



Housing

Tenant Preferences to Mitigate Displacement for Affordable Housing

Community and Economic Development Committee

February 26, 2024

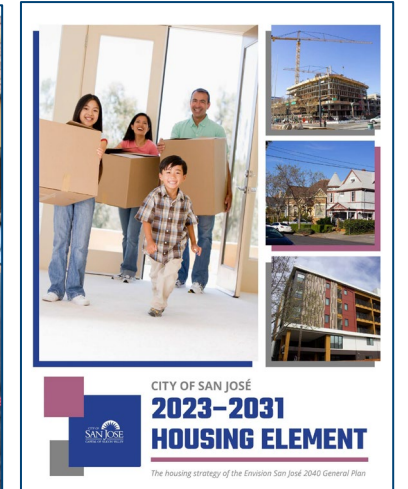
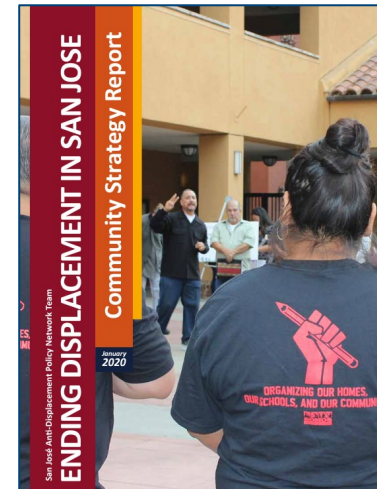
Item d(2)

Kristen Clements

Division Manager,
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Background

- City Council direction in 2017
- A priority in Community Strategy Report: Ending Displacement in San José (2020)
- Prioritized by community groups and stakeholders
- Included in the Citywide Residential Anti-Displacement Strategy (adopted 2020)
- Included in the Housing Element 2023-2031 as required work item (S-20)
- Informed by other cities' preferences and fair housing law



Goals of Tenant Preferences Program

- Help prevent displacement of lower-income renters
- Increase likelihood that lower-income renters stay in San José
- Make best use of scarce publicly-funded affordable housing
- Increase fair housing choices for current San José residents



Creating Tenant Preferences that Mitigate Displacement

- 🏠 State Senate Bill 649 (Cortese, 2021)
 - City-sponsored bill recognizes population at-risk of displacement
- 🏠 Extensive analysis to meet fair housing requirements
 - Displacement tracts: Race, Disability, Family Size, Women Head of Household, Veterans, Seniors (protected classes)
 - Neighborhood: 1-mile, 2-mile, Council District for all Races
- 🏠 Technology developed to support administration
- 🏠 City Council approval
- 🏠 State approval (as a lender)

