

Housing Crisis Workplan Update

November 10, 2020

City Council

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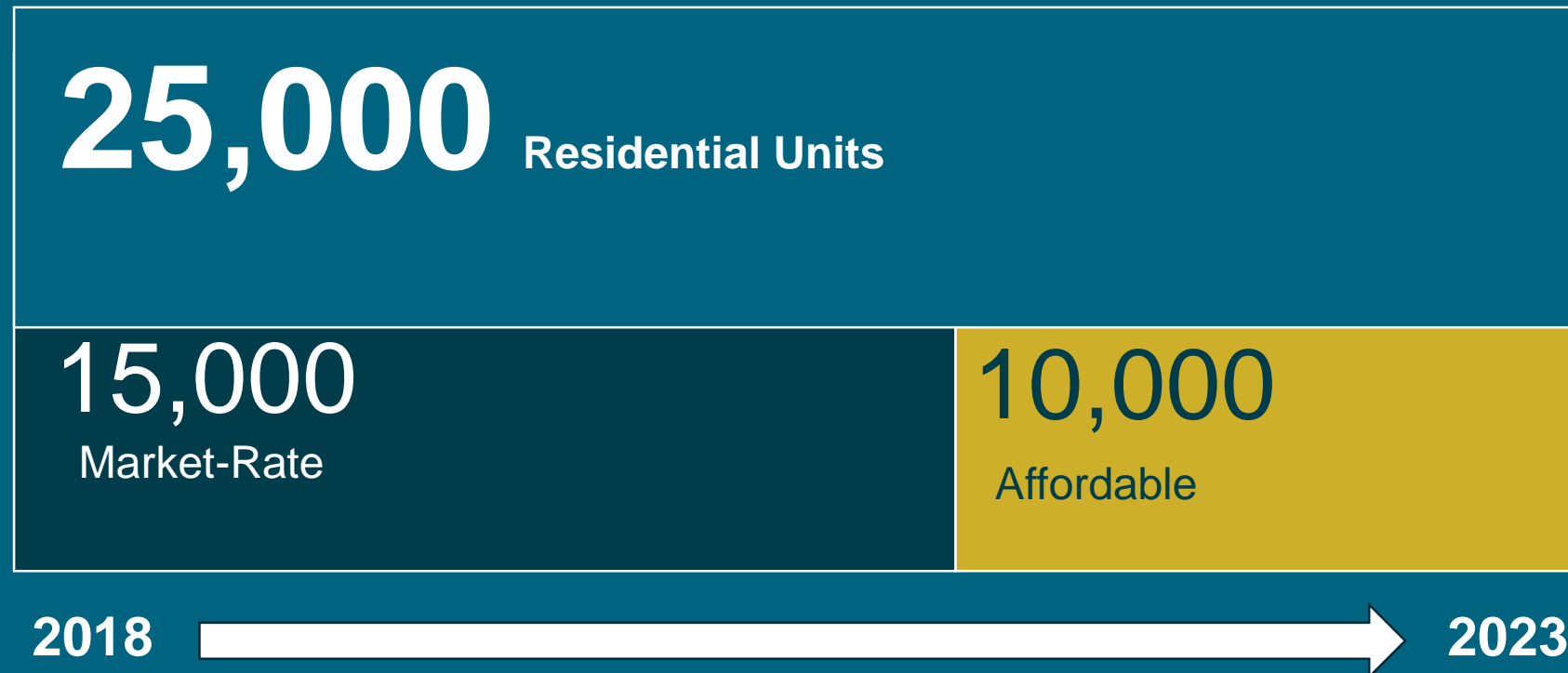
