusionary Housing Ordinance through the "Partnership for Clustered Units" option. - Make minor revisions to the municipal code to facilitate use of the CEQA exemption for infill development, in order to reduce project timeframes. - As part of development of this ordinance and subsequent to its adoption, the City will evaluate its land use and permit processes and make further improvements, if necessary, to address constraints to the production and improvement of housing. 	2025	In December 2024, City Council approved a City streamlined ministerial review process for specific projects in identified growth areas that meet objective standards and eligibility criteria. The streamlined process is a local approval process that streamlines Planning project review timelines by not requiring a public hearing and utilizing a statutory exemption for Ministerial Permits. The process applies to approximately 585 sites. Staff anticipates this process will reduce the length of time from Planning application submittal to Planning permit issuance by 25% to 50%. As part of its recommendation for approval, City Council identified future phases to expand this process to additional sites. In 2025, staff will outreach to developers, monitor the number of units entitled using the process, and track the average reduction in length of time of permit issuance.
P-9 Diridon Affordable Housing Production Goal	Actively subsidize and effectuate production of affordable housing in the Diridon Station Area to achieve the City's goal of at least 25% of housing in this area being restricted affordable by the time of full Station Area build-out.	2023-31	In 2024, staff drafted a New Construction and Preservation Request for Proposals for release in first quarter 2025. This RFP will incentivize developments in the Diridon Station Area by awarding additional scoring points to developments in this key multimodal transit hub area.
P- 10 Standardize and Streamline Permitting, Fees, Applications	<p>Standardize city impact fees and construction taxes through the Development Fee Framework. The Development Fee Framework is intended to be a structured set of standards that can be used as a guide for implementing planned changes to existing fees and taxes for multifamily residential construction. The purpose of the Development Fee Framework is to simplify the administration and calculation of major residential development fees and taxes to provide transparency and certainty to the public and development community. Implementation of the Development Fee Framework is anticipated to include the following actions:</p> <ul style="list-style-type: none"> - An amendment to the San José Municipal Code to compile all impact fee sections into one location. - A new City Council Policy that provides a guide to the application of existing fees and the City's process for considering future impact fees. - Additions to the City Development Fee Framework webpage to include development-related fees and taxes with a staff contact. - Compliance with permit review timelines consistent with AB 2234 (2022). 	2024-2025	In 2024, the City's interdepartmental development fee framework working group met bi-weekly to discuss and work toward a draft council policy. In October 2024, staff began drafting the Council policy which will be finalized in early 2025. The draft Council policy will be circulated to the working group followed by public outreach in spring 2025.
P-11 Allow "SB 9" Type Housing on Additional Properties	<ul style="list-style-type: none"> - Complete work on Council direction to allow SB 9-type projects on properties zoned R-2 and a policy to allow SB 9-type projects that maintain the historic character of properties listed on the Historic Resources Inventory consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties. - Create design standards to promote feasibility of SB 9 developments in single family neighborhoods. For example, reduce driveway egress to the extent practical for flag-lot redevelopment, remove the constraint of existing owner-occupied requirement for lot splits, and allow two detached single-family homes per lot. - Conduct outreach to increase public awareness of SB 9 and maximize community acceptance of SB 9 developments. - To support the financial sustainability of ownership for low-income homeowners, explore programs to support and/or potentially subsidize SB 9 developments, leveraging the expertise and capacity of community-based organizations and nonprofits. 	2024	The City is in the process of updating the Zoning Code to allow SB 9 type projects on properties zoned R-2 and properties listed on the City's Historic Resources Inventory. This could potentially make approximately 10,500 properties eligible for SB 9 type small infill development. As part of this work, staff is also updating the City's existing SB 9 standards to further facilitate SB 9 developments. The City engaged a consultant who assisted with outreach and provided policy recommendations. Two focus groups and two community meetings were held in summer and early fall 2024 to receive input from the public as well as from historic preservation advocates and design professionals. Staff is in the process of drafting final recommendations which will be shared with one more round of community outreach in spring 2025. Staff plans to present final zoning amendments to the City Council for consideration by the end of Fiscal Year 2024-2025.
P-12 Cost of Residential Development Study Update	Conduct analysis every 2 to 3 years, or as market conditions warrant, and present to the City Council on the Cost of Residential Development Report that uses prototypical models of common types of multifamily residential construction in different submarkets within San José. The report will help inform on an ongoing basis governmental and nongovernmental constraints on the production of market-rate and affordable housing in San José.	2023-2031 Periodically	In 2024, staff engaged a consultant to complete an update to the Cost of Development report for both market-rate and affordable developments. Staff anticipates presenting the report to the City Council in 2025. The report will also analyze certain prototypes that would be consistent with strategy P-35 Small Multifamily Housing to help staff design a program with parameters that optimally could help development feasibility.

<p>P-13 Replacement of Existing Affordable Housing Units</p>	<p>- To mitigate the loss of affordable housing units, require new housing developments on selected sites to replace all affordable housing units lost due to new development. The City will adopt a policy to require replacement housing units subject to requirements of Government Code section 65583.2 subdivision (g)(3) on all sites identified in the Sites Inventory when any new development (residential, mixed-use, or nonresidential) occurs on a site identified in the Sites Inventory that meets the following conditions: 1) site currently has residential uses or within the past five years has had residential uses that have been vacated or demolished; 2) was subject to a recorded covenant, ordinance, or law that restricts rents to levels affordable to persons and families of low or very low-income; and 3) site's residences were subject to any other form of rent or price control through a public entity's valid exercise of its police power; or is occupied by low- or very low-income households. - Create a proposal to present to City Council that makes permanent the replacement housing obligations in Government Code sections 65583.2 subdivisions (g)(2) and (g)(3) per SB 330 and 65915, subdivision (c)(3) to the extent the City can justify the use of those</p>	<p>2024-28</p>	<p>In 2024, Housing Department staff worked with a consultant to create draft procedures for replacement housing units under Senate Bill 330. The City Attorney's Office also consulted state HCD to clarify required tenure for replacement units. Procedures will be finalized and posted for use by the development community in spring 2025.</p>
<p>P-14 Housing in Business Corridors</p>	<p>Update Zoning Code to allow housing in three Neighborhood Business Districts appropriate for housing (13th Street, Japantown, and Willow Glen).</p>	<p>2024</p>	<p>In December 2024, City Council approved the proposed ordinance to establish a land use overlay to allow residential uses with specific development standards in the Japantown (Taylor Street only), North 13th Street, and Willow Glen Neighborhood Business Districts. The land use overlay applies to 213 parcels within the Neighborhood Business Districts. Throughout fall 2024, staff conducted virtual community meetings and reached out to interested members of the public with updates on the project's timeline. A total of 4,717 notices for Planning Commission and City Council were mailed to the owners and tenants of properties located within 500 feet of the project site. Ordinance No. 31168: https://records.sanjoseca.gov/Ordinances/ORD31168.pdf</p>
<p>P-15 Moderate-income Housing Strategy</p>	<p>- Complete study and implement Council-approved strategy to further rental and homeownership opportunities for moderate-income residents. Obtain Council direction to work on priority programmatic recommendations. - As part of the Housing Element Annual Report and the Housing Catalyst Team Work Plan processes, identify additional sites for moderate-income housing, making the necessary General Plan and zoning changes for their inclusion in the Site Inventory.</p>	<p>2025</p>	<p>In 2024, Housing Department staff worked with consultants to analyze demographics and identify possible strategies that are appropriate for residents in the moderate-income range. Staff iterated possible strategies to focus on options that do not require public subsidy, given that the regional bond measure for affordable housing did not go on the ballot in fall 2024. Staff will finalize and present its moderate income housing strategy in Q1 2025 to the Housing and Community Development Committee (HCDC) and the Community and Economic Development (CED) Committee.</p>
<p>P-16 Ground Leases for Affordable Housing</p>	<p>- Require every newly-funded affordable housing development to be structured to convey ownership to the City of a site's land and the City's leasing of the land to owners of an affordable development for a nominal fee per year, or a comparable ground lease from the County or other public entity, to ensure permanent affordability and public site control at key locations throughout the City and to minimize future affordable housing preservation challenges. - To the extent funding is available, negotiate the purchase of land beneath existing affordable apartments at key locations at the time of refinancing and/or resyndication of tax credits to increase the number of ground leases in the City's existing affordable housing portfolio.</p>	<p>Ongoing</p>	<p>In 2024, the Housing Department awarded \$78.1M in commitments for four new construction affordable housing developments and closed financing on one new construction affordable housing development. These properties will produce 503 new affordable homes. All properties have public ground lease structures. Housing Department is currently evaluating redevelopment opportunities for existing Homekey acquired sites.</p>
<p>P-18 Loans for Affordable Housing</p>	<p>- Continue to provide land acquisition, construction, and permanent financing for the development of new affordable homes. - Provide financing for the acquisition/rehabilitation of existing market-rate rental housing to create newly-affordable homes. - Issue Notices of Funding Availability at least annually for both new construction and preservation.</p>	<p>Annually 2023-31</p>	<p>In 2024, the City Council awarded \$78.1M in commitments for four new affordable housing developments and closed financing on one new construction affordable housing development. These properties together will produce 503 new affordable homes. The Department plans on releasing a new funding RFP in Q1 2025 and all waitlisted applications will be refreshed and updated as the department continues to manage the active new construction funding pipeline.</p>
<p>P-19 Expanded City Density Bonus program</p>	<p>Increase the City's Density Bonus by at least 10% above state statutory requirements, assess the effectiveness of an up to 25% increase, and identify other ways the City's Density Bonus Ordinance could be expanded to result in more affordable homes, include more pre-approved concessions and incentives, support expansion to a broader mix of affordability levels, and/or add CEQA clearance.</p>	<p>2027</p>	<p>Significant work on this item has not yet commenced, as it is a medium-term goal.</p>

<p>P-20 Mixed-income Housing</p>	<p>- Facilitate the production of housing with a range of income levels (from extremely low- to moderate-income and market-rate) at the building level by creating Affordable Housing Overlay Zones in North San José (P-3), and by ensuring the Inclusionary Housing Ordinance and its fee schedule continue to be effective to incentivize building of affordable units (P-25). - Foster mixed-income housing that is 100% restricted affordable at a range of income levels by promoting use of the CalHFA Mixed-income product for new construction deals, and examining use of 501(c)(3) and similar bond structures for acquisition/ rehabilitation deals, to the extent that City funding is eligible for moderate-income units.</p>	<p>2023-31</p>	<p>In 2024, Housing Department staff worked on several affordable housing developments that included units in the moderate-income range. The City recorded affordability restrictions on Modera the Alameda, the acquisition and rehabilitation of an existing property that used a 501(c)(3) bond structure and included 34 units for very low-income households and 134 moderate-income apartments with 80% AMI rents. Staff oversaw construction on Dry Creek Crossing, which included 11 moderate-income apartments priced at 70% AMI along with more deeply affordable apartments. In addition, the following residential developments that the City helped facilitate or oversee in 2024 all included a range of rent levels: 905 N. Capitol included 17 units with 100% AMI rents; Tamien Station included 65 units at 100% AMI; Alvarado included 8 units at 80% AMI; Bellmarino included 10 units at 80% AMI; 605 Blossom Hill included 239 units at 100% AMI and 23 units at 60% AMI; and 80 Glen Eyrie Avenue included 1 unit at 100% AMI. In addition, Housing Department staff approved 15 Inclusionary Housing compliance plans and five Affordable Housing Agreements for deals that plan to produce 327 affordable units integrated with market-rate.</p>
<p>P-21 Special Needs Housing NOFA</p>	<p>Issue Notices of Funding Availability (NOFAs) for new construction of affordable housing that award points to incentivize creation of deeply- affordable permanent housing developments that serve special needs populations, to the extent the City is allowed under law. Focus on populations and protected classes identified as having highest housing needs versus supply in the Housing Balance Report (I-4). Special needs populations include but are not limited to residents with physical and developmental disabilities, residents experiencing homeless, transition-aged youth, domestic violence survivors, and persons with HIV/AIDS.'</p>	<p>2023-31</p>	<p>In 2024, staff drafted a New Construction and Preservation Request for Proposals for release in first quarter 2025. This RFP will include a points structure that incentivizes the creation of homes for lower-income residents with special needs including disabilities, increased access for disabled people, and participating in design meetings with the disabled community.</p>
<p>P-22 Transit-oriented Affordable Housing near Diridon Station</p>	<p>To integrate restricted affordable housing around the City's main transit station and maximize competitiveness for state affordable housing funding sources, prioritize sites within a one-half mile walkshed of Diridon Station for affordable housing through NOFA issuances and/or land purchases.</p>	<p>2024-31</p>	<p>In 2024, staff drafted a New Construction and Preservation Request for Proposals for release in first quarter 2025. This RFP will include a points structure that incentivizes the creation of affordable housing within 0.5 mile of the Diridon Station.</p>
<p>P-23 Pursue AHSC Funding near Diridon Station</p>	<p><input type="checkbox"/> Partner with transit agencies and affordable housing developers to apply for State Affordable Housing and Sustainable Communities grants for both affordable housing developments and greenhouse gas-reducing improvements near Diridon Station Area. - In 2023, actively pursue Prohousing Designation from California Department of Housing and Community Development (HCD) in order to be competitively eligible for additional state funding sources including the Infill Infrastructure Grant, Transformative Climate Communities grant, Solutions for Congested Corridors grant, Local Partnership Program, Transit and Intercity Rail Capital Program, and Prohousing Incentive Pilot Program. - Use funding to support planning initiatives in the DSAP.</p>	<p>2023-31</p>	<p>There were no AHSC applications in 2024 for improvements in this area. However, the Housing Department will continue to support any developments near the Diridon station that desire to apply for AHSC. The upcoming New Construction and Preservation Request for Proposals will incentivize developments that secure additional funding sources such as HCD's AHSC.</p>
<p>P-24 Housing on Public/Quasi Public Lands</p>	<p>Focus on school district housing and on sites with houses of worship is superseded per City Council direction at the Joint Meeting of the Rules and Open Government Committee, item C.2 on November 2, 2022. Instead, the City will amend the General Plan to allow housing development proposals that are 100% affordable, which includes at least 25% of the units as permanent supportive housing, to proceed on land-designated Public/Quasi Public. Collaborate with nonprofit organizations to create a program to implement SB 4 including outreach and education to faith communities in coordination with affordable housing developers.</p>	<p>2024</p>	<p>In 2024, staff completed the General Plan update to the definition of "permanent supportive housing" to match the definition of 25% of a project being permanent supportive housing as qualifying to allow housing on Public/Quasi-Public lands.</p>
<p>P-25 Updated Inclusionary Housing Program Fees</p>	<p>Conduct a fees study to ensure the Inclusionary Housing program remains feasible and does not present a barrier to housing construction. If fees are identified as a barrier, implement recommended policies and programs to remove constraints.</p>	<p>2027-28</p>	<p>Significant work on studying fees did not yet commence in 2024, as it is a medium-term goal. However, in 2024, staff began a rewrite of the Inclusionary Housing administrative guidelines to enhance clarity and answer frequently-asked questions of the development community.</p>
<p>P-26 Accessory Dwelling Unit (ADU) Amnesty Program</p>	<p>Resume the ADU Amnesty program to waive permit fees and penalties to incentivize homeowners to legalize their unpermitted ADUs that meet or will meet code requirements.</p>	<p>2024-31</p>	<p>The ADU Amnesty Program has resumed operations and is now supported by a third-party vendor building inspector as well as a new Permit Specialist position. In 2024, 21 ADUs were inspected from the Amnesty list. The goal is to complete all initial inspections by June 30, 2025 and continue with the permitting process in FY 25-26.</p>
<p>P-27 Accessory Dwelling Unit (ADU) Affordability</p>	<p>Study the feasibility of an ADU financing program to house low- and very low-income renters. Within this potential program, seek to incentivize ADU development by low- and moderate-income homeowners as a wealth building strategy that also helps meet housing needs in our market. If feasible and City funding is available, seek external partners to jointly create a financing program for City Council consideration. Review and implement options to encourage ADUs, such as financial incentives, expedited procedures, affordability monitoring programs, and leveraging the expertise and capacity of community-based organizations and nonprofits.</p>	<p>2026</p>	<p>Staff plans to study this ADU affordability question in 2026, but various teams across the City have made efforts to ensure ADUs are more affordable, including, but not limited to, implementing an AB 1033 ordinance that allows for the separate sale of ADUs / backyard homes. In addition, Planning and Housing staff took part in the Santa Clara County Planning Collaborative, where examples of regional collaboration on ADUs were presented including ADU affordable loan programs from the North Bay.</p>

