



Memorandum

TO: COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE

FROM: Jacky Morales-Ferrand
Chris Burton

SUBJECT: SEE BELOW

DATE: February 18, 2022

Approved

Date

2/18/22

SUBJECT: ASSESSMENT OF FAIR HOUSING REPORT AND HOUSING ELEMENT STRATEGIES REPORT

RECOMMENDATION

Accept a report on assessment of fair housing, including potential strategies to incorporate into the forthcoming Sixth Cycle Housing Element.

OUTCOME

The City's Assessment of Fair Housing (AFH) work has been integrated into the development of the sixth Housing Element cycle to comport with State law. Committee members will gain an understanding on the status of the AFH and Housing Element work, the timing and paths for approvals, and early examples of types of draft strategies that could go into the Housing Element.

EXECUTIVE SUMMARY

Staff has aligned the creation of an Assessment of Fair Housing Plan including the identification of needs and barriers to fair housing access with the development of the sixth Housing Element cycle process. This integration comports with State guidance under AB 686 (2018), and the Housing Element. The AFH Plan and the new Housing Element (covering 2023 to 2031) are expected to be approved by City Council as separate documents. Community education, outreach, strategy development, and analysis serve dual purposes of informing both the AFH Plan and the Housing Element.

Staff's outreach activities to-date are summarized in **Attachment A**. Since 2019, staff's outreach activities are estimated to have reached almost 2,700 duplicated participants.

Strategies for the AFH and the Housing Element attempt to address fair housing issues comprehensively. While the State's direction specifically focuses on the need to reduce racial and ethnic segregation, fair housing generally addresses identified housing issues for residents in protected classes or protected characteristics under federal and State law. These include seniors, disabled, LGBTQ, large families, veterans, rental voucher holders, residents from other countries, non-English speakers, and many other populations listed in Table 1 below. Housing Element strategies must also include metrics and milestone dates denoting progress, and the City can be held responsible for achieving identified progress. The main issue areas for strategies are likely:

- A. Improving access to rental housing
- B. Increasing homeownership opportunities, consistent with State and federal law, for protected classes that are historically marginalized and redlined from housing opportunities in San José (including African American, Native American, and Latino/a/x communities)
- C. Improving access to Racially Concentrated Areas of Affluence, areas with higher incomes and opportunities and low levels of racial integration
- D. Coordinating and increasing investments to improve quality of life in lower-income neighborhoods that are racially or ethnically concentrated

Initial draft strategy ideas are contained in Attachment B. While this list is preliminary, it is included for the Committee's feedback. Staff work is ongoing and will continue for the remainder of 2022. Staff expects to bring key contents of the forthcoming draft Housing Element to the City Council in June 2022, and the final draft document to City Council in early 2023. The Housing Element is due to the state on January 30, 2023. Due to recent changes in State law, staff anticipates needing to submit shortly after the due date in April or May 2023, but is exploring ramifications and possible solutions with the California Department of Housing and Community Development. The City Council will be further apprised as more is known.

BACKGROUND

In 2019, the City began work on its first AFH. The creation of the AFH supports the City's development of its next Housing Element as required by Assembly Bill 686 (2018). The AFH also supports the City's five-year Consolidated Plans, which identify barriers to fair housing access to meet the U.S. Department of Housing and Urban Development's funding requirements.

On October 10, 2019,¹ staff presented an update of the Assessment of Fair Housing timeline and the draft community engagement plan to the Neighborhood Services and Education Committee.

¹ <https://sanjose.legistar.com/MeetingDetail.aspx?ID=711317&GUID=281916F6-FE55-455A-8F9B-C9B4D40C6C60&Options=info/&Search=>

The Housing Department used the initial AFH data, findings, and comments received during community engagement in fall 2019 and early 2020 to inform federal funding priorities for the City's *2020-25 Consolidated Plan*, which the City Council approved in August 2020.²

On May 13, 2020, the Department of Planning, Building and Code Enforcement issued an Information Memorandum on the State Regional Housing Needs Allocation and Housing Element Reforms for the Sixth Cycle.³

On November 10, 2020, the City Council accepted a report from the Department of Planning, Building and Code Enforcement on the State Regional Housing Needs Allocation and Housing Element Reforms for the Sixth Cycle.⁴

In May and June 2021, Housing Department staff presented initial findings of San José's fair housing needs at the following public meetings:

- Housing and Community Development Commission, May 13, 2021⁵
- Neighborhood Services and Education Committee, May 20, 2021⁶
- City Council, June 8, 2021.⁷

When Housing Department staff presented to the Neighborhood Services and Education Committee in May 2021, Committee members expressed support for community education on fair housing, interest in homeownership and asset building strategies, and interest in strategies to overcome racial discrimination in access to housing. Per the Committee's direction for staff to spend time educating the public on fair housing, staff was able to reach over 630 residents through special events and community meetings in September and December 2021, as listed in Attachment A.

Housing Department and Planning Division staff together presented on this memorandum's material to the Neighborhood Services and Education Committee on February 10, 2022.⁸ Committee members' comments included the following:

² 2025-20 Consolidated Plan and FY 2020-21 Annual Action Plan, <https://www.sanJoseca.gov/your-government/departments-offices/housing/resource-library/hud-reports/consolidated-annual-action-plans/2020-25-consolidated-annual-action-plans>

³ <https://storage.googleapis.com/proudcity/santaclaracountycities/uploads/2020/05/RHNA-CC-Memo.pdf>

⁴ File 20-1417, <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4679550&GUID=BB07E381-308F-4EB2-87BE-688C4387C613&Options=&Search=>

⁵ <https://www.sanjoseca.gov/home/showpublisheddocument/73173/637571012547370000>

⁶ File CC 21-144, <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4912473&GUID=179505BB-6EC9-4167-BC07-FEB801389E22&Options=&Search=>.

⁷ File 21-1342, <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4965941&GUID=7E5FFEBD-EC83-4151-922E-15BD9C6F2FC1&Options=&Search=>.

⁸ File CC 22-012, <https://sanjose.legistar.com/LegislationDetail.aspx?ID=5383165&GUID=A906D1B1-49F1-4B0A-88B4-347EBA64B03F&Options=&Search=>

- Interest in supporting homeownership programs and strategies that build intergenerational wealth for residents to combat today's systemic problems, including downpayment assistance
- Support for interdepartmental coordination on infrastructure investments and program delivery to better serve low-income neighborhoods
- Desire to disaggregate Asian/Pacific Islander data wherever possible
- Support for missing middle housing strategies that could help combat effects of redlining and further the City's equity goals
- Support for more middle-income housing
- Interest in strategies for children, families and single mothers, and the need to include the direct voice of women who are marginally housed or unhoused
- Importance of integrating racial equity work with policies to consciously reverse effects of discrimination into long-range plans that survive political changes on the City Council
- Need to think about staff capacity in defining policies and programs
- Need for additional resources to do this work

The Committee's motion included direction to staff to integrate homebuyer downpayment assistance into the policies and programs list. It also directed staff to outreach to residents in Districts 3, 5 and 7 in neighborhoods identified as racially/ethnically concentrated areas of poverty (R/ECAPs) with of potential focus before returning to the City Council.