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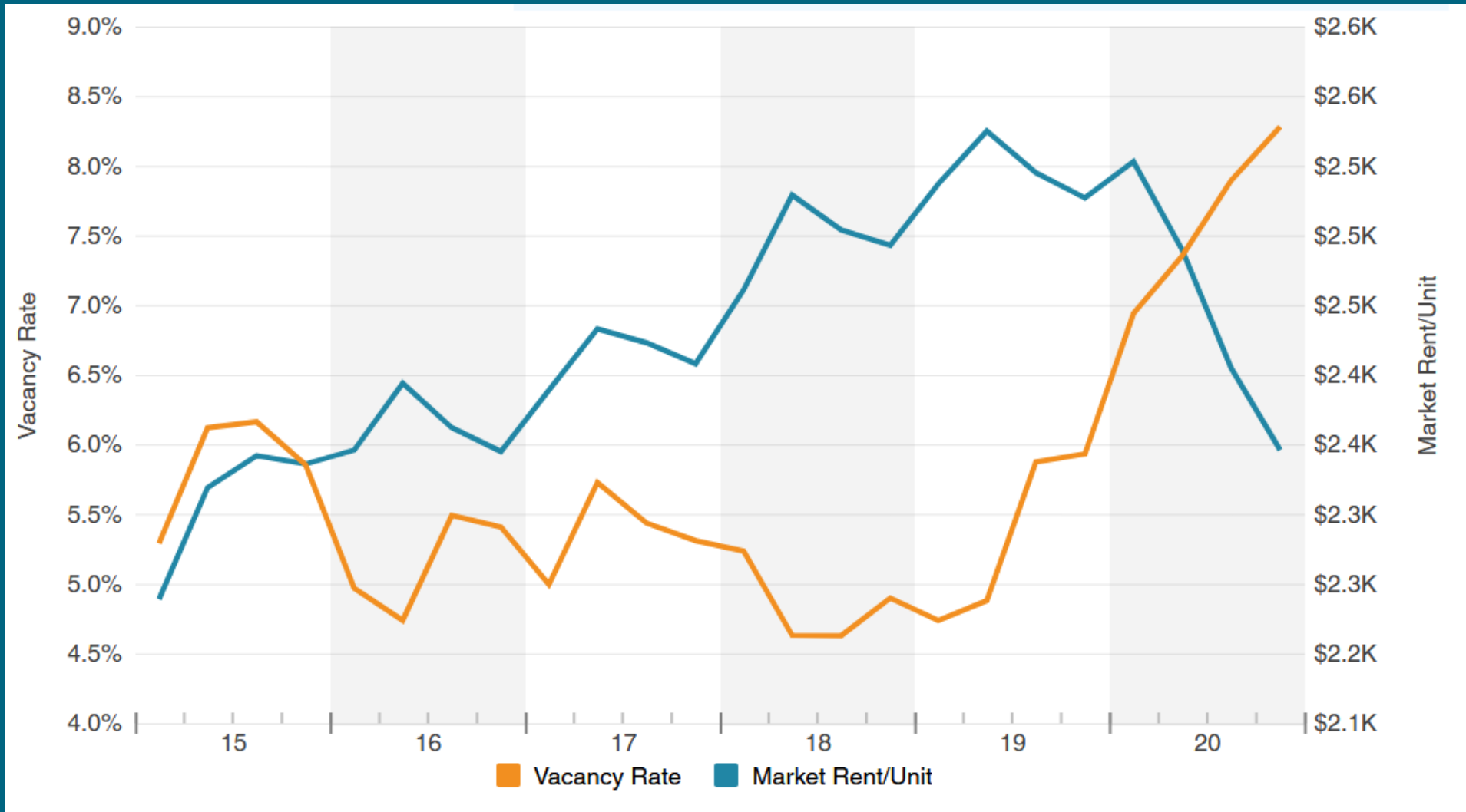
Housing Crisis Workplan Goal:



