

Housing Catalyst Team Work Plan and Housing Element Annual Progress Report for Calendar Year 2025

City Council

March 24, 2026

Items 8.4 and 8.5

Erik L. Soliván, Director, Housing Department

Chris Burton, Director, Planning, Building and Code Enforcement Department

Manira Sandhir, Deputy Director, Planning, Building and Code Enforcement Department

Jerad Ferguson, Principal Planner, Planning, Building and Code Enforcement Department

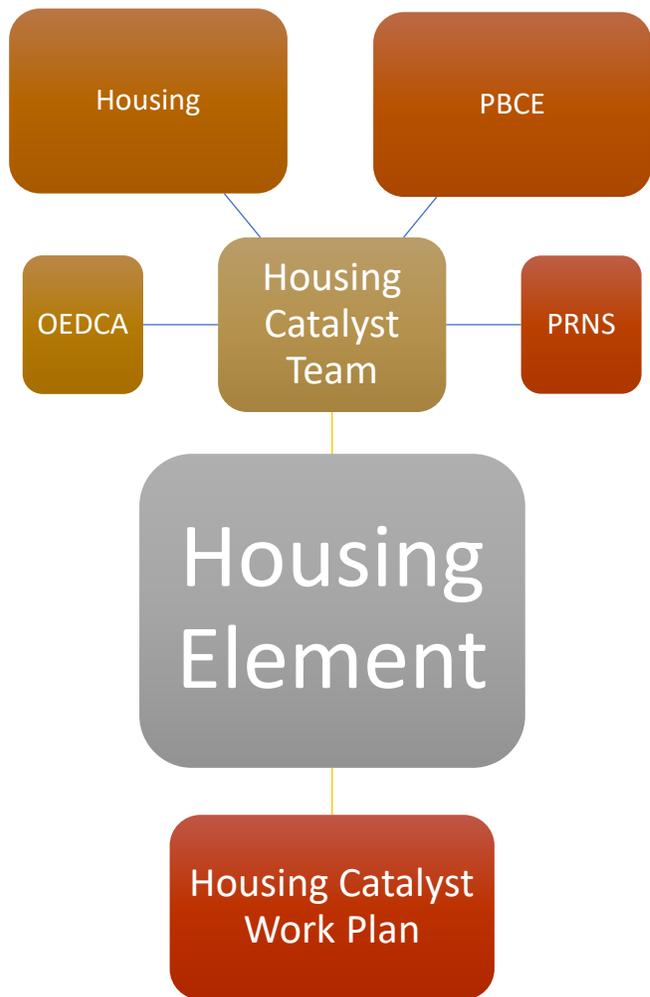


Housing



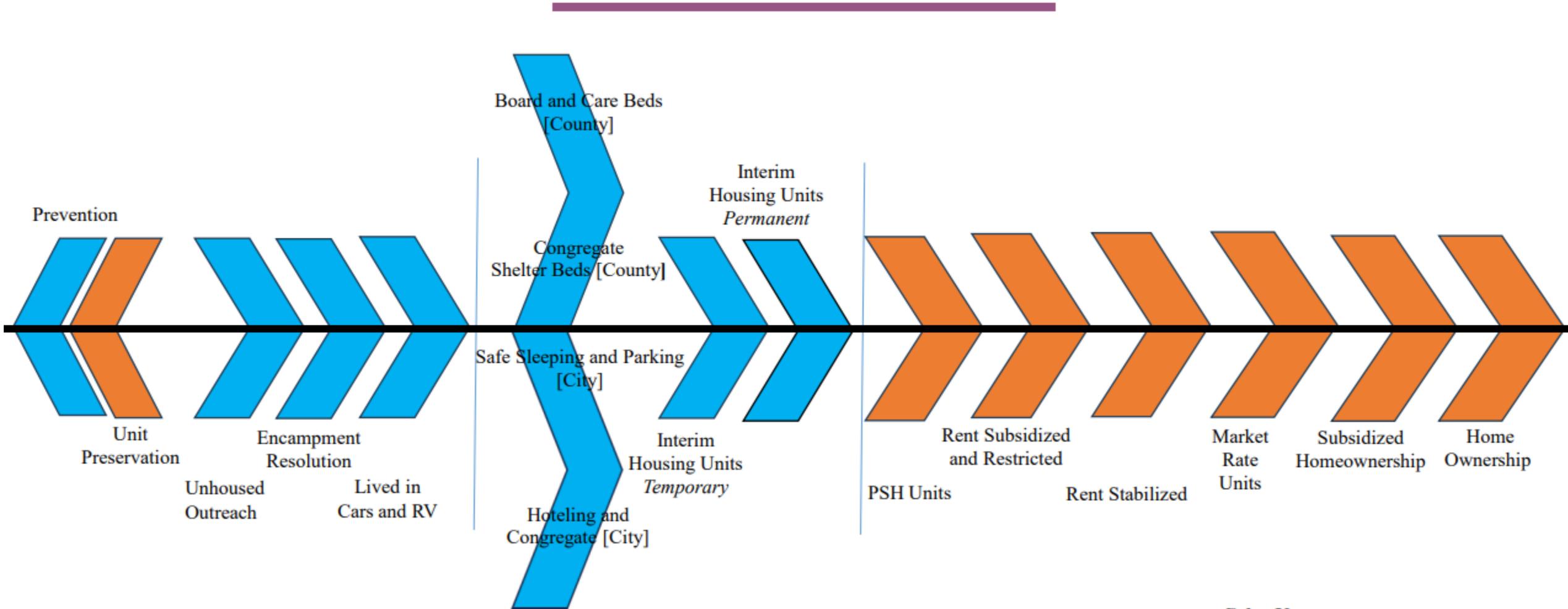
*Planning, Building and
Code Enforcement*

Background



- **June 2023:** Housing Element Adopted and First Housing Catalyst Work Plan
- **January 2024:** Certification of Housing Element by State HCD
- **February 2024 and February 2025:** Annual Status Reports on Housing Catalyst Work Plan to CED Committee
- **March 2024 and March 2025:** Annual Status Reports to City Council with Housing Element Annual Progress Report

Housing Continuum



Color Key:
Blue: Neighborhood Services and Education City Service Area
Orange: Community & Economic Development City Service Area

Market Conditions and Incentive Programs

Market Conditions

- The housing market remains **high-priced** and **competitive**
- Recent data show **moderate price softening**, after years of rapid growth
- **Affordability challenges** persist amid **high baseline prices**
- Continued **limited inventory**, in part due to the high cost of development

Incentive Programs

- ✓ Multifamily Housing Incentive Program
- ✓ Downtown Residential Incentive Program

