



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** DIRIDON AFFORDABLE HOUSING  
IMPLEMENTATION PLAN

**DATE:** May 24, 2021

Approved

Date

5/24/ 2021

## SUPPLEMENTAL

### REASON FOR SUPPLEMENTAL

This supplemental memorandum clarifies which proposed strategies in the Diridon Affordable Housing Implementation Plan would require additional City Council approval, and clarifies related language.

This supplemental memorandum also corrects typographical errors in the Plan discovered after publishing.

### ANALYSIS

Table 1 below indicates the 11 proposed strategies would need the City Council's approval, the seven that may require Council approval depending on the details involved, and the remaining three for which sufficient authority exists for staff to implement.

The 11 strategies requiring additional City Council approval range from those that would need simple budget authorization to those that are substantial policy development items. The following two proposed Protection strategies are being edited to highlight that substantial stakeholder outreach and City Council approvals would be required for these items to proceed:

- |   |
|---|
| 4. <b>Explore expanding</b> San José's existing Tenant Protection Ordinance to include all rental units (including duplex, single-family, and condo/townhome rental units). |
| 5. <b>Explore expanding</b> San José's existing Apartment Rent Ordinance to include duplexes.   |

Seven proposed strategies may require Council approval, depending on the details involved. For instance, for the strategy to "Extend affordability restrictions on existing deed-restricted

affordable housing,” the Director of Housing can change certain business terms for existing loans under her Delegation of Authority (Municipal Code Section 5.06.340<sup>1</sup>) under prescribed conditions, with periodic reporting back to City Council. The Director’s power may involve the extension of affordability restrictions. However, these powers are limited, so the details involved would determine whether Council approval were needed.

The remaining three strategies either already have City Council approval (such as park fee credit changes), or do not require it (such as approaching outside parties to provide technical assistance support to nonprofits in San José).

**Table 1: Proposed Strategies & Whether Additional City Council Approvals are Required**

<b>Production Strategies</b>	<b>Future Council Approval Needed</b>
1. Maximize competitiveness for State funding sources by prioritizing sites within a one-half mile walkshed of Diridon Station for affordable housing.	TBD
2. Partner with transit agencies and affordable housing developers to leverage Affordable Housing for Sustainable Communities grants for affordable housing developments near the Station.	Yes
3. Prioritize the use of Commercial Linkage Fee revenues generated in the Diridon Station Area for affordable housing projects within the Plan area.	No - Council approving in Downtown West Development Agreement
4. Update regulations to facilitate mass timber and other innovative and cost-effective construction technologies.	TBD
5. Implement Council-approved park fee credit changes that support the recently updated Inclusionary Housing Ordinance.	No - Council approved
6. Support policies that increase the production of accessory dwelling units (ADUs) in the Diridon Station Area and surrounding neighborhoods.	TBD
7. Explore ways to increase access to new affordable housing for residents with disabilities.	TBD
8. Design and implement State-authorized, City-approved local tenant preferences for affordable homes in the Diridon Station Area.	Yes
9. Approve a City subsidy per unit amount appropriate for the Diridon Station Area.	Yes
<b>Preservation Strategies</b>	<b>Future Council Approval Needed</b>
1. Extend affordability restrictions on existing deed-restricted affordable housing.	TBD
2. <i>Establish a Preservation Pilot Program to acquire and rehabilitate existing multifamily units.</i>	Yes

<sup>1</sup> San José Municipal Code Section 5.06.340:

[https://library.municode.com/ca/san\\_jose/codes/code\\_of\\_ordinances?nodeId=TIT5HO\\_CH5.06COAUDIHOMADIFI\\_PT3AUDIHO\\_5.06.340CHLOBACOPRGEPA](https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT5HO_CH5.06COAUDIHOMADIFI_PT3AUDIHO_5.06.340CHLOBACOPRGEPA)

3. <i>Conduct outreach to nonprofit and community-based organizations with capacity to conduct preservation activities.</i>	No
4. <i>Identify funding sources for preservation.</i>	Yes
5. <i>Identify funding sources and partners to build local organizations' capacity.</i>	TBD
6. <i>Implement complimentary policies that support preservation activity.</i>	Yes
<b>Protection Strategies</b>	<b>Future Council Approval Needed</b>
1. <i>Establish a Housing Collaborative Court to provide legal support for tenants facing eviction.</i>	Yes
2. Create a “satellite office” in the Plan area to provide education resources to tenants and landlords.	Yes
3. <i>Consider options for enforcing AB 1482 (2019), which prevents rent gouging and establishes just causes for tenant evictions.</i>	TBD
4. <b>Explore expanding</b> San José’s existing Tenant Protection Ordinance to include all rental units (including duplex, single-family, and condo/townhome rental units).	Yes
5. <b>Explore expanding</b> San José’s existing Apartment Rent Ordinance to include duplexes.	Yes
6. Explore applicability of Certificate of Preference program for displaced residents.	Yes

**Corrections**

As noted in the Plan on page 35, an additional “...181 new deed-restricted units have been added across two buildings, bringing the total deed-restricted share up to 24 percent as of June 2020.” While this was worked into several places in the report, this new information also should be updated in three additional locations:

- Figure 5, page 21 – update to 24% overall affordable
- Footnote 21, page 22 – update to 24 percent affordable
- Figure 33, page 61 – update baseline to 24%.

/s/

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