Market Conditions

Increased Vacancy Rate

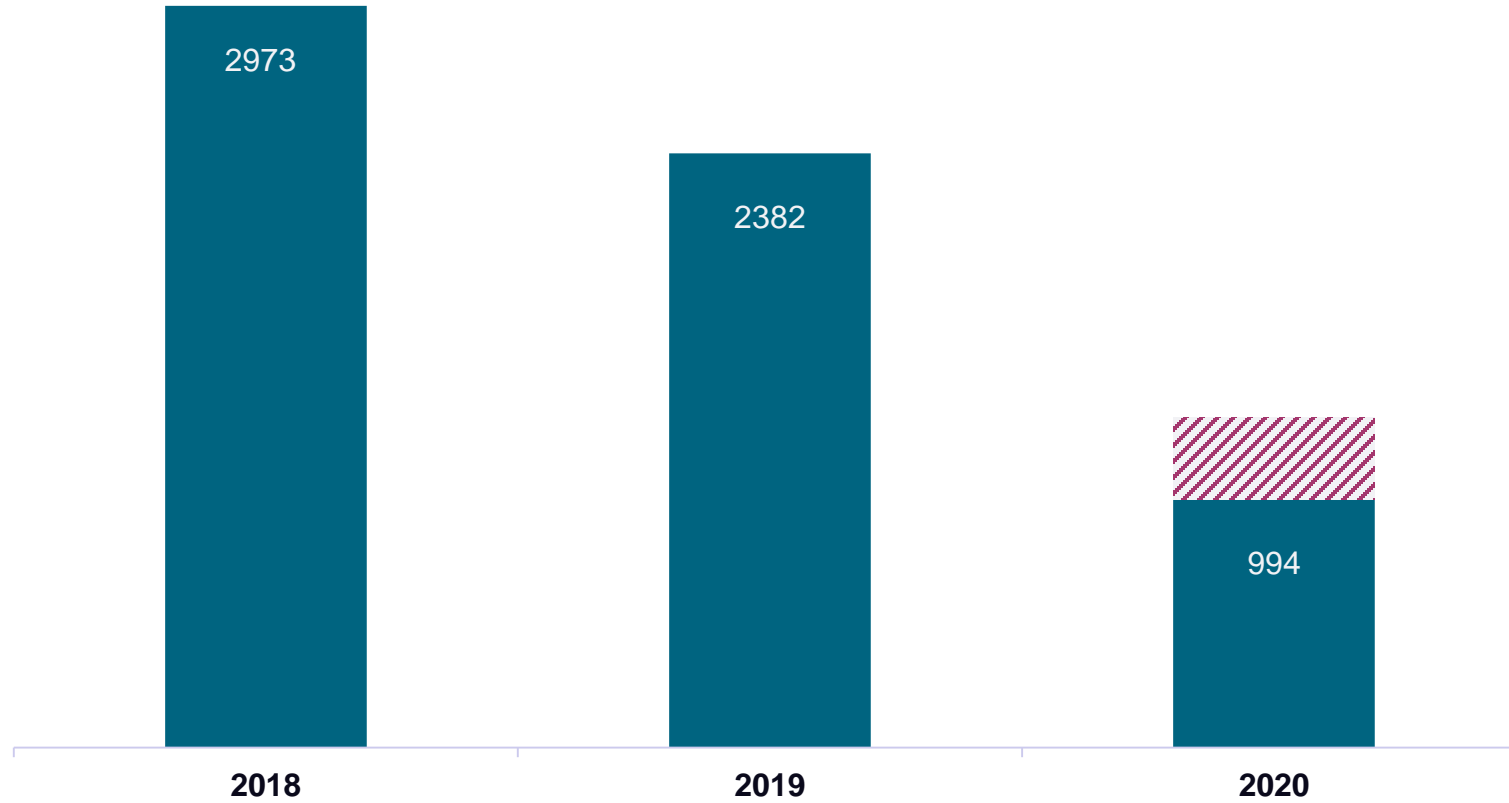
Declining Rents



Housing Production

	Capacity Made Readily Available Through Policy Work	Units Receiving Development Planning Approvals	Units Receiving Building Permits	Units Receiving Occupancy	
2018	14,255	Market Rate: 361 Affordable: 81	Market Rate: 2,827 Affordable: 146	Market Rate: 797 Affordable: 30	2018
2019	2,800	Market Rate: 2,864 Affordable: 702	Market Rate: 2,248 Affordable: 134	Market Rate: 620 Affordable: 217	
Jan- Sept 2020		Market Rate: 1,299 Affordable: 964	Market Rate: 625 Affordable: 369	Market Rate: 956 Affordable: 259	2023
Total	17,055	Market Rate: 4,524 Affordable: 1,747 6,271	Market Rate: 5,700 Affordable: 649 6,349	Market Rate: 2,373 Affordable: 506 2,879	