Linking Land and Capital – Initial Entitlement Analysis Summary

103

Total Deals Entitled

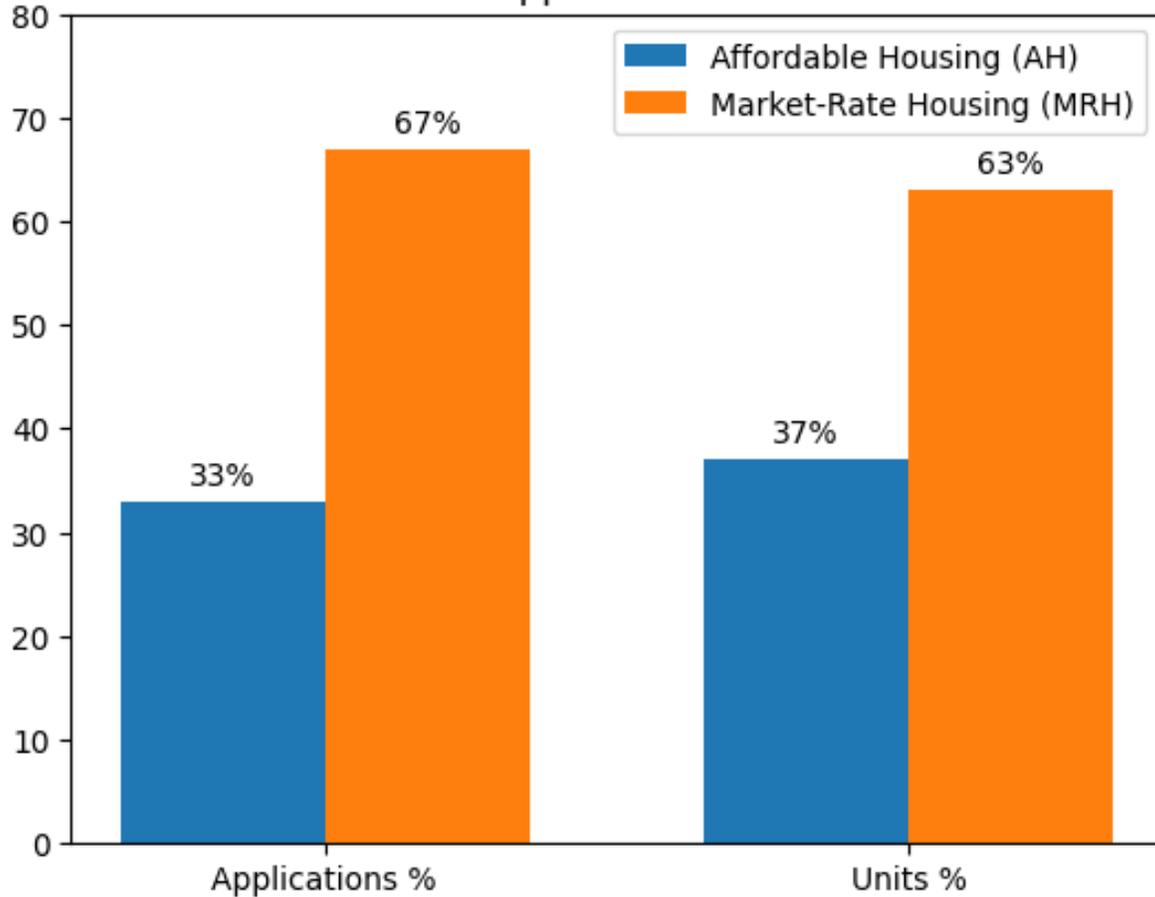
31,375

Total Units Entitled