P-28 Predevelopment Loans	Provide predevelopment loans to assist nonprofit developers of City-owned properties with funds necessary to explore feasibility of proposed affordable multifamily housing.	Ongoing 2023-31	No predevelopment loans for developers of City-owned sites were made in 2024. The City will continue to support City-owned site development for predevelopment loans in the upcoming year.
P-30 Updated Feasibility Study for Commercial Linkage Fee	Ensure funding for affordable housing is being paid per the City's new Commercial Linkage Fee. Periodically update the feasibility study for Commercial Linkage Fees, including geographic analysis, to revise fee levels for then-current market conditions. First updated feasibility study is targeted for 2024. Integrate the fee into Development Agreements, as appropriate.	2024	In January 2024, staff published an information memorandum to City Council providing an update on the Commercial Linkage Program. The update stated that due to current market conditions, the feasibility analysis will not be revisited in the coming months. As of December 2024, \$10,320 has been collected in commercial linkage fees. More information the Commercial Linkage fee can be found in the annual report pursuant to the Mitigation Fee Act that was approved by City Council on December 10, 2024 (link https://sanjose.legistar.com/View.ashx?M=F&ID=13581231&GUID=4632C3C7-1855-4F12-905E-6B130163B114)
P-31 Land Acquisition for Affordable Housing in Target Locations	To the extent funding and sites are available, target the City's land acquisitions for affordable housing development in areas close to transit and higher-opportunity neighborhoods.	Ongoing 2023-31	In March 2024, City Council approved Housing Department staff's request for \$16.2M to purchase the land of two affordable housing developments located 525 N. Capitol Ave and 1371 Kooser Road. 525 N. Capitol is located close to the a VTA Lightrail station, and 1371 Kooser Road is located within a CTCAC designated high resource area. The developments will produce 347 affordable homes.
P-32 Higher Subsidies per Unit	In areas in which affordable housing development will cost more due to higher land costs, smaller buildings, or mid- or high-rise construction, ensure that City subsidies per unit are sufficiently higher so as to not disincentivize building in those areas.	Annual NOFAS 2023-31	In 2024, staff drafted a New Construction and Preservation Request for Proposals for release in first quarter 2025. This RFP will provide opportunities for adequate funding subsidies per unit for development proposals across neighborhoods.
P-34 Affordable Housing Funding Advocacy	<ul style="list-style-type: none"> - Support bond funding initiatives at the County and regional levels to increase the supply of affordable housing production and preservation. - Sustain advocacy for state and federal funding programs and advocate for more resources so that they meet the affordable housing production and preservation needs of San José. - For homelessness response, advocate for both operating and capital subsidies. 	Ongoing	The City took a number of actions to advocate for affordable funding on the state and federal level last year. Staff briefed City Council members on Proposition 5, a statewide ballot measure that would have allowed the voting threshold for bond issuances for affordable housing and other community infrastructure to be dropped to 55%. This lowered voter threshold has been in the City's legislative priorities for many years. Council took a support position in August 2024. City Council also voted in June 2024 to endorse the Bay Area Regional Housing Bond that had been scheduled for the November election (but was later dropped). In addition, the City engaged in advocacy efforts on various funding pools from the State, including the state's Permanent Local Housing Assistance program (PLHA), the Homeless Housing Assistance Program (HHAP), and other sources for affordable housing production and preservation.
P-35 Small Multifamily Housing	<ul style="list-style-type: none"> - Allow missing middle housing of at least 4 units and up to 10 units in locations throughout the City, including in high opportunity areas. Such locations will include but not be limited to, areas adjacent to urban villages and residential areas along major streets (i.e., Grand Boulevards, City Connectors, and Main Streets). - In addition, as part of the Urban Village Planning process, consider missing middle housing as a buffer between the high density urban village development and the adjacent neighborhoods and/or within urban village boundary on parcels that are not suitable for higher density residential or higher intensity commercial development. - To understand the market feasibility of different missing middle housing typologies, which could help shape or amend this policy framework, include these typologies in the periodic "Cost of Residential Development" analysis conducted for City Council. - If directed by City Council, take any needed land use actions, define design standards, and educate the public about financing programs that could result in restricted affordability. In addition, provide incentives such as establishing pre-approved plans for missing middle housing 	2026	Staff has started work on the market feasibility analysis for several missing middle typologies to help shape the work. This analysis is being prepared as a part of the regular Cost of Residential Development Report that will be completed in 2025. In 2024, 25 SB 9 lot split applications were submitted, and 10 applications were approved and/or recorded. The City received 14 SB 9 building permit applications of which 8 were associated with an SB 9 lot split.
P-36 Alum Rock East Urban Village Plan	Complete Alum Rock East Urban Village Plan to facilitate construction of market-rate housing and healthy neighborhoods.	2025	In December 2024, the City's Planning Division entered into contract with consultant Skidmore, Owings & Merrill (SOM) to assist in the development of the Eastside Alum Rock Urban Village Plan. In January 2025, staff and consultants started work on the Urban Village Plan with an estimated completion date of June 2026.
P-37 CEQA Analysis for Urban Villages	To the extent funding and capacity exist, conduct program-level CEQA analysis as part of the process of developing or updating Urban Village Plans to help speed developments' timelines on all sites, including those not needed to accommodate the RHNA, and remove barriers to housing production.	2027	Significant work on this item has not yet commenced, as it is a medium-term goal.
P-38 Adequate Sites for Lower-Income Households on Nonvacant & Vacant Sites Identified in Previous Housing Element Cycles	By January 31, 2024, rezone sites to allow development by-right pursuant to Government Code section 65583.2 subdivisions (c)(3)(A)(B) and (j) when 20 percent or more of the units are affordable to lower-income households on sites identified in Appendix F, Table B to accommodate lower-income RHNA sites previously identified in the 4th and 5th cycle housing elements' inventories.	2023-24	Completed in January 2024.

<p>P-40 Evaluate Urban Village Planning Process</p>	<p>To streamline the development of urban village plans and unlock more sites for housing beyond those sites need to accommodate the RHNA, evaluate General Plan 2040's urban village strategy beginning in November 2024 and adopt amendments and/or modify practices identified in the report recommendations in 2025, including but not limited to:</p> <ul style="list-style-type: none"> - The development of different planning process approaches for different kinds of urban village plans based on their scale and location. For instance, urban villages that are larger and located in key transit locations or in historically disinvested areas might require a more extensive community planning and engagement processes while smaller scale villages that don't have strong transit connections could have a more streamlined planning and outreach process. - Consolidation of the planning process for multiple proximate urban villages into one planning process, as opposed to conducting separate planning processes for each village, so that larger areas and/or multiple villages can be planned at the same time. - A Reevaluation of the typical components included in previous urban village plans and identification of which comments of a village plan could be reduced or eliminated while still meeting objectives. 	<p>2024-26</p>	<p>In October 2024, staff evaluated the remaining 19 unplanned neighborhood urban villages to determine the feasibility of redevelopment in these areas and the possibilities of a streamlined planning process. Staff is currently pursuing three pathways for completing urban village planning, with the goal of expediting the Urban Village planning process. In 2025, staff will continue working on developing different process approaches for the neighborhood urban villages and present the findings to CED Committee and City Council.</p>
<p>P-41 Review and Revise Planning Permit Conditions</p>	<p>Review and revise subjective language used in standard permit conditions for site development permits or conditional/special use permits which are required for housing development with objective development and design standards.</p>	<p>2025</p>	<p>In 2024, staff began review of the existing permit conditions for residential projects. In 2025, staff will work on updating permit findings for Site Development Permits, Special Use Permits, Conditional Use Permits, and Planned Development Permits to ensure residential projects are reviewed against object development and design standards.</p>
<p>P-42 Group Homes for Seven or More Persons</p>	<p>Update the zoning code to be consistent with state and federal laws and Affirmatively Furthering Fair Housing (AFFH) by ensuring that group homes serving seven or more persons are subject only to the generally applicable, non-discriminatory health, safety, and zoning laws that apply to all single-family residences.</p>	<p>2024</p>	<p>In 2024, staff worked on drafting Zoning Ordinance updates. This work has been occurring concurrently with I-19 (Reasonable Accommodations), with a target Council approval date in 2025.</p>
<p>P-43 Update City Density Bonus</p>	<p>Review and if necessary, update the City's Density Bonus Ordinance to be consistent with current state Density Bonus Law.</p>	<p>2024</p>	<p>In October 2024, staff reviewed the new state density bonus law and determined a Zoning Ordinance update is required to clarify the definition of "replace." The code update will be going to City Council in Spring of 2025.</p>
<p>P-44 Urban Villages Improvements</p>	<p>Conduct an in-depth mid-term evaluation of actions that incentivize or remove constraints on Urban Villages, including effectiveness, and commit to making adjustments within a specified time period.</p>	<p>2027</p>	<p>Significant work on this item has not yet commenced, as it is a medium-term goal.</p>
<p>P-45 Pipeline Projects Evaluation</p>	<p>Conduct a bi-annual evaluation of Pipeline projects to determine if inventory buffer can accommodate projects that do not commence to building permit stage.</p>	<p>Ongoing</p>	<p>In 2024, work on this item had not yet commenced as it will be done starting with the 2025 APR.</p>
<p>P-46 Rezoning Program for Shortfall, Low-income Sites</p>	<p>Rezone sites identified in the Sites Inventory, Table B, pursuant to Housing Element Law (Gov. Code 65583.2 (h) and (i)). The rezoning program will be consistent with the following:</p> <ol style="list-style-type: none"> 1. By-right approval: The zoning must allow for by-right approvals if at least 20% of the units in a project are affordable to lower income households and the project does not need a subdivision. See below for definition of "by right." 2. Limits on small sites: The site must be large enough for at least 16 units under the rezoning. 3. Minimum 20/30 units per acre: The zoning must allow at least 30 DU/AC. 4. Limits on mixed-use development: Specifically, the jurisdiction must meet one of the two following conditions: <ol style="list-style-type: none"> 1. At least half of the lower-income units must be placed in zoning districts that are exclusively residential, or 2. The rules must allow for 100% residential development and must require that the proposed development be at least 50% residential by floor area. 	<p>2024</p>	<p>Completed in January 2024.</p>
<p>P-47 Accessory Dwelling Unit (ADU) Monitoring and Ordinance Compliance</p>	<p>Record progress in ADU goals on the housing element APR by April 1 of each year and frequently monitor (e.g., every two years) ADU production and affordability levels and adjust assumptions to meet desired goals</p> <ul style="list-style-type: none"> - If ADU production or affordability is below the projected annual average, market the ADU program in the City's newsletter and associated publications for one year, or until publication exceeds the projected annual average, whichever is longer. - If after the first 2 years, ADU production is 25% below the projected annual average, identify additional sites to meet the City's RHNA obligation in proportion to the expected deficit and process required General Plan or other zoning code amendments within one year of the determination of the shortfall. - Within six months of Housing Element adoption, the City will update the City's ADU ordinance to comply with current state law. 	<p>Ongoing</p>	<p>In 2024, staff created an ADU survey to obtain information from applicants on the projected affordability levels for their ADUs. Staff sent the survey to applicants who submitted or obtained a permit for Accessory Dwelling Units in 2024. As of January 2025, staff has received 66 survey responses.</p>

P-48 Surplus Land Act (SLA) Implementation	<p>For City-owned parcels including those in the Sites Inventory, the City will continue to:</p> <ul style="list-style-type: none"> - Facilitate development in the planning period of these sites, including by removing barriers to development of these sites to prepare them for lease, issue requests for proposals, and provide incentives to further promote these sites including but not limited to fee waivers, priority processing, and financial assistance. - Adhere to all requirements of the Surplus Land Act (Government Code, Title 5, Division 2, Part 1, Chapter 5, Article 8, commencing with Section 54220) when preparing sites for disposition. These requirements include: <ul style="list-style-type: none"> - Holding a public hearing. - Conducting associated outreach to notify the public that the properties have been designated "surplus" under state law. - Sending a Notice of Availability to all required parties regarding the availability of these sites for leasing. 	Ongoing	<p>SLA requirements completed in 2024 include notice of exemption determinations for property located at the intersection of Home Street and Sunol, the Alleyway between Virginia Street and Martha Street, and former right of way along Marburg Way. Information requests were completed for the former Singleton Landfill and property located at 4th and Reed to allow Habitat for Humanity to amend the grant deed restriction. The property located at Bird and Fuller was noticed as available in 2024, with the subsequent closing of the property notice completed in 2025.</p>
R-1 Monitor At-risk Affordable Units	<ul style="list-style-type: none"> - Proactively assess and monitor affordable units at risk of losing affordability by 2031, and reach out to property owners, tenants, and qualified entities to negotiate and assist in preserving existing affordable homes. - Enlist consulting assistance to create and update risk assessment reports regularly. - For properties at-risk, contact property owners within one year of the affordability expiration date to discuss the City's desire to preserve the units. - Jointly explore funding sources and other options with property owners to preserve the affordability of the units with long-term covenants. - Coordinate with property owners to ensure notices to tenants are sent out at 3 years, 12 months, and 6 months, as required by state law. - Provide other technical assistance, as feasible, to assist in developing, financing, or supporting preservation efforts. 	Updated reports by 2024 and 2028; coordination and noticing as required	<p>In 2024, Housing Department staff continued to update its aggregated list of properties with affordability restrictions expiring between July 1, 2024 and June 30, 2031. Staff works and negotiates ongoing with property owners where affordability restrictions are approaching expiration. In 2025, staff will plan for oversight of owner noticing requirements. In addition, in 2024, staff negotiated for affordability restriction extensions on two affordable housing properties, preserving a total of 146 affordable apartments.</p>
R-2 Establish a Preservation NOFA	<ul style="list-style-type: none"> - Establish a regular housing Preservation program, including an annual funding allocation averaging at least \$5 million (dependent on funding availability), funding priorities, underwriting guidelines, Notice of Funding Availability (NOFA) scoring framework, NOFA issuances, and ongoing workplan. - Eligible Preservation activities should include acquisition and rehabilitation of existing market-rate housing, community land trusts' rental housing acquisition, and other nonprofit-led alternative homeownership models. - Create a staffing plan for a Preservation team to underwrite, fund and facilitate Preservation deals, and request staffing through the city budget process when ongoing sources of funding are available for this work. - Establish priorities within Preservation NOFA for community- centered, community-led preservation efforts. 	First NOFA 2024	<p>In 2024, Housing Department staff completed feasibility assessment of, and City Council approved a \$5 million preservation loan for, a property being acquired and rehabilitated by the South Bay Community Land Trust. The loan will help to preserve 18 low-cost apartments and turn them into restricted affordable homes.</p>
R-3 Diridon Preservation Pilot	<ul style="list-style-type: none"> - Create and fund the Diridon Preservation Pilot Program for the area around the Diridon Station Area. - Issue Notices of Funding Availability to enable developers to acquire, rehabilitate and make affordable market-rate properties appropriate to preserve as the Station Area develops. - Identify buildings' desired physical profiles depending on location and development potential to help maintain buffer areas between dense Station Area developments and surrounding low-rise neighborhoods. 	2026	<p>The Housing Department, in coordination with the Mayor's Office, successfully applied for a policy fellow through the Partnership for the Bay Area's Future (PBF) to work on a Diridon Preservation Pilot in 2025-2026. In the scope of work for the PBF fellow, the City also discussed working with non-profit partners including SV@Home to build a pipeline of qualified partners to support on completing this work. As Google's Downtown West development in the Diridon Station Area has been delayed, staff has more time than originally anticipated to create this Pilot. In addition, in 2024, staff drafted a New Construction and Preservation Request for Proposals for release in first quarter 2025 that will include a points structure that incentivizes affordable housing near Diridon Station.</p>
R-5 Acquisition Loan Fund	<p>Work with external funders to identify and/or establish sources of reliable acquisition financing that work together with City preservation Notices of Funding Availability, with the goal of preserving low-cost housing, creating more restricted affordable multifamily properties, and stabilizing low-income renters who are disproportionately people of color.</p>	2026	<p>The City is in the process of evaluating possible funding avenues for this program. State funding for preservation is expected to be minimal given a \$500 million cut in the Governor's budget. Because the 2024 regional affordable housing bond did not proceed, City and County funds for acquisition/ rehabilitation also are minimal at this time. If or when funding becomes available in state or regional preservation-oriented funding programs, and the availability of City funds for acquisition/rehabilitation becomes more predictable, the City would issue a Request for Proposals to complete this item.</p>
R-6 Mobilehome Park General Plan Designation for Remaining 56 Mobilehome Parks	<p>Apply the Mobilehome Park Land Use Designation through City-initiated General Plan Amendments to the remaining 56 mobilehome parks, and rezone the sites, to promote preservation, public input, and transparency on any future mobilehome park conversion proposals.</p>	June 2024	<p>In June 2024, City Council approved the proposed ordinance to amend the land use designation for 30 mobilehome parks to the Mobilehome Park General Plan land use designation. In 2020, City Council approved the creation of a new General Plan land use designation entitled "Mobilehome Park" and applied it to two mobilehome parks. In 2023, City Council approved the land use designation amendment for 13 of the most at-risk mobilehome parks. The work completed in 2024 concludes the land use designation amendments for the City's remaining mobilehome parks. Resolution No. RES2024-238: https://records.sanjoseca.gov/Resolutions/RES2024-238.pdf</p>