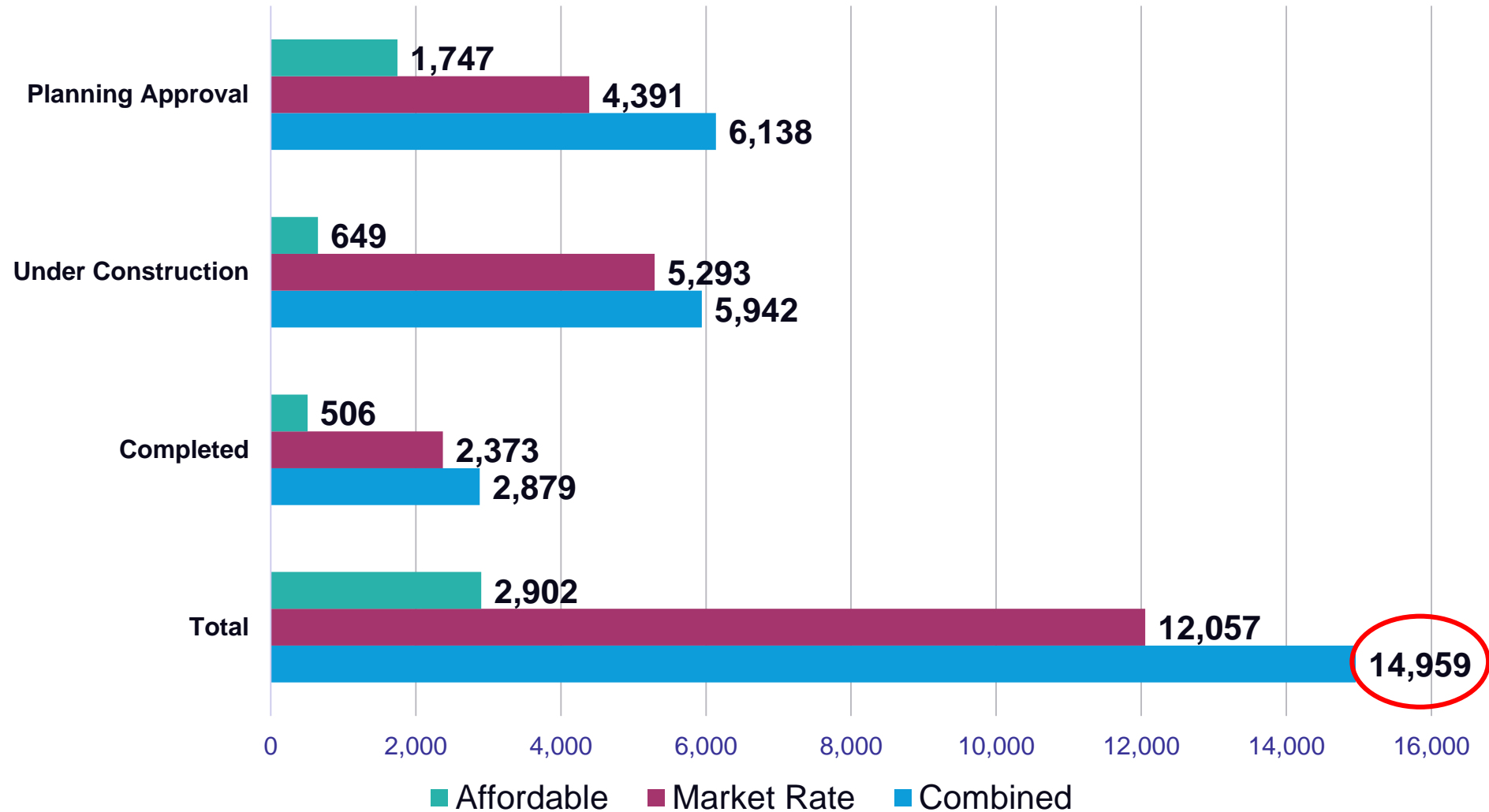
Units Receiving Building Permits



Overall Progress

2018  2020

25,000 Housing Units by 2023
Entitled, Under Construction, or Completed