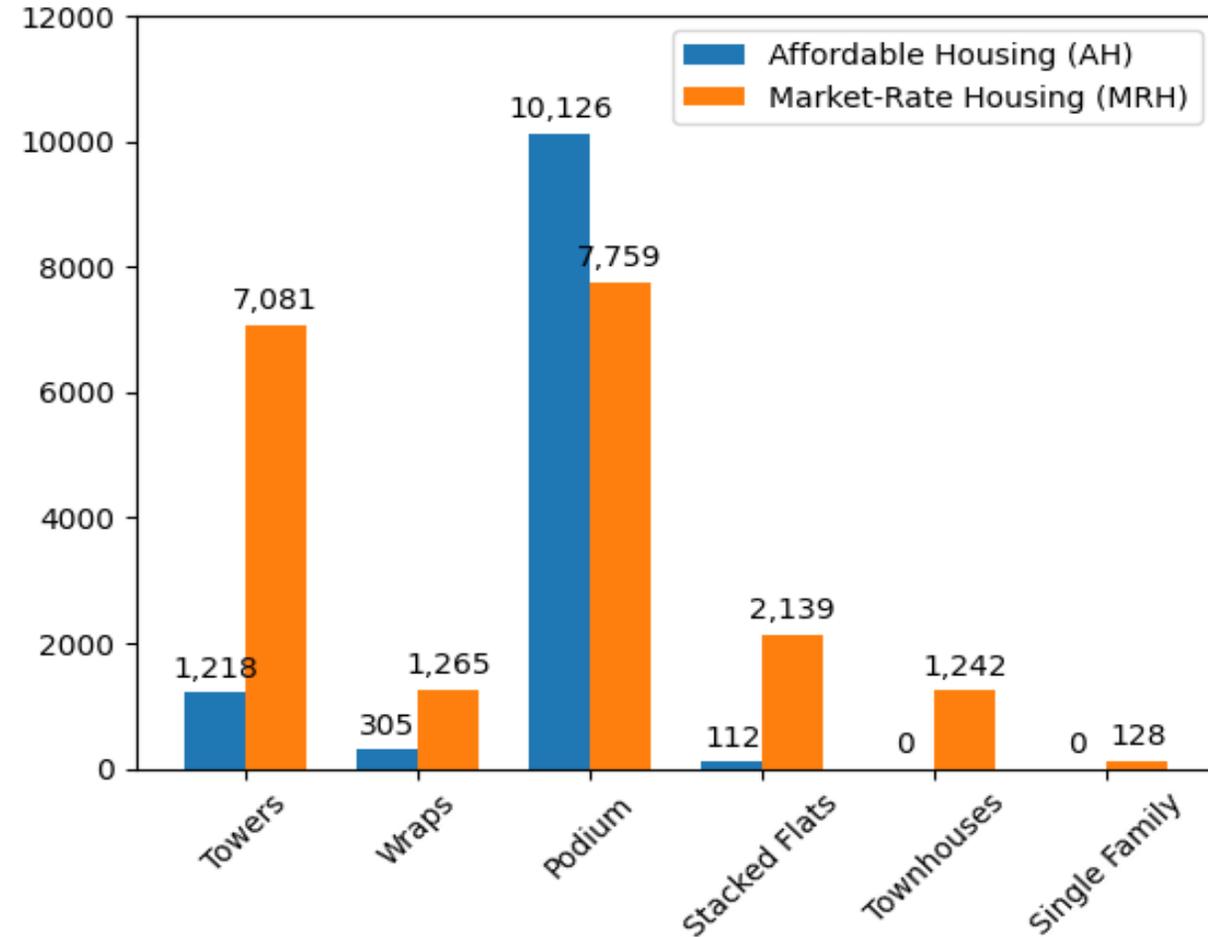
Council District	Applications	Units
1	13%	2,825
2	1%	203
3	34%	9,410
4	13%	4,431
5	5%	728
6	21%	4,076
7	4%	1,814
8	0%	0
9	4%	973
10	6%	894

