

Housing Element Annual Progress Report

March 20, 2018

City Council Agenda Item 4.2

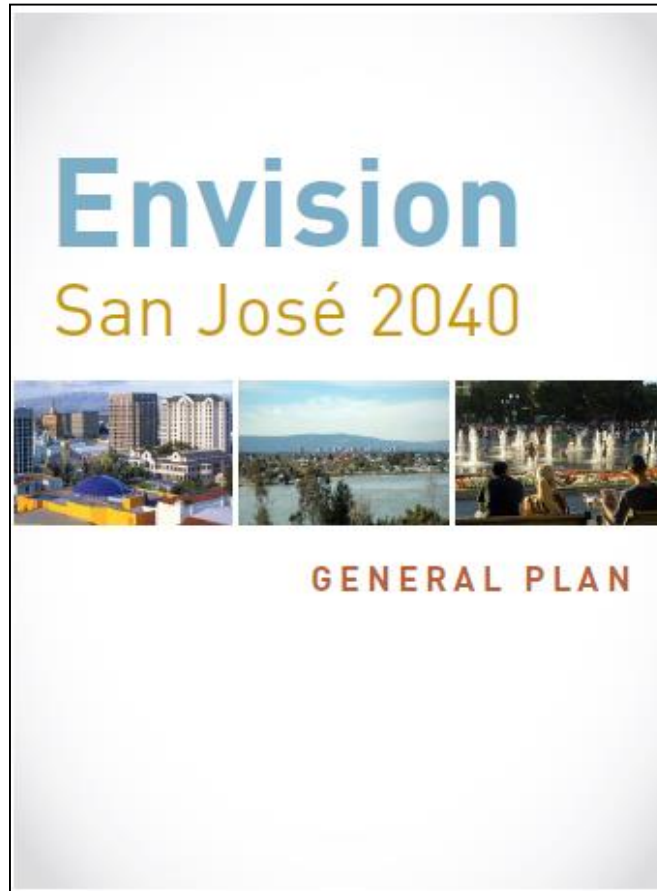


*Planning, Building and
Code Enforcement*

Envision San José 2040

Seven Required Elements:

- 1) Land Use
- 2) Circulation
- 3) **Housing**
- 4) Conservation
- 5) Open-space
- 6) Noise
- 7) Safety