R-7 Extension of Affordable Housing Restrictions	Preserve existing deed-restricted affordable housing for properties in the middle of their affordability terms by routinely negotiating to extend the City's affordability restrictions in return for the City's amended loan terms or other actions on properties in its existing portfolio.	Ongoing	In 2024, Housing Department staff extended recorded affordability restrictions on two affordable housing properties (Tierra Encantada, for 5 more years & Art Ark Apartments, for 55 more years), preserving affordability long-term for a total of 146 affordable units.
R-8 Work with the Bay Area Housing Finance Authority (BAHFA) on Moderate-income Financing Strategy	Advocate for legislation and work regionally with partners to create and/or use a JPA-issued bonds product, or similar structure, that supports moderate-income housing and deeper affordability, controls escalation of rents, and delivers sufficient public benefit.	2027	In 2024, working with the Bay Area Housing Finance Authority on a moderate-income housing JPA product was on hold as BAHFA was completely focused on doing outreach, securing Bay Area Metro's support for the regional affordable housing bond, and working with local communities on outreach for expenditure plans. After the regional bond was dropped, BAHFA focused its small staff on implementing its existing programs with limited funding. Housing Department staff will reach out to BAHFA in 2025 to ascertain if new leadership is interested in pursuing this regional JPA product.
R-9 Creation of a Preservation Policy	<p>Create a community-informed Preservation Policy or set of policies for Council consideration aimed at preserving existing affordable and low-cost housing and helping to prevent displacement. The following are examples of what could be included in preservation policies:</p> <ul style="list-style-type: none"> □ To help organizations access state Foreclosure Intervention Housing Preservation Program (FIHPP) funds, establish criteria to help identify properties at-risk of foreclosure and properties where renters might be at risk of displacement. □ Publish a list of affordable housing providers that could be eligible to receive City funding to acquire and rehabilitate existing residential rental properties and create homes that are restricted affordable in perpetuity. <p>- Require as a condition of City funding that affordable housing providers intending to acquire and preserve a property must engage with tenants prior to purchase of the property.</p> <p>- Create voluntary system for property owners to notify eligible preservation organizations about the availability of properties for sale.</p> <p>- Require property owners to provide notification to tenants when owners intend to sell their properties.</p> <p>- Create incentives for private multifamily preservation organizations to preserve affordable housing.</p>	By 2026	In 2024, staff from the City and County did not pursue a definition for FIHPP properties as that program was not funded and was dormant in 2024. In 2025, staff will post a list of affordable housing developers with experience doing acquisition/rehabilitation. Staff will also consider property purchaser engagement with tenants in the context of its upcoming New Construction and Preservation Request for Proposals and Preservation underwriting guidelines.
R-11 Owner-occupied Home Preservation	To physically preserve existing homes, continue to fund urgent home repairs for low-income homeowners, many of whom are seniors, through nonprofit partners as funds are available.	2023-31	In 2024, the City funded contracts with Habitat for Humanity and Rebuilding Together to provide owner-occupied home rehabilitation services. The contracts assisted 59 extremely low-income households, 24 very low-income households, and 14 low-income households, for a total of 97 owners.
R-12 Revised Citywide Residential Anti-Displacement Strategy	Update the current Anti-Displacement Strategy approved by the City Council in 2020 to integrate preservation activities and remove completed priorities. Evaluate effectiveness of existing tools, obtain ongoing best practices information from like-minded cities, obtain feedback on priorities from San Jose stakeholders, and seek City Council approval for revised anti-displacement and preservation policies or programs to pursue.	2024-29	Several components of this strategy have been defined and implemented with varied levels of support. The Community Opportunity to Purchase Act (COPA) was declined by City Council in 2023. However, staff conducted some outreach in 2024 on this topic and the City will continue to research and discuss best practices through 2025 in advance of considering a revised strategy.
R-13 Soft Story Program	Develop a 'soft story' seismic mitigation ordinance for older multifamily buildings with weak and/or open frontlines, which have a higher likelihood of collapse during an earthquake and a high likelihood of being rent stabilized. Create an implementation process and incentive retrofit program that increases renters' safety and considers equity issues for lower-income renters, minimizing their risk of displacement due to construction and rent increases.	2024	City Council approved the proposed Soft Story Retrofit Ordinance and accompanying rebate and financing program in September 2024. The retrofit requirements and associated processes will be effective starting April 1, 2025. Housing and PBCE are coordinating communications to property owners and tenants regarding the Program. During the first phase, property owners will have 18 months to certify that their building is Soft Story and subject to the Ordinance, or to provide evidence that their property is not subject to the Ordinance. In the third quarter of 2024, Housing Department staff started work with a community development financing institution to develop a loan product that will leverage federal rebate funds and local Measure E dollars. The purpose of the financing program is to help owners of buildings with apartments affordable to very low- and extremely low-income tenants to finance any required seismic retrofit work. Staff also plans to use lessons learned to expand the City's apartment preservation programs in the future.
H-1 Interim Homeless Housing Construction	Complete construction of emergency interim housing development in the Civic Center and Rue Ferrari areas. Seek ongoing funding from the state and federal governments to pay for operations and services for the City's emergency interim housing units and shelter beds.	2025	<p>In 2024, the Housing Department focused on completing several additional Emergency Interim Housing (EIH) developments under construction that should come online in 2025. These include Cerone EIH with 110 units, Cherry EIH with 128 units, Via Del Oro EIH with 135 units, and the Rue Ferrari EIH expansion, which will add 100 more units. Additionally, the Branham & Monterey modular interim housing project, funded through HCD's Homekey program and City resources, received a temporary certificate of occupancy in December 2024. This site will deliver 204 units, with move-ins beginning in early 2025. Once completed, these projects will add a total of 677 new units and up to 826 beds to the city's interim housing capacity.</p> <p>This targeted expansion of interim housing supports the City's Abatement Strategy, prioritizing families residing within a 1.5-mile radius of encampments or strategic hotspots to ensure the most vulnerable households receive the first opportunity for stable housing. This approach also enables partner departments to clear and maintain these areas—reducing urban camping and improving community health and safety. By accelerating interim housing production and strategically placing resources where they are needed most, the Housing Department continues to enhance the city's ability to provide safe, stable, and service-enriched housing solutions for San José's unhoused residents.</p>

<p>H-2 Interim Housing for People Experiencing Homelessness in Hotels/Motels and Other Existing Buildings</p>	<p>Continue to use hotels and motels and other existing residential properties to provide supportive housing for people experiencing homelessness and seek additional Project Homekey funding from the state for both capital improvements and ongoing operations costs.</p>	<p>2023-31</p>	<p>In 2024, the City served hundreds of persons experiencing homelessness through the use of existing motels/hotels. These include 159 families (households) served through the Motel Vouchers Program, 61 single adults housed at the Plaza Hotel, 76 households at the SureStay motel, and 102 single adults through the Temporary Housing Assistance program. Housing Department staff also made significant progress on two motel acquisition/rehabilitations that will create interim housing for people experiencing homelessness: Pacific Motor Inn and Pavilion Inn. Utilizing an award from state HCD's Homekey program, the Pacific Motor Inn began rehabilitation of 72 units in February 2024, received certificate of occupancy six months later in August 2024, and was 100% leased up by early December 2024. The rehabilitation timeline of just six months reflects the City's dedication to rapidly addressing critical housing needs and delivering much-needed housing. The Pavilion Inn motel – through a strong partnership with HCD's Homekey staff, the Santa Clara County Housing Authority, the County of Santa Clara's Office of Supportive Housing, Jamboree Housing, Bill Wilson Center, and the City – was purchased and rehabilitated to provide 43 housing opportunities for transition-aged youth ages 18 to 24. Pavilion Inn opened its doors to residents after receiving a certificate of occupancy in early November 2024. At least 541 households total were assisted through these programs and properties in 2024.</p>
<p>H-6 Housing with Integrated Health Care</p>	<p>In coordination with County Behavioral Health, Santa Clara Valley Health and Hospital System, and health plans in the region, seek to generate new housing opportunities that integrate healthcare for the complex needs of people currently or formerly experiencing homelessness.</p>	<p>2025-31</p>	<p>In 2024, the Housing Department directed funding to determine the potential of utilizing Medi-Cal reimbursements to fund mental, behavioral, and physical healthcare services for highly vulnerable participants in the City's Emergency Interim Housing (EIH) programs who might otherwise not be successful because of challenges related to high acuity. Utilizing Cal-AIM initiatives like those presented in the Housing and Homelessness Incentive Program and possible funding opportunities through the State's Department of Health Care Services, the City explored available funding for staffing enhancements and expanding access to treatment services that allow high-acuity program participants to be more successful in EIH settings. In late 2024, the City successfully competed for a third round Partnership for the Bay's Future policy fellow. The fellow's production-oriented project for 2025 will be to examine the use of CalAIM funds for interim housing.</p>
<p>H-7 Safe/Supportive Parking Programs</p>	<p>Operate overnight and 24-hour safe parking programs for both RVs and car vehicles and other emergency shelter options and seek permanent funding sources for these uses.</p>	<p>2023-31</p>	<p>In 2024, the City funded the Supportive Parking for RVs program at the Santa Teresa VTA lot, which accommodates 42 RVs and 28 commuter cars for program participants. Last year, 55 households (81 individuals) were served at this location. Housing Department staff also developed the Berryessa Safe Parking Program, which will provide 86 designated spaces for oversized lived-in vehicles as part of the Department of Transportation's Oversized Lived-In Vehicle Engagement (OLIVE) Program. This initiative focuses on universal design layout, operations methodology, and construction timeframes to ensure a well-structured, service-enriched environment that supports individuals and families living in their vehicles while reducing urban camping in residential and commercial areas. The site will offer secure, designated parking with access to restrooms and waste disposal. In alignment with the city's Abatement Strategy, prioritization for safe parking will be given to individuals and families residing in oversized vehicles within a 1.5-mile radius and identified hot spots, ensuring that those most in need receive the first opportunity for placement. This structured approach allows for more effective outreach and engagement while supporting the city's broader efforts to reduce Oversized Lived in Vehicle encampments and restore public spaces through coordinated outreach and service-based interventions.</p>
<p>H-8 Nonprofit-provided Homeless Support Services</p>	<p>Continue to fund nonprofit agencies that provide services to people who are homeless or at risk of becoming homeless, with highest priority to those most in need at or below 30% of the Area Median Income. Funding would support programs including, but not limited to, those that prevent and end homelessness, and those that provide case management and services for formerly unhoused residents in permanent supportive housing, interim housing, and shelters.</p>	<p>2023-31</p>	<p>In FY 2023-2024, agreements for homeless response services totaled \$83.8M. Below are selected summaries of nonprofit service providers and their metrics. In 2024, PATH oversaw day-to-day operations, property maintenance, and programming and services at an emergency non-congregate shelter site located at Evans Lane. The site served 234 participants, all of which were at or below 30% of Median Family Income. HomeFirst managed day-to-day operations and property maintenance and provided programming services at two emergency non-congregate shelter sites: Monterey-Bernal and Rue Ferrari. In 2024, HomeFirst served 118 participants at Monterey-Bernal and 134 participants at Rue Ferrari. Of the 252 participants served across both non-congregate shelter sites, 245 participants were classified as extremely low-income. LifeMoves served 146 participants in 2024 at their Guadalupe emergency interim housing location, 140 of which were extremely low income. LifeMoves also provided short-term motel stays for families experiencing homelessness through the Motel Voucher for Vulnerable Populations Program. In total, the program served 139 households, including 428 individuals. Of these households, 128 were classified as extremely low-income.</p>
<p>H-9 Street-based Services for Unhoused Residents</p>	<ul style="list-style-type: none"> -Fund street-based services such as outreach, hygiene services, behavioral health, and transportation options to meet the needs of unsheltered residents. - Use input from persons with lived experience to help define what services should be available. - Advocate for ongoing funding from the state and federal governments for this purpose. 	<p>2023-31</p>	<p>The Housing Department strategy for 2024 built on the foundation set in previous years. The street-based services for individuals experiencing homelessness included outreach, hygiene services, behavioral health care, and transportation assistance. This year, the City plans to bolster harm reduction measures by equipping more outreach teams with Narcan and fentanyl test strips, ensuring life-saving tools are readily available and increasing access to behavioral health assistance by leveraging the Downtown Collaborative effort.</p> <p>In mid-2024, the Housing Department introduced a Targeted Outreach Engagement Program (TOEP) model that ties outreach efforts to upcoming housing opportunities. This model focuses on targeting an encampment, case managing residents, then placing individuals experiencing homelessness into a unit once construction is completed. There are currently 8 TOEP sites. After the encampment residents have been placed, the encamped area can be abated and returned to its originally intended purpose. This approach to outreach has proven effective, and the City plans to expand this work in FY 24-25. Hygiene services, such as mobile showers and laundry, remain essential to targeted outreach. To ensure that TOEP services meet the needs of individuals experiencing homelessness the Housing Department collaborates with the Lived Experience Advisory Board to guide program development.</p> <p>To sustain and enhance these outreach efforts, reliable funding is critical. In late 2024, staff started coordinating with other jurisdictions on advocacy for continued flexible use of state PLHA funds for homeless services. In 2025, staff plans to seek additional funding to support ongoing street-based services for unhoused residents in San Jose.</p>
<p>H-10 Racial and Other Bias of Protected Classes in Homeless Shelter and Supportive Housing System</p>	<p>Increase access to homeless shelters and permanent supportive housing for people experiencing homelessness who are in protected classes by examining data on city-funded shelters and permanent supportive housing developments, and collaborating with the County, to identify systemic racism and patterns of other biases of protected classes.</p>	<p>2027</p>	<p>The goal of this work item is to proactively eliminate bias in homelessness program design and implementation, ensuring that housing and homelessness services operate in a fair, inclusive, and effective manner. In 2024, the Housing Department began receiving monthly demographic data from the County of Santa Clara and analyzed it to identify any disparities among racial groups and other protected classes within our program offerings and participant outcomes. This data allows the Department to assess whether certain populations are experiencing disproportionate barriers to accessing or successfully transitioning through our housing programs and adjust accordingly. Starting in 2025, if disparities are found, the Department will implement targeted programmatic changes to address disparities. These may include refining outreach strategies, adjusting eligibility criteria, or enhancing service delivery models to ensure equitable access and outcomes for all participants.</p>

