



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: September 21, 2020

Approved

Date

9/21/2020

SUPPLEMENTAL

SUBJECT: CITYWIDE RESIDENTIAL ANTI-DISPLACEMENT STRATEGY

REASON FOR SUPPLEMENTAL

This supplemental memorandum includes the recommendations of the Housing and Community Development Commission (“Commission”), and a summary of public comments, on the Citywide Residential Anti-Displacement Strategy (“Strategy”) from the Commission meeting held virtually on the evening of August 13, 2020. The Commission meeting was heard too late for this information to get into the City Council memo, submitted for its original hearing date of September 1, 2020.

This supplemental memorandum also gives updated information on two of the recommended actions, Recommendation #1 and Recommendation #8 that are contained in the staff memo.

ANALYSIS

The Commission heard the proposed Strategy at its first virtual meeting on Thursday, August 13, 2020. Ten of 11 seated commissioners were present. Including commissioners, the meeting had 43 active participants at its peak attendance. The meeting was conducted in both English and Spanish through services provided by two interpreters operating on both Zoom and over the phone to attendees requesting that service.

Housing and Community Development Commission Discussion and Recommendation

The Commission had a lively discussion on the Strategy. Two commissioners voiced full support for all 10 of recommendations of the Strategy. Two commissioners specifically expressed support for Recommendation #3, Explore a Community Opportunity to Purchase Program (COPA), because it could provide tenants an opportunity to purchase their current homes and could be a vehicle for these families to build intergenerational wealth. One of those two commissioners also stated she is especially in support of Recommendation #4, Increase Equitable Representation of Historically Underrepresented Communities on City Commissions.

Some commissioners expressed the desire for staff to conduct more research on the impact of displacement, including on seniors especially in mobilehome parks, and to include data on the economic impacts of the COVID-19 pandemic on small rental housing providers. One commissioner also stressed that regulations must be carefully implemented so they do not negatively impact small mom and pop businesses.

The Commission took the following actions on this item:

1. Commissioner Ruben Navarro made the motion to accept the 10 recommendations and affirm that Recommendation 1 “Support COVID-19 Recovery Eviction Relief and Mitigation Measures for Renters and Homeowners” and Recommendation 2 “Create a Neighborhood-based Tenant Preference” are the highest priorities, with a second by Commissioner Martha O’Connell. The motion passed 9-1.

Yes: Wheeler, Shoor, Del Buono, Navarro, Partida, Quinn, O’Connell, Duong, Jasinsky (9)

No: Moore (1)

2. Commissioner Ruben Navarro made the motion to include all public letters and documents received by the Commission on agenda item VII-C “Citywide Residential Anti-Displacement Strategy” to City Council, with a second by Commissioner Roberta Moore. The motion passed 10-0.

Yes: Wheeler, Shoor, Del Buono, Navarro, Partida, Quinn, O’Connell, Duong, Moore, Jasinsky (10)

No: None (0)

3. Chair Andrea Wheeler made the motion to amend Recommendation 3 “Explore a Community Opportunity to Purchase Program (First Right of Offer to Purchase)” to explicitly include options for other alternative ownership programs including individual ownership, with a second by Commissioner Ruben Navarro. The motion passed 10-0.

Yes: Wheeler, Shoor, Del Buono, Navarro, Partida, Quinn, O’Connell, Duong, Moore, Jasinsky (10)

No: None (0)

Public Comment

In total, the Commission received 16 public comments on the Citywide Residential Anti-Displacement Strategy. Most public comments stressed the urgency of the issue of residential displacement and that it is an important problem for the City to address. There were multiple commenters who thanked staff for their work on the Strategy and said they believed the City took a more authentic approach to community engagement than usual through this process. They said the Strategy shows that City staff listened to the community's leaders.

Most public comments expressed support for Recommendation #2, Establish a Neighborhood Tenant Preference for Affordable Housing. Some public comments expressed support of Recommendation #3, Explore a Community Opportunity to Purchase Program (COPA). Many of the members of the public who identified themselves as leaders from Vecinos Activos urged the commission to support the local preference policy they developed. The Vecinos Activos policy has the same purpose as staff's Recommendation #2, Establish a Neighborhood Tenant Preference for Affordable Housing. The primary differences between the two preferences are in the proposed percentage of set-aside of units and the geography used for the preference. For more information, please see the local preference policy outlined in the Letters from the Public.

Update on State Legislation Regarding Recommendation #8, Develop YIGBY Land Use

State Senate Bill 899 (2020) cited in Attachment A to the staff report in Recommendation #8, Develop YIGBY Land Use – Yes In God's Back Yard, failed to make it to the Governor's desk for signature. Therefore, the City's potential approval of this item would not interact directly with a similar State law, as was a possibility earlier this year.

Update on Recommendation #1, Support Equitable COVID-19 Recovery and Impact Mitigation Measures for Renters and Homeowners

Regarding planning for COVID relief and recovery under Recommendation #1, two updates are of note:

First, when the Statewide eviction moratorium bill, AB 3088 (2020), was recently signed by the Governor, Housing Department staff immediately worked closely with the City Attorney's Office and rental assistance providers to gain a common understanding of the new law, and the amounts of rent due under the State's moratorium and the City's moratorium. Accordingly, staff approved a new payment structure to property owners under contracts that have yet to be executed, to include 25% of rent due between September 1, 2020 and January 31, 2021 for rent due by January 31, 2021 to avoid eviction, and 50% of unpaid rent due between March 1, 2020 and August 31, 2020 to meet the City of San Jose's requirements. In this way, the available funds will be able to serve more households in need of rental assistance, while still materially helping households to pay down a significant amount of rent due that they may not have been able to pay.

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In addition, Recommendation 1c supports provision of legal services for eviction defense. Note that Housing Department staff and the City Manager's Office coordinated on item 3.7 on the September 22, 2020 City Council agenda to recommend direction of Coronavirus Relief Funds for this purpose.

CONCLUSION

In total, the vote of the Commission and public comments supported the recommendations of the Citywide Residential Anti-Displacement Strategy and its prioritization of recommendations. Staff will continue to engage the Commission in the development of the specific recommendations of the Strategy after the Citywide Residential Anti-Displacement Strategy is considered by the City Council at its meeting on September 22, 2020.

/s/

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Director, Housing Department

For questions, please contact Kristen Clements, Division Manager, at 408-535-3860.