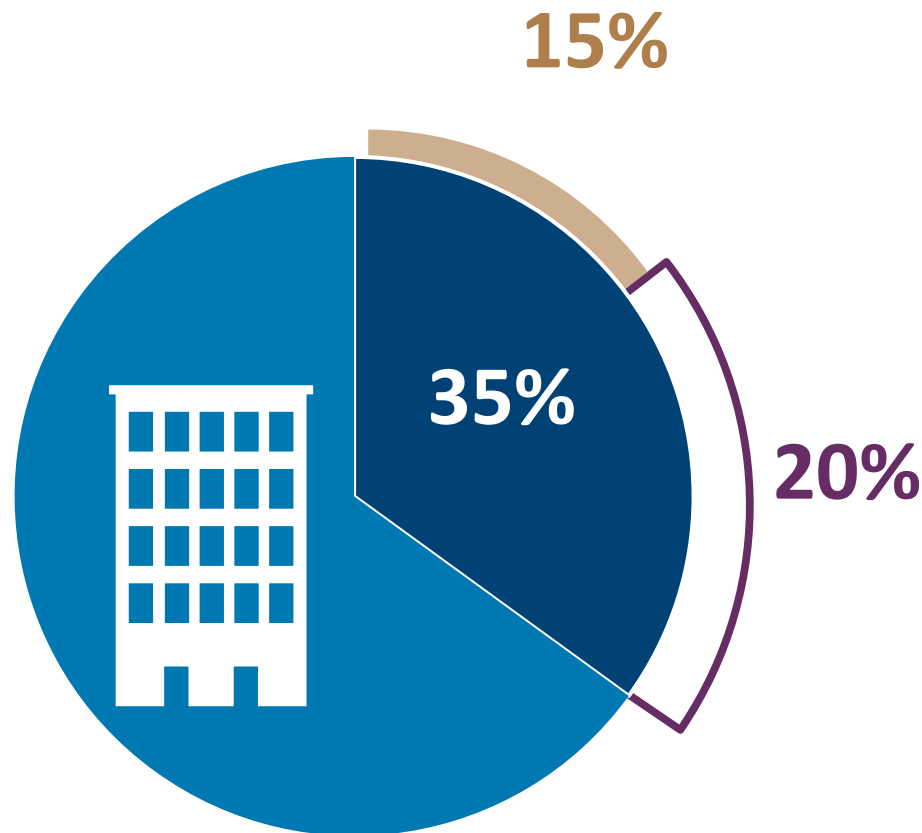


Engagement Activities

- Summer 2023 - winter 2023-24: Presented draft framework to property owners and managers, stakeholders, and public
 - Held two public meetings in August
 - Held two Developer Roundtables with SV@Home
 - Met with property managers, attorneys, other stakeholders
 - Revised framework based on feedback
- September 2023
 - Housing and Community Development Commission on 9/14/2023
- January 2024: Tested tenant preferences feature in Doorway



How the Proposed Program Would Work: Apartments Set Aside for Applicants Qualifying for Preference



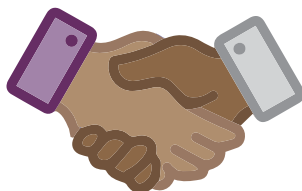
- **35%** of a property's restricted affordable apartments available to the general public
 - No more than **15% of units** for applicants in same neighborhood Council District
 - **20% of units** for applicants in high-displacement areas
- Set-aside has commensurate mix of apartment types as whole property



Applicability to Properties



City-funded affordable housing projects



Existing City-funded affordable properties
(implemented on deal-by-deal basis)