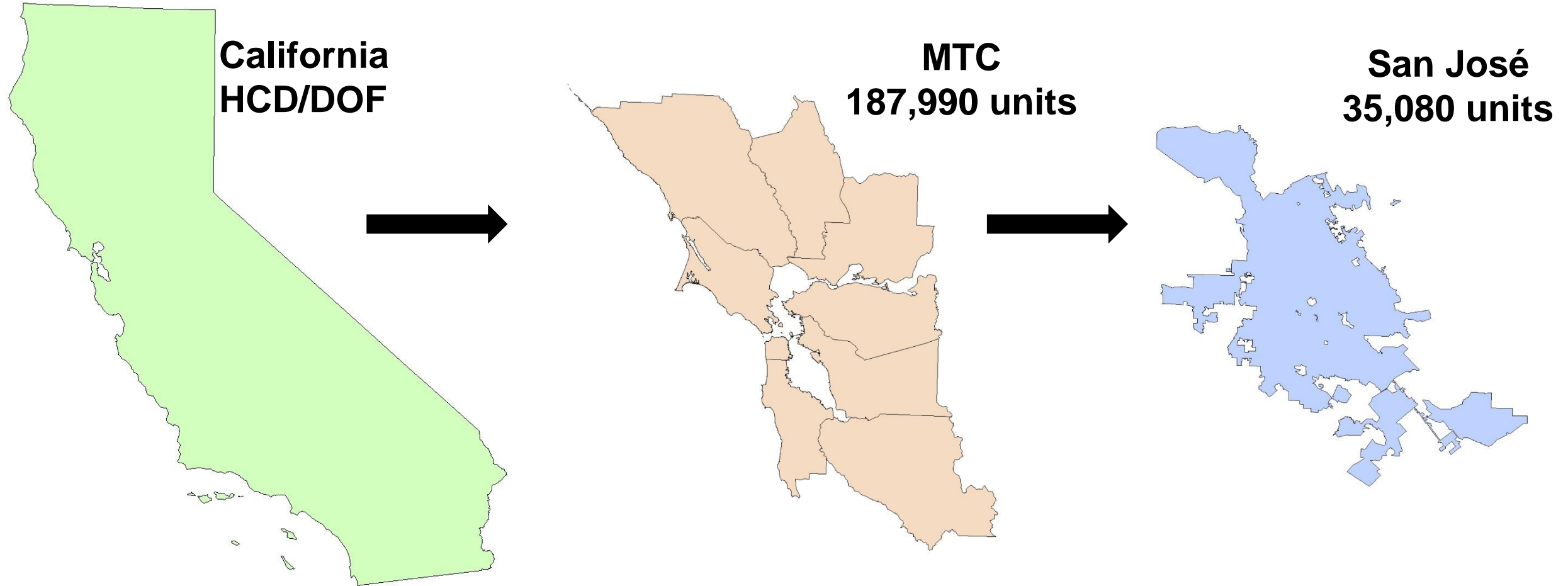


City of San José
2014-2023 Housing Element

Adopted by City Council
January 27, 2015



Housing Needs Assessment



San José's Housing Needs (RHNA)

60% of
RHNA is
affordable
housing

Income Category*		RHNA 2014 – 2022 (Units)	Annual Goal (Units)
60% of RHNA is affordable housing	Extremely Low	4,617	525
	Very Low	4,616	525
	Low	5,428	617
	Moderate	6,188	703
	Market-Rate	14,231	1,817
Total		35,080	3,987

Extremely Low	Up to 30% Area AMI	\$25,100 - \$47,300 (based on household size)
Very Low	31% - 50% AMI	\$41,800 - \$78,850 (based on household size)
Low	51% - 80% AMI	\$59,400 - \$112,050
Moderate	81% - 120% AMI	\$95,150 - \$179,450
Market-Rate	Above 120%	

Building Permits Issued for New Units (2017)

Income Category*	Units (2017)	Annual Goal (Units)	Percent of Annual Goal Achieved
Extremely Low	68	525	13%
Very Low	122	525	23%
Low	0	617	0%
Moderate	285	703	41%
Market-Rate	2,622	1,617	162%
Total	3,097	3,987	78%

Overall Progress Towards RHNA

Income Category	Building Permits Issued for new Units (2014 – 2017)	Total RHNA Goal (2014 – 2022)	Percent of Total RHNA Goal Achieved
Extremely Low	182	4,617	4%
Very Low	667	4,616	14%
Low	231	5,428	4%
Moderate	285	6,188	5%
Market-Rate	10,300	14,231	72%
Total	11,665	35,080	33%

New Opportunities to Build Market Rate Housing

- > 6,000 units entitled
- > 6,000 units with pending entitlements
- Urban Village Implementation
- Downtown Strategy & EIR Update
- North San José Area Development Policy
- Accessory Dwelling Units



Market Rate Production Impediments

- High land and construction costs
- Declining rents
- Absorption of current homes under construction



Affordable Production Impediments

- Loss of the Redevelopment Agency
- Reductions in Federal and State funding
- Decreases in tax credit equity due to tax reform
- High land and construction costs
- Competition for land



New Opportunities to Build Affordable Housing

- Funding opportunities
- Inclusionary Housing Ordinance
- GP affordable housing policy updates
- VTA Joint Development Sites



San José Housing Programs Highlights (2017)

- Invested \$57.5 M* in new affordable apartments
- Pipeline of 1,143* affordable apartments
- Created more than 800* housing opportunities for formerly homeless individuals/families
- Apartment Rent Ordinance modifications and new Ellis Act and Tenant Protection Ordinance
- General Plan text amendments to protect mobilehome parks
- 140% growth in ADU permits from 2016 to 2017

* Source: Q4 2017 Affordable Housing Production & Preservation Report

Next Steps for the 25K Housing Goal

- April 23: CEDC: Affordable Housing Investment Plan & Mayor's Housing Goal
- April 26: CC Study Session: Cost of Development
- May 1: CC: Urban Village Implementation
- Mid May: CC: Affordable Housing Investment Plan & Mayor's Housing Goal