ANALYSIS

Assessment of Fair Housing and the Housing Element are Intertwined

State and federal Fair Housing laws were initially designed to prohibit racial discrimination and/or promote racial integration in housing. The newer mandate to "affirmatively further fair housing" (AFFH) goes beyond prohibiting housing discrimination. AFFH is a requirement that federal agencies, federal grantees, and public agencies actively address and work to eliminate housing discrimination and segregation. This requires these entities start with taking meaningful actions to combat discrimination, which begins remedying existing patterns of segregation. Governments are obligated to foster inclusive communities free from barriers – intentional and unintentional – that restrict residents' access to opportunity.

In 2021, the U.S. Department of Housing and Urban Development repealed the Trump Administration's 2020 rule that removed communities' obligations to affirmatively further fair housing, replacing it instead with a broader standard. The new federal rule,⁹ which took effect on

⁹ <https://www.federalregister.gov/documents/2021/06/10/2021-12114/restoring-affirmatively-furthering-fair-housing-definitions-and-certifications>

July 31, 2021, reinstates the 2015 Obama Administration standard that HUD funding recipients “address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially or ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.”¹⁰ Assembly Bill 686 (2018) by Assemblymember Santiago essentially codifies this standard for federal funding recipients to apply to California jurisdictions. The bill requires fair housing analysis and strategies to be fully integrated into the Housing Element.

Fair housing law prohibits discriminatory acts based upon “protected characteristics” or “protected classes” as identified in Table 1. Fair housing law protects against discrimination toward people with based on these characteristics since these characteristics have regularly caused barriers in access to housing and employment. **Table 1** lists the protected classes that the City’s AFH work focuses on.

Table 1: Classes/Characteristics Protected under Federal and California Law

Federal Protected Classes/Characteristics	California Protected Classes/Characteristics
Race, ethnicity, color, national origin	All federally protected classes
Religion	Gender, gender identity and gender expression
Sex	Sexual orientation
Familial status	Marital status
Disability	Medical conditions
	Military and veteran status
	Age (for people over 40)*
	Genetic information
	Ancestry
	Source of income

*Note: Age is protected against housing discrimination through the Unruh Civil Rights Act (California Civil Code 51 et seq.).

The AFH in the Housing Element must analyze patterns and develop solutions related to:

- Enforcement of Fair Housing laws and associated outreach
- Integration and segregation at the neighborhood and regional levels
- Racially or ethnically concentrated areas of poverty
- Disparities in access to opportunity of residents in protected classes, and
- Disproportionate housing needs, including displacement risk

¹⁰ 86 Fed. Reg. 30783, June 10, 2021.

The AFH must consider factors that cause, increase, contribute to, maintain, or perpetuate these patterns and incorporate local data and knowledge. Public outreach is an important part of the process. The State's expectation is that communities work on two levels to improve housing choices:

1. Increasing the ability for protected class residents to access high-quality housing in good neighborhoods, and
2. Improving neighborhood conditions in areas that have concentrations of residents with lower incomes and certain races/ethnicities.

The Housing Element, a required element of a jurisdiction's General Plan, must include specific components per State law. For the first time, the sixth Housing Element cycle (2023 to 2031) must include an assessment of fair housing, a site inventory that attempts to dismantle housing segregation, and programs that "affirmatively further fair housing." In addition to an AFH analysis, the following are required components of a Housing Element:

1. *Housing Needs Assessment*: Examine demographic, employment, and housing trends and conditions that affect the housing needs of the community.
2. *Evaluation of Past Performance*: Review the prior Housing Element to measure final progress in implementing policies and programs.
3. *Housing Sites Inventory*: Identify locations of available sites for housing development or redevelopment to ensure that there is adequate capacity to address the Regional Housing Needs Allocation (RHNA).
4. *Community Outreach and Engagement*: Implement a robust community outreach and engagement program, with a particular focus on outreach to traditionally underrepresented groups.
5. *Constraints Analysis*: Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.
6. *Policies and Programs*: Establish policies and programs to fulfill the identified housing needs.

In fall 2021, Housing and Planning staff attended several trainings on the upcoming Sixth Cycle Housing Element requirements. The State's guidance on required Housing Element analysis must drive the methodology and content of the City's AFH Plan. Given the importance and timing of the State's guidance, and the integral nature of the AFH to the Housing Element, staff joined these two initiatives and synched production of these documents.

Staff attended recent presentations on early lessons learned from the State's review of submitted Housing Elements from Southern California communities. One clear lesson is that the State requires a clear, direct connection between housing and community needs supported by community input and data to remedy fair housing barriers.

Community Outreach and Engagement Continues

A description of staff's engagement efforts and lists of meetings held to-date that educate development of both the AFH and the Housing Element is included as **Attachment A**.

When Housing Department staff presented to the Neighborhood Services and Education Committee in May 2021, Committee members recommended that staff spend time to educate the public about fair housing. Accordingly, staff created several special events and opportunities for residents to become more knowledgeable about the topic:

- Presentation on AFH at SV@Home Housing Action Coalition meeting on July 3, 2021
- A virtual community meeting focused on the Housing Element and AFH on September 2, 2021
- A virtual panel discussion on the history of segregation in San José at San José State's University's Racial Justice Symposium on November 3, 2021
- Screening of the documentary *A Reckoning in Boston*, a film about a black woman's struggles with institutional racism in Boston, and held an interactive public discussion with the producers on November 18, 2021
- A virtual community meeting focused on fair housing and segregation on December 13, 2021
- A podcast on the Housing Element and AFH posted to the City's "Dwellings" webpage¹¹ in January 2022
- An Assessment of Fair Housing webpage¹² with educational materials posted

More than 630 residents took advantage of these opportunities to learn more about fair housing. This number does not count any additional listeners who have downloaded the City's podcast through Spotify, Apple Podcasts, Google Podcasts, or Stitcher.

New State Law Reduces Time for Early 2022 Engagement

Assembly Bill 215 (2021) became law on September 28, 2021 and took effect on January 1, 2022 – well into the current development period of the Sixth Cycle Housing Element. The new law requires jurisdictions post their draft Housing Elements publicly for 30 days, respond to public comments, make edits for at least ten days, and submit to the State for an initial review period of up to 90 days. This adds an additional review period to the existing State approval process. The effect of the new law is to reduce the time that staff has to produce the lengthy plan by at least 70 days. The law's effect is somewhat contrary to its intent, as it reduces the upfront

¹¹ <https://www.sanjoseca.gov/your-government/departments-offices/housing/about-us/dwellings-podcast>

¹² <https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/assessment-of-fair-housing>

time available for stakeholders and the public to give substantive input on their needs, and to help create and prioritize draft housing strategies that stakeholders and the public find important.