<p>H-11 Feedback from Those with Lived Experience in Homelessness in Decision Making</p>	<ul style="list-style-type: none"> - Create additional feedback mechanisms for residents with lived experience of homelessness on how programs are serving the needs of this population. - Integrate requirements into City-funded contracts for grantees to create feedback mechanisms. - Work with the Lived Experience Advisory Board (LEAB), composed of residents who have experienced homelessness, to evaluate key City-funded services and initiatives, including encampment support, street outreach, referrals to new housing opportunities, shelters, emergency interim housing provision, and/or existing permanent supportive affordable housing. 	<p>2024-31</p>	<p>In CY 2024, the Housing Department worked with LEAB and other persons with lived experience to evaluate and improve various programs serving people experiencing homelessness in San Jose. This collaboration created additional feedback mechanisms including monthly or quarterly meetings. The results were LEAB partners or persons with lived experience helping to change and improve the language in one operator's written communication to clients struggling to follow community guidelines (which LEAB helped to write in CY 2023); LEAB participation in Request for Proposals selection panels for services providers; and starting to develop Participant Advisory Councils. Housing Department is currently working with the City Attorney's Office to integrate requirements into City-funded contracts/agreements for grantees to seek lived-experience feedback. These feedback requirements should be integrated in relevant contracts by mid-2025. All of this work to seek and respond to feedback is intended to center the voices of program participants in program development and improvement.</p>
<p>H-12 Neighborhood outreach and education on homeless housing and other housing topics</p>	<ul style="list-style-type: none"> - Work with partners countywide on a community-based outreach campaign to promote dialogue and greater understanding of these issues. Outreach would focus on: <ol style="list-style-type: none"> 1) the root causes of homelessness and different housing approaches for people experiencing homelessness. 2) controversial housing topics related to equity and protected classes. - Focus community outreach and education in areas experiencing growth. - Pursue ongoing funding to compensate community-based organizations and advocates to conduct outreach. - Create content and outreach materials, post on City's website and establish regular cycles of issuing low-barrier Requests for Qualifications, identifying outreach partners, conducting regular trainings, and holding feedback and support sessions with outreach partners. 	<p>2024-31</p>	<p>The Housing Department Communications team began work on this strategy in 2024 without any new funding sources. Work was performed using existing Communications team resources. Outreach on homelessness solutions in 2024 was project- and event-focused. It included in-person community meetings to discuss the planned Taylor Street Navigation Site and virtual meetings to discuss several planned interim housing projects. More general outreach was conducted at numerous events, including the City's Juneteenth celebration, Viva Calle events, and the City's Disability Awareness Day event. The work was conducted in collaboration with the mayor's office, City Manager's Office, councilmember offices, Rent Stabilization Program, County of Santa Clara and SV@Home, among others. This work overlapped with related work by the Communications team on the "Renting Has Its Rights" public education campaign, "Dwellings" podcast series, monthly community newsletter, and preliminary outreach and education related to the BAHFA housing bond that was eventually taken off the November 2024 ballot. While it is difficult to quantify the precise number of households reached, the Communications team has approximately 5,000 followers on social media, more than 5,000 newsletter subscribers, and the Department's podcast has been downloaded or streamed over 12,000 times.</p>
<p>H-13 Regional Homeless Response Coordination and Planning</p>	<p>In cooperation with the County of Santa Clara, Destination: Home, and other community partners, seek City Council approval of the City's implementation plan for the 2020-25 Community Plan to End Homelessness in Santa Clara County.</p>	<p>2023</p>	<p>The City's implementation plan for the Community Plan to End Homelessness was heard at the January 9, 2024, City Council meeting. As recommended by the Neighborhood Services and Education Committee on December 14, 2023, Council accepted the report on how the City would support the Community Plan and held an initial discussion of City engagement for the next regional plan.</p>
<p>H-14 Emergency Shelters</p>	<ul style="list-style-type: none"> - Due to the inadequate capacity of 1,047 beds identified in Chapter 4 to accommodate the City's unhoused population, the City will update the Zoning Code to add additional zoning districts, in addition to Combined Industrial Commercial (CIC), where emergency shelters are permitted by right. The additional zoning districts identified will include the following that currently also allow Low-Barrier Navigation Centers by right: Urban Village (UV), Mixed-Use Commercial (MUC), Urban Residential (UR), Transit Residential (TR), Commercial Pedestrian (CP), Commercial General (CG), Commercial Neighborhood (CN), Public/Quasi-Public (PQP), Downtown (DT), and Pedestrian Oriented districts. - Existing standards for emergency shelters defined in San José Municipal Code Section 20.80.500 shall apply. - As per requirements of Government Code Section 65583 (AB 2339), other interim housing interventions must be considered an emergency shelter. - To ensure compliance with the requirements of Government Code Section 65583 (AB 2339), revise the zoning code as described above within one year of Housing Element adoption. - Conduct outreach to homeless shelter providers to determine additional process strengths and the public's access to a variety of information and assistance related to housing at the City's fixed or mobile Tenant/Landlord Resource Centers, and strengthen other proactive ways to promote rental housing quality. - Identify additional funding to operate Tenant Resource Centers at increased staffing levels, and related Code programs, to employ more collaborative problem-solving approaches on Code Enforcement problems. - Locations should include Diridon Station Area, the City's forthcoming transit center, to maximize transit access as well as neighborhoods with high displacement risk according to UC Berkeley Urban Displacement Project analysis. - Use digital tools, pop-ups, and/or mobile sites to deliver services in ways that are convenient and accessible for all users, especially those with disabilities. - Incorporate Code Enforcement and Apartment Rent Ordinance violation reporting procedures as part of expanded Tenant Resource Centers, including supporting tenant associations to report and track such violations on behalf of tenants. - Assist residents to learn how to file Code complaints online, and help owners and residents look up cases' status online in 	<p>2024</p>	<p>In June 2024, City Council approved the proposed ordinance updates related to emergency residential shelters, updating the definition of emergency residential shelters to align with the state's definition, where interim interventions are considered emergency residential shelters, and permitting shelters with 150 beds or less by right in zoning districts that already allow for them on sites outside of the Airport Influence Area. Staff held a virtual community meeting and conducted outreach with shelter providers throughout the spring. By permitting shelters by right in these zoning districts, the City was able to meet its capacity needs for its unhoused residents and comply with the requirements of AB 2339. Ord No. 31149: https://records.sanjoseca.gov/Ordinances/ORD31149.pdf.</p> <p>In November 2024, City Council approved additional updates related to emergency residential shelters, further updating the definition of emergency residential shelters to include non-congregate forms of shelter, permitting shelters with 150 beds or less by right in the Downtown Zoning District and on applicable sites within the Airport Influence Area, and modifying the specific use regulations for shelters to align with best practices by incorporating objective development standards. Ordinance No. 31097: https://records.sanjoseca.gov/Ordinances/ORD31097.pdf</p>
<p>S-1 Tenant / Landlord Resource Centers and Code Violations Reporting</p>	<ul style="list-style-type: none"> - Strengthen the public's access to a variety of information and assistance related to housing at the City's fixed or mobile Tenant/Landlord Resource Centers, and strengthen other proactive ways to promote rental housing quality. - Identify additional funding to operate Tenant Resource Centers at increased staffing levels, and related Code programs, to employ more collaborative problem-solving approaches on Code Enforcement problems. - Locations should include Diridon Station Area, the City's forthcoming transit center, to maximize transit access as well as neighborhoods with high displacement risk according to UC Berkeley Urban Displacement Project analysis. - Use digital tools, pop-ups, and/or mobile sites to deliver services in ways that are convenient and accessible for all users, especially those with disabilities. - Incorporate Code Enforcement and Apartment Rent Ordinance violation reporting procedures as part of expanded Tenant Resource Centers, including supporting tenant associations to report and track such violations on behalf of tenants. - Assist residents to learn how to file Code complaints online, and help owners and residents look up cases' status online in 	<p>2023-31</p>	<p>The Rent Stabilization Program and Code Enforcement staff initiated monthly meetings in 2024, meeting twice, to improve coordination, processes and outreach. Staff will continue to meet in 2025, and work to identify and serve 3 locations with Code assistance whether that be onsite at a resource center, or pop-up type events.</p>

S-2 Rental Property Registry Improvement	Ensure that all permitted, rented residences in San José are registered with the City to aid in communications about renter resources and to ensure safety in emergency situations.	2025-28	Significant work on this item has not yet commenced as it is a medium-term priority.
S-3 Proactive Code Enforcement in Identified Project Hope Place-based Neighborhoods	Proactive code enforcement helps to prevent the decline and deterioration of aging rental stock, reduced blight conditions, and reduce likelihood of complaint-based evictions. Continue to implement the Multiple Housing Inspection Program citywide, with inspection frequency determined by severity of violations (Tier 1, 2 and 3). In addition, fund enhanced proactive inspections in Project Hope and other low-income communities of color with federal CDBG funds or other funds as available.	Ongoing 2023-31	In 2024, Code inspectors conducted Enhanced Inspections in the Project Hope designated areas, resulting in a total of 864 units inspected. A total of 2,121 violations were closed, with 1,916 of those closed within 150 days.
S-4 Updated Relocation Assistance	Update the City's municipal code to ensure that compensation given to residents for potential displacing events -- noticing, relocation payments, housing search assistance, the replacement of affordable units, and a right of return -- matches or exceeds any state requirements, is sufficient given current housing costs, is transparent, and is consistent across City programs.	Phase 1 by 2025	In 2024, Housing Department staff regularly met and maintained a log of all existing projects subject to relocation assistance. Housing Department staff from two teams are working to define the protocols for relocation assistance when the City's Code Enforcement Team finds a unit to be substandard. Staff is also actively analyzing relocation assistance for other areas that may cause displacement including, but not limited to, our Urban Village Program.
S-5 Code Enforcement Improved Case Management	Implement a new Code Enforcement case management system for improved violation tracking to identify properties more easily with the most serious safety violations. Use the information to better educate the City's building preservation efforts.	Phase 1 by 2026, Phase 2 by 2028	In 2024, Infinite Solutions was awarded the contract to develop and implement a new Code Enforcement case management system, named CodeX. The official kickoff with vendors and City stakeholders was held in October 2024. Business rules and process requirement sessions are currently being conducted. The initial go-live date for the new case management system is expected to be August 2025.
S-6 Proactive Code Enforcement for More Rented Residences	Create a study on the cost, needed staffing, potential timeline for expansion, and other resources needed to expand the types of housing units covered by proactive code inspections which help avoid complaint-based evictions. Units include rented single family homes, duplexes, condominiums, and/or townhomes. Bring a recommendation to City Council if needed resources can be identified.	2025-27	Progress on this item has not yet commenced as it is a medium-term priority.
S-7 Financial Literacy Programs for Potential Homebuyers	Identify funding for nonprofit organizations to educate homebuyers on the homebuying process, homeownership responsibilities, and financial literacy. Identify funding for nonprofit organizations to deliver pre- and post-purchase homeownership counseling, and target services to lower-income protected class buyers to help them attain and stay in homeownership.	2026-31	The City will be evaluating and planning to implement this item through 2025, as part of a joint effort to examine how to disburse homebuyer dollars equitably and efficiently. The city as a follow up action will also engage the State Treasurer's Office about the Affordable ADU program, which has disbursed approximately \$300 million to date in the form of \$25,000 grants to cover non-hard costs of ADU construction and permitting.
S-8 Homebuyer Program Redesign	<ul style="list-style-type: none"> - Create feasibility analysis and plan to redesign the City's homeownership programs to have better reach to underserved populations. - Programs would include City down-payment assistance to homebuyers, pre- and post-purchase housing counseling, affirmative marketing to underserved populations, alternatives to fee simple homeownership (such as community land trusts, limited equity cooperatives and long-term tenant leases with wealth accumulation program), funding sources for program offerings, and evaluation metrics for assessing the impact on closing racial homeownership gaps. - Target market programs through outreach in formerly redlined neighborhoods. - Include protected class demographic information as part of all City-funded homeownership programs. - C93 Analyze and report on data regularly to determine who programs are assisting. 	2027	In 2024, Housing Department staff updated homebuyer loan documents and equity share provisions in preparation for making limited down payment assistance available starting in 2025 in a manner that is both equitable and efficient. Staff requested that Inclusionary Housing developers conduct target marketing to neighborhoods with high displacement risk, and in Spanish and Vietnamese as well as English, as affordable for-sale units become ready for sale. As part of this work, the City's Housing Department coordinated with the Planning Division to determine how the City's ADU conversion ordinance approved by City Council in 2024 pursuant to Assembly Bill 1033, which allows for the separate sale of backyard homes, could meet the goals of a homebuyer program redesign.
S-9 Fair Housing Equity Analysis and Anti-Displacement for Specific Plans	Integrate fair housing equity analysis and residential and small business anti-displacement features into specific plans and area plans, including Urban Village plans. Consider anti-displacement features identified from Five Wounds Urban Village updates into forthcoming Urban Village Plans and consider appropriateness for inclusion in the General Plan Four-Year Review.	2024-31	In 2023, work on identifying anti-displacement features for the Five Wounds UV Plan started. The City contracted with HR&A Advisors to prepare a housing and small business displacement risk assessment and implementation recommendation study. Staff are evaluating which recommendations from this study are feasible to implement. Currently, staff are reviewing the legal/regulatory constraints and identifying potential funding mechanisms for the various recommendations. The plan is estimated to be completed in mid-2025

<p>S-10 Study on Rent Increases and Burden in Affordable Housing</p>	<ul style="list-style-type: none"> - Research how rent increases in the City's restricted affordable apartments have been implemented over the last five years, given that area median income continues to increase rapidly in Santa Clara County. Compare rent increases in affordable housing to increases in rent-stabilized apartments. Document relationship between increased rents and increased operating costs of affordable properties. - Study rent burden and demographics for residents of affordable homes. Use research results to inform proposed state legislation and/or City policy. - Present findings and policy recommendations to the City Council with the objective to avoid drastic rent increases for residents living in affordable developments and protect properties' long-term viability. - Work actively on potential legislative solutions to high rent increases. - Identify financial risks to restricted affordable homes and identify any additional resources or strategies to help offset needs and protect these valuable public assets. 	2025	<p>In 2024, staff tracked and gave feedback on two statewide vehicles that created rent escalation caps for affordable housing and went a long way to solving the Countywide rent escalation issue. First, the state's Tax Credit Allocation Committee (TCAC) sought feedback on and then passed a rent escalation cap for all affordable housing deals newly-awarded with Low Income Housing Tax Credits. In addition, Assembly Bill 846 (M. Bonta, 2024), which became law effective January 2025. The new law allows TCAC to cap rent increases in existing affordable housing properties already awarded tax credits if regulations are approved by the TCAC governing body by June 30, 2025. In 2024, the Housing Department also enhanced its portfolio management system to more easily report data and prioritized refining all its operational procedures; thus, in 2025, staff plans to access and analyze the relevant rent burden data.</p>
<p>S-11 Alternative Documentation for Non-Citizens</p>	<p>Seek City Council approval of a policy requiring all property management companies managing restricted affordable apartments to advertise acceptance of alternative documentation for non-citizens. Prepare a workplan for implementation procedures for different types of affordable homes, with input from the City Attorney's Office.</p>	2026	<p>Housing Staff is collaborating with the City Attorney's office to increase opportunities for residents to provide alternative documentation in the City's new Tenant Preferences Program to help Fight Displacement. The program resolution requires property managers to accept some alternate documentation as well as advertise that they will accept alternatives. Several limitations are defined in state regulations and Housing staff is working to clarify and utilize these criteria to promote more widespread use of alternative documentation.</p>
<p>S-12 Eviction Prevention - Housing Collaborative Weekly Eviction Prevention Court Clinic, Eviction Diversion Program, and Other Support for Legal Services</p>	<ul style="list-style-type: none"> - Work in ongoing partnership with the County's Superior Court and other community partners to staff an Eviction Diversion Program, holding weekly workshops at the Courthouse that offer a spectrum of resources to all parties. Resources include rental assistance, social services referral, mediation, and legal assistance. - Coordinate eviction diversion referrals from Tenant Resource Centers. - Identify funding to continue to conduct the Eviction Diversion Program during the unlawful detainer court proceedings. - Explore conversion of Superior Court Eviction Diversion into a possible Collaborative Housing Court model within the County's Superior Court Process that builds on the foundation of the weekly clinic and Eviction Diversion Program, as appropriate. - Seek additional funds to increase funding to nonprofit legal organizations to provide eviction counseling and defense. - Include support for residents in the Eviction Diversion Program to register for Doorway [online affordable housing portal] to help them search for affordable homes. 	2023-31 assumes funding available	<p>During 2024, 43 weekly courthouse workshops were conducted on Wednesdays. The Eviction Diversion Settlement Program enabled 194 households to remain stably housed in 2024, and 6,162 households were assisted via calls, walk-ins, and emails. The City is actively engaging in efforts to identify additional funding to continue eviction prevention to meet this need by 2026. Housing is scheduled to provide an annual status report on housing stabilization and eviction prevention to CED in May 2025.</p>
<p>S-13 Affordable Housing Renter Portal Access</p>	<ul style="list-style-type: none"> - Ensure that the City's online tenant rental portal, Doorway, is implemented with access in San José's top languages and accessibility to audio and visually impaired users. - Ensure that Doorway access is available at Tenant Resource Centers, libraries, community centers, schools, and through social service providers. - Partner with community organizations to make Doorway available to vulnerable youth and adults, including at San José State University, the Billy De Frank LGBTQ center, and other spaces that host LGBTQ+ youth. - Require that funded affordable properties list openings on Doorway as part of affirmative marketing of affordable housing. 	2023 and ongoing	<p>In 2024, the City continued to expand utilization of the City of San José Housing Portal (Doorway), which allows people to search and pre-apply online for affordable apartments. All newly-funded affordable housing properties are required to use Doorway, and it remains accessible in the City's top 4 languages. Last year, over 35,000 housing seekers from San Jose accessed the portal, and an additional 34,000 housing seekers accessed the site from other Bay Area cities. Through various outreach efforts and compliance activities from the City's Asset Management team, the number of affordable properties that listed their properties on Doorway increased from 17 in 2023 to 40 in 2024. A total of 67 properties have now been listed in on the portal since its inception. Over 90 property managers received training on the portal and had active accounts in 2024. San Jose's top four languages continue to be available on the portal. To enable implementation of the City's newly-adopted Tenant Preferences, Doorway's creators devised a geolocation module that launched in 2024. Applicants that wish to be considered for the preferences can enter the eligible household address on the on-line application. The system then verifies if the applicant is eligible for the preferences by checking the address against geographic boundaries that have been incorporated into the system, and flags those households in the system. This function allows property managers to use Doorway to place eligible applicants in apartments set aside for households that qualify for the tenant preferences.</p>
<p>S-14 Advocacy for Tenant-Based Vouchers</p>	<ul style="list-style-type: none"> - Prioritize use of rental vouchers to expand housing choices for protected class, lower-income residents. - Continue to use local funds for tenant voucher programs. Advocate at the state and federal levels for additional vouchers to meet local needs and expand housing choices. 	2024-26	<p>In 2024, Housing Department staff continued its regular coordination with the Santa Clara County Housing Authority on policy matters, including the use of vouchers for residents across protected classes. Moreover, through the City's Intergovernmental Relations team, the City has advocated for more federal housing vouchers. While some efforts to prioritize these vouchers for members of protected classes are currently under evaluation, the City continues to support the expansion of tenant-based vouchers and will look for opportunities to draft support letters accordingly, including as part of its upcoming engagement with the new federal administration.</p>
<p>S-15 Tenant preferences in VTA station areas</p>	<ul style="list-style-type: none"> - Work with the Valley Transportation Authority to implement the City's forthcoming affordable housing tenant preferences and other policies on affordable apartments in station area developments. - Include in Anti-Displacement Tenant Preference all publicly-owned sites, development agreements, and negotiated developments to support this initiative. 	2023-31	<p>In March 2024, City Council approved the Housing Department's Tenant Preferences Program to help Fight Displacement. Housing staff began implementation of the Tenant Preferences in 2024 for newly-funded forthcoming affordable apartments, and existing affordable apartments that update the City's loan documents. Staff plans to coordinate again with the Valley Transit Authority once the Program's administrative guidelines are completed in early 2025. However, as most developments in VTA station areas are also seeking City funding, those properties will likely become part of the overall Tenant Preferences pipeline that applies to all City-funded developments, and there may not be a need for special implementation by the VTA. In 2025, staff will continue monitor forthcoming station area sites to ensure widespread Program implementation.</p>