Affordable/Market-Rate Breakdown

Affordable vs Market-Rate Housing
Share of Applications and Units



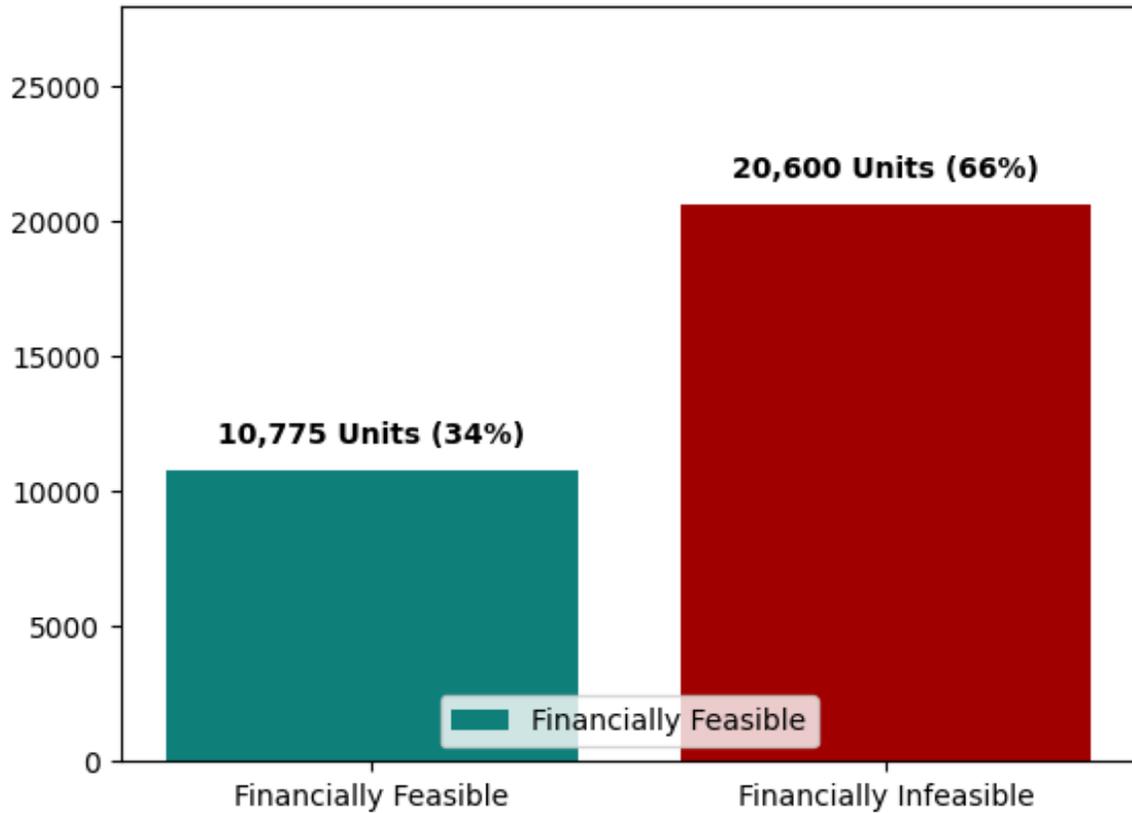
Units by Product Type
Affordable vs Market-Rate