In addition, the State recently advised City staff that it strongly recommends adding a second State review period to the Housing Element development process. As many requirements are new for the Sixth Cycle, the State's senior staff said the State's first review letter is likely to be substantial. Therefore, it is risky to assume that the City could remedy any deficiencies noted in the State's first review letter and go straight to its final legislative body approvals. Adding a second State review cycle adds another 60 days to the process.

San José's approval path for the final Housing Element draft is also lengthy. It requires multiple hearings and approvals by the Housing and Community Development Commission, the Airport Land Use Commission, the Planning Commission, and the City Council. Several months will be spent in public meetings before approval of the final draft for submission to the State. The State's new Housing Element requirements create significant challenges for City staff to meaningfully engage the community within the shortened timeline.

To submit the Housing Element by the State's deadline on January 31, 2023, this long process would have required the State's initial review period begin in June 2022. This schedule would have virtually stopped community engagement activities in January 2022 and would have required staff and consultants to produce a 90%-final version of the 800- to 900-page analysis and plan in approximately 12 weeks. This schedule is not possible to achieve and produce a good-quality draft for the State's review, especially as San José's large size complicates its sites inventory analysis and likely results in more strategies than for smaller cities. Staff is assessing possible ramifications to submitting after the State's January 31, 2023 deadline. Other Bay Area jurisdictions are in the same situation, and staff is communicating with other cities, the Intergovernmental Relations Office, the California Department of Housing and Community Development, and the Governor's Office about possible next steps and administrative steps the State could take that could help.

At this time, staff anticipates the following major milestones for production of the Housing Element over the next few months. Note that these milestones have been updated since those presented earlier in February to the Neighborhood Services and Education Committee:

Table 2: Revised Housing Element Milestones for Completion

Milestone	Timing
Protected class focus groups, strategy working groups & development barriers interviews	Jan – Mar 2022
Housing & Community Development Commission, Neighborhoods Commission presentations	Jan – Apr 2022
NSE & CED Committee presentations	Feb 2022
Surveys & broad community meeting(s) on goals and priority policies	spring 2022
City Council overview of key content	late-Jun 2022
Finalize full draft Housing Element (90% version) for public review	mid-Jul 2022
Public review period (30d) and staff responses	Jul – Aug 2022

Milestone	Timing
First submission to State	early Sep 2022
Additional commission hearing(s)	summer – fall 2022
Receive first response letter from State (90 d)	early Dec 2022
<i>Second submission to State</i>	<i>Jan/Feb 2023</i>
Official due date to State	Jan 31, 2023
<i>Receive second response letter from State (60 d)</i>	<i>Mar/Apr 2023</i>
Airport Land Use Commission hearing	spring 2023
Housing & Community Development Commission approval	early May 2023
Planning Commission approval	end May 2023
Council approval of final Housing Element draft for submission to State	late-Jun 2023
Council approval of final AFH Plan (same Council meeting)	late-Jun 2023
Final submission to State	Jun 30, 2023
State certification expected (60 d)	By Aug 30, 2023

Note: New milestones are in italics

In addition to presentations to public bodies, Housing, Planning, and the Office of Economic Development and Cultural Affairs staff currently are focused on planning and obtaining public input through three activities:

- Final focus groups with members of protected classes
- Working group sessions to develop and prioritize strategies
- Interviews with housing developers on barriers to development

Staff also is busy holding individual stakeholder meetings, planning future public outreach, analyzing data, editing the draft AFH report, and working with an external consultant to develop the draft site inventory.

Staff will present both the final draft Housing Element for submission to the State, and a standalone final draft AFH Plan including final findings and recommended strategies, to the City Council for adoption. At this time, staff expects to submit the final Housing Element for approval in June 2023.

While staff expects that most housing strategies will appear both in the AFH Plan and the Housing Element, there are two reasons to maintain a separate AFH Plan. First, a separate AFH Plan can continue to be separately referenced and updated every five years to provide required justification for the City's Consolidated Plans, which are spending plans for federal housing and community development funds from the U.S. Department of Housing and Urban Development. Second, the City may choose to put additional strategies in the AFH Plan that for technical reasons (such as Environmental Impact Review scope, or uncertainty on staffing capacity) could not be included in the Housing Element.

Ideas for Draft Strategies

The AFH and the Housing Element attempt to address fair housing issues comprehensively. The State’s direction specifically focuses on the need to reduce racial and ethnic segregation, and fair housing strategies must address identified housing issues for residents of protected classes listed in Table 1 (e.g., seniors, disabled, LGBTQ+, families, veterans, etc.). Housing Element strategies must have metrics and milestone dates denoting progress, and the City can be held responsible for achieving identified progress. The main areas of strategies are:

- A. Improving access to rental housing
- B. Increasing homeownership opportunities, consistent with State and federal law, for protected classes that have been historically marginalized and redlined from housing opportunities in San José (including African American, Native American, and Latino/a/x communities)
- C. Improving access to Racially Concentrated Areas of Affluence, areas with higher incomes and opportunities and low levels of racial integration
- D. Coordinating and increasing investments to improve quality of life in lower-income neighborhoods that are racially or ethnically concentrated

To clarify, increasing access to housing encompasses all “3Ps” – producing more housing at all price points, preserving low-cost and affordable housing, and ensuring tenants have protections and knowledge that support their access to housing. Interviews with developers on barriers to housing production will also be brought into both the rental and homeownership strategy areas.

Staff must tie final selected strategies directly to the needs of San José residents. Sources of strategy ideas include stakeholder and public suggestions, current work identified through existing City plans and Council direction,¹³ other cities’ programs, and industry best practices. Staff is convening small stakeholder working group sessions with attendees who are subject matter experts to develop draft strategies and actions in the four areas listed above. In addition, staff will continue to coordinate development of strategies across City departments (Housing, Planning, Building and Code Enforcement, Office of Economic Development and Cultural Affairs, Transportation, Parks Recreation and Neighborhood Services, Environmental Services, and Public Works) and other government entities (e.g., the Valley Transportation Authority, the County Office of Education, and the County Office of Supportive Housing).

See **Attachment B** for ideas of potential strategies that could be included in the Housing Element and/or the AFH Plan. This list is provided for Committee members’ edification and early reactions to interest in certain types of initiatives. Note that this list is preliminary and is not comprehensive, and yet, the final list will need to be shorter than Attachment B so that staff

¹³ Plans include the Housing Crisis Workplan, Citywide Residential Anti-Displacement Strategy, and Diridon Affordable Housing Implementation Plan, among others.

has capacity to achieve the identified strategies. In general, the final strategies selected for the Housing Element and/or the AFH Plan should meet these criteria:

- Tied directly to identified needs
- Supported by public feedback
- Possible to make progress on during the period of the plan

Also, note that the Fiscal/Policy Alignment section below has examples of strategies from the current Housing Element.

CONCLUSION

Staff from Housing, Planning, and the Office of Economic Development and Cultural Affairs as well as consultants are actively engaged in public outreach, identification of needs and potential strategies, and analysis required for the Housing Element. Councilmembers will consider initial draft strategies and of the Housing Element by the end of this fiscal year, several months before it considers the final draft Housing Element and final AFH Plan in early 2023.