S-16 Affirmative marketing languages and best practices for affordable housing	<ul style="list-style-type: none"> - For all City-funded affordable housing, require affirmative fair housing marketing to be done in English plus top 3 languages by 2027. - Expand data collection and monitoring of affirmative marketing of affordable apartments for initial lease-up and waitlist openings. - Create library of best practices including sample notices translated into multiple languages. 	2026-27	Staff continues to operate Doorway, the City's online tenant portal in San Jose's top four languages. Staff plans to initiate development of affirmative marketing policy requirement in 2025-26.
S-17 Local Fair Chance / "Ban the Box" ordinance	<ul style="list-style-type: none"> - Complete a report to review best practices in housing formerly incarcerated people and assess the feasibility, impact, and enforcement options of a Fair Chance / Ban the Box ordinance for rental housing applicants that would limit the use of criminal records by property managers when they are screening prospective tenants. - Draft an Ordinance and create a program proposal for the City Council's consideration. 	2026-28	Significant work was not yet started on this item in 2024 as it is a medium-term priority. In advance of initiating this work, Housing Department staff is currently determining workload capacity and staffing. The City intends to begin reporting to City Council under the specified timeline.
S-18 Review Data on City-Monitored Properties to Identify Fair Housing Issues	<ul style="list-style-type: none"> - Analyze protected class information in the City's affordable housing portfolio, identify outlier properties with unusual concentrations of certain types of residents. - Proactively meet with property managers and/or owners to review affirmative marketing and lease-up practices to solve potential fair housing problems. 	Starting in 2025 and ongoing	Staff currently collects fair housing compliance data and plans to initiate work on this strategy in early 2025 by reviewing collected data and develop policies to collect additional data if needed.
S-19 Certificate of Preference Program	<ul style="list-style-type: none"> - Explore applicability of a Certificate of Preference program for the Diridon Station area to enable residents in danger of indirect displacement or who have been displaced to apply through separate queues for affordable apartments and/or homebuyer programs. 	2027	In 2024, the City was awarded a two-year policy fellow through the Partnership for the Bay Area's Future to conduct work on the City's preservation policy and program. The Fellow is intended to conduct the relevant research and legal analysis required for this certificate of preference program starting in 2025, as scheduled.
S-20 Tenant Preferences that Help Fight Displacement	<ul style="list-style-type: none"> - To help mitigate displacement and serve the most vulnerable local residents, develop fair-housing compliant tenant preferences for this population. - Seek Council approval for two tenant preferences: an Anti-Displacement Tenant preference, and a Neighborhood Tenant preference. - Include, as part of both policies, requirement that property managers accept alternative forms of documentation appropriate for non-citizens to prove eligibility for the preferences. - If approved, implement the preferences on affordable housing units subject to the preferences within 6 months of Council approval, including already operating buildings that have tenant preference language in their City agreements. - Seek the state's approval to use both tenant preferences within 12 months in HCD-funded affordable housing developments. - After Council approval of the Tenant Preferences that Fight Displacement, develop a proposal for a Displaced Persons Tenant Preference and examine design that could address non-geographic displacement patterns. - Seek Council approval for a Displaced Persons Tenant Preference. - Seek adequate funding for staff 	2023-25	City Council approved the Tenant Preferences to Help Mitigate Displacement program in March 2024, which became effective immediately. Immediately following approval, Housing Department staff started coordinating closely with developers of new and existing affordable developments subject to the program to begin implementing the preference unit set-asides for eligible applicants. Staff is finalizing written procedures for implementation.
S-21 Facilitation of Equal Access to Housing	<ul style="list-style-type: none"> - Continue to fund nonprofit organizations to affirmatively further Fair Housing throughout the City. - Develop metrics to better understand the City's impact from funding fair housing grantees. Consult grantees on appropriate metrics. 	2025	The City continues to fund fair housing service providers, collectively called the "Fair Housing Consortium," consisting of Project Sentinel, Law Foundation, Asian Law Alliance and Senior Adult Legal Services. Housing Department staff joined their monthly meeting on November 18, 2024, to discuss metrics and reporting of fair housing services. For the first three quarters of 2024, the consortium assisted 645 people, exceeding their contract goals.
S-22 Fair Housing Services and Support	<ul style="list-style-type: none"> - Confer annually with legal services, tenant advocates, and tenants to determine priorities for programs and funding on fair housing testing, outreach/education, and legal representation. 	Ongoing 2024-31	City staff met with its fair housing service providers, including Law Foundation, Project Sentinel, Senior Adult Legal Services and Asian Law alliance (Fair Housing Consortium) on December 9, 2024, to discuss needs and priorities. Highlighted issues were source of income discrimination, disability discrimination, lack of capacity amongst providers to assist all those in need and difficulties resolving reasonable accommodation requests due to differing perspectives and interpretation of reasonable accommodation standards. Providers identified several key sources of supplemental funding set to expire in 2025 resulting in a funding shortage.
S-23 Know Your Rights Materials	<ul style="list-style-type: none"> - Create basic 'Know Your Rights and Responsibilities' materials for landlords and tenants, including fair housing information. Produce materials in multiple languages with accessible vocabulary, pictures, and infographics. - Include information on City protection ordinances, state law on anti-rent spiking and just cause eviction protection, information on registering Code Enforcement complaints and how tenant associations can support this function, and the Doorway affordable apartment portal. - Create a robust outreach strategy to share this information widely including partners such as schools, community-based nonprofits, and housing providers. - Provide links to additional resources including more information on fair housing. - Identify eligible ongoing funding for this purpose. 	2023-25	Housing Department staff conducted a communications campaign entitled "Renting Has Its Rights" April through July 2024. The multi-channel campaign focused on the message that residents and owners should contact the City to better understand the City's ordinances. The campaign included the creation of two printed brochures that were produced in four languages, four signs that will continue to be reused by the Department, a new City webpage, four educational videos that were produced in three languages, a public service announcement that was produced for a Vietnamese radio station, one podcast episode, 25 social media posts that ran on three social media platforms, 60 educational advertisements on VTA bus exteriors, and 10 educational billboards. The billboards created an estimated 7.1 million impressions. The bus exteriors created an estimated 8.5 million impressions. Each social media post reached approximately 5,000 people, for a total of approximately 125,000 impressions.

<p>S-24 Targeted Fair Housing Outreach and Enforcement</p>	<ul style="list-style-type: none"> - Increase fair housing education, monitoring, and enforcement in target neighborhoods, especially on source of income discrimination. - Consult legal assistance partners to identify locations of complaints and analyze City data on higher opportunity areas with racial/ethnic concentrations different than the lower-income renter population to determine target neighborhoods (for e.g., in westside of the City there are several "high and higher resource" neighborhoods with high concentrations of ARO properties, see P-91 of Appendix B). - Create a plan for outreach together with nonprofit and community-based partners. - Identify more ongoing funding for this activity. - Enter into contracts with qualified legal services organizations, to the extent capacity exists to do additional outreach work. 	<p>Ongoing 2024-31</p>	<p>Staff has obtained source of income location complaint data from one fair housing provider and is working to collect additional source of income location complaint data from other fair housing providers and the Housing Authority. Staff intends to complete data collection and analysis in early 2025, and then convene a meeting with providers to review and begin development of an outreach plan.</p>
<p>S-25 Tenant-based Vouchers in Higher-resource Areas</p>	<ul style="list-style-type: none"> - Partner with the Santa Clara County Housing Authority to implement a strategy for their administration of San José Section 8 rental vouchers that reduces barriers to vouchers' use in higher- opportunity areas and maximizes voucher holders' housing choices. - Work with the Housing Authority to capture performance measures to determine residents' state of health and educational attainment. - Use the measures to identify possible program improvements. 	<p>2023-26</p>	<p>City Council adopted a Residential Incentive Program in Q4 2024 that provides several incentives, in the form of waived and discounted fees, for new residential development. Several of these potential projects have entitlements in higher opportunity census tracts and staff will hope to maximize the number of tenant-based vouchers available in related projects. Housing staff regularly meets with the SCCHA and will discuss relevant performance measures as needed throughout 2025.</p>
<p>S-26 Increased Support for Nonprofits to do Tenant and Landlord Outreach and Education</p>	<ul style="list-style-type: none"> - Identify ongoing funding to increase nonprofit organizations' support of San José tenants' rights. - Increase funding of nonprofits to do broad tenant outreach, education, and legal representation on housing issues, including fair housing issues, to all tenants in the City. - Support a nonprofit-run hotline for information and referrals on general tenant/landlord issues (not legal advice) for all tenants and landlords, regardless of income or type of home. - Establish an outreach and education program on the benefits of preservation as an anti-displacement strategy, geared to tenants, landlords, and the broader community. Make information available on the City's website and at Tenant Resource Centers. 	<p>2024-31</p>	<p>In 2024, the Housing Department successfully allocated funding and contracted with Project Sentinel to provide neutral landlord and tenant counseling (a hotline) and conflict resolution services, which includes rentals not covered by City rental housing ordinances. In 2024, the Housing Department also contracted with Legal Link, to provide additional outreach under a community justice model type outreach program. Housing Department staff meets monthly with these and other legal services providers to promote coordination, outreach and program performance. The Housing Department is also launching a rebate and financing program to aid apartment owners to comply with a recent mandatory seismic retrofit of soft-story buildings ordinances. The intent is to expand this program to other unit preservation programs.</p>
<p>S-28 Right to Counsel or Alternative</p>	<ul style="list-style-type: none"> - Develop a San José Right to Counsel and/or an alternative housing collaborative court program proposal for the City Council's consideration aimed at providing legal services/representation for tenants. - Issue a Request for Proposals and work with selected consultant to study costs and benefits of a Right to Counsel program and other court intervention alternatives; identify necessary legal, financial and other resources, a cost estimate, and potential funding sources. - Additionally, explore potential regional partnerships for a regional Right to Counsel study and implementation as an alternative. - Coordinate program design with community-based organizations, especially those who serve historically redlined communities. - Coordinate public outreach and education with community-based organizations. - Integrate persons with lived experience into program oversight and implementation. 	<p>2025-26</p>	<p>In 2024, the Housing Department contracted with HR&A Advisors to complete a County-wide study on Eviction Court Alternatives. The study is an examination of various eviction court interventions and an analysis of the feasibility of those alternatives, including evaluating the Housing Department's current efforts that began during the pandemic. The goal of the study is to identify efforts the City can continue or initiate to prevent families from falling into homelessness after a court action and to reach residents and housing providers further upstream during the eviction process. The study should also highlight the gaps in the existing eviction court process ecosystem with respect to how the Court, community service providers, legal aid, landlord bar, mediators, and the City coordinate efforts to resolve eviction cases and efficiently utilize safety net programs.</p>
<p>S-29 Rent Stabilization Program Strategic Plan and Program Assessment</p>	<ul style="list-style-type: none"> - Complete a Strategic Plan for the Rent Stabilization Program to support the assessment of the efficacy of the Program in meeting its goals to protect and stabilize tenants' housing. Include examination of the Program's effectiveness at helping to prevent Unlawful Detainers and evictions. - Evaluate the current Apartment Rent Ordinance and consider a set of possible amendments including types of properties covered and alternate methods of calculating maximum allowable rent increases. 	<p>2026</p>	<p>Significant revisions were made to the Rent Stabilization Program Draft Strategic Plan in summer 2024, leading to City Council approval in September 2024. In 2025, evaluation of the team's efficiency and effectiveness of implementation of the Apartment Rent Ordinance will continue as the Rent Stabilization Program collaborates with the City Attorney on this work.</p>
<p>S-30 Just Cause Eviction Protection Amendment</p>	<ul style="list-style-type: none"> - Request that the City Council expand the City's Tenant Protection Ordinance on just cause evictions and tenant harassment protections to not count immediate household members against occupancy limits, to the extent allowed by state Health and Safety Code and other legal limitations. - Analyze reduction in Unlawful Detainer notices and/or evictions resulting from the violation of occupancy limits. 	<p>2026-27</p>	<p>Significant work on this item did not commence in 2024 as it is a medium-term priority.</p>

