



City of San José Housing & Community Development Commission

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|---|-----------------------------------|
| District 1 — VACANT | (VC) Alain Mowad — District 2 |
| District 3 — Marika Buchholz | Thoa Hoang — District 4 |
| District 5 — Ruben Navarro (C) | Jennifer Cretella — District 6 |
| District 7 — Christopher Escher | Oscar Quiroz-Medrano — District 8 |
| District 9 — H.B. Mok | Roberta Moore — District 10 |
| Mayor — Ali Sapirman | Daniel Finn — CAAC MR |
| Lived Experience (Mayor) — Sketch Salazar | Ryan Jasinsky — CAAC ML |
| Lived Experience Alternate (Mayor) — Gabriela Gabrian | |

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

REGULAR MEETING AGENDA

April 9, 2026

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	I. Call to Order & Orders of the Day A. Chair reviews logistics for Zoom meetings
5:46	II. Introductions and Roll Call
5:50	III. Consent Calendar A. Approve the Minutes for the Regular Meeting of March 12, 2026 ACTION: Approve the March 12, 2026 action minutes.
5:55	IV. Reports and Information Only A. Chair B. Director C. Council District Liaison
6:05	V. Open Forum <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>
6:15	VI. Old Business
	VII. New Business
6:20	A. Rent Stabilization and Eviction Prevention Program Annual Report Fiscal Year 2024-2025 (E. Hislop, Housing) Action: Review the Rent Stabilization and Eviction Prevention Program Annual Report for Fiscal Year 2024-2025 and provide possible

recommendations to staff. No vote is required for this item.

6:45 B. Rent Stabilization Program Fees for Fiscal Year 2026-2027
(E. Hislop, Housing)

Action: Review and provide possible recommendations on the Rent Stabilization's Program proposed fee structure for Fiscal Year 2026-2027 based on current cost projections and the March Mayor's Budget

Message direction:

- I. Annual Apartment Rent Control Fee: Remain at \$77.00 per unit;
- II. Annual Apartment Non-Rent Control Fee: Remain at \$23.00 per unit;
- III. Annual Mobilehome Rent Control Fee: Remain at \$32.00 per units; and
- IV. Fees in connection with withdrawal of a building under the Ellis Act Ordinance: Flatten to \$1,000 per unit.

No vote is required for this item.

7:15 C. Federal Funding Fiscal Year 2026-2027 Annual Action Plan Funding Priorities
(E. Soliván, Housing)

Action: Hold a public hearing on funding priorities for the 2026-2027 Annual Action Plan for the use of federal funds from the U.S. Department of Housing and Urban Development (HUD) and provide Housing Department staff with input on the proposed funding priorities. No vote is required for this item.

7:45 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.

7:50 IX. Meeting Schedule

The next **Regular Meeting** for the Commission is scheduled to be held on **Thursday, May 14, 2026 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:

- Housing Trust Fund Budget
- Measure E Spending Plan

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

March 12, 2026

MEMBERS PRESENT:

Alain Mowad	Vice Chair (D2)
Marika Buchholz	Commissioner (D3)
Thoa Hoang	Commissioner (D4) <i>arrived 6:00pm</i>
Ruben Navarro	Chair (D5)
Jennifer Cretella	Commissioner (D6) <i>arrived 5:55pm</i>
Christopher Escher	Commissioner (D7) <i>arrived 5:59pm</i>
Oscar Quiroz-Medrano	Commissioner (D8)
H.B. Mok	Commissioner (D9)
Ali Sapirman	Commissioner (Mayor)
Daniel Finn	Commissioner (MR)
Ryan Jasinsky	Commissioner (ML)
Sketch Salazar	Commissioner (LE) <i>arrived 5:55pm</i>

MEMBERS ABSENT:

Roberta Moore	Commissioner (D10)
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STAFF PRESENT:

Erik L. Soliván	Director, Housing
Sarah Fields	Deputy Director, Housing
Emily Hislop	Division Manager, Housing
Mindy Nguyen	Senior Development Officer, Housing

(I) Call to Order & Orders of the Day

A. Chair Navarro 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 February 12, 2026.

Commissioner Sapirman made the motion to approve the Consent Calendar with a second by Commissioner Finn. The motion passed 8-0-0-5.

Yes	Finn, Jasinsky, Mowad, Buchholz, Hoang, Navarro, Cretella, Quiroz-Medrano, Mok, Sapirman (8)
No	None (0)
Abstain	None (0)

Housing & Community Development Commission
DRAFT Minutes – Regular Meeting of 3/12/2026

Absent	Hoang, Cretella, Escher, Moore, Salazar (5)
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(IV) Reports and Information Only

- A. Chair:** Chair Navarro reviewed logistics and guidelines for participation. Chair Navarro reviewed the functions, powers, and duties of the Housing and Community Development Commission.
- B. Director:** Director Erik L. Soliván shared updates on the Housing Department’s activities.
- C. Council Liaison:** The Council Liaison had no report.

(V) Open Forum

(VI) Old Business

(VII) New Business

**A. Mobilehome Rent Ordinance Program Activities Update Fiscal Year 2024-2025 Quarter 4 and Fiscal Year 2025-2026 Quarters 1 & 2
(E. Hislop, Housing)**

Action: Review and possibly provide advice to staff regarding Mobilehome Rent Ordinance Program Activities Update Fiscal Year 2024-2025 Quarter 4 and Fiscal Year 2025-2026 Quarters 1 & 2.

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

**B. Outreach Plan for the Proposed Amendments to the Mobilehome Rent Ordinance
(E. Solivan, Housing)**

Action: Review and provide feedback to staff regarding the Outreach Plan for the Proposed Amendments to the Mobilehome Rent Ordinance.

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

**C. Measure E Annual Expenditure Report
(E. Solivan, Housing)**

Action: Review and provide feedback to staff regarding the report for expenditures of Measure E funds.

Housing & Community Development Commission
DRAFT Minutes – Regular Meeting of 3/12/2026

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

(VIII) Open Forum

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(IX) Meeting Schedule

The next Regular Meeting for the Commission is scheduled to be held on **Thursday, April 9, 2026 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:

- Rent Stabilization Program Annual Report Fiscal Year 2024-2025
- Rent Stabilization Program Budget and Fee Recommendations
- Draft Fiscal Year 2026-2027 Annual Action Plan

(X) Adjournment

Chair Navarro adjourned the meeting at 8:15 p.m.



Memorandum

TO: HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

FROM: Emily Hislop

DATE: April 2, 2026

**SUBJECT: RENT STABILIZATION AND EVICTION PREVENTION PROGRAM
ANNUAL REPORT FY 2024-2025**

RECOMMENDATION

Review the Rent Stabilization and Eviction Prevention Program Annual Report for Fiscal Year 2024-2025 and provide possible recommendations to staff.

SUMMARY AND OUTCOME

This annual report provides the Housing and Community Development Commission and San José residents with a comprehensive overview of the Rent Stabilization and Eviction Prevention Division's activities during the Fiscal Year (FY) 2024-2025.

BACKGROUND

The Rent Stabilization and Eviction Prevention Division of the City of San José Housing Department administers key housing ordinances and programs designed to protect tenants and promote stability in the housing market. These include the Apartment Rent Ordinance, Tenant Protection Ordinance, Mobilehome Rent Ordinance, Ellis Act Ordinance, and the Eviction Prevention Program. Through the implementation of these regulations and services, the Program works to ensure fair and lawful rental practices, safeguard tenant rights, and promote long-term housing stability for residents of the community.

Apartment Rent Ordinance

In 1979, the City Council adopted the Apartment Rent Ordinance (ARO), which was comprehensively amended in 2017 to strengthen and expand its provisions. The ARO covers most rental units built before September 7, 1979, limits rent increases to 5% once every twelve months and allows property owners to receive a fair return. Over 38,000 rental units are covered by the ARO.

Tenant Protection Ordinance

In 2018, the City Council adopted the Tenant Protection Ordinance (TPO), which protects tenants in most multi-family residential rental units from unjust evictions by limiting terminations to 13 “just causes”. Just causes are legal reasons to evict a tenant and include causes where the tenant has done something wrong (“at-fault”) and causes where the property owner wants to do something different with the unit (“no-fault”). The TPO details requirements for legally evicting a tenant, including filing notices with the Housing Department and for “no-fault” causes, providing relocation assistance. Over 86,000 rental units are covered by the TPO.

Just Cause Reasons Due to Tenant Action or Inaction (“At-Fault”)

1. Nonpayment of rent
2. Material or habitual violation of the lease
3. Damage to the apartment
4. Refusal to agree to a similar or new rental agreement
5. Disorderly behavior/disturbing the peace
6. Refuse access to the apartment when requested in accordance with law
7. Unapproved holdover subtenant
8. Criminal activity

Just Cause Reasons Due to Property Owner Decisions or Consequence of Actions (“No-Fault”)

9. Substantial rehabilitation of the apartment
10. Removal of apartments from the rental market under the Ellis Act
11. Owner move-in
12. City code enforcement actions requiring a move out
13. Convert an unpermitted apartment for permitted use

Mobilehome Rent Ordinance

The Mobilehome Rent Ordinance (MRO) was initially adopted in 1979 by City Council. The MRO is designed to protect residents who own or rent their mobilehome from unreasonable rent increases, while ensuring mobilehome park owners have a mechanism for achieving a fair return. Mobilehome park owners may only increase rents once in a 12-month period and are limited to a maximum allowable percent increase calculated from the rate of inflation, which most years comes out to 3%. Over 10,000 mobilehome spaces across 58 parks in the City are covered by the MRO.

ANALYSIS

ARO Activities

Petitions

The Rent Stabilization Program supports both tenants and property owners when filing petitions under the ARO. Tenants of rent-stabilized units can file petitions alleging reductions in housing services, unlawful rent increases, or other violations of the ARO. Property owners may file a petition to request the pass-through of costs for specific capital improvements that add a benefit for tenants or to seek rent increases above 5% to ensure a fair return on their investment. Additionally, both tenants and property owners can jointly file a petition for a one-time rent increase or fee to cover new services not originally included in the lease agreement.

Independently contracted Hearing Officers and mediators conduct mediations and hearings to help resolve disputes between property owners and tenants. Program staff may also act as Petition Examiners in certain cases where an administrative decision may be issued. Any petition decision may be appealed to the Housing Director, who has the authority to remand any of the appealed issues back to the Hearing Officer for reconsideration or affirm the decision.

During FY 2024-2025, a total of 96 petitions were closed, 141 petitions were opened, and five were appealed. **Section I of Attachment A** provides further information regarding petitions processed during FY 2024-25 and the two previous fiscal years.

Rent Registry

The ARO requires that all covered units be registered annually. Implemented in 2018, the Rent Registry Portal serves as the primary platform for property owners to register their rent-stabilized units, with paper registration available as an alternative. The Registry collects key information on rent increases, tenancy update, security deposits, vacancy rate and reasons, and helps ensure the protection of tenants' rights.

The sixth registration period cycle, which required property owners to provide their annual updates to the rent registry between October 1, 2024 and November 30, 2024, achieved the highest registration rate since the program launched, with a compliance rate of 99.6%. A total of 38,214 units out of 38,359 were successfully registered for the sixth cycle, reflecting consistent participation from property owners and the Program's effective outreach, support and enforcement strategy.