15,000 Market Rate Units
10,000 Affordable Units



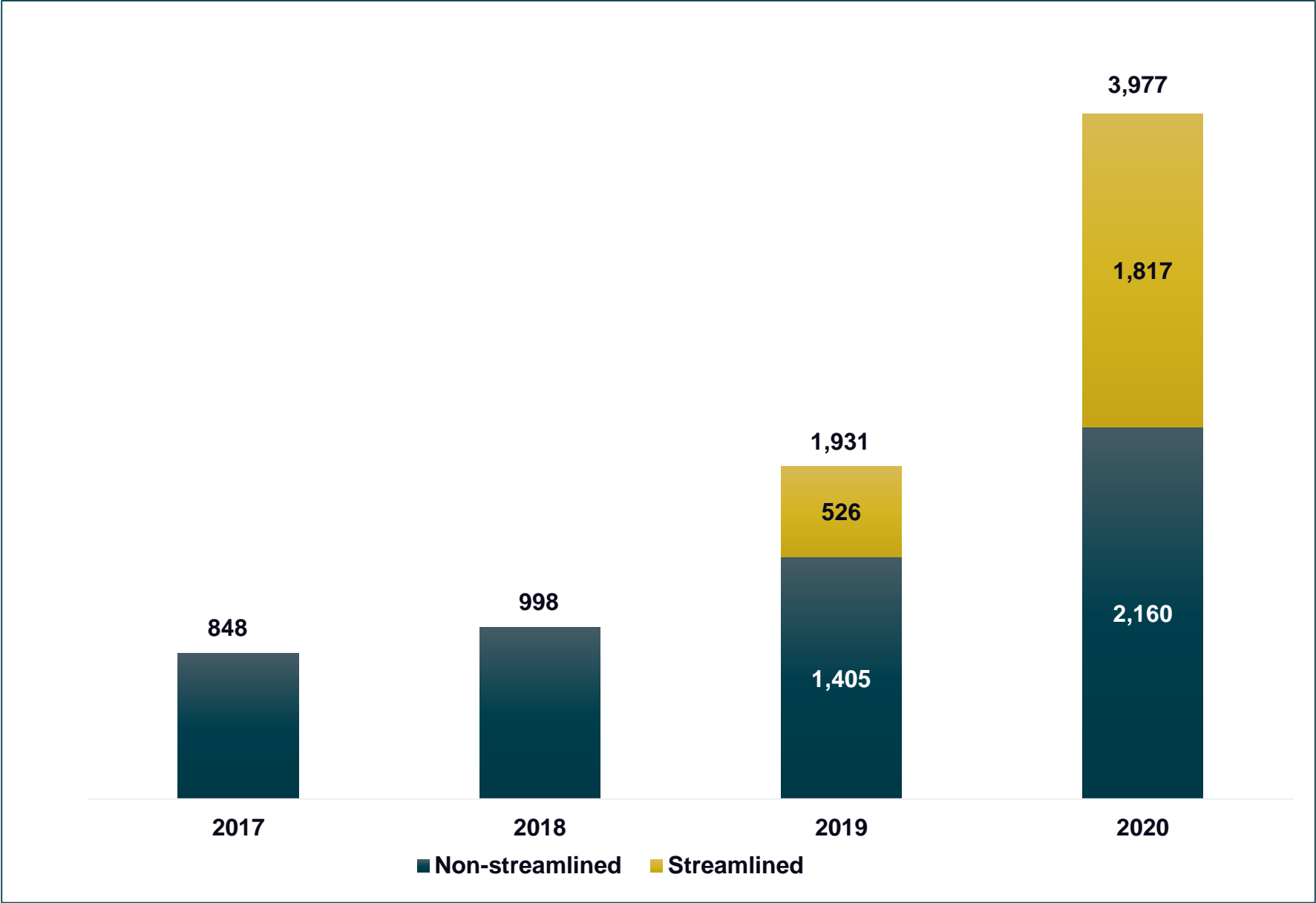
Financing Challenges for Affordable Financing