EVALUATION AND FOLLOW-UP

Staff plans to update City Council on the Housing Element, and present proposed strategies and key content for its review and input, in June 2022. Staff anticipates that the draft Housing Element will be completed in July and be available for public comment in mid-July. After the comment period ends, staff will consider and incorporate public comments as appropriate, and submit to the State for a first 90-day review period. After the State comments on the draft, the City Council will see the final draft Housing Element, and the standalone Assessment of Fair Housing Plan, for final consideration before the Housing Element's official submission in mid-2023.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals. However, future AFH and Housing Element strategies may support Climate Smart goals.

PUBLIC OUTREACH

Please see **Attachment A** for a summary of Public Outreach conducted thus far for AFH and the

Housing Element. This memorandum will be posted on the City's website for the February 28, 2022 Community and Economic Development Committee meeting.

COORDINATION

This memorandum was coordinated with the City Attorney's Office. Draft strategies will also be coordinated with multiple City departments, including the Departments of Planning, Building and Code Enforcement, Transportation, Parks, Recreation and Neighborhood Services, and Environmental Services, and the Office of Racial Equity, the Office of Economic Development and Cultural Affairs, and the City Manager's Budget Office.

FISCAL/POLICY ALIGNMENT

The Assessment of Fair Housing is consistent with State law, as it required to be integrated into the Housing Element under California law, Assembly Bill 686 (2018). It also aligns with the goals of the City's Analysis of Impediments to Fair Housing Choice (2016-2020).

The following current General Plan Housing Element strategies are relevant to fair housing issues, and provide context for potential strategies for the forthcoming Housing Element cycle:

- **H-1.1:** Through the development of new housing and the rehabilitation of existing housing, facilitate the creation of economically, culturally, and demographically diverse and integrated communities.
- **H-1.2:** Facilitate the provision of housing sites and structures across location, type, price and status as rental or ownership that respond to the needs of all economic and demographic segments of the community including seniors, families, the homeless and individuals with special needs.
- **H-1.3:** Create housing opportunities and accessible living environments that allow seniors to age in place, either in the same home, assisted living facilities, continuing care facilities, or other housing types within the same community.
- **H-1.4:** Encourage the location of housing designed for senior citizens in neighborhoods where health and community facilities and services are within a reasonable walking distance and are accessible by public transportation.
- **H-1.5:** Facilitate the development of multi-generational housing in compact form that meets the needs of families living together.
- **H-1.7:** Comply with State and Federal laws prohibiting discrimination in housing and that support fair and equal access to housing.

- **H-1.12:** Continue to partner with local agencies, non-profits, and businesses to provide fair housing information, legal services, foreclosure prevention assistance, and anti-predatory lending assistance.
- **H-1.13:** Continue to monitor and participate in anti-predatory lending practices by partnering with local agencies.
- **H-1.16:** Identify, assess, and implement potential tools, policies, or programs to prevent or to mitigate the displacement of existing low-income residents due to market forces or to infrastructure investment.
- **H-1.18:** Develop tools to assess and to identify neighborhoods and planning areas that are experiencing or that may experience gentrification in order to identify where anti-displacement and preservation resources should be directed.
- **H-2.1:** Support local, state and federal regulations that preserve “at-risk” subsidized and rental-stabilized units subject to potential conversion to market-rate housing and that will encourage equitable and fair policies that protect tenant and owner rights.
- **H-3.7:** Coordinate across multiple City departments to achieve the City’s vision for creating complete, safe, high-quality living environments.
- **Housing Element Program #34:** Consider proposed policies or ordinances to protect low- and moderate-income residents in market-rate and deed-restricted affordable housing from displacement.

As the City works to achieve the planned growth and investment per our General Plan 2040, increasing local housing choices for safe, high-quality housing will help more long-time and low-income San José residents to stay and receive the benefits of these investments.

COMMISSION RECOMMENDATION/INPUT

This item was heard by the Housing and Community Development Commission at its special meeting held virtually on February 27, 2022 at 5:45pm. Commissioners discussed many issues related to the Assessment of Fair Housing Report and the Housing Element. Most comments regarded draft strategy ideas, while a few concerned outreach techniques. Comments included the following:

- Several commissioners voiced support for the City analyzing and ensuring that its existing housing programs are fully accessible to and adequately serving members of protected classes, such as those who speak English as a second language.
- Three commissioners expressed support of staff’s efforts to do comprehensive public outreach. One discussed the importance of multi-language access through events such as

the Housing Department's Open House sessions, and the importance of doing multi-lingual outreach together with community partner organizations. Another encouraged staff to promote good news and opportunities like SB 9, liked staff's public outreach at tabling events, and encouraged staff to reach out to faith-based leaders and childcare providers. A third expressed the importance of the City regularly integrating the voice of vulnerable people into decisions on resource allocations that affect them.

- Three commissioners voiced support for homeownership strategies, including the provision of expanded downpayment assistance programs, and ensuring that subsidy amounts are sufficient to meet local housing costs.
- Two commissioners expressed support for implementing SB 9 to support fair housing and production goals.
- Two commissioners expressed support for mixed-income housing developments. One supported creation of mixed-income developments to avoid concentrations of poverty. Another wanted to incent and subsidize for-profit developers to produce affordable units in mixed-income developments, resulting in cost-effective housing production.
- Two commissioners expressed support for improving low-income neighborhoods by increasing tree canopy.
- Two commissioners expressed interest in auditing homeless programs, particularly those serving encampments, and expanding the best-performing programs.
- Two commissioners recommended that staff focus on a limited number of strategies that would produce the most measurable impact.

Commissioners also expressed interest in:

Populations

- Creating affordable housing for youth emancipated from foster care, to avoid their future homelessness.
- Prioritizing housing for residents with physical and intellectual disabilities, those who are homeless, and others most in need.
- Providing affordable housing for lesbians/LGBTQ residents, as they often do not marry and do not benefit from two incomes.
- Creating affordable housing for civic leaders, so they can stay in the community.

Production

- Completing work to ensure zoning is consistent with General Plan designations, as required by the State.
- Streamlining land use entitlements for higher-density housing developments.
- Reducing costs for lower-income housing by eliminating parking requirements.

- Supporting affordable housing production in high-resource areas.
- Incentivizing more dense, affordable housing development located close to transit.

Access to rental housing

- Exploring affordable rents linked to residents' incomes rather than the Area Median Income.
- Ensuring that affordable housing residents can access all amenities available in mixed-income housing developments.
- Implementing a Community Opportunity to Purchase (COPA) program to stabilize residents.

Homeownership

- Including mobile homes in ownership strategies.

Neighborhoods

- Investing in racially/ethnically concentrated areas of poverty in Council Districts 3 and 7.
- Incenting investments in low-income neighborhoods by both private and public sources of funding – including supporting the creation of Accessory Dwelling Units by low-income homeowners that could be affordably rented to local residents, thereby reducing displacement risk and stabilizing both owners and renters.
- Creating space for micro-businesses in neighborhoods, such as those displaced from the Flea Market, perhaps in mixed-use properties integrating housing and commercial space.
- Creating financial assistance for low-income homeowners to care for tree maintenance and removal, which benefits neighborhoods.
- Working with the Valley Transportation Authority to improve San José's transit system and create better service and access, as many residents currently lack adequate service.
- Supporting the creation of parks and open space in lower-income neighborhoods.