S-31 Tenant Protection Ordinance Amendment for Affordable Apartments	Review the Tenant Protection Ordinance on just cause evictions and tenant harassment protections for ways it could apply to restricted affordable apartments and still be consistent with rules for common funding sources such as low-income housing tax credits and state funding programs, and propose amendments to the City Council.	2027	In 2024, staff focused on responding to Council direction and implementing high-priority work as a result of an internal City audit of the Tenant Protection Ordinance program. Once must be completed before beginning work on this strategy. Work on this strategy is not expected to commence until late 2025.
S-32 Local Enforcement of State Tenant Protections	<ul style="list-style-type: none"> - Work with the state to establish that San José can enforce source of income discrimination laws, and other state tenant protections that interact with City programs. - Assess whether desired enforcement authority can be granted administratively or if legislation is needed. - If needed, advocate for legislation such as SB 567 (2023) or with state HCD to establish authority of enforcement. - Make information about AB 1482, the state's anti-rent spiking and just cause eviction protection law, available through Eviction Help Centers, the Eviction Diversion Program, the Tenant Resource Center, and other tenant engagement via phone inquiries to staff. - Conduct and coordinate outreach and education on local enforcement of state requirement to property owners, tenants, and community-based organizations. - Identify processes and needed resources to track units subject to AB 1482 in San José, and data needed to enforce the state law. - Track the City's AB 1482 education and enforcement activities, including for just cause evictions and for anti-rent spiking, in reports for the public. 	2023-26	Senate Bill 567 became effective April 1, 2024. This new law extends state protections to renters against steep rent increases and evictions without cause. It strengthens tenant eviction protection and allows cities and counties to help enforce the state's existing rent increase caps. The Housing Department has contracted with Project Sentinel to offer landlord tenant counseling (a hotline), and neutral conflict resolution services. Project Sentinel provides services to multiple jurisdictions and is able to interpret and disseminate information about new state laws and applicable renter protections, including the Tenant Protection Act AB 1482, to San José residents. In 2024, the Housing Department also contracted with Legal Link to increase outreach efforts by training community partners on basic rental housing legal issues and processes to sufficiently to support families facing housing instability in accessing the right resources. By increasing outreach efforts, increasing coordination, the City will be able to increase access to renter protection information.
S-33 Job Training with Housing Subsidies	<ul style="list-style-type: none"> - Provide participants of local job training programs with shelter and rapid rehousing subsidies to increase their stability and access to living wage jobs. - Advocate for ongoing funding from the state and federal government for this purpose. 	2023-31 ongoing, pending funding availability	No programs offering job training combined with housing subsidies were implemented in 2024.
S-34 Economic Opportunity Strategies	<ul style="list-style-type: none"> - Explore and establish strategies to increase economic opportunities, self-sufficiency, and asset- building for households and communities. - Fund programs with federal funds from HUD to the extent uses are eligible, funds are available, and work is in alignment with the City's Consolidated Plan 2020-25, and other funds. 	Ongoing 2023-31	In CY 2024, the Housing Department finalized an agreement with WeeCare, Inc. dba Upwards (Upwards). The agreement awarded \$1,048,394 of CDBG funding to support Upwards' Business Operation and Optimization Support Tools (BOOST) Program. The BOOST program offers a comprehensive package of technical assistance and business support to low- and moderate-income home daycare business owners in San Jose. Through the program, Upwards' staff provide individualized professional guidance and digital tooling over a 12-month period that enables childcare providers to build sustainable operational models, increase business capacity, and broaden economic stability and opportunities.
N-1 Equitable Neighborhoods-based Investment Strategies	<ul style="list-style-type: none"> - Focus the City's investments on increasing equity in racially/ethnically concentrated neighborhoods with extremely low incomes by engaging community members and seeking a common data-informed approach across initiatives. - Engage residents in formerly redlined neighborhoods with high race/ethnicity concentrations and lower incomes to identify their investment priorities. Also incorporate historically impacted individuals who are at risk of displacement who do not currently live in highly concentrated neighborhoods. Use this information to inform the City's Consolidated Plan for the use of federal funds from HUD for the 2025-2030 cycle. - Prioritize investing federal Community Development Block Grant funds and other funds, to the extent legally permissible, in capital projects and to deliver services to racially and ethnically concentrated areas with a high proportion of lower-income residents. Data-informed approaches may consist of methods such as surveys or an online participatory budgeting process, where residents of under-resourced neighborhoods decide on the types and nature of capital improvement projects and other place-based improvements. - Align data indicators on income, race/ethnicity, and protected classes where possible by coordination with other 	2023-31	The City's CDBG internal Notice of Funding Availability for infrastructure projects in other City departments continued to prioritize emphasizing areas in San Jose that are racially and ethnically concentrated. Proposals will be included in the FY2025-2026 Annual Action Plan which will be brought forward in spring 2025. Projects include updating a neighborhood tot lot and replacing traffic signals with accessible traffic signals.
N-2 Urban Village Plans with Anti-Displacement Features	Complete update of Five Wounds Urban Village Plan (Five Wounds, Little Portugal, Roosevelt Park, 24th & Williams St.) to prepare for BART station area creation. Work with the Valley Transportation Authority and co- selected consultant to identify & integrate residential and small business anti-displacement features. Use these features in other Urban Village plans as best practices.	2023-24 for Five Wounds	In 2024, staff collaborated further with the VTA and consultants to capture and try to address comments from the community in the Five Wounds Area Urban Village plan. Consultant recommendations were further honed and considered for inclusion in the Plan. As many of the housing anti-displacement strategies suggested by the consultant were already part of the Housing Element work plan, a handful remain under consideration for feasibility and impact. Staff expects to finalize recommendations in 2025. For future Urban Village plans, staff will consider inclusion of identified items to help prevent both residential and small business displacement.
N-3 Vacant and Neglected Buildings and Storefront Program	Continue the Vacant and Neglected Building and Storefronts Program to monitor all identified vacant or neglected buildings and storefronts so that they remain safe and secure until they are rehabilitated and reoccupied. This proactive program reduces the risk of loitering, illegal occupancy, and fire hazards.	Ongoing 2023-31	The Vacant and Neglected Building and Storefronts program is currently supported by one full-time inspector and one Limit dated (LD) inspector position. The LD position focuses on enhanced enforcement efforts within the downtown area. Performance metrics have been reviewed and updated to better reflect inspector workload within the program. In calendar year 2024, the LD inspector conducted 925 inspections within the downtown area, while the full-time inspector conducted 781 inspections citywide, resulting in a total of 1,706 inspections. A total of 152 citations were issued during the year, with 59 citations issued by the downtown LD inspector and 102 citations issued by the citywide inspector. Additionally, 131 cases were opened, and 64 cases were resolved. As of December 31, 2024, the program was actively monitoring a total of 209 vacant properties or storefronts throughout San Jose.

<p>N-4 Preservation and Community Development Capacity Building</p>	<ul style="list-style-type: none"> - Establish programs to provide capacity building and technical assistance to community-based nonprofit organizations to engage in grassroots community preservation, empowerment, and development activities partnered with nonprofit developers in order to stabilize neighborhoods. - Pursue preservation activities that include acquisition and rehabilitation of existing low-cost housing, alternative community ownership models, and anti-displacement support for community-serving small businesses. - Pursue empowerment activities that include resident and small business outreach and organizing around tenant association formation, cooperative formation, business district formation, community planning, and know-your- rights education. - Develop activities that include development of affordable housing, community facilities, and community-serving commercial space. - Continue to support formation and maturation of community land trusts and community development corporations, learning from models such as Los Angeles County's Community Land Trust Partnership Program. - Seek additional funding, partnerships 	<p>2023-27</p>	<p>In May 2024, City Council approved awards of four capacity building grants related to community development programming to the following nonprofits: South Bay Community Land Trust; Sacred Heart Community Service; SOMOS Mayfair, Inc.; and School of Arts and Culture at Mexican Heritage Plaza. All four are undertaking activities to learn about affordable housing development and/or housing preservation. The funds were special one-time funds obtained through a Community Benefits Agreement with Google for its Downtown West development. Contracts will extend through mid-2026. In addition, the Housing Department joined the Mayor's Office to apply for a Partnership for the Bay's Future two-year policy fellow, which was awarded in late 2024. This is the third round the City has been successful in competing for a policy fellow to help develop production and preservation work items. In addition to exploring the use of health-related funding to support interim housing construction and operations, the fellow will work with the City's partner under the award, SV@Home, to support its nonprofit capacity building cohort in 2025.</p>
<p>N-5 Increase Affordable Housing Production in Higher-resource Areas</p>	<ul style="list-style-type: none"> - Fully implement and evaluate effectiveness of the City's Affordable Housing Siting Policy, passed by City Council in December 2022, which seeks to affirmatively further fair housing by incenting affordable housing creation in "high-opportunity" or "high-resource" areas (called Affordable Housing Expansion Areas in the Policy) through the City's Affordable Housing NOFA process. The Siting Policy also requires a process for further review for any affordable housing development proposed in a census tract with an existing high concentration of affordable housing or a high poverty rate. - Allocate affordable housing subsidy awards to higher-resource neighborhoods to increase affordable housing production there, providing more lower-income and protected class residents greater choices of where they can live. 	<p>2026-27</p>	<p>In 2024, staff drafted a New Construction and Preservation Request for Proposals for release in first quarter 2025. This RFP will incorporate the City's Siting Policy, which will prioritize awards in Affordable Housing Expansion Areas located in higher-resource areas. The Siting Policy evaluation will begin next year.</p>
<p>N-6 Reduced Transit Fares for Lower-Income Residents</p>	<p>To reduce the cost of transportation + housing for lower- income residents, continue to coordinate with the Valley Transportation Authority to apply for and access federal funds to subsidize low-income resident transit fares, and promote Bay Area-wide means-based fare reduction programs.</p>	<p>2023-31</p>	<p>The City is party to a regional transit task force that is implementing region-wide passes and rationalizing fare structures. In 2024, a pilot of regional passes was found to be successful and is slated to expand beyond the pilot group (it has been mostly tested with students including those from SJSU). Furthermore, the City continues to work with the Valley Transportation Authority (VTA) to implement its discount dates program for those who already receive public assistance. Staff will work with the Office of Intergovernmental Relations will explore any future possible avenues of funding that can subsidize these reduced transit fares.</p>
<p>N-7 External Infrastructure Funding to Create Complete, High-quality Living Environments</p>	<ul style="list-style-type: none"> - Continue to seek external funding for parks, transportation, and other types of neighborhood infrastructure that favor cities with a demonstrated commitment to building affordable housing. - Coordinate across departments to apply for funds for the purpose of prioritizing investments in lower- income neighborhoods with fewer amenities and need according to City investment plans or other amenity analysis to the extent that program rules allow. - Improve accessibility for residents with physical disabilities through infrastructure work. 	<p>2023-31</p>	<p>In 2024, the City used federal CDBG to fund two infrastructure projects in CDBG Low-Moderate Income Census tracts that have a majority of residents qualifying as low-income. The City's Department of Transportation started work installing the Accessible Pedestrian Signals (APS) at identified intersections. Public Works also began replacing outdated lighting with energy efficient lighting at identified Fire Stations. This will provide safety lighting for the communities surrounding the Fire Stations. NEPA evaluations were completed in the late summer of 2024 for both projects to enable federal funds to be used.</p>
<p>N-8 Outside Bond Issuers</p>	<ul style="list-style-type: none"> - Analyze the merits of requiring that the City issue private activity bonds for affordable housing. Positives include increased City control, positive neighborhood outcomes, and generation of revenue for city staffing. Challenges include City workload and costs to developers for City fees. - If a change is warranted, seek City Council approval for an amendment to the City's bond issuance policy. 	<p>2025</p>	<p>Staff will review its private activity bond issuance policy in 2025 based on recent experience of demand and utility of using third-party bond issuers, and will consider alternatives to achieving the City's goals of control and promoting positive neighborhood outcomes.</p>
<p>N-9 Affordable Transit-oriented Development</p>	<p>Facilitate development of transit-oriented affordable homes within ½-mile of future BART, Light rail, and Bus Rapid Transit (BRT) stations, including identification of opportunities to develop publicly-owned parcels with affordable housing.</p>	<p>2023-31 ongoing</p>	<p>In 2024, staff drafted a New Construction and Preservation Request for Proposals for release in first quarter 2025. This RFP will include a points structure that incentivizes the creation of affordable housing within 0.5 mile of transit hubs including BART, light rail and BRT stations.</p>
<p>I-1 Persons with Disabilities Partnership and Priorities</p>	<ul style="list-style-type: none"> - Create partnerships with organizations that provide outreach to persons with disabilities. - Meet at least twice per year to collaborate on ways the City could improve how well its affordable housing portfolio serves residents with disabilities. - Conduct two tours of affordable sites to get partners' feedback and identify challenges for residents with disabilities, prioritize changes to developments the City could effectuate, identify potential changes to the City's affordable housing funding priorities and other requirements, and promote lessons learned to the development community. 	<p>2023-26</p>	<p>In September 2024, the Housing Department convened a meeting with organizations that support persons with disabilities to discuss issues in housing accessibility including those within the City's affordable housing portfolio. Issues raised include lack of physically accessible units, lack of clarity of which units are accessible and at what levels, and lack of understanding of the breadth of disabilities in designing units. Housing Department staff plan to convene the group again in 2025 to gather additional feedback and conduct tours of affordable housing sites to evaluate accessibility. In addition, the Housing Department's forthcoming New Construction and Preservation Request for Proposals (expected in first quarter of calendar 2025) will incent the creation of affordable apartments for residents with physical disabilities.</p>

<p>I-2 Affirmative Marketing to Persons with Disabilities</p>	<ul style="list-style-type: none"> - Implement practices to increase access to existing affordable housing, especially those located near transit, for residents with disabilities. - Verify that affirmative marketing plans for affordable apartments include outreach to persons with disabilities and organizations that represent them (i.e., San Andreas Regional Center, Housing Choices Coalition for Person with Developmental Disabilities, Silicon Valley Independent Living Center, and others). - Ensure that reasonable accommodation request forms are in formats that are fully accessible. - Research and promote property management companies' best practices that maximize the likelihood of applicants with disabilities being able to access affordable, accessible apartments. 	<p>2024-27</p>	<p>Fair Housing Compliance and Reasonable Accommodation requests in the City's affordable housing portfolio are reviewed annually. In 2024, Housing Department staff held a stakeholder meeting to identify which affordable housing developments have units dedicated to Disabled Residents and to understand some of the situations disabled residents have been facing. In 2025, the Department's affirmative fair housing marketing work will be reexamined in conjunction with refreshed Asset Management procedures, and these changes would start to move forward at that time.</p>
<p>I-3 Farmworker Housing</p>	<p>Update the zoning code to clarify that farmworker housing for 6 or less people shall be treated the same as a single-family home, amend the agricultural zoning district to ensure consistency with California Health & Safety Code 17201.6, revise Chapter 20.195 of the zoning code to ensure compliance with California Health & Safety Code Section 17201.8. Within six months of Housing Element adoption, revise Chapter 20.195 of the zoning code to be consistent with the requirements of the Employee Housing Act. Pursuant to Health and Safety Code section 17021.5, employee housing for six or fewer employees shall be treated as a single-family structure and permitted in the same manner as other dwellings of the same type in the same zone. In addition, the City will amend the zoning code to comply with Health and Safety Code section 17021.6, which states employee housing of less than 36 beds or 12 units shall be deemed as an agricultural use.</p>	<p>Dec-24</p>	<p>This program was approved by City Council in 2023 - completed.</p>
<p>I-4 Create a Housing Balance Report</p>	<p>Create a biannual Housing Balance Report that tracks the net gain and loss of all types of affordable and low-cost housing, analyzes it spatially, and compares to demographics to determine the City's progress in maintaining and increasing the availability of appropriate housing opportunities for all residents (including those in protected classes) across the City. Geographic analysis should also identify displacement risk and segregation, and analyze Urban Villages and neighborhoods or Council districts.</p>	<p>2025</p>	<p>Housing Department staff is working with a consultant to prepare the City's first Housing Balance Report. The goal of the report is to examine changes and trends in the City's total housing stock (restricted affordable homes, Apartment Rent Ordinance apartments, and market-rate housing) to identify needs and to inform the City's Production and Preservation strategies. The report, which is being funded by the Coro Foundation through the Partnership for the Bay's Future, is scheduled to be presented at CEDC in April 2025.</p>
<p>I-5 Accessibility Plans and Guidance</p>	<ul style="list-style-type: none"> - Actively enforce most recent building code to ensure new developments are fully accessible for residents with physical mobility issues. - Work with an ADU partner to post a plan set for ADUs consistent with universal design principles and fully accessible for residents with physical mobility issues. - Issue guidance on how to create accessible pathways between an ADU, the main residence, and the street to promote independence and mobility of residents with physical disabilities. 	<p>2027</p>	<p>Significant work on this item had not yet commenced in 2024 as it is a medium-term priority.</p>
<p>I-6 Universal Design and ADA Upgrades</p>	<p>Through the City's Notices of Funding Availability, incent construction of universal design apartments and ADA upgrades for existing buildings consistent with TCAC guidelines to enhance accessibility and inclusion for seniors and people with physical disabilities including those with developmental disabilities served by the San Andreas Regional Center.</p>	<p>Periodically 2023-31</p>	<p>In 2024, staff drafted a New Construction and Preservation Request for Proposals for release in first quarter 2025. This RFP will include a points structure that incentivizes increased access for disabled people, and participating in design meetings with the disabled community.</p>