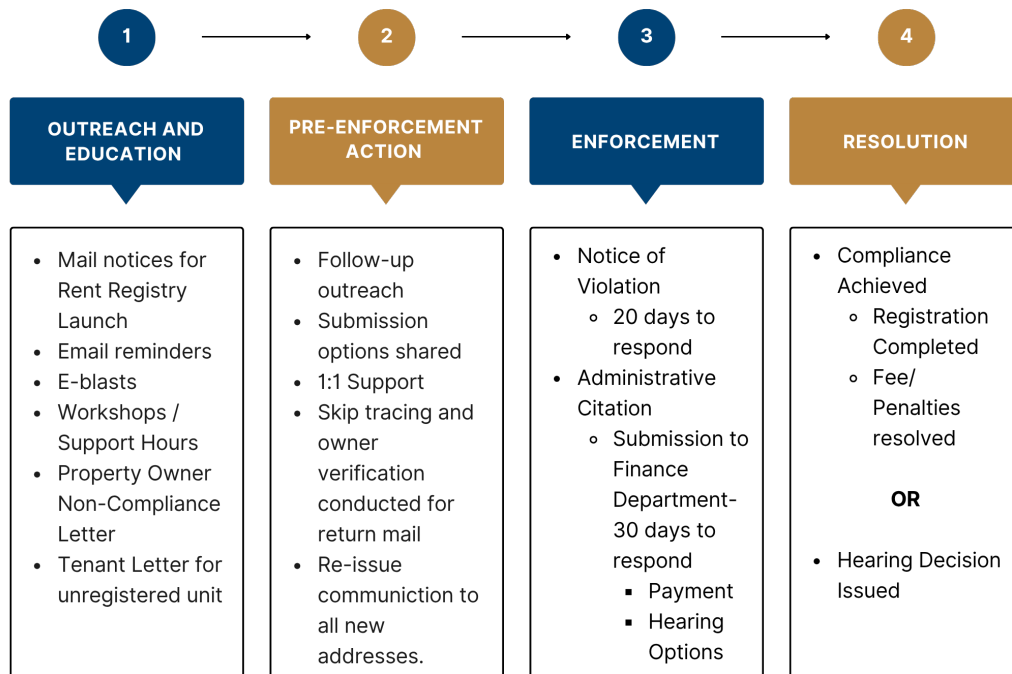
Section II of Attachment A provides further information regarding the sixth rent registration (FY 2024-25) and the two previous years rent registration periods.

Administrative Citations

The Program remains committed to enforcing ARO, TPO and Ellis Act Ordinance by promptly investigating and notifying property owners of violations. The Program begins with education and support with the goal of achieving compliance under the Program's ordinances before seeking immediate corrective action. In the case of rent registration, units that do not meet annual registration requirements by the deadline remain ineligible for annual rent increases until registration is complete. The Program has fully integrated the administrative citation process in collaboration with the Code Enforcement and Finance Departments to achieve consistent enforcement, promote accountability, and uphold transparency in regulatory adherence.

If a property is not in compliance with annual rent registration requirements, Program staff take the following steps prior to issuance of administrative citations:

Rent Registry Compliance & Enforcement



Section III of Attachment A details the number of citations issued for each rent registration period.

Ellis Act Ordinance Activities

The City of San José's Ellis Act Ordinance regulates the withdrawal of buildings containing covered residential units from the residential rental market. The Ellis Act

Ordinance requires owners to serve withdrawal notices, prepare summary memoranda, provide relocation benefits, and guarantee tenants a controlled rent right of return if units reenter the market. Although no units were withdrawn during FY 2024-2025, two properties returned to the rental market after redevelopment. The Ellis Act team continues to monitor potential withdrawals, educate owners, developers, and tenants, and work with other City departments and divisions to facilitate the withdrawal and return process.

TPO Activities

Under the Tenant Protection Ordinance, property owners and managers are required to submit copies of all termination notices and unlawful detainer (eviction) lawsuits served on tenants in covered units within three days of service. The termination notice and unlawful detainer (eviction) lawsuit must identify at least one of the 13 “just cause” reasons defined in San José Municipal Code (SJMC) Section 17.23.1250. The Program aims to support fair and transparent relationships between property owners and tenants, recognizing the essential role of stable housing. In addition to ongoing outreach to increase awareness of TPO rights and responsibilities, the Program continues to track termination notice data to monitor compliance and guide future efforts. Staff reviews notices with just causes other than non-payment of rent to ensure compliance with TPO requirements and utilizes data from non-payment notices to inform outreach strategies.

Year over year, around 95% of termination notices and unlawful detainer (eviction) lawsuits filed pursuant to the TPO are based in whole or in part on non-payment of rent. Further data concerning notices of termination and unlawful detainer (eviction) lawsuits submitted during FY 2024–2025 for properties covered by the TPO is included in **Section IV of Attachment A.**

Mobilehome Rent Ordinance Activities

The City of San José is home to the largest number of mobilehome spaces in California and oversees MRO that covers 58 mobilehome parks comprised of 10,741 mobilehome spaces. Administration of the MRO Program includes calculating the annual allowable percentage increase, processing exemptions, answering inquiries, educating residents and owners about the MRO and connecting residents and owners to available resources and programs to help resolve their issues.

The Program engages with mobilehome residents, park owners, and park managers via email, phone, or walk-ins. The program recorded 168 mobilehome park inquiries this fiscal year, focusing on petition and hearing inquiries and rent related issues having to do with questions regarding the allowable rent increase percentage and general office/program questions.

As previously reported, during FY 2024-2025 the Program processed two mobilehome park owner fair return petitions impacting more than 400 mobilehome households. Both

parks had many Vietnamese and Spanish speakers. As with all Program activities, residents were served in their preferred language by staff or through professional interpretation and translation services.

The Program also engaged in an enforcement action at the end of FY 2024-2025 against a mobilehome park owner that issued rent increases to recreational vehicle owners in excess of the allowed annual percentage and in violation of the MRO.

Outreach Across All Programs

Program staff actively engages tenants, property owners, and community members throughout San José through a comprehensive outreach program with a strong emphasis on in-person events. A total of 59 outreach events—including webinars, workshops, in-person and virtual presentations, resource tables, and participation in citywide events—were conducted during the reporting period. These efforts reached 2,267 individuals through direct engagement and information sharing.

Further data concerning outreach activities for FY 2024-2025 is included in **Section V of Attachment A**.

Eviction Prevention Program Activities

The eviction helpline and email, and weekly court clinic provide legal information, systems navigation related to the eviction process, and resource referrals. The work is done in collaboration with the Superior Court Self-Help Center and Sacred Heart Community Service. Staff attend unlawful detainer (eviction) court calendars two to three times each week while working with mediators, community partners, and property owners to screen tenants for the Eviction Diversion and Settlement Program (Diversion Program) and connect them to housing stability resources.

During FY 2024-2025, Program staff assisted:

- 3,687 inquiries through phone, email, and in-person at City Hall
- 203 tenants and property owners at the weekly Court Clinic

Eviction Diversion and Settlement Program (Diversion Program)

During FY 2024-2025, Program staff evaluated for eligibility for the Diversion Program a total of 99 tenant households. A total of 79 households during FY 2024-2025 qualified for the program and were able to remain stably housed and avoid a Court ordered eviction. In FY 2024-2025, 90 households, including 11 carryovers from the previous fiscal year, were assisted through a total of \$876,907.22 in payments made to property owners for rental arrearages, with an average payment of \$9,743.41 per household.

Section VI of Attachment A provides an overview of the demographic information of households served by the Diversion Program during FY 2024-2025.

April 2, 2026

Subject: Rent Stabilization and Eviction Prevention Program Annual Report FY 2024-2025

Page 7

EVALUATION AND FOLLOW-UP

The Rent Stabilization and Eviction Prevention Program Annual Report for FY 2024-2025 is prepared for the Housing and Community Development Commission and will not be a report reviewed by the City Council.

/s/

Emily Hislop

Division Manager, Housing Department

The principal author of this memorandum is Vanessa Pacheco, Acting Senior Development Officer. For questions, please contact Emily Hislop, Division Manager at Emily.Hislop@sanjoseca.gov

ATTACHMENT: Attachment A - Rent Stabilization and Eviction Prevention Program Data Fiscal Year 2024-2025

ATTACHMENT A

Rent Stabilization and Eviction Prevention Program Data Fiscal Year 2024-2025

SECTION I: PETITIONS DATA

Table 1: Total Petitions Filed per Fiscal Year between 2022-2023 through 2024-2025

Number of Petitions Filed	
FY 22-23	141
FY 23-24	130
FY 24-25	141

Chart 1: Types of Petitions filed during FY 2022-23, FY 2023-24 and FY 2024-25

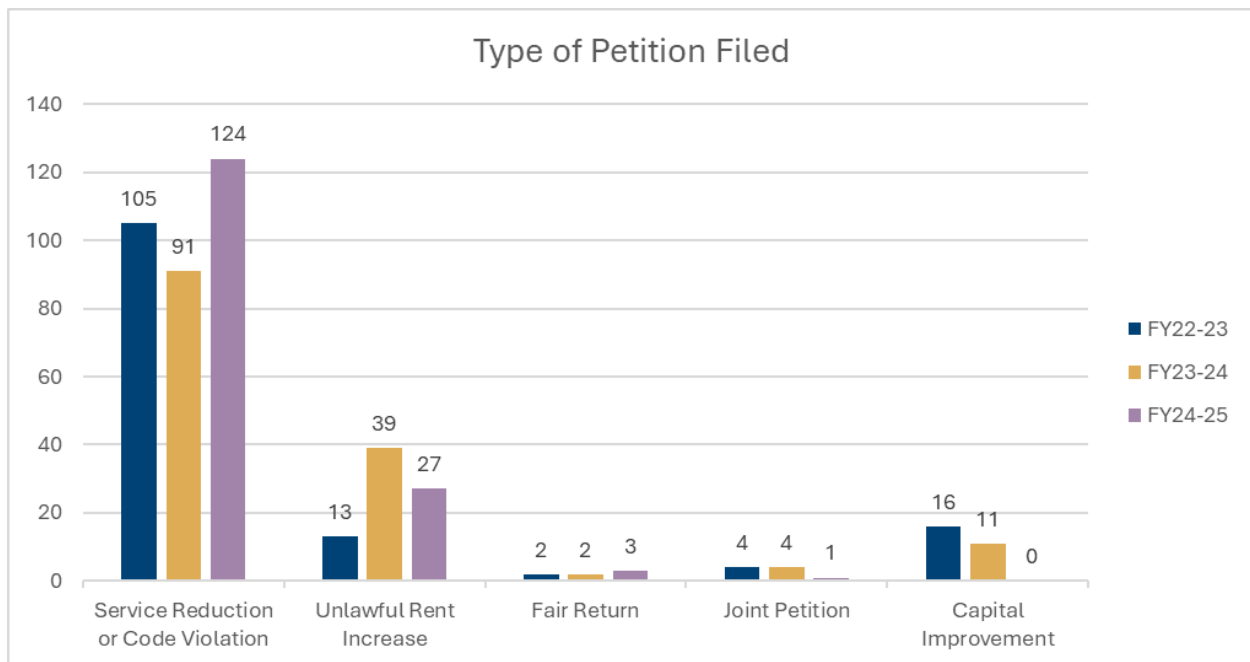
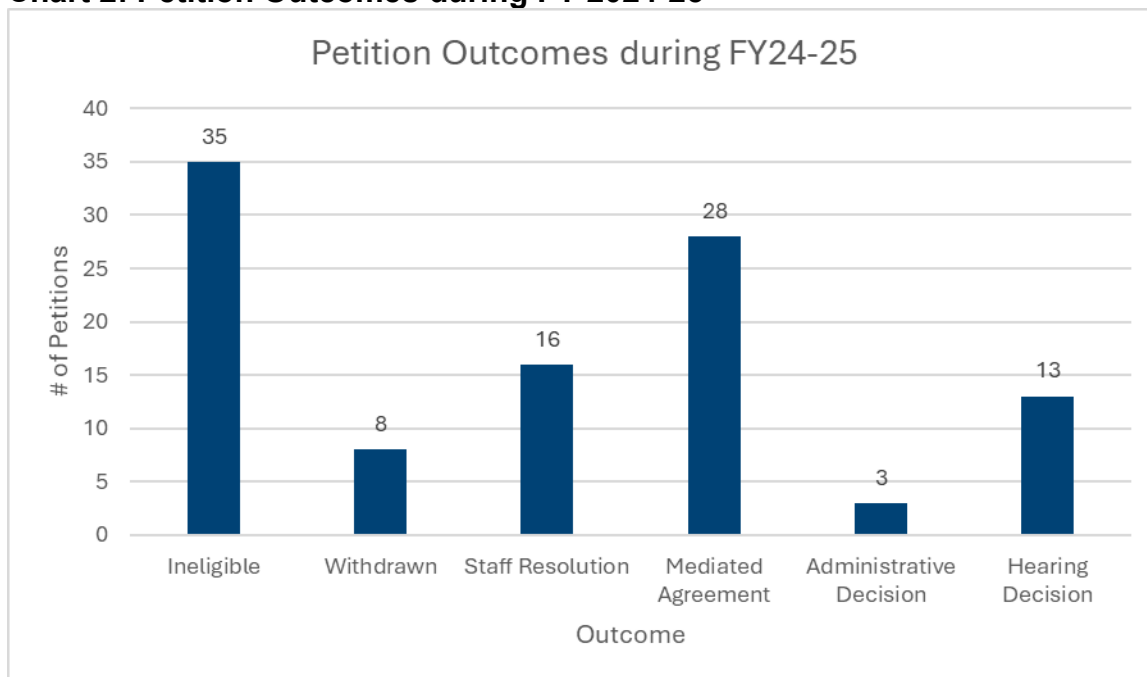