General

- Including an evaluation of the effectiveness of the City's anti-displacement policies as a strategy.
- Taking advantage of regional sources of funding, such as the Bay Area Housing Finance Authority, and regional strategies to help meet the City's goals.
- Using land use tools in the Housing Element to accomplish the City's objectives.

After giving staff this feedback, Commissioners did not choose to make any formal motions.

Public Comment

In addition, members from the public made the following comments:

- Fair housing strategies should center on benefitting residents that have experienced redlining, and the City should put in writing its part in past discrimination.
- Latino/a/x ethnicities should be disaggregated, with more specific identities named (such as Chicanos, Mexicans, etc.).
- Affirmatively Furthering Fair Housing focuses on creating opportunities for protected classes, but the Housing Element also must increase housing supply for the whole population.
- Strategies could include SB 9 implementation and exploration of ways to incorporate affordability and greater equity per the City Council's direction. SB 9 also presents a critical opportunity for homeownership.
- Serving disabled residents requires improving physical access to housing through strategies such as universal design of housing and improving apartment access procedures.
- Developmentally disabled residents require services provision in addition to physically-adapted units.
- Some apartments for disabled residents should include spaces for caretakers to live.
- Disabled residents require rents below those for residents earning 30% of Area Median Income, as SSI and part-time, low-wage work pays far less than that income level. Rents should be appropriately lower for those apartments and this requires housing subsidies.
- Disabled residents are diverse and may fall into other protected classes as well; for example, those who are BIPOC face increased discrimination and barriers to housing.
- Staff's work to ensure housing opportunities for all residents is appreciated.

In addition, this item was heard by the Neighborhoods Commission on the evening of February 9, 2022. Staff focused on defining AFH and the Housing Element and the history of segregation in San José to ground commissioners' understanding. Staff is scheduled to make a second presentation, focused more on Housing Element potential strategies, in April. Several commissioners commented that they appreciated having received the presentation, and some said that the material was new to them. One commissioner expressed embarrassment that San José is a wealthy community but has a history of redlining. One commissioner commented that the City should adjust its choice of focus neighborhoods based on a more realistic local income rather than using the federal government's Federal Poverty Limit definition. One commissioner said

that the City should support families that are being displaced and hanging on but not thriving in San José, including in the Gardiner area.

Staff will continue to engage commissions over the next months as draft strategies are developed and the draft Housing Element and AFH are posted for review and public comment. The Planning Commission will be the commission of approval for the final draft Housing Element before it goes to the City Council for approval and is submitted to the State.

CEQA

Not a Project, File No. PP17-007, Preliminary direction to staff and eventual action requires approval from decision-making body.

/s/

JACKY MORALES-FERRAND, DIRECTOR
Department of Housing

/s/

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

The principal author of this memorandum is Kristen Clements, Division Manager. For questions, please contact her at Kristen.clements@sanjoseca.gov, (408) 535-3850.

Attachments:

Attachment A – Community Engagement for the Assessment of Fair Housing and the Housing Element

Attachment B – Draft Strategy Ideas for the Assessment of Fair Housing and the Housing Element

ATTACHMENT A

Community Engagement for the Assessment of Fair Housing and the Housing Element

Since 2019, the City has conducted several phases of public outreach and engagement to share information and gather feedback to inform the Assessment of Fair Housing (AFH) and the Housing Element.

Assessment of Fair Housing, Phase 1 Outreach

The first phase of outreach focused on establishing existing conditions for the Assessment of Fair Housing. It occurred from October 2019 to January 2020. During this time, the Lawyers' Committee for Civil Rights (the City's consultant) and Housing Department staff conducted a community engagement process through print and social media engagement, community meetings, focus groups, surveys, and the establishment of a County-wide Santa Clara AFH Advisory Committee.

From April to May 2021, staff and the Lawyers' Committee also conducted a second phase of community engagement with government agency partners to share initial findings from the AFH analysis.

Public outreach in Phase 1 Engagement completed specifically for the AFH between October 2019 and June 2021 involved included a total of 50 meetings, including 2 public meetings, 2 Advisory group meetings, 13 focus groups with protected class participants, 27 stakeholder meetings, and 6 intergovernmental agency meetings. In addition, public comment was captured at 6 public hearings with City commissions and City Council meetings.

Staff officially kicked off outreach on the Housing Element in August 2021 and has conducted joint AFH and Housing Element engagement activities since that time. From August 2021 to February 15, 2022, engagement has included 2 large virtual community meetings, 1 online survey, 6 focus groups, 1 strategy working group meeting, 12 stakeholder meetings, and tabling at 6 community events. It has also involved several special events to educate the public on fair housing. These include a presentation on AFH at a regional Housing Action Coalition meeting, a panel discussion on the history of segregation in San José at San Jose State University's Racial Justice Symposium, and a special screening of the documentary *A Reckoning in Boston* followed by a discussion with the producers. The online survey ran from September 17, 2021 to January 12, 2022. It was advertised at City events and on the City's website, and received 335 responses in English, 155 in Spanish, and 150 in Vietnamese (640 total). The Santa Clara County Collaborative (Let's Talk Housing), and the County-wide equity collaborative partners SV@Home and the Law Foundation of Silicon Valley have supported the City's outreach during this phase, and have advised both on outreach process and content they wish to see reflected in the Housing Element. Staff is planning additional engagement activities through 2022.

These efforts specific to the AFH and Housing Element are in addition to the public outreach and engagement completed during the same period for other housing-related plans and policies, such as the *Citywide Residential Anti-Displacement Strategy*, the City's *2020-2025 Consolidated Plan*, the General Plan Four-Year Review Task Force, the Community Opportunity to Purchase Program, and the Affordable Housing Siting Policy.

For example, community engagement for the AFH and the Consolidated Plan focused on their individual topics, but input from both outreach processes were intended to inform both plans. Consolidated Plan outreach included additional activities, including three public hearings, 21 stakeholder interviews, a paper and online survey, and two pop-up tabling events. From fall 2019 to mid-2021, the AFH and Consolidated Plan public outreach process together engaged a total of 476 people in-person through public community meetings events and collected 648 written and online surveys. The surveys were available in English, Spanish, Vietnamese, and Chinese. Stakeholders have urged City staff to integrate public feedback from all recent outreach related to housing to identify housing needs and potential strategies for AFH and the Housing Element.

Below is the summary of community engagement efforts to-date, conducted by staff and consultants, specifically for these two initiatives.