<p>I-7 Inclusive and Equitable Community Engagement</p>	<ul style="list-style-type: none"> - Develop and implement inclusive and equitable community engagement strategies that center racial and social equity to inform and hear from San José residents in protected classes. Strategies are for use by City staff as well as developers and community groups. - Amend the City's outreach and engagement policies, including Public Outreach Policy 6-30, to ensure that outreach is robust and opportunities for meaningful public participation are fully supported with multi-lingual materials, translation, and interpretation. Provide clear processes and methods to collect multi-lingual input and for input by persons with disabilities. - Adopt language access standards for Housing Department outreach/public events and for Housing Department-funded affordable housing and grantees. - Increase the availability of financial resources for all City staff to regularly partner with community-based organizations who have community engagement, relationship building, and education as core competencies to gather meaningful community input. - Continue to develop consistent equitable outreach practices and coordination across departments. Provide staffing from the City Manager's Office to help manage, train staff, and monitor effectiveness. 	<p>2026</p>	<p>In 2024, Planning staff identified resources to update the Council Policy 6-30 for Public Outreach. Staff prepared a work plan to begin conducting outreach in 2025. Staff will work with the community to update the policy to ensure community engagement efforts are strategic and inclusive.</p>
<p>I-8 Promotores-based outreach</p>	<ul style="list-style-type: none"> - Fund a community based Promotores program to compensate residents who listen actively to community members' needs, share their lived experiences, build trust, and help the City to do meaningful community outreach and engagement. - Focus resources on hiring Promotores from protected classes to serve the City's subpopulations experiencing the greatest housing needs. - Make them available to all departments conducting outreach and engagement. 	<p>2023-31</p>	<p>The City's pilot Promotores outreach program continued through mid-2024 via contracts with the Si Se Puede Collective, CommUniversity, Asian American Community Involvement Consortium, Community Health Partnerships, and LUNA. Grantees worked jointly with several City departments to conduct outreach on a variety of City work items. Outreach was done with residents, business owners & other stakeholders.</p>
<p>I-9 Equitable Representation of Historically Underrepresented Communities on City Bodies</p>	<ul style="list-style-type: none"> - Conduct an analysis of appointments to commissions and advisory bodies to track the representation of protected classes, historically underrepresented neighborhoods, and those with other relevant characteristics. - Based on the outcomes of that analysis, develop and implement guidelines, update the municipal codes where needed to require an equitable distribution of seats for historically underrepresented populations, including low-income renters and homeless/formerly homeless residents. - Translate City materials and ensure the City has adequate resources to provide translations and translators to non-native English speakers. 	<p>2024-28</p>	<p>In March 2024, City Council approved the audit of language accessibility, including 12 recommendations to strengthen efforts to address language equity across City services. One of the recommendations calls for developing guidance for identifying, prioritizing, and translating vital documents as well as expanding the City's use of translation technologies where culturally appropriate translations can be achieved. Currently, the City offers interpretation and accommodations by request at commission meetings. City Council and Committee meetings offer interpretation by artificial intelligence interpretation software. The City Clerk's office continues to participate in outreach to educate potential first-time applicants for open commission seats, including residents of color, encouraging them to apply.</p>
<p>I-10 Lived Experience with Homelessness Seat on Commission</p>	<ul style="list-style-type: none"> - Fully implement the primary and alternate seats for a commissioner with Lived Experience Seat with homelessness on the Housing and Community Development Commission. - Work with the Mayor's Office and the Clerk's Office to ensure the primary and alternate seats are filled promptly and the primary seat remains filled ongoing. - Provide orientation, training, compensation, and other supports as needed together with Destination: Home. - Perform a confidential evaluation with those two commissioners, and other interested commissioners, starting 12 months after the Lived Experience commissioner seat is filled, and implement additional recommended improvements to support the commissioners. 	<p>2023-26</p>	<p>Staff completed all work on this strategy 2023. The alternate seat on HCDC has been re-filled, oriented, and the confidential evaluation completed. The Commissioner in that seat and Alternate continue to participate actively in HCDC. Staff will continue to ensure participation of and support for the Lived Experience seat on the HCDC.</p>
<p>I-12 Resident-identified Priorities</p>	<ul style="list-style-type: none"> - Interview, survey and analyze the living experience of the City's lower-income residents, especially those in protected classes, in all housing across the City. - Provide incentives as possible to promote robust resident participation. - Use the results to determine needs the City should track and endeavor to meet in the housing element planning period. 	<p>2025-27</p>	<p>In 2024, the Housing Department launched a Residential Needs Survey as part of its 2025-2030 Consolidated Plan outreach. Initial results indicate that high rental costs and lack of affordable housing continue to be top concerns for residents. Further analysis of the survey and comparison with past surveys will be conducted as part of the Consolidated Plan outreach process. Staff plans to initiate a broader Citywide survey for lower-income residents in 2025.</p>
<p>I-14 Assessment of Fair Housing Plan</p>	<p>Complete the Assessment of Fair Housing Plan. Include implementation actions that may build on the Housing Element strategies in the Housing Catalyst Team Work Plan.</p>	<p>2024</p>	<p>In 2024, the Housing Department determined that the Assessment of Fair Housing prepared for the Housing Element is sufficient for Consolidated Plan planning purposes. This Assessment of Fair Housing Plan work item was designed to meet forthcoming rules from President Biden's administration, and the content was going to be a repackaging of the Housing Element work plan. Proposed rules for the Assessment of Fair Housing will be determined by President Trump's Administration priorities. As the Assessment of Fair Housing analysis also forms the basis of the Housing Element Work Plan, the City already has an actionable strategy to help address the community's needs. Strategies contained in the Housing Element were developed to affirmatively further fair housing and will be tracked and reported in the annual Housing Element reporting process.</p>

Jurisdiction	San Jose	
Reporting Period	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	01/31/2023 - 01/31/2031

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

Note: "+" indicates an optional field

Cells in grey contain auto-calculation formulas

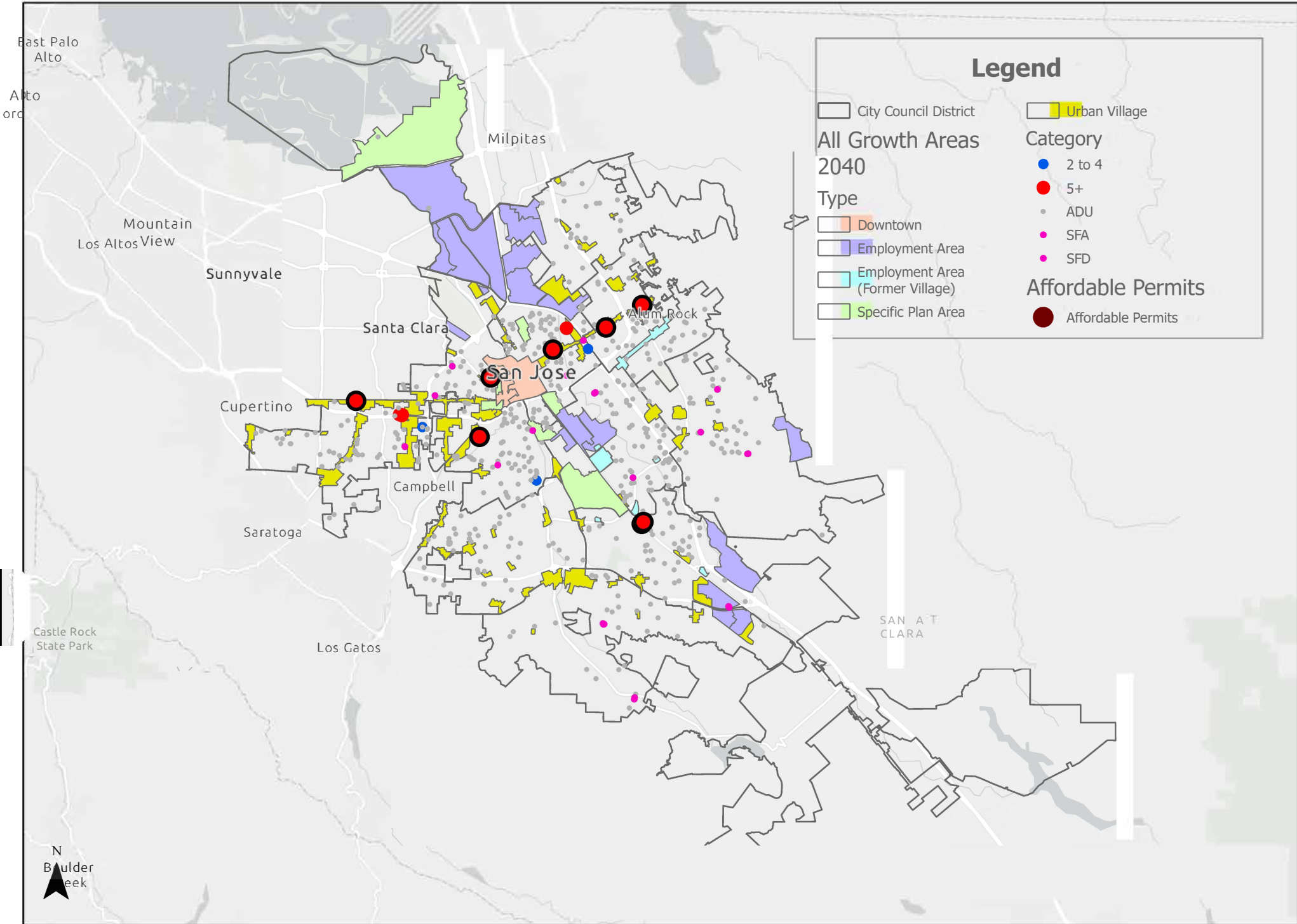
Table F

Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)

Please note this table is optional: The jurisdiction can use this table to report units that have been substantially rehabilitated, converted from non-affordable to affordable by acquisition, and preserved, including mobilehome park preservation, consistent with the standards set forth in Government Code section 65583.1, subdivision (c). Please note, motel, hotel, hostel rooms or other structures that are converted from non-residential to residential units pursuant to Government Code section 65583.1(c)(1)(D) are considered net-new housing units and must be reported in Table A2 and not reported in Table F.

Activity Type	Units that Do Not Count Towards RHNA ⁺ Listed for Informational Purposes Only				Units that Count Towards RHNA ⁺ Note - Because the statutory requirements severely limit what can be counted, please contact HCD at apr@hcd.ca.gov and we will unlock the form which enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c) of Government Code Section 65583.1 ⁺ . For detailed reporting requirements, see the checklist here: https://www.hcd.ca.gov/community-development/docs/adequate-sites-checklist.pdf
	Extremely Low-Income ⁺	Very Low-Income ⁺	Low-Income ⁺	TOTAL UNITS ⁺	Extremely Low-Income ⁺	Very Low-Income ⁺	Low-Income ⁺	TOTAL UNITS ⁺	
Rehabilitation Activity	59	24	2449	2532					
Preservation of Units At-Risk	44	178		222					
Acquisition of Units									
Mobilehome Park Preservation									
Total Units by Income	103	202	2449	2754					

Attachment C - Map of Building Permits Issued in 2024



ANNUAL REPORT
OF THE HOUSING SUCCESSOR TO THE SAN JOSÉ REDEVELOPMENT AGENCY
REGARDING THE
LOW- AND MODERATE-INCOME HOUSING ASSET FUND
FOR FISCAL YEAR 2023-2024
PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34176.1(f)
FOR THE CITY OF SAN JOSE

This Housing Successor Annual Report (Report) regarding the Low- and Moderate-Income Housing Asset Fund (LMIHAF) has been prepared pursuant to California Health and Safety Code Section 34176.1(f) and reflects data from July 1, 2023, through June 30, 2024.

This Report sets forth certain details of the housing activities of the City of San José, Housing Successor to the former Redevelopment Agency of the City of San José, during Fiscal Year 2023-24. The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information prepared by Housing Successor staff and information contained within the independent financial audit of the Low and Moderate Income Housing Asset Fund [CITY OF SAN JOSÉ COMPREHENSIVE ANNUAL FINANCIAL AUDIT](#) for Fiscal Year 2023-2024 as prepared by Macias Gini and O’Connell LLP, which Audit is separate from this annual summary Report; further, this Report conforms with and is organized into Sections I through XIII, inclusive, pursuant to Section 34176.1(f) of the Dissolution Law, as follows:

I. Loan Repayments: This section provides the amount the City received pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 34191.4.

II. Amount Deposited into LMIHAF: This section provides the total amount of funds deposited into the LMIHAF during the Fiscal Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.

III. Ending Balance of LMIHAF: This section provides a statement of the balance in the LMIHAF as of the close of the Fiscal Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.

IV. Description of Expenditures from LMIHAF: This section provides a description of the expenditures made from the LMIHAF during the Fiscal Year. The expenditures are to be categorized.

V. Statutory Value of Assets Owned by Housing Successor: This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

VI. Description of Transfers: This section describes transfers, if any, to another housing successor agency made in previous Fiscal Year(s), including whether the funds are unencumbered and the status of projects, if any, for which the transferred LMIHAF will be used. The sole purpose of the transfers must be for the development of transit priority projects, permanent supportive housing, housing for agricultural employees or special needs housing.

VII. Project Descriptions: This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.

VIII. Status of Compliance with Section 33334.16: This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former Redevelopment Agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, it provides a status update on the project.

IX. Description of Outstanding Obligations under Section 33413: This section describes the outstanding inclusionary and replacement housing obligations, if any, under Section 33413 that remained outstanding prior to dissolution of the former Redevelopment Agency as of February 1, 2012 along with the Housing Successor's progress in meeting those prior obligations, if any, of the former Redevelopment Agency and how the Housing Successor's plans to meet unmet obligations, if any.

X. Income Test: This section provides the information required by Section 34176.1(a)(3), or a description of expenditures by income restriction, beginning in 2019 and every five years thereafter, for a cumulative time period, beginning January 1, 2014 through the end of the latest fiscal year covered in the report, as to whether the statutory thresholds have been met.

XI. Senior Housing Test: This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former Redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former Redevelopment Agency, and its host jurisdiction within the same time period. For this Report, the 10-year reviewed period is July 1, 2013, to June 30, 2023.

XII. Excess Surplus Test: This section provides the amount of excess surplus in the LMIHAF, if any, the length of time that the Housing Successor has had excess surplus, and the Housing Successor's plan for eliminating the excess surplus.

XIII. Homeownership Units

An inventory of homeownership units assisted by the former Redevelopment Agency or the Housing Successor that are subject to covenants or restrictions or to an adopted program that protects the former Redevelopment Agency's investment of moneys from the Low- and Moderate-Income Housing

Fund pursuant to subdivision (f) of Section 33334.3. This inventory shall include all of the following information:

(A) The number of those units.

(B) The number of the units lost to the portfolio in the last fiscal year and the reason for those losses.

(C) Any funds returned to the Housing Successor as part of an adopted program that protects the former Redevelopment Agency's investment of moneys from the Low- and Moderate-Income Housing Fund.

(D) Whether the Housing Successor has contracted with any outside entity for the management of the units and, if so, the identity of the entity.

This Report is to be provided to the Housing Successor's governing body by April 1, 2025. In addition, previous versions of this Report and the former Redevelopment Agency's pre-dissolution Implementation Plans are made available to the public on the City's website at <https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/housing-element>.

I. LOAN REPAYMENTS

The City received a repayment of \$0 of Supplemental Educational Revenue Augmentation Fund (SERAF) funds pursuant to subparagraph (A) of paragraph (3) of subdivision (b) of Section 34191.4.

II. AMOUNT DEPOSITED IN TO LMIHAF

A total of \$30,845,515 was deposited into the LMIHAF during the Fiscal Year which includes program income from loan repayments and interest earnings. Of the total funds deposited into the LMIHAF, \$0 (zero) dollars were held for items listed on the ROPS.

III. ENDING BALANCE OF LMIHAF

At the close of the Fiscal Year, the ending balance in the LMIHAF was \$81,674,520 of which \$0 dollars were held for items listed on the ROPS.