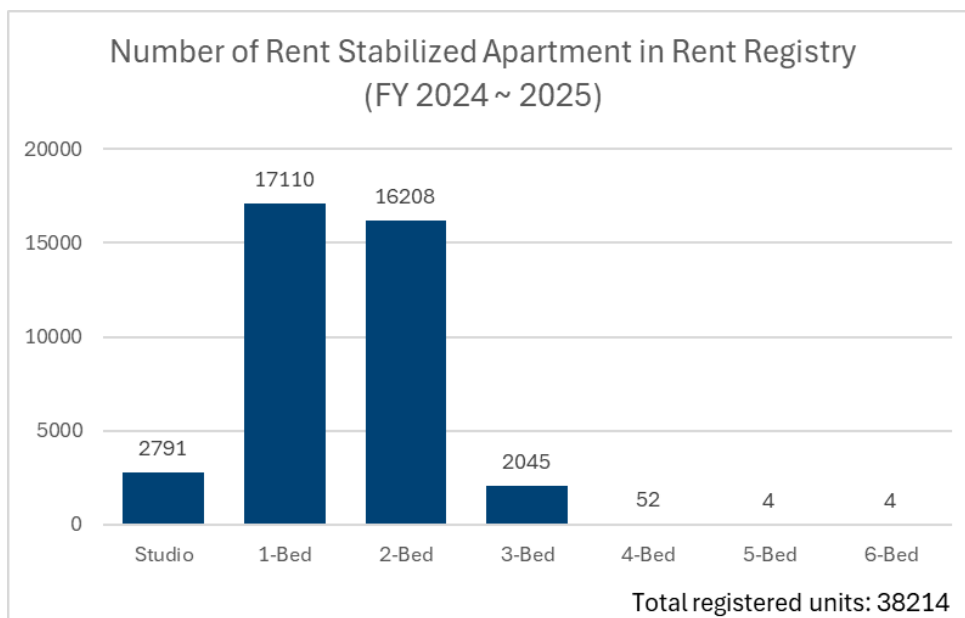
Chart 2: Petition Outcomes during FY 2024-25



Notes: (1) A petition may be determined as ineligible if it was filed for a unit not covered by the ARO such as rental units in a single-family home, duplex, or townhouse. (2) Petitioners may withdraw their petition at any point by submitting a written request to Program staff. Reasons may be unknown, but a common reason may be that a property owner resolved all issues soon after they received notice of petition.

SECTION II: RENT REGISTRY DATA¹

Chart 3: Number of Units Registered by Number of Bedrooms FY 2024-2025



¹ Maps showing some rent registry data by zip codes can be found on the City’s website: <https://www.sanjoseca.gov/your-government/departments-offices/housing/data/rent-registry-data>

Chart 4: Average Unit Rent by Number of Bedrooms for FY 2022-2023, FY 2024-2025

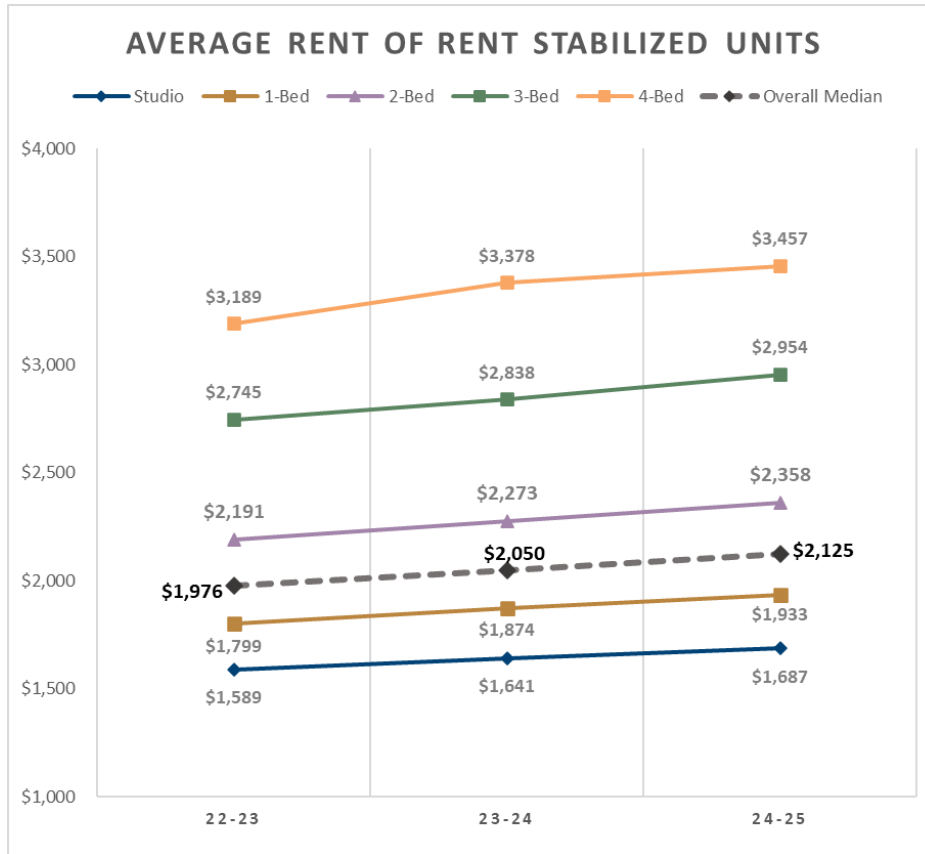


Table 2: Tenancy Turnover and Vacancies FY 2024-2025

Tenancy Status	Count	Percentage
Same Tenant in Unit	28,237	73.89%
New Tenant in Unit	7,412	19.340%
Vacant Unit	2205	5.77%
Owner Occupied Unit	360	0.94%
Total Registered Units	38,214	100.00%

Voucher Holders

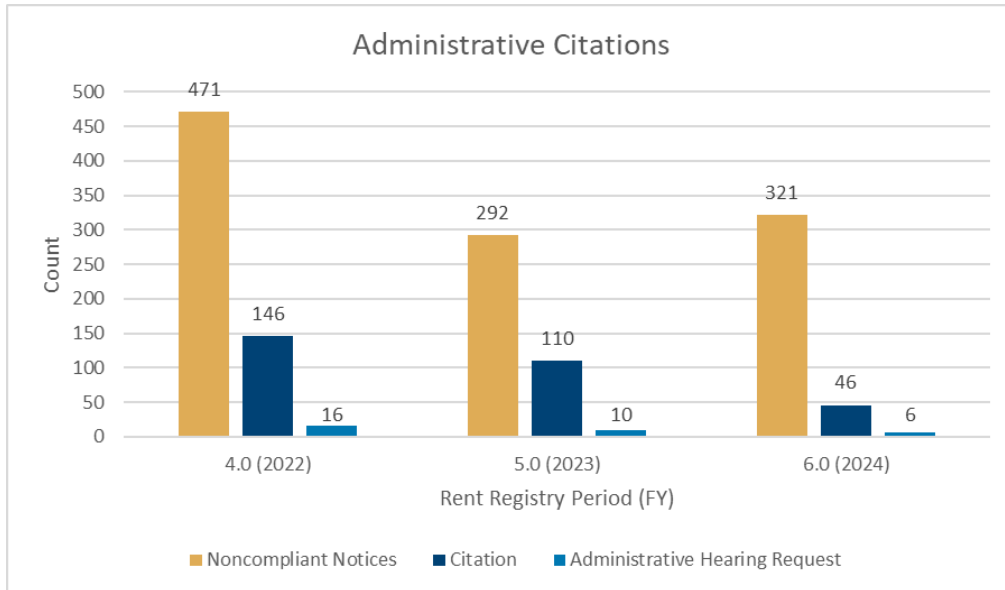
Of 35,674 units reported by owners as tenant-occupied, 2,326 are reported as voucher holding households. This represents 6.52% of the registered units excluding owner occupied and vacant.

Rent Increase

For FY 2024-2025, 28,237 units were reported as being occupied by the same tenant as the previous year. Owners reported 52.4% of those households receiving a rent increase and the median rent increase percentage was 4.7%.