**Summary of Community Engagement Events for AFH and Housing Element
as of January 19, 2022**

Engagement Events	Date	Year	Time of Day	Est. # Attendees
Public Community Meetings				
1. San José Community Meeting at Hillview Library	November 13	2019	evening	8
2. San José Community Meeting at Southside Community Center	November 16	2019	day	6
3. San José virtual Community Meeting	September 2	2021	evening	90
4. San José virtual Community Meeting	December 13	2021	evening	100
AFH Advisory Committee Meetings				
1. Advisory Committee Meeting	December 11	2019	day	7
2. Advisory Committee Meeting	January 14	2019	day	4
Focus Groups on Housing Needs				
1. Formerly Incarcerated Individuals	December 12	2019	day	10
2. Homeless Individuals and Families	December 12	2019	day	9
3. Nonprofit Affordable Housing Developers	December 13	2019	day	4
4. Women and Domestic Violence Survivors	December 13	2019	evening	6
5. LGBTQ+	December 18	2019	day	9
6. Central County	January 13	2020	day	1
7. Health Trust for HIV/AIDS	January 14	2020	day	17
8. Vietnamese Community	January 15	2020	morning	85
9. South County	January 15	2020	day	1
10. Filipino Community	January 26	2020	morning	10
11. Schools/Educators	January 27	2020	evening	12
12. Seniors	January 29	2020	afternoon	20
13. Latinx Community	January 29	2020	evening	20
14. Disability Community	January 19	2022	evening	22

Engagement Events	Date	Year	Time of Day	Est. # Attendees
15. Veterans	January 25	2022	day	17
16. LGBTQ+	January 25	2022	evening	4
17. African Ancestry	January 31	2022	evening	3
18. Formerly Homeless	February 2	2022	day	4
19. LGBTQ+	February 15	2022	evening	17
Stakeholder Meetings				
1. Project Sentinel	October 1	2019	day	2
2. San José NAACP	October 1	2019	day	2
3. Asian Law Alliance	October 2	2019	day	1
4. Law Foundation of Silicon Valley	October 2	2019	day	2
5. Latinos United for a New America	October 21	2019	day	1
6. California Apartment Association	October 21	2019	day	2
7. The Silicon Valley Organization	October 21	2019	day	1
8. Catalyze SV	October 21	2019	day	1
9. Santa Clara County Housing Authority	October 21	2019	day	2
10. International Children Assistance Network	October 21	2019	day	1
11. Bay Area Legal Aid	October 22	2019	day	2
12. Housing Trust Silicon Valley	October 22	2019	day	1
13. Gilroy Compassion Center	October 22	2019	day	1
14. City of Gilroy	October 22	2019	day	1
15. Senior Adults Legal Assistance	October 22	2019	day	2
16. Day Worker Center of Mountain View	October 22	2019	day	1
17. Santa Clara County Association of Realtors	October 23	2019	day	1
18. City of Santa Clara	October 23	2019	day	2
19. City of Sunnyvale	October 23	2019	day	2
20. SV@Home	October 23	2019	day	2
21. Bay Area Homeowners Network	October 23	2019	day	1
22. Sunnyvale Community Services	November 12	2019	day	1
23. SOMOS Mayfair	November 14	2019	day	2
24. Amigos de Guadalupe	November 15	2019	day	1
25. West Valley Community Services	November 15	2019	day	2
26. Habitat for Humanity	December 10	2019	day	1
27. Working Partnerships USA	December 11	2019	day	2
28. SV@Home & Law Foundation of SV	July 9	2021	day	3
29. Silicon Valley Council of Nonprofits	August 3	2021	day	4
30. County of Santa Clara	August 3	2021	day	1
31. REAL	August 19	2021	morning	9
31. REAL	August 19	2021	evening	25
32. SV@Home & Law Foundation of SV	September 10	2021	day	3
33. SV@Home & Law Foundation of SV	October 6	2021	day	3

Engagement Events	Date	Year	Time of Day	Est. # Attendees
34. Developer Roundtable	October 15	2021	morning	5
35. SV@Home & Law Foundation of SV	October 20	2021	day	3
36. SV@Home & Law Foundation of SV	November 4	2021	day	6
37. League of Women Voters	November 17	2021	day	13
38. Chamber of Commerce Public Policy Committee (Housing and Land Use)	November 18	2021	day	22
39. Silicon Valley Leadership Group	January 18	2022	day	1
40. BIA South Bay RPC Meeting	March 3	2022	day	TBD
Strategy Working Groups				
1. Access to Rental Housing	January 14	2022	morning	25
2. Community Orgs re. R/ECAPs, neighborhoods and housing access	February 24	2022	evening	TBD
3. Development Barriers - For-profit Developers	February 24	2022	afternoon	TBD
4. Development Barriers - Nonprofit Developers	February 25	2022	morning	TBD
5. R/ECAP areas and neighborhood investment	March 7	2022	afternoon	TBD
6. Homeownership	TBD			TBD
7. Homeownership	TBD			TBD
8. Rental Housing	TBD			TBD
9. Areas of High Opportunity	TBD			TBD
10. Areas of High Opportunity	TBD			TBD
Intergovernmental Agency Meetings				
<i>With staff from City Depts, Santa Clara Co Office of Ed., and VTA on AFH and orgs' equity-focused plans</i>				
1. Meeting 1	March 30	2021	morning	44
2. Meeting 2	April 6	2021	morning	44
3. Meeting 3	April 13	2021	morning	33
4. Meeting 4 - with agencies & City of Boston	April 20	2021	morning	36
5. Meeting 5	April 27	2021	morning	32
6. Meeting 6	May 4	2021	morning	32
Public meetings				
<i>Initial Public Meetings on AFH Workplan and Outreach Plan</i>				
1. Community and Economic Development Committee	August 26	2019	afternoon	N/A
2. Neighborhood Services and Education Committee	October 10	2019	afternoon	N/A
3. Housing and Community Development Commission	October 10	2019	evening	N/A

Engagement Events	Date	Year	Time of Day	Est. # Attendees
<i>Public Meetings on AFH initial findings</i>				
1. Housing and Community Development Commission	May 13	2021	evening	N/A
2. Neighborhood Services and Education Committee	May 20	2021	afternoon	N/A
3. City Council	June 8	2021	evening	N/A
<i>Public Meetings on Housing Element/AFH</i>				
1. Housing and Community Development Commission	January 27	2022	evening	N/A
2. Neighborhoods Commission	February 9	2022	evening	N/A
3. Neighborhood Services and Education Committee	February 10	2022	afternoon	N/A
4. Community and Economic Development Committee	February 28	2022	afternoon	N/A
Tabling at Community Events				
1. Viva Calle	September 19	2021	day	33
2. Mosaic Festival	October 2	2021	day	30
3. Dia De Los Muertos at Mexican Heritage Plaza	October 30	2021	day	8
4. Viva Calle 2	November 7	2021	day	35
5. Downtown Farmer's Market	December 10	2021	day	4
Special Events				
1. Presentation on AFH at SV@Home Housing Action Coalition meeting	July 23	2021	day	106
2. Hosted panel discussion on San José's history of segregation at San José State's University's Racial Justice Symposium	November 3	2021	evening	75
3. Screening of the documentary <i>A Reckoning in Boston</i> and discussion with the producers	November 18	2021	evening	40
4. "Dwellings" podcast by City staff posted about housing element and AFH	January	2022	N/A	220
On-line and Written Surveys				
1. Survey 2019	Oct 25 - Dec 26	2019	N/A	648
2. Survey 2021-22	Sep 17 - Jan 12	2021-22	N/A	640