IV. DESCRIPTION OF EXPENDITURES FROM LMIHAF

The following is a description of expenditures from the LMIHAF by category:

Expenditures	Amount Spent in FY
Monitoring & Administration Expenditures	\$13,501,855
Homeless Prevention and Rapid Rehousing Services Expenditures	\$237,177
Housing Development Expenditures	
- Expenditures on Extremely Low-Income Units (0-30% AMI)	\$15,516,100
- Expenditures on Very Low-Income Units (31-50% AMI)	\$20,675,389
- Expenditures on Low-Income Units (51-60% AMI)	\$0
- Expenditures on Low-Income Units (61-80% AMI)	\$4,356,254
- Expenditures on Unrestricted Units (Manager’s unit)	\$459,327
- Expenditures on Acquisition and Predevelopment	\$0
Total Housing Development Expenditures	\$41,007,070
Total LMIHAF Expenditures in Fiscal Year	\$54,746,102

California Health and Safety Code Section 34176.1 allows for 5% of the total \$714,745,600 gross value of Housing Successor assets, or \$35,807,724, to be used on monitoring and administrative expenditures. As the Housing Successor’s expenditure for monitoring and administrative expenditures of \$13,501,855 million is well under the allowable cap, that **requirement is met**.

The Housing Department expects near-term disbursement on four new developments (525 N. Capitol, Kooser Apartments, Hawthorn Senior Apartments, 5885 Santa Teresa Boulevard) with total

commitments of \$69.4 million. In addition, the Housing Department expects to secure a funding commitment for one more development prior to the end of the 2024-2025 fiscal year, for Berryessa Apartments, which will total \$10 million and result in future disbursements.

V. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR IN LMIHAF

Under the Dissolution Law and for purposes of this Report, the “statutory value of real property” means the value of properties formerly held by the former Redevelopment Agency as listed on the housing asset transfer schedule approved by the Department of Finance as listed in such schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of property(ies) purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory book value of assets owned by the Housing Successor.

Assets of Housing Successor	Value as of End of Fiscal Year
Statutory Value of Real Property Owned by Housing Successor	\$70,701,308
Value of Loans and Grants Receivable	\$515,575,501
Cash Balance	\$129,877,670
Total Value of Housing Successor Assets	\$716,154,479

VI. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successor(s) under Section 34176.1(c)(2) during the 2023-2024 Fiscal Year.

VII. PROJECT DESCRIPTIONS

The Housing Successor does not receive or hold property tax revenue pursuant to the ROPS.

VIII. STATUS OF COMPLIANCE WITH SECTION 33334.16

With respect to interests in real property acquired by the former Redevelopment Agency prior to February 1, 2012, the time periods described in Section 33334.16 shall be deemed to have commenced on the date that the Finance Department approved the property as a housing asset in the LMIHAF; thus, as to real property acquired by the former Redevelopment Agency now held by the Housing Successor in the LMIHAF, the Housing Successor must initiate activities consistent with the development of the real property for the purpose for which it was acquired within five years of the date the DOF approved such property as a housing asset.

For San José, the date of Finance’s approval was March 14, 2013. Therefore, for all properties acquired by the former Redevelopment Agency prior to February 1, 2012, the Deadline to Initiate Development Activity was March 13, 2018.

Below is the list of properties acquired by the former Redevelopment Agency prior to February 1, 2012. All *met* the statutory requirements.

PROPERTIES ACQUIRED PRIOR TO FEBRUARY 1, 2012			
Address/Name of Property	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
North Fourth Street	05/21/2010	3/13/2018	Construction on this 100-unit development started in July 2010 and completed in June 2012. The City owns the site fee simple and has a ground lease to the development. It is in its permanent financing phase and units are occupied by income-eligible residents.
Japantown Seniors	05/03/2010	3/13/2018	Construction on this 75-unit seniors' development completed in late 2015, and it converted to its permanent financing phase in August 2016. All apartments are occupied by income-eligible residents. The City holds the site fee simple and has a ground lease to the development.
Vermont House	06/30/2009	3/13/2018	In June 2016, City staff closed a Conditional Grant for rehabilitation and a Lease of this City-owned property to Abode Services, an owner and developer of supportive housing. Construction was completed in November 2018 providing 16 permanent supportive housing units. The City has sold fee interest to County of Santa Clara on January 31, 2025.
Brookwood Terrace	03/01/2009	3/13/2018	Construction on this 84-unit family development started in March 2010 and completed in January 2012. The City Financing Authority holds the site fee simple and has a ground lease to the development. The development is in its permanent financing phase and units are occupied by income-eligible residents.
Orvieto Family	03/01/2009	3/13/2018	Construction on this 92-unit family development started in September 2010 and completed in August 2012. The City Financing Authority owns the site fee simple and has a ground lease to the development. The development is in its permanent financing phase and its units are occupied by income-eligible residents.
The Haven	06/30/2008	3/13/2018	On November 27, 2018, the San José City Council approved a 15-year lease agreement with the County of Santa Clara to transition the use of the Haven from sheltering fire and other disaster survivors to temporarily house income-eligible homeless adults. The existing three-unit apartment building has continued to house 3 low-income households.

PROPERTIES ACQUIRED PRIOR TO FEBRUARY 1, 2012			
Address/Name of Property	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
Ford & Monterey	10/25/2006	3/13/2018	Two affordable housing developments completed construction on this site—one 20-unit development and one 75-unit development. The City owns the site fee simple and has a ground lease to both projects. The projects are in their permanent financing phase and units are occupied by income-eligible residents.
E side Evans Lane (aka Willow Glen Woods)	06/30/2005	03/13/2018	See Evans Lane VTA description.
Evans VTA (aka Willow Glen Woods)	12/31/2002	3/13/2018	<p>After anticipating and identifying developers for a mixed-use affordable apartment and for-sale development after the site was purchased, the original development plan fell through during the Great Recession and was no longer feasible. In 2016, after a new competitive process for development of permanent affordable housing including units for the homeless, the City selected nonprofit Allied Housing to develop the Evans Lane site for permanent affordable housing. Allied Housing planned to develop a site using modular constructed units for up to 61 households, including previously homeless households. The City Council approved a General Plan amendment in June 2016 permitting the proposed land use for affordable housing. In August 2016, the City Council approved findings, a ground lease to Allied Housing, and a conditional predevelopment grant commitment for the affordable housing project. In early 2017, the City and Allied executed A Right of Entry Agreement and the Predevelopment Grant Agreement needed to complete preparation for its final land use entitlements, which the City awarded on January 8, 2019. However, as the project design progressed, the developer encountered several design and cost challenges with developing the proposed modular design. In mid-2019, the City and Allied Housing mutually agreed to discontinue the proposed development and proceed with a new affordable development plan.</p> <p>With the dual crisis of increased homelessness in the region and the COVID-19 pandemic in early 2020, the</p>

PROPERTIES ACQUIRED PRIOR TO FEBRUARY 1, 2012			
Address/Name of Property	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
			City took urgent action to develop new emergency shelter and temporary housing opportunities to allow the City’s unhoused residents to safely shelter in place, protecting those residents and the larger community. In early April 2020, the San José City Council directed the City’s administration to expeditiously construct three temporary Emergency Interim Housing (EIH) communities modeled from earlier Bridge Housing Communities also known as “tiny homes.” One of the City’s new EIH communities is located on the City’s Evans Lane site. Approximately 2.5 acres of the 5.5-acre site has been developed to accommodate 49 modular sleeping units along with two common buildings to support resident services and daily needs. The Evans Lane property is being operated by PATH serving 48 low-income families exiting from homelessness. Construction was completed in Summer 2021 and the site continues to operate.
Playa Almaden (aka Sycamore Terrace)	02/16/1996	3/13/2018	The Housing Department obtained City Council approval to sell the property to the City’s Parks Department. In May 2018, the City Council passed a resolution authorizing the sale and the property was sold per authority under Health and Safety Code Section 33334.16 for appraised value. Sale proceeds were deposited into the LMIHAF fund.

Section 34176.1 provides that Section 33334.16 does not apply to interests in real property acquired by the Housing Successor on or after February 1, 2012; however, this Report also presents a status update on the projects related to such real property acquired after that date, in an effort to be transparent to the public. The deadline to initiate development is five years from acquisition date.

PROPERTIES ACQUIRED AFTER FEBRUARY 1, 2012			
Address/Name of Property	Date of Acquisition	Deadline to Initiate Development	Status of Housing Successor Activity
258 McEvoy Street	12/21/2023	12/21/2028	The City acquired the 1.137-acre site located at 258 McEvoy Street in December 2023. City Council approved the purchase of the site, which had already obtained land use entitlements, from First Community Housing on April 25, 2023, Item 8.1,

PROPERTIES ACQUIRED AFTER FEBRUARY 1, 2012			
Address/Name of Property	Date of Acquisition	Deadline to Initiate Development	Status of Housing Successor Activity
			File #23-583. Discussions are underway with a possible replacement developer and a plan to re-entitle the site's planning permits.
447 N 1 st Street (The Kelsey Ayer Station)	6/24/2022	6/24/2027	The City purchased the 0.47-acre site in June 2022 and leases it back to the development. The project received its building permit on July 13, 2022, for construction of 113 income-restricted apartments. Construction was completed in 2024 and the units are
1749 Mount Pleasant Road	01/26/2021	01/26/2026	The City purchased the 0.48-acre site in January 2021. This site was included in a Request for Proposals released by the Housing Department in December 2021 to identify a developer partner for this site. The Housing Department identified Habitat for Humanity as the developer for this site. City Council memo on September 27, 2022, Item 8.1, file #22-1418. Draft Exclusive Negotiations Agreement sent to Habitat for Humanity in March 2024. Habitat is in the construction predevelopment phase.
3707 East Williams Road	01/26/2021	01/26/2026	The City purchased the 0.47-acre site in January 2021. This site was included in a Request for Proposals released by the Housing Department in December 2021 to identify a developer partner for this site. The Housing Department identified EAH as the developer for this site. The final term sheet for Exclusive Negotiations Agreement was accepted by EAH in May 2024. EAH is currently assembling development financing.
430 Park Avenue	01/26/2021	01/26/2026	The City purchased the 0.12-acre site in January 2021. This site will be included in an upcoming Request for Proposals to be issued by the Housing Department to identify a developer partner for this site.
71 Vista Montana	06/29/2020	6/29/2025	The City purchased the 4.2-acre site in June 2020 and entered into an Exclusive Negotiating Agreement with Charities Housing to serve as the affordable housing developer for the site. The City lent \$2.4 million of LMIHAF in February 2023 to

PROPERTIES ACQUIRED AFTER FEBRUARY 1, 2012			
Address/Name of Property	Date of Acquisition	Deadline to Initiate Development	Status of Housing Successor Activity
			support predevelopment of the site. Initial site plans were submitted for the site in fall 2021. Planning issued its approval for SB 35 Ministerial Permit on March 21, 2024, and the Developer plans to apply for CDLAC in 2025.
Villas on the Park	03/27/2017	3/27/2022	The City lent \$7.7 million and entered into a ground lease on March 1, 2018, to support construction of this development of 84 affordable apartments. Construction was completed in November 2019 and the property is fully occupied. The City holds the fee interest in the site.
226 Balbach Street (Arya)	08/26/2016	08/26/2021	On January 30, 2019, the project received its planning permits. On September 19, 2020, it was awarded funding from TCAC and received funding commitments from all parties. The project received its building permit on October 31, 2020, for construction of 87 income-restricted apartments. Construction completed in 2024 and conversion to permanent financing was completed in June 2024. This fully-occupied development is now called "Arya."

IX. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

Replacement Housing. No Section 33413(a) replacement housing obligations were transferred to the Housing Successor in the fiscal year.

Inclusionary/Production Housing. No Section 33413(b) inclusionary/production housing obligations were transferred to the Housing Successor in the past fiscal year.

X. INCOME TESTS

Extremely Low-income Test

Section 34176.1(a)(3)(A) requires that the Housing Successor expends **at least** 30% of the LMIHAF for the development of rental housing affordable to and occupied by households earning 30% or less of AMI over a five-year period.

Section 34176.1(a)(3)(B) states that if the Housing Successor fails to comply with the Extremely Low-Income requirement in any five-year report, then the Housing Successor must ensure that at least 50%

of the funds remaining in the LMIHAF be expended in each fiscal year following the latest fiscal year (following the report on households earning 30% or less of AMI) until the Housing Successor demonstrates compliance with the Extremely Low-Income requirement.

Per California Health & Safety Code Section 34176.1(a)(3)(B), compliance needs to be demonstrated every five years, and is due this year. Compliance needs to be demonstrated next in 2029.

In 2024, the City met the extremely low-income test per Section 34176.1(a)(3)(A) by expending **39.5%** of LMIHAF for ELI housing during the previous five years from FY 2019 to 2024. This proportion significantly surpassed the 30% minimum expenditure threshold, so **the test is met**.

60-80% AMI Test

Section 34176.1(a)(3)(A) also requires that the Housing Successor spend **no more than 20%** of the LMIHAF for the development of rental housing affordable to and occupied by households earning between 60% and 80% AMI (61-80% AMI).

Section 34176.1(a)(3)(C) states that if the Housing Successor exceeds the expenditure limit for households earning between 60% and 80% AMI in any five-year report, the Housing Successor shall not expend any of the remaining funds for this income cohort until the Housing Successor demonstrates compliance with this limit.

Per California Health & Safety Code Section 34176.1(a)(3)(C), compliance needs to be demonstrated every five years, and is due this year. Compliance needs to be demonstrated next in 2029.

In 2024, the City met the 60-80% AMI income test per Section 34176.1(a)(3)(A) by expending only **3.3%** of LMIHAF for households earning between 60% and 80% AMI during the past five years from FY 2019 to 2024. This percentage was far below the limit of 20% so **the test is met**.

XI. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of deed-restricted rental housing units restricted to seniors and assisted¹ by the Housing Successor, the former Redevelopment Agency, and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former Redevelopment Agency, and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds in the LMIHAF to assist additional senior housing units until the Housing Successor or City assists and construction has commenced on a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

¹ The term *Assisted* is used to indicate financial assistance. Units are reported as assisted in the fiscal year in which the loan closing is recorded.

The following provides the Housing Successor’s Senior Housing Test for the 10-year period of July 1, 2014, to June 30, 2024.

Senior Housing Test	July 1, 2014 – June 30, 2024
# of Assisted Senior Rental Units	698
# of Total Assisted Rental Units	2,243
Senior Housing Percentage in Past 10 Years	31%
Maximum Allowable Percentage	50%
Test Outcome	Met

The percentage of assisted affordable rental units for seniors constituted 31% of all assisted affordable rental units in the past 10 years. This is well under the 50% threshold test, so **the test is met.**

XII. EXCESS SURPLUS TEST

Excess Surplus is defined in Section 34176.1(d) as an unencumbered amount in the LMIHAF account that exceeds the greater of one million dollars (\$1,000,000) or the aggregate amount deposited into the account during the Housing Successor’s preceding four Fiscal Years, whichever is greater. The following provides the Excess Surplus test for the preceding four Fiscal Years (in millions):

	FY 20-21	FY 21-22	FY 22-23	FY 23-24	Total deposited in preceding 4 years (FY 20/21 – 23/24)
Beginning Balance	\$152.7	\$164.7	\$172.3	\$153.8	
Add: Deposits	51.3	57.3	18.7	30.8	\$158.2
(Less) Expenditures	(39.3)	(49.7)	(37.2)	(54.7)	
(Less) Encumbrances				(48.2)	
Unencumbered Balance	\$164.7	\$172.3	\$153.8	\$80.3	

The LMIHAF does not have an Excess Surplus. The aggregate amount deposited into the account during the four Fiscal Years is \$158,213,738. The current fiscal year cash balance is \$129,877,670 million with \$48,203,150 million in encumbrances. The unencumbered amount of \$80,81,674,520 million does not exceed the aggregate amount deposited in the preceding four fiscal years of \$158,213,738 million; therefore, **the test is met.**

XIII. HOMEOWNERSHIP UNITS

The Housing Successor is to provide an inventory of homeownership units assisted by the former Redevelopment Agency or the Housing Successor that are subject to covenants or restrictions or to an

adopted program that protects the former Redevelopment Agency's investment of moneys from the Low- and Moderate-Income Housing Fund pursuant to subdivision (f) of Section 33334.3.

A. Number of Assisted Homeownership Units as of 6/30/24

Number of Homeownership Units	310
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B. Number of Assisted Homeownership Units Lost in Fiscal Year 2023-24

Reason for Loss	Units Lost
Loans paid off	24
Loans written off due to foreclosure or short sale	0

C. \$2,079,834 in single family loan funds were returned to the Housing Successor in this fiscal year as part of an adopted program that protects the former Redevelopment Agency's investment of moneys from the Low- and Moderate-Income Housing Fund.

D. The Housing Successor has contracted with an outside entity for the management of the single-family homeownership loans. The name of the entity is AmeriNat Loan Servicing.