Properties with City-negotiated
development agreements

Does include senior housing

Does not include restricted affordable units for special populations



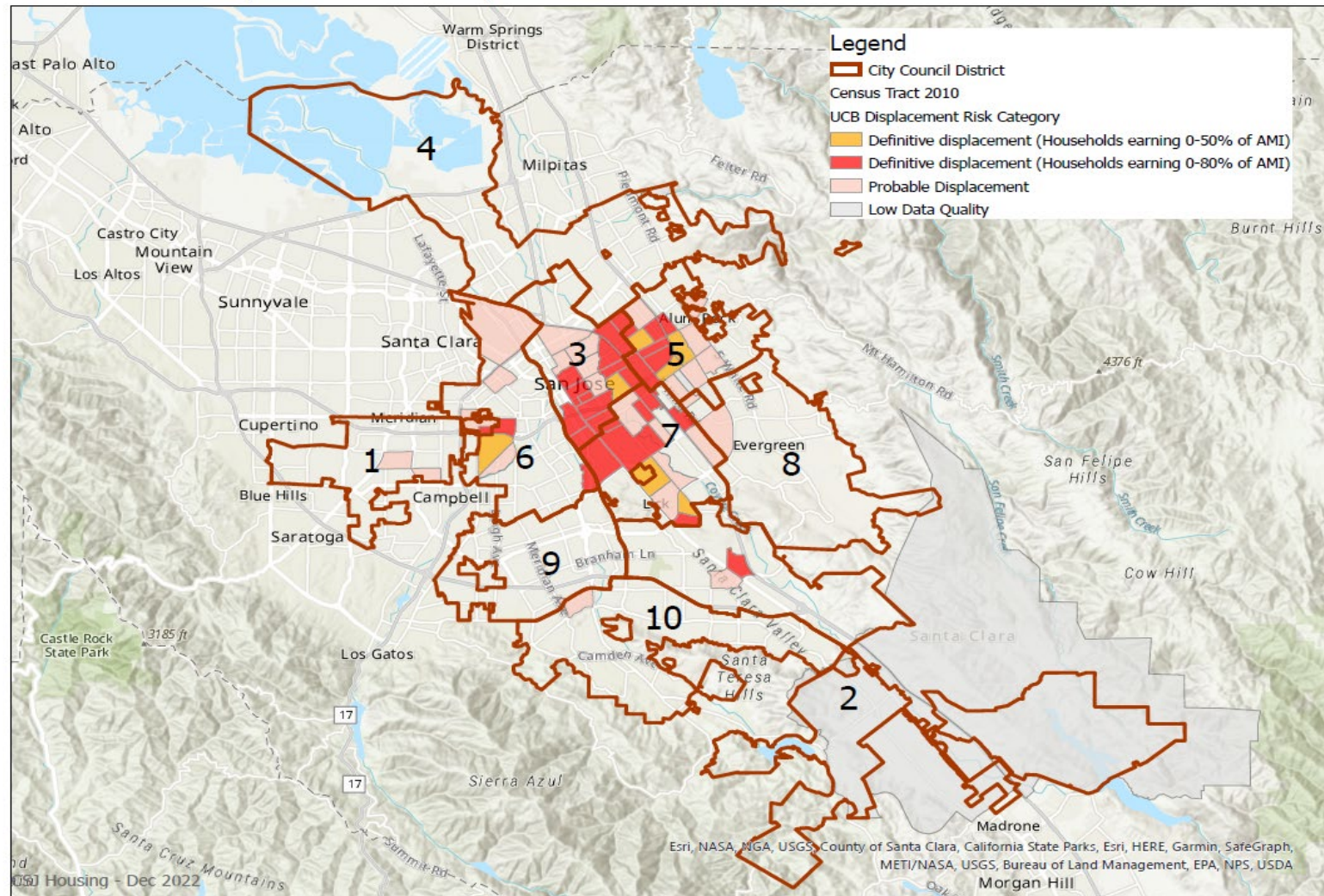
1. Applicants Living in Displacement Tracts

- **Definition:** Requires a portion of affordable apartments in subject properties be reserved/prioritized for applicants from definitive or probable displacement areas
- **Applicants:** Lower-income ($\leq 80\%$ AMI), currently living in Census tracts categorized as having definitive or probable displacement
- **Target affordable properties:** New and existing affordable housing throughout San José
- **Objective:** Increase housing choices in same area or new area of San José