Estimated outreach (duplicated) participants count	2,709
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ATTACHMENT B

Draft Strategy Ideas for the Assessment of Fair Housing and the Housing Element

Major Strategy Issue Areas

Strategy ideas are organized around the following main topics, which correspond to Housing Department staff's proposed strategy working groups:

- A. Improving access to rental housing**
- B. Increasing homeownership opportunities, consistent with State and federal law, for members of protected classes that have been historically marginalized and redlined from housing opportunities in San José** (including African American, Native American, and Latino/a/x communities and people with disabilities)
- E. Improving access to Racially Concentrated Areas of Affluence (RCAA), areas with higher incomes and opportunities and low levels of racial integration**
- C. Coordinating and increasing investments to improve quality of life in lower-income neighborhoods that are racially/ethnically concentrated.**

In addition, issues related to production and preservation of rental and for-sale housing will be discussed with developer stakeholders, with resulting strategies falling under topic areas A and B above.

Below, each of the above issue areas is outlined under their respective headings. Strategies selected for the Housing Element and/or AFH Plan must be driven by needs identified in San José.

A. Improving Access to Rental Housing

Broad Goals: Strategies in this issue area will focus on policies and programs that will improve access to rental housing for members of protected classes. These policies and programs include traditional fair housing strategies such as enforcement of fair housing laws, but can also include strengthening tenant protections such that access means a meaningful, secure, sustained housing situation. It is also about policies which incentivize production of rental housing, especially specific types of housing (e.g., large family housing) which may be needed by specific protected classes but is in short supply.

Ideas for Possible Policies/Programs:

- 1) Increase availability of fair housing related services including legal representation, enforcement, education, outreach/education, testing, etc.
 - a) Identify new funding source for increased support of broad tenant outreach, education, and legal representation on housing issues, including fair housing issues, not limited to Apartment Rent Ordinance buildings
 - b) Engage legal services and tenant advocates around establishing programmatic and funding priorities around testing, outreach/education, legal representation
 - c) Create a hotline for tenants' questions on issues (information/referral, not legal advice)

- d) Create basic ‘Know Your Rights and Responsibilities’ materials for landlords and tenants; make available in multiple languages; use simple, accessible language in materials, use pictures, infographics, etc.
 - e) Make more mediation available for landlord/tenant and tenant/tenant issues
 - f) Commit funding for more extensive fair housing testing and policy work (e.g., source of income) that would not require certification of specific resident’s income on a particular case (i.e., not CDBG funding)
 - g) Establish Memorandums of Understanding with organizations serving people with disabilities, including Silicon Valley Independent Living Center (SVILC), Deaf Counseling and Referral Agency (DCARA) and Vista Center for Blind and Low Vision, to identify barriers and mitigation strategies
 - h) Provide training for developers and property owners on how to create building written descriptions with accessibility information (e.g., wheelchair accessible entrance location, wheelchair accessible bathrooms, amenities).
- 2) Increase access for members of protected classes where legal services providers receive multiple complaints
- a) Disability
 - i) Provide reasonable accommodation education for landlords and require accessible means for people with disabilities to make accommodation requests
 - ii) Create or identify low-interest rate fund for private owners and tenants to do ADA/accessibility upgrades
 - iii) Incent creation of accessible units in forthcoming Preservation NOFAs
 - iv) Fund mobile, additional supportive services for renters with mental health related disabilities for early intervention and mediation before housing-related problems with neighbors and property managers develop
 - b) Large families
 - i) Incent the creation of larger affordable apartments through City funding priorities
- 3) Improve language access for renters
- a) Expand the number of languages available in new online affordable housing rental portal, Doorway
 - b) Expand requirements for affirmative marketing of affordable apartments to expand the number of languages for marketing materials, regardless of development funding source used
- 4) Explore expanding tenant protections
- a) Establish a right to counsel for tenants undergoing eviction actions
 - b) Expand the Apartment Rent Ordinance to include duplexes
 - c) Expand the Tenant Protection Ordinance (e.g., cover covenanted affordable housing, at least for just cause eviction)
 - d) Establish mechanisms including the legal right for local enforcement of State tenant protections (e.g., AB 1482, anti-rent spiking and just cause protection law)

- 5) Increase best practices within the City's affordable housing portfolio
 - a) Incorporate universal design standards for accessibility and inclusion and a process for stakeholders with disabilities to prioritize desired elements into Notice of Funding Availability
 - b) Increase affirmative marketing baseline requirements, and penalize non-performance
 - c) Require all property management companies managing restricted affordable apartments to advertise acceptance of alternative documentation for non-citizens
 - d) Add to City compliance reviews that forms used to make reasonable accommodation requests are fully accessible to residents with disabilities
 - e) Analyze populations in individual affordable housing properties, identify outlier properties with unusual concentrations of certain types of residents, and proactively hold meetings to review affirmative marketing and lease-up practices to solve potential fair housing problems
 - f) Promote practices that maximize access to accessible units for renters with disabilities.
- 6) Create more affordable opportunities for moderate-income housing
 - a) Create a moderate-income housing strategy
 - b) Promote creation of missing middle housing types
 - c) Explore ADU financing programs to expand ADUs affordable to low- and moderate-income households
 - d) Promote and incent ADUs that use universal design to promote aging in place
 - e) Work with the Bay Area Housing Finance Authority and/or other Bay Area-wide Joint Powers Authority to create a tax-exempt bond product to fund moderate-income apartments
- 7) Encourage transit-oriented development
 - a) Acquire land near transit for affordable housing development
 - b) Support production of affordable housing in the Diridon Station Area
- 8) Streamline entitlement process for affordable housing
 - a) Create City streamlined entitlements program for 100% affordable developments in target areas (i.e., North San José) that builds on existing State streamlining laws
- 9) Use zoning/land use tools to incentivize affordable housing
 - a) Create a housing overlay program for 100% affordable housing developments (Cambridge, MA)
 - b) Create a City affordable housing density bonus program, either citywide (San Diego), or for undersupplied housing types (e.g., large families) or in targeted neighborhoods (e.g., North San José, RCAA neighborhoods (defined below))
 - c) Create construction and building tax fee reductions for affordable housing developments of undersupplied housing types (e.g., large families, universal design) or in targeted neighborhoods (e.g., North San José, RCAA neighborhoods (defined below))
- 10) Analyze needs and incent creation of affordable housing for protected class members
 - a) Analyze demand and supply for affordable apartments serving protected class residents (e.g., LGBTQ, seniors, disabled, large families, single head of households)
 - b) Issue Notices of Funding Availability for City funds that award points for serving these populations, to the extent the City is allowed under law

- c) Create a strategy to team with external organizations serving certain protected class populations so they can fund and create restrictions that target populations when the City is limited in its ability under law.

