

# Housing Crisis Workplan Update

August 10, 2021  
City Council

**Office of Economic Development**  
Jerad Ferguson, Housing Catalyst

**Housing Department**  
Rachel VanderVeen, Deputy Director

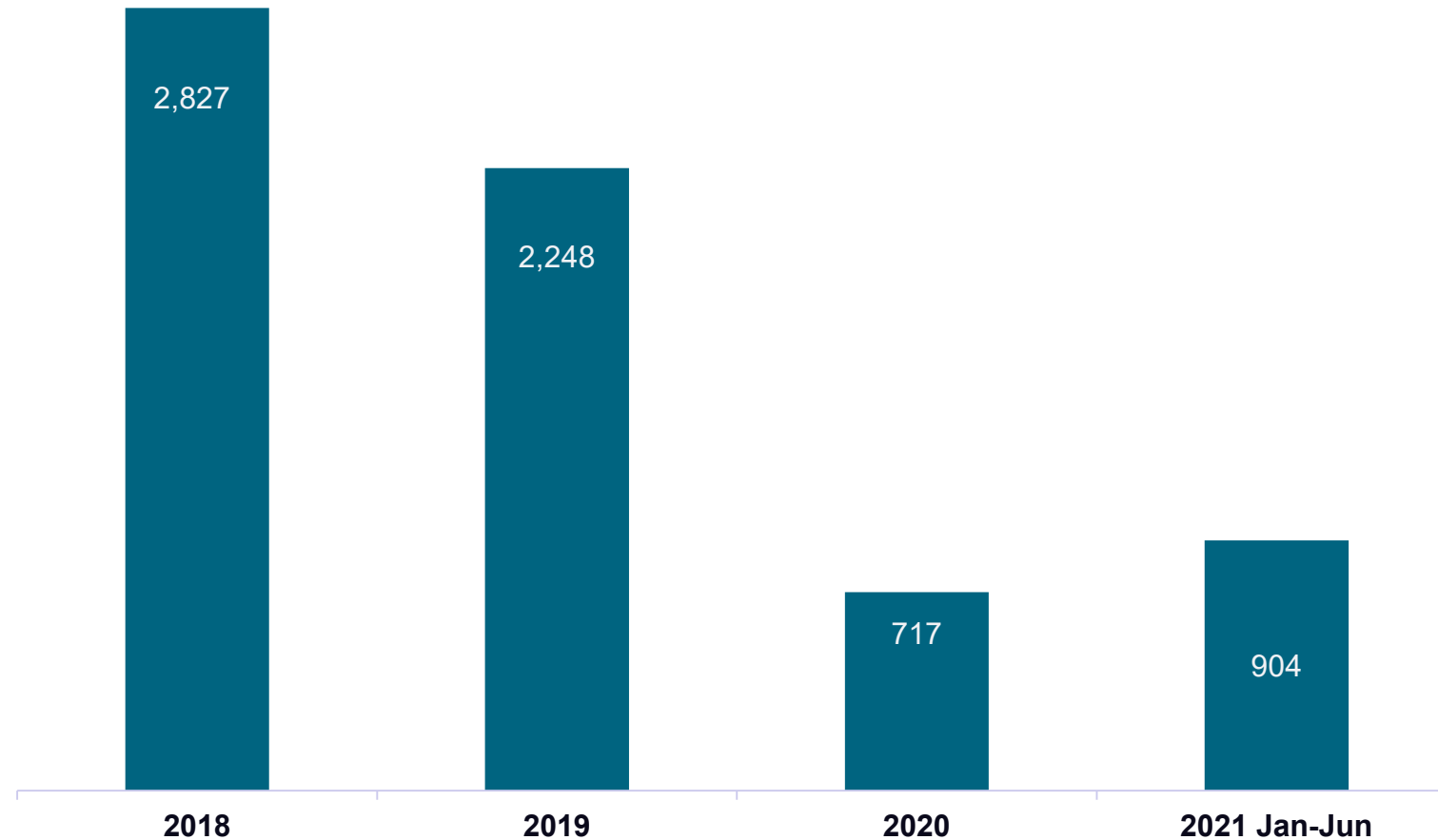
**Department of Planning,  
Building, and Code Enforcement**  
Michael Brilliot, Deputy Director



# Housing Production Report

	Units Receiving Development Planning Approvals	Units Receiving Building Permits	Units Receiving Occupancy	
2018	Market Rate: 361 Affordable: 81	Market Rate: 2,827 Affordable: 146	Market Rate: 797 Affordable: 30	2018 ↓ 2023
2019	Market Rate: 2,864 Affordable: 702	Market Rate: 2,248 Affordable: 134	Market Rate: 620 Affordable: 217	
2020	Market Rate: 2,660 Affordable: 1,702	Market Rate: 717 Affordable: 663	Market Rate: 963 Affordable: 259	
2021 Jan-Jun	Market Rate: 426 Affordable: 266	Market Rate: 904 Affordable: 193	Market Rate: 716 Affordable: 0	
Total	Market Rate: 6,311 Affordable: 2,751 <b>9,062</b>	Market Rate: 6,696 Affordable: 1,136 <b>7,832</b>	Market Rate: 3,096 Affordable: 506 <b>3,602</b>	