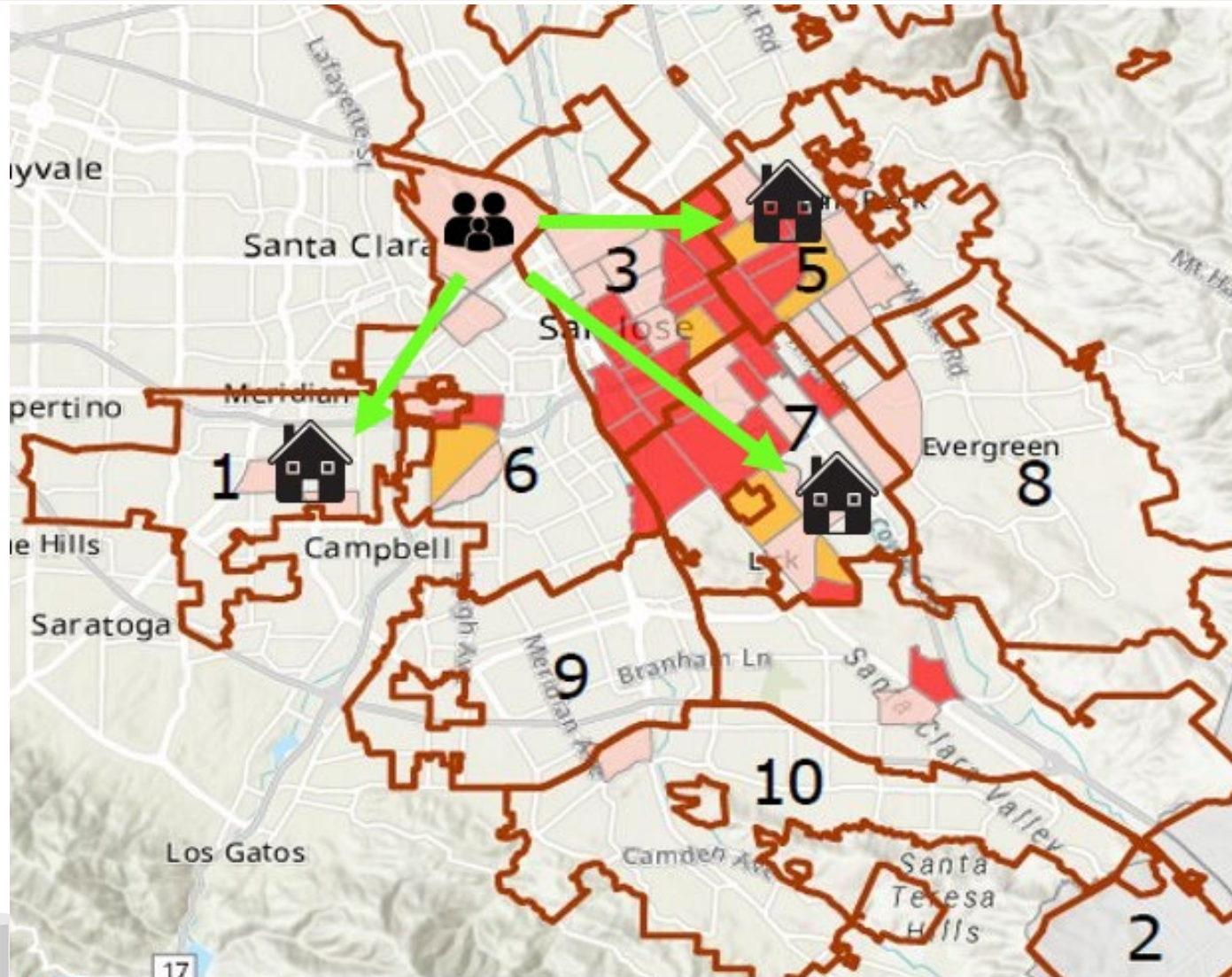


Definitive and Probable Displacement Tracts

UC Berkeley CA Estimated Displacement Risk Model - June 2022 - San José Census Tracts

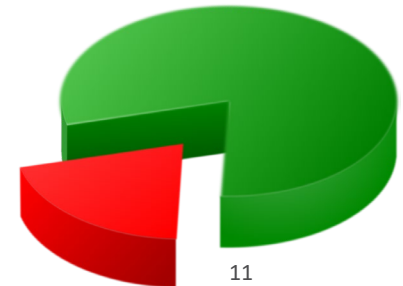


Applicants Have Increased Mobility, Choices



2. Applicants Living in Same Neighborhood

- **Definition:** Requires a portion of affordable apartments in subject properties be reserved/prioritized for applicants who already live in the same City Council District of the property
- **Applicants:** Lower-income ($\leq 80\%$ AMI), currently living in same City Council district as subject property
- **Target affordable properties:** New and existing affordable housing properties
- **Objective:** Improve housing choices to remain in same area of San José and preserve local networks



Applicants Improve Stability, Keep Networks



Next Steps

- March 19, 2024: City Council
- Effective Date of Tenant Preferences Program: Upon Council approval





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