B. Increasing Homeownership

Broad Goals: In the 1950s and 1960s, San José became a bedroom community for White people fleeing the older, denser, more traditionally urban cities of San Francisco and Oakland. San José remains a city defined by single family homes. Of the largest cities in the U.S., San José has the highest percentage of residential land dedicated to single family uses and homeownership rates for people of color remain substantially lower than for White households. Because homeownership is the single largest source of wealth/net assets for the average American, the fact that so many people of color were systematically locked out during the time when houses were relatively affordable in San José is a longstanding major contributing factor to ongoing racial inequity in our city. To redress this inequity, the City could focus work on implementing policies and programs with the objective of increasing homeownership rates for members of protected classes that had suffered from past exclusion from homeownership. These include African American, Native American, and the Latino/a/x populations.

Ideas for Possible Policies/Programs:

- 1) Update the City's homeownership program(s)
 - a) Determine a homeownership program structure that allows for limited wealth creation for buyers but maintains ongoing affordability of the home, requires a reasonable subsidy amount per household, and includes downpayment assistance
- 2) Expand housing counseling/first-time homeowner counseling services in San José
 - a) Identify a funding source for this activity
 - b) Fund capacity building for potential nonprofit partners working in targeted communities
 - c) Reestablish a Neighborhood Housing Services organization in San José
- 3) Support alternative models of ownership
 - a) Support formation of multiple community land trusts serving San José
 - b) Support formation of cooperative ownership structures, including limited equity co-ops
 - c) Create asset building and financial capabilities programming
 - d) Build programs to support nontraditional homeownership opportunities through COPA, ADUs and SB 9; target lower-income homeowners (in protected classes disproportionately represented in homeownership) to add units to their properties and possibly offer for sale
- 4) Increase Black and Latino/a/x participation in City homeownership programs
 - a) Make findings to be able to target Black and Latino/a/x prospective homeowners for reserved funding and other support
 - b) Increase affirmative marketing around homeownership programs
 - c) Examine appropriate underwriting criteria to reach the target populations
- 5) Explore new funding sources for larger scale homeownership assistance programs, including larger scale downpayment assistance

C. Improving Access to Racially Concentrated Areas of Affluence, areas with higher incomes and opportunities and low levels of racial integration

Broad Goals: Members of protected classes – especially some of certain races and ethnicities – have historically been excluded from the neighborhoods with the most resources available, the schools with the highest test scores, etc. To address this discriminatory history, members of protected classes should have increased access to live in places of the city that have historically been exclusionary and have been beneficiaries of high levels of public and private investment.

Ideas for Possible Policies/Programs:

- 1) Affordable Housing Siting Policy
 - a) Incentives in NOFA for points in competitive application and for per dwelling unit subsidies (higher in high resource areas)
 - b) Target rezoning/general plan amendments to create more sites appropriate for tax credit-funded affordable housing development in RCAA areas
- 2) Increase fair housing monitoring, enforcement, and education (especially regarding source of income discrimination) in RCAA neighborhoods
- 3) Explore increasing inclusionary housing requirements in high resource/RCAA areas
- 4) Explore new funding sources for increasing affordable housing (both rental and homeownership) in high resource/RCAA areas
 - a) Create special assessment zones in exclusionary single-family neighborhoods
- 5) Prevent displacement of lower-income people currently living in RCAAs
 - a) Implement a Community Opportunity to Purchase program (COPA) that protects existing residents
 - b) Create Anti-displacement tenant preferences so current residents have more housing options in these areas
 - c) Incorporate displacement impact prevention measures and displacement mitigation plans for areas experiencing growth in the General Plan or area plans
- 6) Create programs/incentives for more people in R/ECAP/other priority areas to access high resource/RCAA area
 - a) Educate the public about the process to request school inter-district transfers, and work with stakeholders to make this option regularly available
 - b) Work with VTA to establish and maintain transit routes that would give greater access between R/ECAP and RCAA areas

D. Coordinating and increasing investments to improve quality of life in lower-income neighborhoods that are racially/ethnically concentrated

Broad Goals: From the days of redlining (and before) through urban renewal to now, racially/ethnically concentrated areas of poverty (R/ECAP areas) have been purposely neglected, actively targeted for negative investments (polluting/hazardous uses like freeways, industrial uses, etc.), and have not received equitable levels of public investment, resources, and attention. These policies and programs focus on improving the quality of life of the existing residents of R/ECAP

areas, and perhaps other similar areas, through increasing investments in communities in ways that do not encourage displacement of existing residents.

Ideas for Possible Policies/Programs:

- 1) Create new funding source that would target R/ECAP areas
 - a) Defined list of eligible capital projects (e.g., preservation of affordable housing, nonprofit community-based facilities (clinics, cultural spaces, community centers, etc.))
 - b) Defined list of eligible service programs (e.g., social services for lower-income residents, community outreach and education around fair housing and other equity issues, housing and financial counseling, afterschool/educational support, job training, neighborhood small business assistance, etc.)
- 2) Prevent displacement of residents who wish to stay
 - a) Implement a Community Opportunity to Purchase program (COPA) that protects existing residents
 - b) Create and implement Anti-displacement tenant preferences
 - c) Create housing preservation funding program and staff, and issue regular Preservation NOFAs
 - d) Create Diridon Preservation Pilot Program
 - e) Implement soft story grant program & create requirements for seismic upgrades for soft story/tuck-under buildings
 - f) Inventory at-risk housing in high displacement areas/areas at-risk of displacement, and prioritize funding for these properties
 - g) Incorporate displacement impact prevention measures and displacement mitigation plans for areas experiencing growth in the General Plan or area plans
- 3) Improve housing in R/ECAP areas
 - a) Provide low-interest loans to small property owners to improve habitability (without resident displacement)
 - b) Fund more proactive code enforcement in R/ECAP and other priority areas
 - c) Prioritize R/ECAP areas for programs like building electrification, ADA upgrades, etc.
- 4) Invest in and build capacity of nonprofit organizations based in R/ECAPs to engage in community development activities and to do equity advocacy
- 5) Coordinate investments across City programs and departments to prioritize lower-income, racially segregated areas
 - a) Create a citywide working group to coordinate and prioritize investments across all departments to improve quality of life for geographic areas of focus (R/ECAP and lower-income communities of color more broadly)
 - b) Identify areas of geographic focus, in addition to R/ECAP areas
 - c) Prioritize City funding and investments (infrastructure, services, etc.) to fund first in priority areas
 - i) Establish an equity impact assessment framework and requirement for evaluation of all new City projects and programs

- ii) Explore mechanisms for people most affected to have more say in resource allocation decisions that affect them, including more representation of people of lived experiences on boards and commissions
- 6) Address environmental justice concerns in priority neighborhoods
- a) Identify and target funds for environmental remediation to low-income communities of color, particularly those near major highways or polluting facilities
 - b) Across a variety of different activities, from increasing tree canopy to housing electrification, target subsidies and pilot programs to priority neighborhoods when building and implementing greening and sustainability programs