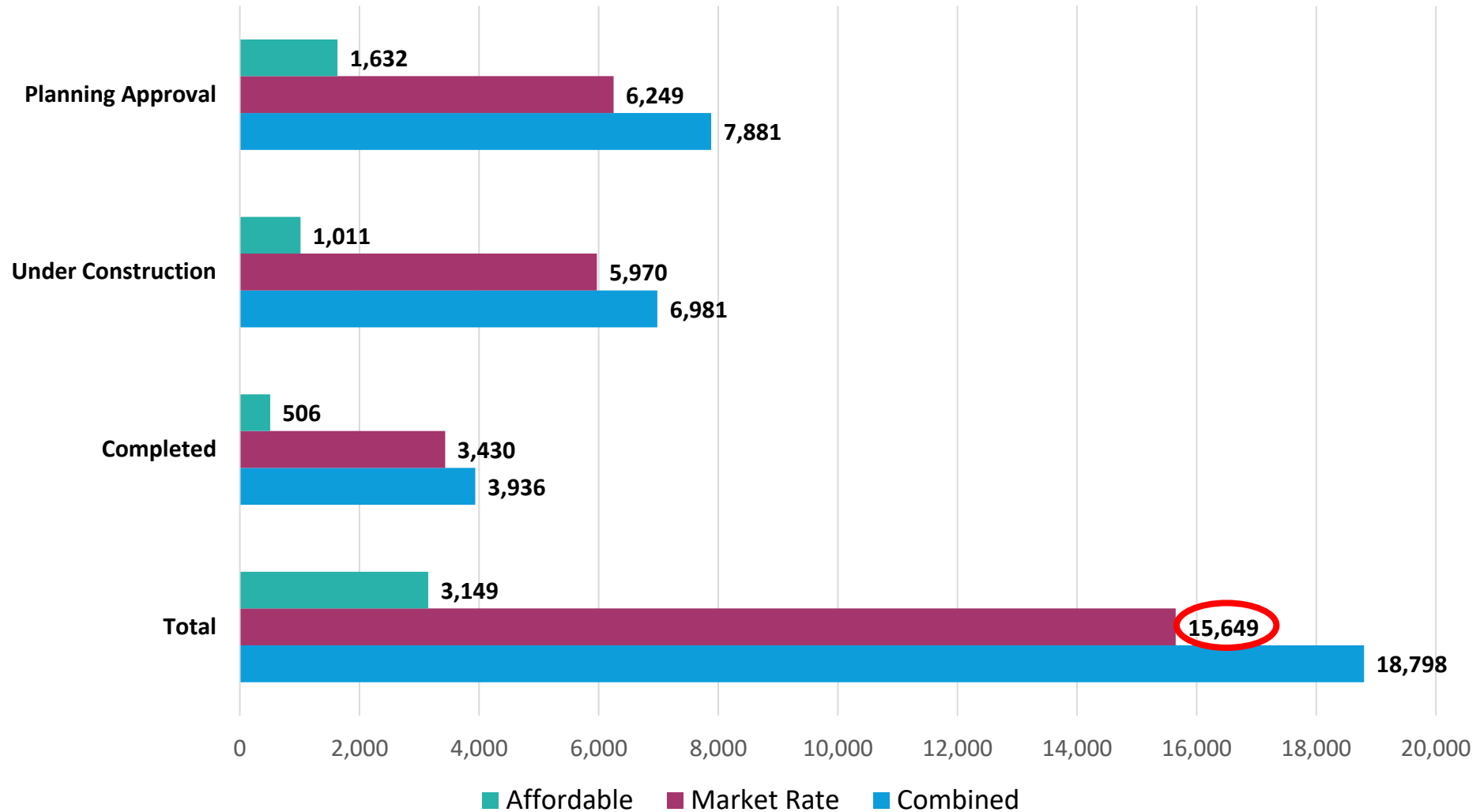
# Market-Rate Units Receiving Building Permits



# Overall Progress

2018  2021 Q2

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



# Continued Financing Challenges for Affordable Housing Development

- **Regional share in latest rounds of bond allocations below expectations**
  - Only two developments in San Jose awarded allocation
  - Stalled significant number of projects
- **Continued competitiveness and undersupply of bond allocation will impede many affordable projects in San José.**

# Affordable Housing Production

- **SB 35 and AB 2162 Ministerial**

## Approvals

- Shortened approval timelines
- Estimate 85% of new affordable projects
- Since December 2018:
  - **SB 35:** 5 approved (434 units)
    - 2 permit pending (219 units)
    - 3 under review (783 units)
  - **AB 2162:** 5 approved (485 units)
    - 3 under review (334 units)

- **Affordable Housing Pipeline**

- Increased preliminary Review Applications and site inquiries
- 7,700 units in pipeline

## Newly Completed Workplan Highlights

- ✓ **Refine General Plan Policy H-2.9 (the “1.5-acre rule”)**
- ✓ **Updates to Inclusionary Housing Ordinance (IHO)**
- ✓ **Parks Credit for Moderate Income Housing satisfying IHO**

## Ongoing Workplan Item Highlights –

- **Commercial Linkage Fee Implementation**
  - Timing of payment
  - Recordation of payment obligation
  - Credits for various priorities
  - Planned return in fall 2021
- **Affordable Housing Siting Policy**
  - Policy to guide decisions on location of new affordable housing



## Ongoing Workplan Item Highlights –

- **North San Jose**

- Engaged consultant to prepare updated traffic report necessary to retire policy
- Moving forward with outreach and developing zoning and GP updates

- **San José Housing Site Explorer**

- Adding new features and shortcuts for developers
- Continued rollout and marketing

<https://san-jose-housing-ca.tolemi.com/>

## New Items Not Previously Included in the Workplan

- **Housing Element Update**

- Sixth Regional Housing Needs Allocation (RHNA) cycle from 2022 to 2030
- San José will be allocated 62,202 units
- Website launched and outreach will begin in September 2021

- **Assessment of Fair Housing (AFH)**

- To be included in Housing Element
- Staff is creating draft strategies with other City departments, VTA and the Santa Clara County Office of Education
- Conducting outreach in summer 2021 that will continue into early 2022

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