SECTION III: ADMINISTRATIVE CITATIONS

Chart 5: Administrative Citations for Failure to Register Units by Rent Registry Period



SECTION IV: TENANT PROTECTION ORDINANCE DATA

Chart 6: Total Termination Notices and Unlawful Detainer (Eviction) Lawsuits submitted by Quarter FY2024-2025

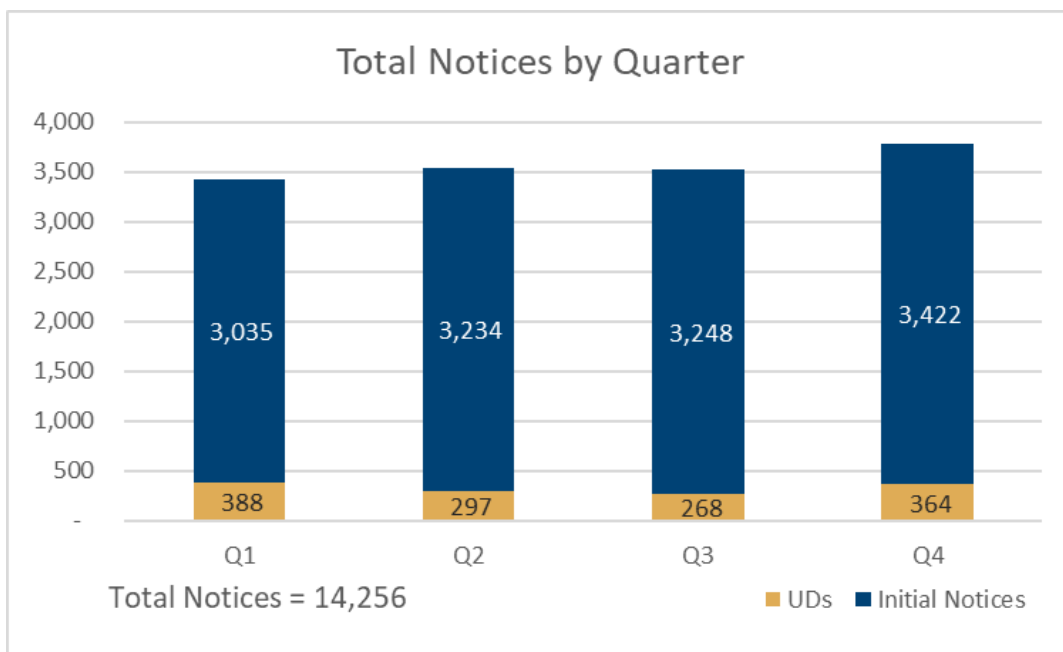
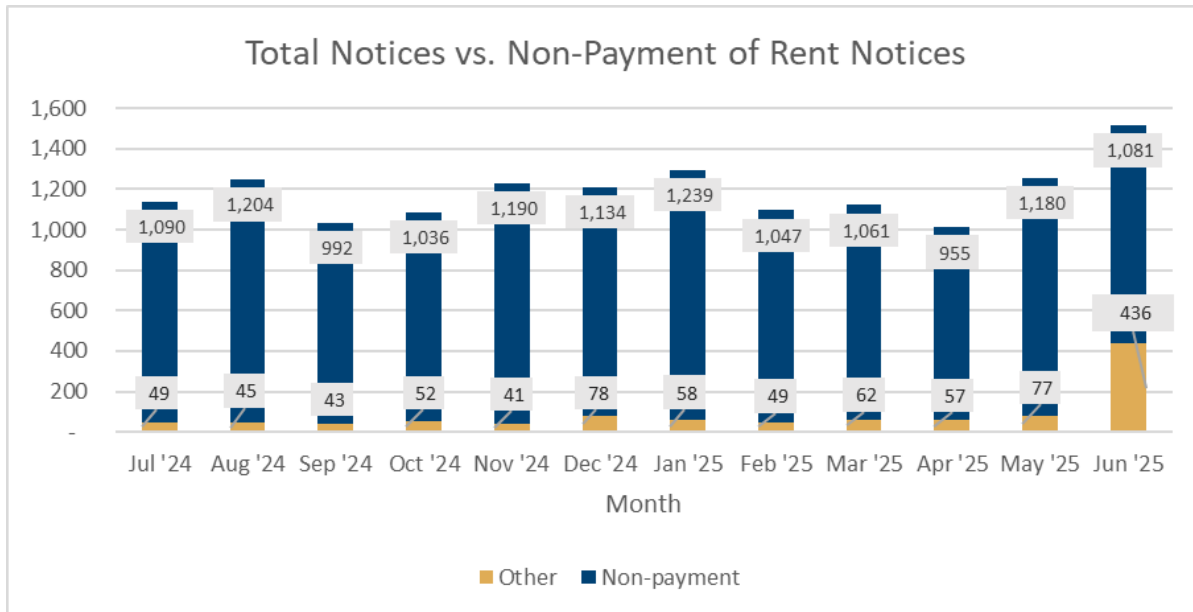


Chart 7: Non-Payment of Rent Notices v. Termination Notices Based on Other Causes Just Causes by Month for FY 2024-2025



Notes: (1) Some termination notices may include non-payment of rent in addition to another at-fault just cause. For purposes of this chart the notices represented in blue are solely for non-payment of rent. (2) In June 2025 a large property issued 367 termination notices for failure to sign a similar or new rental agreement.

SECTION V: OUTREACH

Chart 8: Types of Outreach Events for FY 2024-2025

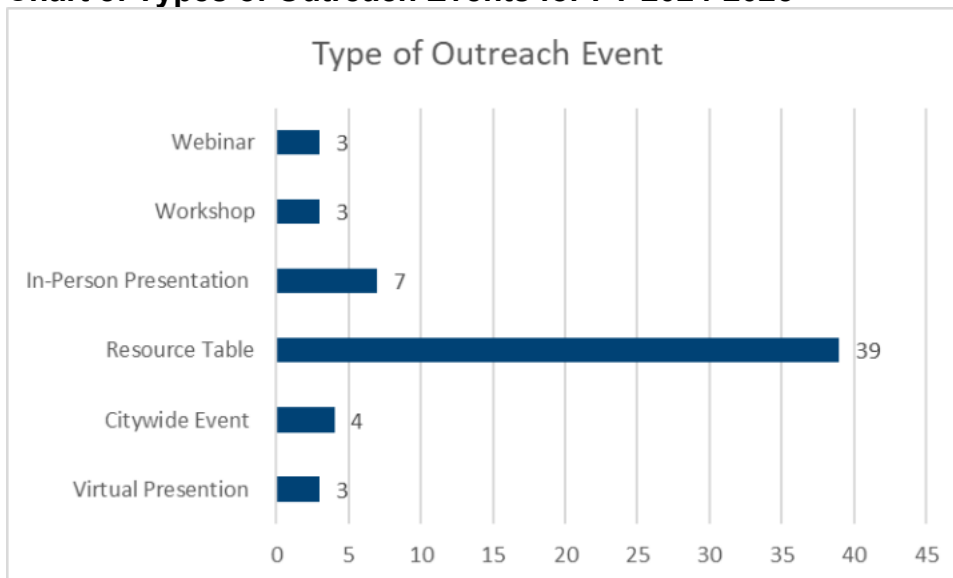
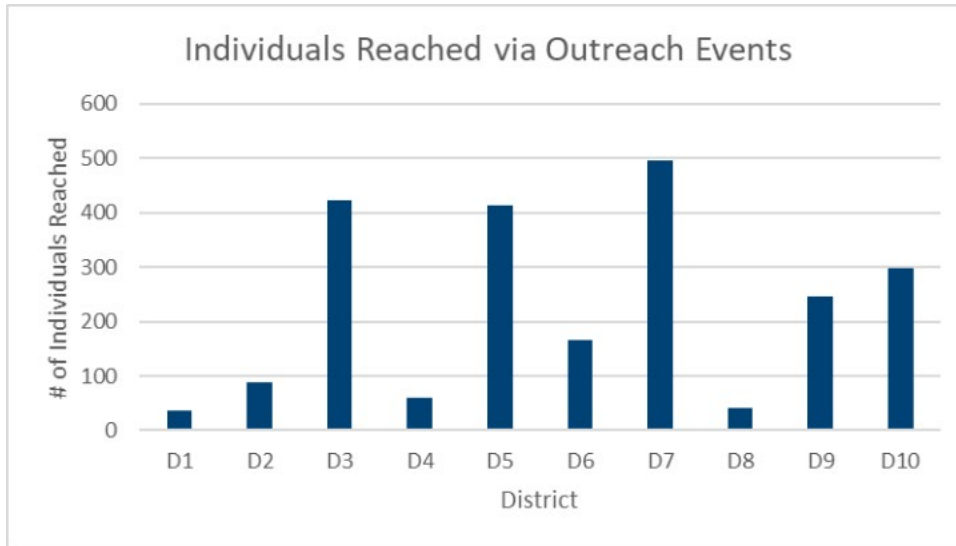
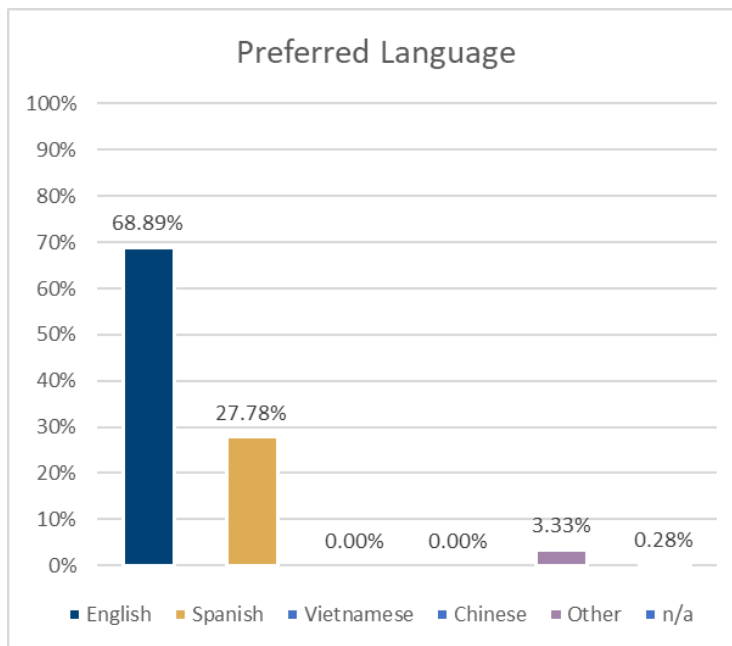


Chart 9: Individuals Reached at Outreach Events for FY 2024-2025



SECTION VII: EVICTION DIVERSION SETTLEMENT PROGRAM

Chart 10: Reported Preferred Language of Participants in Eviction Diversion and Settlement Program for FY 2024-2025



Note: This represents the preferred language the participant self-reported on their application for the Program. This may not reflect the language they were served in.

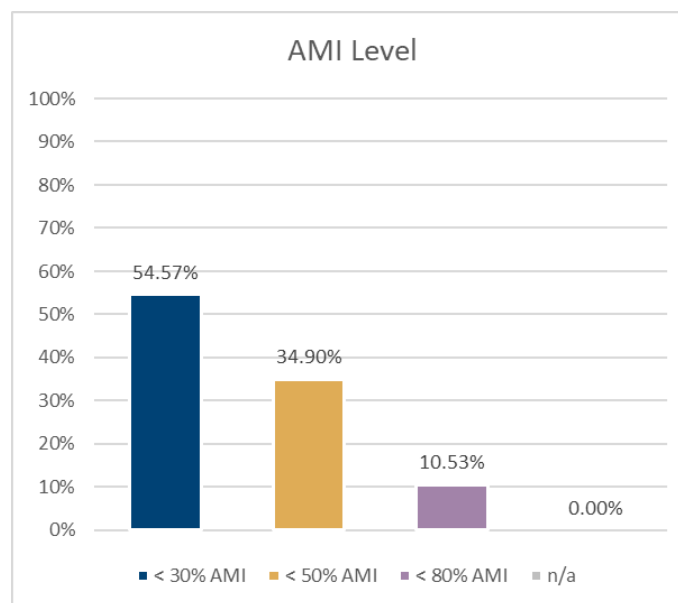
Table 3: Reported Race of Participants in Eviction Diversion and Settlement Program for FY 2024-2025

Race	Percentage
American Indian or Alaskan Native	3.3%
Asian	5.0%
Black or African American	18.6%
Native Hawaiian or Other Pacific Islander	1.9%
White	22.4%
Other	47.1%
N/A	1.7%
Grand Total	100.00%

Table 4: Reported Ethnicity of Participants in Eviction Diversion and Settlement Program for FY 2024-2025

Ethnicity	Percentage
Non-Hispanic/ Non-Latino	38.0%
Hispanic/Latino	60.4%
N/A	1.7%
Grand Total	100.00%