- **Oversubscription of Bond Funds at the State Level**
 - Tax Exempt Bonds have become competitive over the last year
 - Timelines for affordable housing developments are being impacted
 - New guidelines for awards in 2021
- **Seeking Support for Advocacy at the State Level**

State Streamlining

- **SB 35 (2017) & AB 2162 (2018) enabled streamlining process**
 - SB 35: Requires at least 50% of units be affordable on properties with zoning or a General Plan designation that allows housing. Removes requirement for CEQA analysis.
 - Four SB 35 projects received approval totaling 356 affordable units
 - AB 2162: Requires permanent supportive housing on properties currently zoned for housing. Removes requirement for CEQA analysis.
 - Three AB 2162 projects received approval totaling 306 affordable units
 - Staff currently reviewing six additional streamlining projects with 1,172 affordable units.

Affordable Housing Pipeline





Eviction Moratorium



Moratorium on Rent Increases



Providing Rental Assistance

Newly Completed Workplan Highlights



Established Commercial Linkage Fee



New Housing Webpage



Interim Housing on Caltrans Sites



Adopted Citywide Anti-Displacement Strategy

Ongoing Workplan Item Highlights –

- **General Plan Four-Year Review Items**
 - Housing in Neighborhood Business Districts
 - Exploring Changes to Commercial Requirements for Affordable Housing
- **Residential Cost of Development**
 - Last Report from November 2019
 - RFP to select consultant provide regular updates
 - Planned update in 2021
- **Housing Land Acquisition Sites Database and Mapping Tool**
 - Launched **San José Housing Site Explorer** in August 2020:
san-jose-housing-ca.tolemi.com
 - Continuing to refine and improve

North San Jose

Step 1: Continue work with Santa Clara to outline issues and concerns and move forward with amendments to the Settlement Agreement through mediation.

Timeline: 0-6 months (Ongoing)

Step 2: Transition the ADP by amending the Engineers Report to align collected money and built projects with development completed, and consistent with CEQA. Identify strategy for any remaining capital projects the City wishes to pursue. Amend the General Plan and Zoning Code to facilitate future development.

Timeline: 6-12 months (Underway)

Step 3: Allow commercial and residential projects to move forward with their own CEQA clearance under the development capacity in the General Plan.

Timeline: Accept Applications - 0-12 months (Underway)

Step 4: Consider opportunities to do additional planning work/program level VMT approach on longer term basis.

Timeline: 12-36 months (Not yet Started)

Downtown Residential High-rise Program

- **On August 25th Council approved setting IHO in lieu fee to \$0 for high-rise residential development in Downtown core.**
 - Must obtain building permit by June 30, 2023 and obtain Certificate of Occupancy by June 30, 2025.
 - Fee scales back up incrementally for projects obtaining building permit after June 30, 2023 each year until June 30, 2025.
- **Council directed staff to explore options for extending the timeline and applying it to high-rise outside of Downtown.**

Cost of Development

- **Staff proposes combining effort with planned update to the *Report on the Cost of Residential Development* in 2021.**
 - Allows for selection of consultant through normal process.
 - Update to Report already budgeted in FY20-21.
 - Staff would ensure that the Report would analyze the feasibility of high-rise construction in a variety of submarkets.

Questions?