



Affordable Housing Investment Plan

April 9, 2019
Item 4.3

Jacky Morales-Ferrand
Rachel VanderVeen

Current Priorities for Funding

- Project Readiness
- Supportive Housing for Homeless Population
- Project Cost Effectiveness
- Affordable Housing and Sustainable Communities
- City Owned Property



Proposed Priorities for Funding

- Acquisition
Rehabilitation
- 30% Minimum for
Extremely Low-
Income Households
- Funding for the
Missing Middle



Need for Extremely Low-Income Housing

Lower-Income Households & Persons in San José

Income Category	Households	Approx Persons	% of Total Households
Total Households in San José	314,295	990,029	100%
Moderate & Above	230,010	724,523	73%
Low-Income 51- 80% AMI	20,445	64,402	7%
Very Low-Income 31- 50% AMI	23,520	74,088	7%
Extremely Low-Income 30% AMI	40,320	127,008	13%

Need for Extremely Low-Income Housing

Affordable Housing Proportions in San José

Income Category	Homes	% of Total Housing	% of Affordable Housing
Total Homes In San José	325,256	100%	N/A
Moderate-Income & Above	303,815	93%	N/A
Low-Income 51 - 80% AMI	6,140	2%	29%
Very Low-Income 31 – 50% AMI	9,114	3%	43%
Extremely Low-Income 30% AMI	2,842	1%	13%
Additional HUD Units	3,345	1%	15%

Current Strategy



- Leverage Measure A
- Need for Supportive Services
- Limits Future Revenue

Affordable Housing Funds Through FY 22/23

\$46,324,000

Low & Mod Income Housing Fund

\$42,737,000

Affordable Housing Impact Fees

\$44,070,000

Inclusionary Housing Policy In-Lieu Fees

\$ 8,768,000

Inclusionary Housing Ordinance In-Lieu Fees

\$ 8,908,000

Housing Authority Litigation Award

\$12,048,000

HUD HOME funds

\$13,600,000

SB2 State Housing Trust Fund

\$176,455,000

TOTAL

Future Affordable Housing

946

Units already entitled or under construction

1,146

Affordable housing managed pipeline

1,412

Affordable housing revenue projections

2,268

Non-City Funded

5,772

TOTAL

Today and Into the Future



Achieved in **One Year**



Reach **58%** in Future efforts with Partners



\$528M to Reach Goal

Solutions

- Additional funding for affordable housing
- Policy Considerations
 - Fair Housing Plan
 - Dispersion Policy
 - Cost of Development
 - Reduce construction taxes for affordable housing
- Housing Crisis Workplan

Recommendation

1. Accept the staff report on the update of the Housing Investment Plan for expenditure of affordable housing funds;
2. Include two new priorities funding acquisition and/or rehabilitation of existing market-rate housing and a minimum of 30% of funds be invested in extremely low-income housing over the life of the Housing Investment Plan, and;
3. Cross-reference this report to the full City Council to be heard at the April 9, 2019 City Council meeting.



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