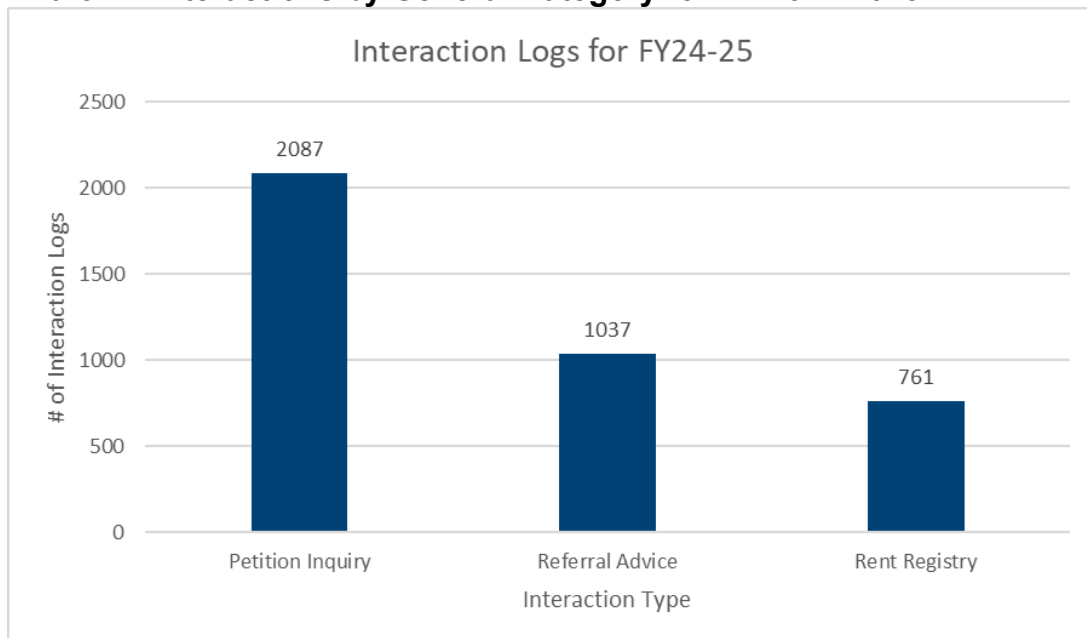
Chart 11: Area Median Income Level² of Participants in Eviction Diversion and Settlement Program for FY 2024-2025



² Income limits are updated each year and published by the U.S. Department of Housing and Urban Development and California Department of Housing and Community Development. This establishes household income levels for extremely low-, very low-, and low-income households based on area median income (AMI) for California's 58 counties - 30% of AMI, 50% of AMI and 80% of AMI, respectively. The 2025 State Income Limits for Santa Clara County can be found here: <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2025.pdf>

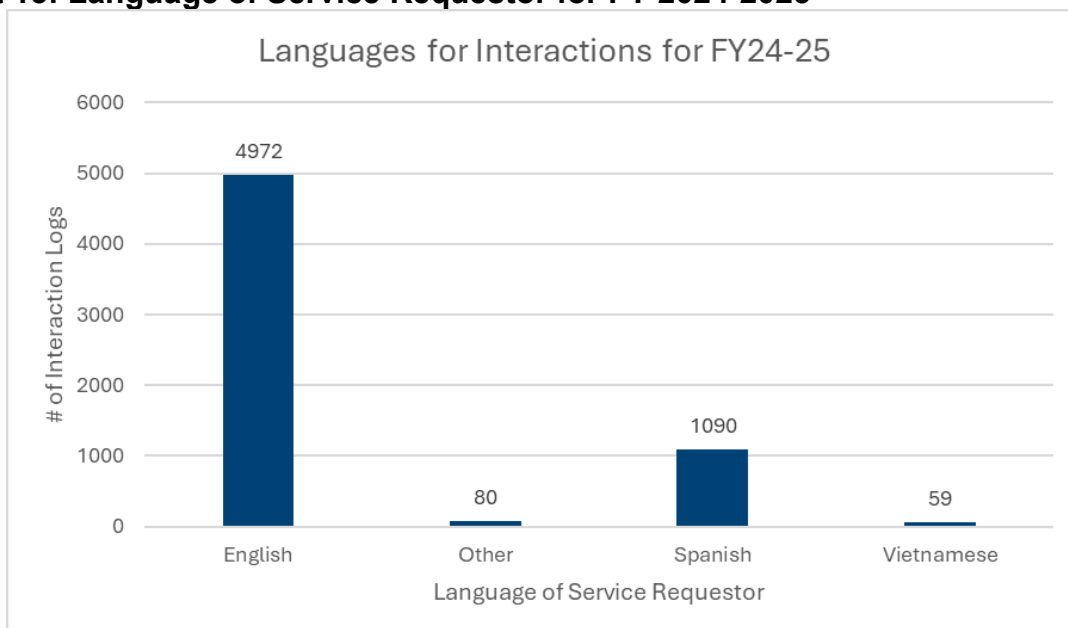
SECTION VIII: PUBLIC INTERACTIONS AND REQUEST FOR SERVICE

Chart 12: Interactions by General Category for FY 2024-2025



Notes: (1) In April 2025, the Program implemented an updated interaction log process to improve how data and engagement activities are recorded and tracked. The new approach was designed to simplify data entry and create a more streamlined and user-friendly system for documenting all interactions and inquires the Program receives. (2) The table above combines two data sources that may not include all appropriate or relevant interaction logs.

Chart 13: Language of Service Requestor for FY 2024-2025



Note: At the end of FY 2024-2025, Program staff began working closely with Information Technology staff to overhaul how information regarding interactions is logged into the database and launched an enhanced system for FY 2025-2026. The system in place during FY 2024-2025 did not have a clear way to distinguish between language served in and primary language. The instances of residents being served in languages other than English is likely underrepresented by these figures.



Memorandum

TO: HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

FROM: Erik L. Soliván

DATE: April 2, 2026

SUBJECT: RENT STABILIZATION AND EVICTION PREVENTION PROGRAM FEES FOR FISCAL YEAR 2026-2027

RECOMMENDATION

Review and provide possible recommendations on the Rent Stabilization Program's proposed fee structure for Fiscal Year 2026-2027 based on current cost projections and the March Mayor's Budget Message direction:

- i. Annual Apartment Rent Control Fee: Remain at \$77.00 per unit;
- ii. Annual Apartment Non-Rent Control Fee: Remain at \$23.00 per unit;
- iii. Annual Mobilehome Rent Control Fee: Remain at \$32.00 per unit; and
- iv. Fees in connection with withdrawal of a building under the Ellis Act Ordinance: Flatten to \$1,000 per unit.

SUMMARY AND OUTCOME

The Housing and Community Development Commission reviews and offers recommendations on the proposed draft fees to guide the Housing Department's Fiscal Year (FY) 2026-2027 budget submission for the Rent Stabilization Program.

BACKGROUND

The Rent Stabilization Program (Program) administers the City's Apartment Rent Ordinance (ARO), Tenant Protection Ordinance (TPO), Ellis Act Ordinance, and Mobilehome Rent Ordinance (MRO). It is funded through annual per-unit fees charged to ARO and TPO property owners and mobilehome park owners. Fees related to the Ellis Act Ordinance are collected when all units in a building are withdrawn from the rental market.

As a cost-recovery program, all fees must fully cover 100% of Program costs. During the annual budget process, staff analyzes Program costs to determine the fees required to meet projected expenses for the upcoming fiscal year. Each Spring, staff presents this analysis and recommended fees to the Housing and Community Development Commission (Commission) for review and comment prior to budget approval. The Commission serves as an advisory body to the City Council, providing recommendations on the proposed fees as part of the annual budget process¹.

Apartment Rent Control Fee

The Annual Apartment Rent Control Fee, also known as the Apartment Rent Ordinance Fee (ARO Fee), is charged to owners of residential properties covered under the ARO. This fee applies to residential buildings with three or more rental units constructed before September 7, 1979, that are not otherwise exempt. There are over 38,000 units covered by the ARO. Properties subject to the ARO are also covered by the Tenant Protection Ordinance (TPO), but only the ARO Fee is applicable.

Apartment Non-Rent Control Fee

The Annual Apartment Non-Rent Controlled Fee, also known as the Tenant Protection Ordinance Fee (TPO-only Fee), is charged to owners of residential properties covered exclusively by the TPO. This fee applies to residential buildings with three or more rental units constructed after September 7, 1979, that are not otherwise exempt. These properties are not subject to the City's Apartment Rent Ordinance and therefore can set and increase rents pursuant to State law. The TPO-only Fee does not apply to properties covered under the ARO. There are approximately 48,000 units covered only by the TPO.

Mobilehome Rent Ordinance Fee

The Annual Mobilehome Rent Control Fee, is charged to owners of mobilehome parks with spaces permitted before September 7, 1979. Mobilehome park owners may pass through 50% of the annual fee on to residents. There are over 10,000 mobilehome spaces across 58 mobilehome parks that are covered by the MRO.

Ellis Act Ordinance Fee

The Ellis Act Ordinance Fee is charged when an owner of a building with units covered by the ARO and/or TPO decides to withdraw all the units in the building from the rental market. The purpose of the per unit filing fee is to cover the cost of administering the

¹ SJMC Sections 2.08.2840.B., 17.22.910 and 17.23.410 state that the Commission shall make recommendations once a year as to the amount of fees necessary to recover the costs of administering each program.

Ellis Act Ordinance, which primarily consists of the costs of a relocation consultant who works with tenants and property owners to relocate the tenants to other rental units and ensure that relocation assistance payments are made. The Program rarely receives Ellis Act Ordinance filings.

ANALYSIS

To prepare for the FY 2026-2027 recommendation, staff conducted a multi-year budget analysis of the cost recovery plan, in coordination with the Housing Department budget division and the City Budget Office. The proposed fees are based on draft cost and budget data provided by the City Budget Office. Staff recommends the fees detailed in this memo’s Recommendation section above for FY 2026-2027, subject to final confirmation from the City Budget Office.

Program Fee Analysis

Staff recommends maintaining fees across all Programs FY 2026-2027 and the same levels as the prior fiscal year. For Ellis Act Ordinance Fees, the Housing Department recommends flattening the fee by decreasing the per unit fee for buildings with 10 units or less to \$1000 and increasing the per unit fee for buildings with more than 10 units to \$1000. **Table 1** outlines the Program’s fees for the past two years, along with proposed fees based on current cost projections for FY 2026-2027.

Table 1: Adopted Fees for Last Two Years and Proposed Fees for FY 2026-2027

Fee Levels	Adopted 2024-2025	Adopted 2024-2025	Proposed 2026-2027
Annual Apartment Rent Control Fee (ARO Fee)	\$76.00	\$77.00	\$77.00
Annual Apartment Non-Rent Controlled Fee (TPO-only Fee)	\$23.00	\$23.00	\$23.00
Annual Mobilehome Rent Control Fee	\$30.00	\$32.00	\$32.00
Ellis Act Ordinance Fee (10 or less / < 10 units)	\$2,833 / \$951	\$2,619 / \$957	\$1,000 / \$1,000

Impacts of Staffing Vacancies and Citywide Hiring Freeze

The Housing Department can recommend keeping fees at the same levels and still maintain 100% cost-recovery, in part, due to delays in open staffing positions getting filled. During Fall of 2025, in anticipation of a large budget deficit for Fiscal Year 2026-2027, the City Manager issued guidance about reviewing costs and also instituted a hiring freeze. The Housing Department has been able to request exceptions for filling open positions in the Rent Stabilization Program since they are not funded by General Fund monies, however navigating that process takes time.

The Program expects to be fully staffed by Fall 2026. Adequate staffing is critical for the Program to complete the objectives of the Program's three-year Strategic Plan which was approved by City Council in September of 2024 and satisfying the recommendations of the City Auditor's Audit of the Tenant Protection Ordinance Program, issued in October of 2024.

