

# ***Affordable Housing Investment Plan***

***FY 2018/19 – 2021/22***

**Community and Economic Development Committee**

**April 23, 2018**

# Presentation Overview

- Progress since previous Investment Plan
- Funding resources
- Proposed 2017/18-2021/22 Investment Plan
- 10,000 affordable unit goal
- Strategies

# Developments Completed

- 46 affordable housing opportunities
- 792 in the pipeline – including 570 set aside for homeless residents



# Affordable Housing Resources

- Low & Moderate Income Housing Asset Fund
- Affordable Housing Impact Fees
- Inclusionary In-Lieu
- Housing Authority Litigation Fund
- Federal HOME
- SB2 State Housing Fund

**5 Year Total \$331.4 million**

# Investment Strategy

- Previous Plan: Mixed-income multifamily affordable
  - May include apartments for homeless households
  - Compliments Measure A-funded apartments
  - Focus was on higher AMIs
- Proposed Priority:
  - \$125,000 unit cap regardless of target income
  - Invest in new development

# Estimated Affordable Housing Goal

YEAR	CITY ESTIMATED PROJECT FUNDING	ESTIMATED PRODUCTION GOAL
Existing Pipeline		1,099
2017/2018	\$114,297,000	671
2018/2019	\$69,768,000	558
2019/2020	\$47,346,000	378
2020/2021	\$65,491,000	524
2021/2022	\$34,500,000	276
Totals	\$331,402,000	3,506

# Projected Housing Goal – All Sources

OPPORTUNITIES	2017-2022 ESTIMATED FUNDING	ESTIMATED NEW UNDUPLICATED UNITS
City of San José		3,506
Measure A	\$400,000,000	168
No Place Like Home	\$10,328,000	0
Inclusionary On-site		50
VTA sites		427
Housing Authority Sites	N/A	600
Private Development	N/A	300
Teacher Housing Project		100
Moderate-Income AHIF Funds	\$3,386,000	17
ADUs		500
<b>Totals</b>	<b>\$413,714,000</b>	<b>5,668</b>

# 10,000-Unit Goal

- 4,332 units short
- \$541.5 million short



# Potential Strategies

- More funding
- Modify land use regulations and policies
- Make it easier to acquire land
- Make it easier for developers

# Funding

- Advocate for more State funds
- Leverage
- Consider local funding opportunities

# Modify Land Use Regulations

- Modify the General Plan
  - Allow mixed-income to go forward in key growth areas, next GP review in 2019
  - 1.5-acre rule, consider streamlining
    - Modify zoning code to allow affordable to develop by-right consistent with 1.5-acre rule
- Ensure affordable is built in North San Jose
- Consider changes to the commercial requirement
- Complete ADU changes

# Make it Easier To Acquire Land

- Establish or invest in a land acquisition fund
- Identify land opportunities
- Explore the creation of a land trust

# Make it Easier for Developers

- Dedicated planner
- Local streamlined process

# Next Steps

Action	Date
Cost of Development Study Session Study Session Continued	April 26 May 1
Urban Village Implementation Framework	May 8
Report Out of AHIP and 25,000 Unit Housing Goal at City Council	May 22 or June 5

# Feedback

- Does the Committee support project readiness over affordability or target population to meet the 10,000 unit goal?
- Does the Committee support investing all funds in new development or should some money be reserved for preserving affordable apartments?
- What potential strategies should staff pursue?

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# Income Limits 2017

Income Level % of AMI	Incomes by Household Size					
	% AMI	1	2	3	4	5
Extremely Low-Income (ELI)	30%	\$25,100	\$28,650	\$32,250	\$35,800	\$38,700
Very Low-Income (VLI)	50%	\$41,800	\$47,800	\$53,750	\$59,700	\$64,500
Low-Income (LI)	60%	\$50,160	\$57,360	\$64,500	\$71,640	\$77,400
Low-Income (LI)	80%	\$59,400	\$67,900	\$76,400	\$84,900	\$91,650
Median Income	100%	\$79,300	\$90,650	\$101,950	\$113,300	\$122,350
Moderate-Income (Mod)	120%	\$95,150	\$108,750	\$122,350	\$135,950	\$146,850