Mobilehome Park Fair Return Petition Impact on Program Operations

In FY 2025-2026, a mobilehome park fair return petition under SJMC Section 17.22.700 *et seq.* was submitted on for Casa Alondra Mobilehome Park, impacting 181 mobilehome residents. The Program leveraged staffing resources to adhere to all timelines set by the Mobilehome Rent Ordinance and its Regulations and ensure adequate language access to support the primarily multilingual residents of the park. Interpretation and translation were arranged through the City Language Access Program's approved service providers and provided by staff when available and in line with City policy.

Responding to fair return petitions requires substantial staff time and resources, involving extensive coordination with residents, owners, and legal representatives, as well as document processing and language access efforts. This high-impact effort highlights the significant workload associated with fair return petitions. In addition, there are significant expenses for hearing officers and interpretation services.

After managing a fair return petition in each of the past two fiscal years, the Program recommends maintaining the MRO fee at \$32 per unit to ensure sufficient funding available should another fair petition be filed. Maintaining the fee at this level will ensure adequate staffing and resources to meet regulatory requirements, maintain language access for diverse residents, and preserve due process rights while supporting the efficient implementation of the MRO.

Fees Lower than Other Rent Stabilization Jurisdictions

As part of the exercise of determining Program fees each year, staff also examines fee levels and staffing in other rent-stabilized jurisdictions across California. In addition to established, more robust programs in cities like Berkeley, San Francisco and Santa Monica, staff looks at other rent stabilization programs that share similar aspects to San José like rent registry requirements and petition processes. Due to limits in state law on properties subject to rent control, each jurisdiction has units that are covered by both rent stabilization and just cause for eviction protection and units that are only covered by just cause protection. Some jurisdictions charge the same fee to all units, and others, like San José, have a two-tiered fee structure where rent-stabilized units are charged a higher fee than units covered only by just cause protections. San José's proposed fees for FY 2026-2027 align with or fall below fees charged in comparable jurisdictions, as

shown in **Attachment A**. Additionally, San José's Program has leaner staffing than its peers, with fewer staff per 1,000 covered units.

Also included in the table in **Attachment A** is comparison information about mobilehome rent stabilization programs in Los Angeles County and Mountain View.

EVALUATION AND FOLLOW-UP

The Program's fees will be incorporated into the Housing Department's FY 2026-2027 Proposed Fees and Charges, typically published in May and reviewed by the City Council in June. Program staff will monitor property owner, tenant, and rental market needs throughout the year to evaluate and address any required adjustments to staffing and non-personal expenditures.

CONCLUSION

The Rent Stabilization Program recommends fee adjustments to ensure full cost recovery and maintain operational effectiveness. For FY 2026-2027, staff proposes Program fees as set forth in the Recommendation section above based on current cost projections. These adjustments are vital to addressing rising costs, supporting regulatory compliance, and managing increasing caseloads, including enforcement activities, fair return petitions and appeals. The proposed fees will enable the Program to sustain essential staffing, enhance services, and ensure equitable access and outreach for all stakeholders.

PUBLIC OUTREACH

- This item was posted on the Commission website for the meeting held on April 9, 2026.
- The proposed 2025-26 Proposed Capital/Operating Budgets and 2026-27 Proposed Fees & Charges Report will be posted on the City's Council Agenda website for an initial public hearing scheduled to be held at the City Council's May 12, 2026 meeting.

COMMISSION RECOMMENDATION/INPUT

The Commission's feedback and motions will be captured and will inform the Program's proposed Fees and Charges as part of the Annual Budget process. The final FY 2026-27 Annual Budget is expected to be considered by the City Council at its meeting on

HOUSING & COMMUNITY DEVELOPMENT COMMISSION
Re: Rent Stabilization Program - FY 2026-2027 Program Fees
April 2, 2026
Page 6

June 16, 2026.

/s/
Erik L. Soliván
Director, Housing Department

The primary author of this memorandum is Emily Hislop, Division Manager. For questions, please contact Emily Hislop, Division Manager Emily.Hislop@sanjoseca.gov

ATTACHMENTS:

Attachment A – Rent Stabilization Jurisdictions Fees Comparison

ATTACHMENT A
(Rent Stabilization Jurisdictions Comparison)

Below is a sample of California cities and counties with rent stabilization programs and the per unit fee they charge. The fees shown (besides San José) are what jurisdictions charged for FY 2025-2026.

		San José (Proposed FY 2025-26)	Los Angeles County	Oakland	San Francisco	Santa Monica	Berkeley	Inglewood	Richmond	Mountain View
Population		1,015,785	1,057,162	413,775	873,965	93,076	124,321	107,762	116,448	82,376
Effective Date		Sept. 1979	Apr. 2020	Jan. 1983	Jun. 1979	Apr. 1979	Jun. 1980	Nov. 2019	Jan. 2017	Dec. 2016
Apartment Units	# of Rent Stabilized Units	38,421	55,500	80,000*	173,000*	27,500*	19,000	23,000*	7,775	15,000*
	# of Just Cause Only Units	47,572	66,790	n/a	n/a	n/a	7,000	n/a	10,700	n/a
	Annual Allowable Increase	5%	60% CPI-U (cap 3%)**	60% CPI-U (cap 3%)	60% CPI-U (cap 7%)	75% CPI-U	65% CPI-U	100% CPI-U (floor 3%)***	60% CPI-U (cap 3%)	100% CPI-U (2% - 5%)
	Per Unit Fee (Cost per Unit per Month)	\$77 (\$6.42)	\$90 (\$7.50)	\$137 (\$11.42)	\$59 (\$4.92)	\$240 (\$20.00)	\$344 (\$28.67)	\$184 (\$15.33)	\$267 (\$22.25)	\$131 (\$10.92)
	Annual Per-Unit Fee Just Cause Only	\$23 (\$1.92)	\$30 (\$2.50)	--	--	--	\$212 (\$17.67)	--	\$151 (\$12.58)	--
Mobile-home Units	# of Covered Mobilehome Spaces	10,000	6,696	n/a	n/a	n/a	n/a	n/a	n/a	1,130
	Mobilehome Annual Allowable Increase	75% CPI-U (3% - 7%)	75% CPI-U (3% - 8%)	n/a	n/a	n/a	n/a	n/a	n/a	60% CPI-U (cap 3%)
	Mobilehome Fee (Cost per Unit per Month)	\$32 (\$2.67)	\$90 (\$7.50)	n/a	n/a	n/a	n/a	n/a	n/a	\$130 (\$10.83)
Staffing	Total Covered Units	95,993	128,986	80,000	173,000	27,500	26,000	23,000	18,475	16,130
	# of Full-time Staff	17	n/a	26	50	24	25	11	14	8
	# of Units per Staff	5,647	n/a	3,077	3,460	1,146	1,040	2,091	1,320	2,016
	Staff per 1,000 Units	0.18	n/a	0.32	0.29	0.87	0.96	0.48	0.76	0.50

*Total number includes just cause only units

**In LA County "small landlords" can add 1% with a cap of 4%

***In Inglewood this applies to buildings with 5+ units

Notes:

- # of staff is dedicated program staff and does not include staff in other departments or divisions that bill time to the program
- Each jurisdiction above requires registration of covered units each include rent stabilization and just cause provisions in its ordinances or city charter.
- If a jurisdiction enacted its law after February 7, 1995, units built after that date cannot be subject to local rent stabilization provisions due to a state law called the Costa-Hawkins Act. All units can be subject to local just cause provisions.
- Units only covered by Just Cause can increase rents as much as allowed by State law.



Memorandum

TO: HOUSING AND COMMUNITY DEVELOPMENT COMMISSION

FROM: Erik L. Soliván

DATE: April 2, 2026

SUBJECT: FEDERAL FUNDING FISCAL YEAR 2026-2027 ANNUAL ACTION PLAN FUNDING PRIORITIES

RECOMMENDATION

Hold a public hearing on funding priorities for the 2026-2027 Annual Action Plan for the use of federal funds from the U.S. Department of Housing and Urban Development and provide Housing Department staff with input on the proposed funding priorities.

SUMMARY AND OUTCOME

The goal of this publicly noticed hearing is to give the public and the Commissioners an opportunity to provide comments and possible recommendations on funding priorities for the City's Annual Action Plan for Federal Funding Fiscal Year (FY) 2026-2027.

BACKGROUND

As a HUD entitlement jurisdiction, the City of San José (City) receives federal formula grants each year from the U.S. Department of Housing and Urban Development (HUD) for housing and community development activities. The funding is allocated to the City based on several factors including population, poverty, and housing statistics.

Every five years, HUD requires entitlement jurisdictions to develop a Five-Year Consolidated Plan (Consolidated Plan). The Consolidated Plan assesses San José's current housing market, analyzes demographic, race, and socio-economic conditions, and identifies populations within the City that have the greatest community and housing needs. It also defines the City's priority needs, strategies, and objectives for reducing the most prevalent barriers to housing and services in our community.

In March 2025, the City Council adopted the City's Consolidated Plan for the FY2025-2030 period. The City participated in a countywide collaboration to analyze data on housing needs and develop this cycle's Consolidated Plan. Staff then refined and prioritized the identified broad regional objectives to establish four major goals, which meet both regional and local priorities:

- 1. Reduce Unsheltered Homelessness** – Expand housing access and self-sufficiency resources for individuals and families experiencing or at risk of homelessness.
- 2. Increase Housing Affordability** – Develop new affordable housing opportunities and preserve existing housing.
- 3. Strengthen Communities** – Enhance community well-being and improve residents’ quality of life.

In each of the five years in the Consolidated Plan, HUD requires entitlement jurisdictions to submit an Action Plan which identifies a one-year strategy for meeting the goals contained in the Consolidated Plan.

The City 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 FY 2026-2027 are also listed in **Table 1**. Note that FY 2026-2027 funding levels used in **Table 1** are a general estimate of next year’s allocations, net of any estimated program income from loan repayments. Housing is anticipating a 5% decrease in funding allocations from HUD.

Table 1: Summary of FY 2026-2027 Expected Entitlements

Funding Source	Primary Use	Estimated Allocations for FY 2026-2027
CDBG	Housing and Community Development Programs, Services, and Capital Improvements	\$7,445,057
HOME	Housing	\$2,484,924
ESG	Homeless Services and Shelter Operations	\$658,211
HOPWA-PSH	Housing Support for Persons with AIDS	\$1,286,211
HOPWA	Housing Support for Persons with AIDS	\$1,869,366
TOTAL		\$13,743,769

FY 2026-2027 Action Plan, discussed herein, presents the projects, activities, and expected outcomes that support and advance one or more of the four priorities identified in the Consolidated Plan.

ANALYSIS

The City will receive approximately \$13.7 million in Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for People with AIDS (HOPWA), Housing Opportunities for People with AIDS Permanent Supportive Housing (HOPWA PSH), and Emergency Solutions Grant (ESG) entitlement grants. Congress typically takes final action on the federal budget in June, and the exact amount of federal entitlement funds will be known then.

As shown in **Table 2**, the City estimates it will invest, with the prior year balances and program income, a total of \$36,340,762 across the four federal housing and community development funding programs.

The total funding in each of the four HUD funding programs listed includes: 1) the amount allocated by formula to San Jose for each program for the coming year; 2) the amount of estimated program income that will be received by the City to be used in the coming year; and 3) the balance of prior year's funds for each program. For CDBG, the prior year's balance consists of unused balances from previous year's projects and/or unanticipated program income in previous years. For HOME, the prior year's balance consists of funds set aside in anticipation of commitments for rental development projects in the development pipeline.

Table 2: FY 2026-2027 Federal Funding Levels Overview

Program	Actual FY 2025-2026 Allocation	Est. FY 2026-2027 Allocation	Prior Year Fund Balance	Program Income	Total FY 2026-2027
CDBG	\$7,836,902	\$7,445,057	\$1,491,779	\$150,000	\$9,086,836
HOME	\$2,615,709	\$2,484,924	\$18,987,885	\$1,689,292	\$23,162,102
ESG	\$692,854	\$658,211	\$19,178	\$0	\$677,389
HOPWA-PSH	-	\$1,286,211	\$0	\$0	\$1,286,211
HOPWA	\$1,869,366	\$1,869,366	\$258,857	\$0	\$2,128,223
TOTAL	\$13,072,930	\$13,743,769	\$20,757,700	\$1,839,292	\$36,340,762

Fiscal Year 2026-2027 Action Plan Development

To implement the priorities outlined in the Consolidated Plan, the Housing Department administers an Annual Action Plan that identifies specific programs and funding allocations.

In January 2023, the Housing Department invited qualified organizations to submit proposals to oversee various programs funded by CDBG, HOME, ESG, and HOPWA Program funds through a Notice of Funding Availability (NOFA). Programs funded through this NOFA include:

- 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 fourth year of the processed NOFA, extending the duration by one year. Since the January 2023 NOFA, the Housing Department launched and completed a secondary competitive procurement process to administer the HOPWA (April 2024) and Legal Services (June 2024) programs. A full NOFA will be conducted in 2026.

The Fiscal Year 2026-2027 Action Plan contains a description of all activities recommended for funding. Each of the activities detailed in the draft Action Plan is aligned with the four goals of the Consolidated Plan and contributes to the City's five-year objectives. The draft Action Plan aligns the City's available resources with the planned activities, enabling the City to meet its annual goals and stay on target to meet its five-year goals.

CDBG Program

CDBG Program supports the development of viable urban communities by providing decent housing, encouraging a suitable living environment, and expanding economic opportunities, principally for lower-income households. As the largest and most flexible of the four federal grants, CDBG funds are divided into three categories of eligible uses. These include Public Services, Community Development Investment (CDI), and Administrative activities. Public Services are limited to 15% of the annual allocation plus the previous year's program income, and Administrative activities are limited to 20%. The CDI category includes two types of activities: construction projects and non-construction projects. Construction projects consist of capital projects that directly fund physical improvements such as facility or infrastructure improvements. Non-construction projects include programs and other services, such as minor home repair, provided to low- and moderate-income households.

CDBG Public Services

CDBG funds can be used to support a range of public services benefitting low- and moderate- income individuals and households. Program regulations limit funding for public services to 15% of the annual CDBG allocation combined with program income

from the prior year. The City’s proposed allocations reflect funding priorities, program delivery costs, and the service capacity of contracted organizations. **Table 3** details CDBG-funded public service programs and providers currently operating under funding agreements, and existing public service contracts that will be extended for one additional year to maintain service continuity. All grant agreements will be monitored for performance in achieving the stated outcomes and compliance with the contractual agreements. The amounts allocated reflect the actual program delivery and staff costs to deliver eligible programs of the grantee organizations.

Table 3: Proposed CDBG – Public Service Programs

#	Public Services	Agency Partner	Description	Est. FY 2026-2027 Funding	Proposed Outcome
i.	Homeless Outreach	HomeFirst	Citywide outreach and shelter	\$250,000	<ul style="list-style-type: none"> 270 individuals will receive individualized outreach services, with a portion connected to temporary or permanent housing placements.*
ii.	Neighborhood Engagement and Leadership Training	SOMOS	Leadership development and engagement training	\$132,214	<ul style="list-style-type: none"> 501 individuals will participate in leadership training, education programs, or receive basic needs and supportive services. 100 individuals will participate in educational classes and/or receive case management services.
		VIVO	Neighborhood engagement - ESL, citizenship exam preparation and civic awareness classes	\$45,000	
iii.	Senior Nutrition	POSSO	Meals and support programs for seniors	\$348,000	<ul style="list-style-type: none"> 160 seniors will receive nourishing meals and in-person health check-ins.**
iv.	Fair Housing Services	Law Foundation of Silicon Valley	Fair Housing	\$54,044	<ul style="list-style-type: none"> 145 individuals will receive legal services, representation, and fair housing education to prevent housing discrimination and ensure access to housing.***
v.	Legal Services	Bay Area Legal Aid	Citywide legal services for low-income tenants.	\$150,000	<ul style="list-style-type: none"> 100 low-income tenants will receive legal advice and representation. 75 client-facing staff will receive training and attorney support in order
		Legal Link	Neutral tenant-landlord counseling and dispute resolution	\$10,000	

			services (Legal Training)		to serve as housing justice workers.
		Project Sentinel	Neutral tenant-landlord counseling and dispute resolution services	\$150,000	<ul style="list-style-type: none"> 800 tenants and landlords will receive education on their respective rights as well as responsibilities and dispute resolution assistance.
TOTAL				\$1,139,258	

Notes: * Reflects total individuals served with CDBG funds. This program is also funded by ESG funds. **Reflects individuals served through CDBG funds only; total served with other non-federal funds is 360. ***Reflects total individuals served with both CDBG and HOME funds.

i. Homeless Outreach

HomeFirst’s Homeless Outreach and Engagement Program will provide individualized, light-touch support to high-needs individuals and households living on the streets and in encampments throughout San José. Services are participant-centered and include connecting participants to shelter and supportive services, distributing basic needs supplies such as hygiene kits, food, water, and clothing, and conducting housing eligibility assessments to facilitate pathways toward stable housing. All activities align to the City Targeted Outreach Engagement Program.

ii. Neighborhood Engagement and Leadership Training

SOMOS Mayfair will deliver community-building activities through the Eastside Neighborhood Development Program, operated by the Sí Se Puede Collective, a coalition of nonprofits dedicated to uplifting East San José. This program provides leadership development training, case management, financial literacy support, arts education, and workforce development services. These efforts are designed to strengthen resident advocacy, build local leadership capacity, and empower community-driven decision-making.

VIVO will offer English as a Second Language classes, digital literacy workshops, citizenship preparation courses, and cultural awareness programs to promote civic participation among the community. VIVO will also provide case management services to assist residents with applications for public benefits, DMV services, and housing resources. Services are open to all residents, with a special focus on supporting the Vietnamese community.

iii. Senior Nutrition

POSSO will provide culturally and linguistically accessible programs for low-income seniors in San José. Services include door-to-door transportation from seniors’ homes to the Portuguese Community Center, where participants engage in daily activities such as nutrition programs, health support services, and other community-based offerings. Seniors report that participation in these programs helps reduce social isolation and

promotes greater independence. In addition to transportation for medical and personal appointments, POSSO also prepares and delivers hot meals to homebound seniors, ensuring that vulnerable residents receive consistent nutrition and support.

iv. Fair Housing Services

The Law Foundation of Silicon Valley will conduct the Fair Housing Legal and Education Services Collaborative, working to build inclusive and sustainable communities free from housing discrimination. The Collaborative provides a range of services, including complaint-based investigations, systematic fair housing testing, counseling and referrals to legal aid and advocacy services, and direct legal representation for individuals experiencing housing discrimination. While the program supports legal and educational services to address unlawful housing practices, it does not engage in any tenant organizing activities. By promoting fair housing access and removing discriminatory barriers, the Collaborative helps residents secure and access or maintain stable housing opportunities.

v. Legal Services

The Legal Services program will fund two initiatives: Citywide Legal Services for Low-Income Tenants and Neutral Tenant/Landlord Counseling and Dispute Resolution Services.

Bay Area Legal Aid (BALA) will administer the Citywide Legal Services Program, operating a Legal Advice Line that provides comprehensive support, including client screening, intake, referrals, and legal advice. For clients with more complex issues, the Legal Advice Line will schedule in-person appointments at BALA's San José office. Additional services include limited-scope legal assistance, such as advice and counsel, brief services, as well as full representation. BALA will also educate the community through Know Your Rights workshops.

Legal Link and Project Sentinel will administer the Neutral Tenant-Landlord Counseling and Dispute Resolution Services Program. Legal Link focuses on building community capacity by providing Housing Justice Worker training and developing a Housing Justice Worker Toolkit to equip community partners with tools to deliver housing education. Project Sentinel offers direct services to tenants and landlords, including counseling on rights and responsibilities, conflict resolution support, and mediation and conciliation services. Additional services include conducting community education through workshops, warm referrals, and individualized counseling, helping to prevent evictions, stabilize housing situations, and increase public awareness of tenant and landlord rights and responsibilities across San José.

CDBG Community Development Investment (CDI) Activities

CDI Construction funds are used to support public infrastructure improvements and other capital needs that benefit LMI communities. Unlike public services, there is no federal cap on the amount that can be dedicated to CDI activities. Housing Department staff collaborate with other City departments and nonprofit partners to identify eligible infrastructure and capital projects that align with CDBG requirements and the City’s Consolidated Plan goals. CDI projects are evaluated based on funding availability, project readiness, public input, and consistency with Consolidated Plan priorities.

Project readiness includes the ability to fully expend allocated funds within the fiscal compliance period and the completion of required environmental reviews prior to funding commitment, ensuring the projects can move forward promptly and in compliance with federal regulations. **Table 4** details the proposed activities for CDI projects.

Table 4: Detailed CDI Construction Projects

#	Public Services	Agency Partner	Description	Est. FY 2026-2027 Funding	Proposed Outcome
i.	Accessible Pedestrian Signal Project #2	Department of Transportation	Installation of accessibility devices at signalized intersections	\$491,199	Improve ADA access and pedestrian safety by providing multi-sensory crosswalk signals.
ii.	Reserve for Public Infrastructure/Rehab	TBD	TBD	\$3,163,665	Reserve will support additional eligible infrastructure or rehabilitation projects as identified.
TOTAL				\$3,654,864	

i. Accessible Pedestrian Signal Project #2

The City’s Department of Transportation will continue its multi-year initiative to install Accessible Pedestrian Signals (APS) at signalized intersections to improve accessibility and safety, particularly for visually impaired and other vulnerable pedestrians. APS devices provide audible and vibrotactile cues that indicate traffic signals, offering multimodal feedback to help pedestrians safely navigate intersections.

ii. Reserve for Public Infrastructure/Rehab

The remaining \$3.1 million within the CDI category will support additional eligible projects in the future. The Housing Department and the City Manager’s Budget Office will work with City departments in the coming months to identify additional suitable projects that fund new or rehabilitation of existing public infrastructure and will be able

disburse within CDBG timelines. Once additional projects are identified, an amended Annual Action Plan will be presented for City Council’s consideration.

CDBG – CDI Non-Construction Activities

Non-construction CDI projects fund programs and services that benefit LMI individuals and households. These activities support community stabilization and quality of life improvements without involving physical infrastructure development. **Table 5** outlines the proposed non-construction CDI activity, including code enforcement services aimed at improving housing conditions in targeted neighborhoods.

Table 5: Detailed CDI Non-Construction

CDBG Activities	Department/ Agency Partner	Description	Est. FY 2026- 2027 Funding	Proposed Outcome
Code Enforcement	Planning, Building, and Code Enforcement	Code Enforcement in Targeted Neighborhood	\$1,273,703	500 housing units will be inspected for compliance with housing and blight codes, preventing deterioration of neighborhoods
TOTAL			\$1,273,703	

Economic Development

The City will use CDBG funding to provide for a microenterprise program. Under CDBG guidelines, a microenterprise is defined as a business with five or fewer employees including the owner. All part-time and full-time employees on the business payroll at the time of assistance must be counted. Eligible microenterprise activities include providing technical assistance and general support services to LMI business owners, helping to establish new businesses, or expanding existing businesses by increasing employment, sales, or revenue.

Table 6 outlines the proposed microenterprise activity, which provides business and technical assistance to support LMI childcare providers in San José.

Table 6: Detailed Economic Development

CDBG Activities	Agency Partner	Description	Est. FY 2026- 2027 Funding	Proposed Outcome
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Microenterprise Program	Upwards (WeeCare)	Child Care Providers Business/Technical Training	\$1,500,000	195 home daycare providers will receive technical assistance and business to support to grow and sustain their business.
TOTAL			\$1,500,000	

Upwards, a network of licensed home-based childcare providers, will implement the Business Operation and Optimization Support Tools (BOOST) Program to support microenterprise childcare providers. BOOST offers comprehensive business and technical assistance aimed at helping low- and moderate-income providers stabilize operations, maximize revenue, and sustain their businesses over time.

By strengthening the business capacity of childcare providers, the BOOST Program contributes to the creation of a more robust, sustainable local childcare ecosystem. Supporting childcare businesses in turn improves economic stability for families across San José. Through this program, Upwards will help ensure that LMI childcare businesses have the tools and resources they need to succeed and continue providing essential services to the community.

CDBG Administration

Recognizing the significant requirements involved in administering CDBG funds, HUD permits jurisdictions to use up to 20% of the annual entitlement plus current-year program income for administrative planning and oversight activities. In addition to general grant administration, fair housing services are the only programmatic activities that may also be funded from the Administrative category, as well as through CDBG Public Services or the HOME program. **Table 7** details the CDBG Administration budget.

Table 7: Detailed Administration

CDBG Activities	Department/Agency Partner	Description	Est. FY 2026-2027 Funding
Administration	Housing	20% is designated by HUD for Program Administration	\$1,274,544
Administration	PBCE	Support services from Environmental Planner	\$33,860
Administration	CAO	Support services from CAO	\$64,651
Fair Housing	Law Foundation of Silicon Valley-Consortium	Fair Housing	\$145,956
TOTAL			\$1,519,011

In FY 2026-2027, administrative funds will support fair housing programs and reimburse City departments for their work on CDBG-related activities. These activities include legal reviews of federal contracts performed by the City Attorney's Office, environmental review services provided by the Planning, Building & Code Enforcement Department, and Housing Department staff work related to the Assessment of Fair Housing and Housing Element planning. Housing Department administration activities also include contract negotiation and development, monthly invoice review, spending trend analysis, contract monitoring, and coordination of HUD audits.

HOME Program

The HOME program provides financial assistance to expand the supply of affordable rental and homeownership opportunities for LMI households. Eligible activities include the acquisition, rehabilitation, and construction of affordable housing, the provision of tenant-based rental assistance, and home repair programs. **Table 8** details the proposed uses of HOME funds.

#	HOME Activities	Agency Partner	Description	Est. FY 2026-2027 Funding	Proposed Outcome
i	New Affordable Housing Development	Housing Community Housing Development Organization (CHDO)	CHDO Set Aside (15% HOME Set Aside) for Development of Affordable Housing	\$372,738	New affordable housing development.
	New Affordable Housing Development Project(s)	Housing CHDO	Reserve for New Affordable Housing Development Project(s)	\$22,371,942	New affordable housing development(s).
ii	Fair Housing	Fair Housing Law Foundation of Silicon Valley - Consortium	Fair Housing*	\$200,000	145 individuals will receive legal services, representation, and fair housing education to prevent housing discrimination and ensure access to housing.*
iii	Administration and Planning	Housing	10% is designated by HUD for Program Administration	\$217,422	-
			TOTAL	\$23,162,102	

*Fair Housing services and proposed outcomes will be funded through CDBG Administrative funds, CDBG Public Services funds, and HOME funds.

i. New Affordable Housing Project(s) - TBD

Staff will seek to identify appropriate forthcoming affordable housing developments that meets HOME requirements, including obtaining environmental reviews, construction readiness, and ability to disburse funds in a timely manner. If programs compliance proves to be a challenge the funding will be reprogrammed for other eligible activities such as unit preservation.

ii. Fair Housing

The Law Foundation’s sole focus will be on the administration of Fair Housing requirements of federal fair housing program law by responding to complaints with a target of servicing 145 cases. It is noted that much of the federal fair housing law is under review by HUD.

iii. Administration

The Housing Department will utilize the additional resources up to the 10% statutory cap for the administration of the program.

Emergency Solutions Grant Program

The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 amended the McKinney-Vento Homeless Assistance Act, revising the Emergency Shelter Grants Program and renaming it the Emergency Solutions Grant (ESG) program. The ESG Interim Rule, effective January 4, 2012, reflects the program’s shift in focus from supporting emergency and transitional shelters to helping individuals and families quickly regain stability in permanent housing after experiencing a housing crisis or homelessness. **Table 9** outlines the proposed uses of ESG funds, including homeless outreach, Homeless Management Information System (HMIS) data system support, rapid rehousing, and administrative costs aligned with HUD’s priorities for ending homelessness.

Table 9: Detailed ESG Projects

#	ESG Activities	Department/Agency Partner	Description	FY 2026-2027 Funding	Proposed Outcome
i	Homeless Outreach	HomeFirst	Citywide outreach and shelter (60% of ESG Allocation)	\$394,926	430 individuals will receive individualized support through

					street outreach interactions, and # of those individuals exited to permanent or temporary housing placements.
ii	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	\$49,365	HMIS access will be provided to 240 users to maintain standardized data collection, coordination, and analysis in a centralized database system.
iii	Mabury Emergency Interim Housing	HomeFirst	Oversee operations of congregate Emergency Shelter at Mabury	\$183,731	TBD
iv	Administration	Housing	7.5% is designated by HUD for Program Administration	\$49,365	-
TOTAL				\$677,389	

i. Homeless Outreach

HomeFirst’s Homeless Outreach and Engagement Program will provide individualized, light-touch support to high-needs individuals and households living on the streets and in encampments across San José. Services will include connecting individuals to shelter and services, distributing basic needs supplies such as hygiene items, food, water, and clothing, and conducting housing eligibility assessments to support pathways to permanent housing.

ii. Homeless Management Information System

The County of Santa Clara oversees HMIS, a secure, web-based data system used to collect, manage, and report client-level data across the homelessness services network. ESG funding supports a portion of the overall system costs, including software licensing, user training, data quality monitoring, reporting, system maintenance, and necessary upgrades to ensure ongoing compliance with HUD and State requirements.

iii. Mabury Emergency Interim Housing

HomeFirst provides 24/7 on-site oversight, staffing, program operations, and supportive services at the City’s Emergency Interim Housing (EIH) program at 1410 Mabury Road. Responsibilities include day-to-day management of the 38 shelter units, provision of essential services such as intake and assessment, case management, housing navigation, and connections to healthcare, and the exit of clients from the program into permanent housing destinations. ESG funding is paired with State and local funds to support the continuity of operations and services through FY 26-27. HomeFirst was competitively procured by the Housing Department through a Request for Proposals completed in 2024.

iv. Administration

The Housing department will utilize the 7.5% statutory cap for staff administration, oversight, and monitoring of the projects described above.

HOPWA and HOPWA PSH Program

The HOPWA / HOPWA-PSH program is the only federal program dedicated to addressing the housing needs of low-income people living with HIV/AIDS and their families. In April 2024, Bay Area Community Health was selected through a competitive Request for Proposals process to administer the Rental Assistance and Supportive Housing program using HOPWA and HOPWA-PSH funds, following the closure of The Health Trust’s services at the end of FY 2023–2024. **Tables 10 and 11** outline the City’s proposed HOPWA and HOPWA-PSH expenditures by category and activity.

#	HOPWA Activities	Department/Agency Partner	Description	Est. FY 2026-2027 Funding	Proposed Outcome
i	Rental Assistance and Supportive Housing	Bay Area Community Health	Rental assistance and supportive housing	\$1,772,142	60 households with HIV/AIDS will remain stably housed and receive supportive health services.
	Rental Assistance and Supportive Housing	San Benito County	Rental assistance and supportive housing for HOPWA participants	\$300,000	10 households with HIV/AIDS will remain stably housed and receive supportive health services.
ii	Administration	Housing	3% is designated by HUD for Program Administration	\$56,080	-
TOTAL				\$2,128,223	

#	HOPWA-PSH Activities	Department/Agency Partner	Description	Est. FY 2026-2027 Funding	Proposed Outcome
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i	Rental Assistance and Supportive Housing	Bay Area Community Health	Rental assistance and supportive housing for HOPWA participants	\$1,273,349*	40 households with HIV/AIDS will remain stably housed and receive supportive health services.
ii	Administration	Housing	3% is designated by HUD for Program Administration	\$12,862	-
TOTAL				\$1,286,211	

*The HOPWA-PSH grant award for the Rental Assistance and Supportive Housing Program of \$1,273,349 will be spread across three Fiscal Years. Bay Area Community Health is expected to utilize \$424,450 during FY 2026-2027.

i. Rental Assistance and Supportive Services [HOPWA / HOPWA – PSH]

Bay Area Community Health will provide rental assistance and supportive services for low-income individuals living with HIV/AIDS and their families through both HOPWA and HOPWA-PSH funding. HOPWA-PSH specifically provides eligible households with permanent supportive housing, which includes a continuous legal right to remain in the housing unit through a renewable lease or legally binding occupancy agreement after the first year of residency. In addition to housing assistance, participants must have ongoing access to supportive services provided by qualified service providers.

San Benito County partners with the City of San Jose, which is a major entitlement jurisdiction in the Metropolitan Statistical Area. Housing Department staff coordinates with San Benito County staff to administer approximately \$300,000 annually in rental assistance for eligible residents. Under HUD regulations, the City may use up to 3% of the annual HOPWA allocation for administrative costs related to program management and compliance.

ii. Administration [HOPWA / HOPWA – PSH]

The Housing department will utilize the additional resources up to the combined 6% statutory cap for the administration of the two programs, HOPWA and HOPWA-PSH.

EVALUATION AND FOLLOW-UP

The priorities, programs, and funding allocations outlined in the Fiscal Year 2026-2027 Annual Action Plan reflect a strategic, data-informed approach to addressing the most pressing housing and community development needs in San José. By refining the City's goals and emphasizing measurable outcomes, the Plan aims to maximize the impact of

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limited federal resources. The public service programs are scheduled for competitive rebidding in 2026 through the release of a Notice of Funding Availability.

PUBLIC OUTREACH

The Council version of this memo will be posted on the City's website for the May 5, 2026 City Council meeting.

Federal regulations require that jurisdictions hold at least two public hearings to receive public comment for the FY 2026-2027 Action Plan and funding priorities. In accordance with the City's Community Participation Plan, the Housing Department holds three public hearings during the development and finalization of federally required documents. The Housing Department is presenting the draft Action Plan to the Housing and Community Development Commission on April 9, 2026 to solicit the Commission's feedback and public comment. The second public hearing is being held as a community meeting on April 16, 2026, conducted both in person at City Hall and virtually via Zoom. The City Council will hold the final public hearing on May 5, 2026, at which time the City Council must adopt the final FY 2026-2027 Action Plan. The Housing Department then will submit the FY 2026-2027 Action Plan to HUD in time to meet its deadline.

All public comments provided to the City, both verbally and in writing, will be included in the appendices of the FY 2026-2027 Action Plan, together with staff's responses when the FY 2026- 2027 Action Plan is submitted to HUD.

/s/

Erik L. Soliván

Director, Housing Department

The principal author of this memorandum is Nosheen Hossain, Acting Senior Development Officer. For questions, please contact Sarah Fields, Deputy Director, Housing Department at sarah.fields@sanjoseca.gov or (669) 369-8999.