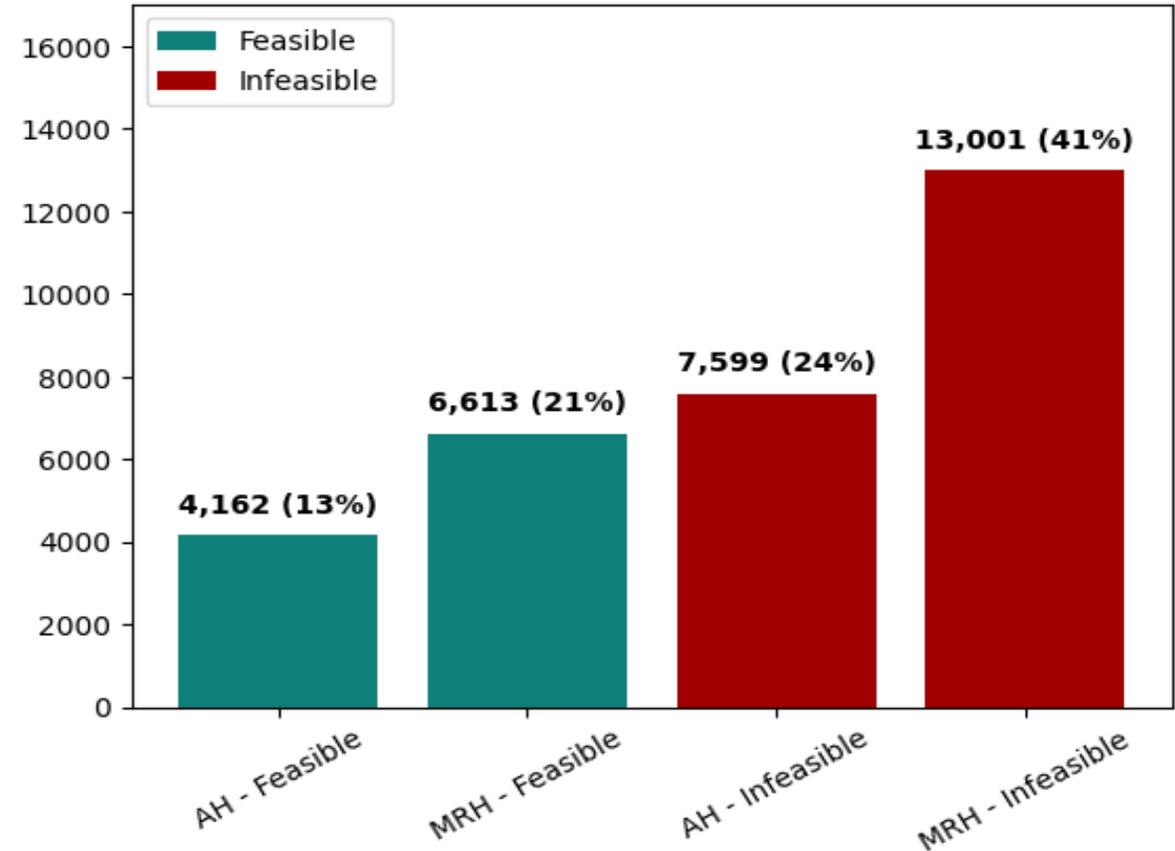
Project Feasibility/Infeasibility

Based on the Cost of Residential Development Study

Overall Feasibility Assessment



Feasibility Breakdown by Housing Type



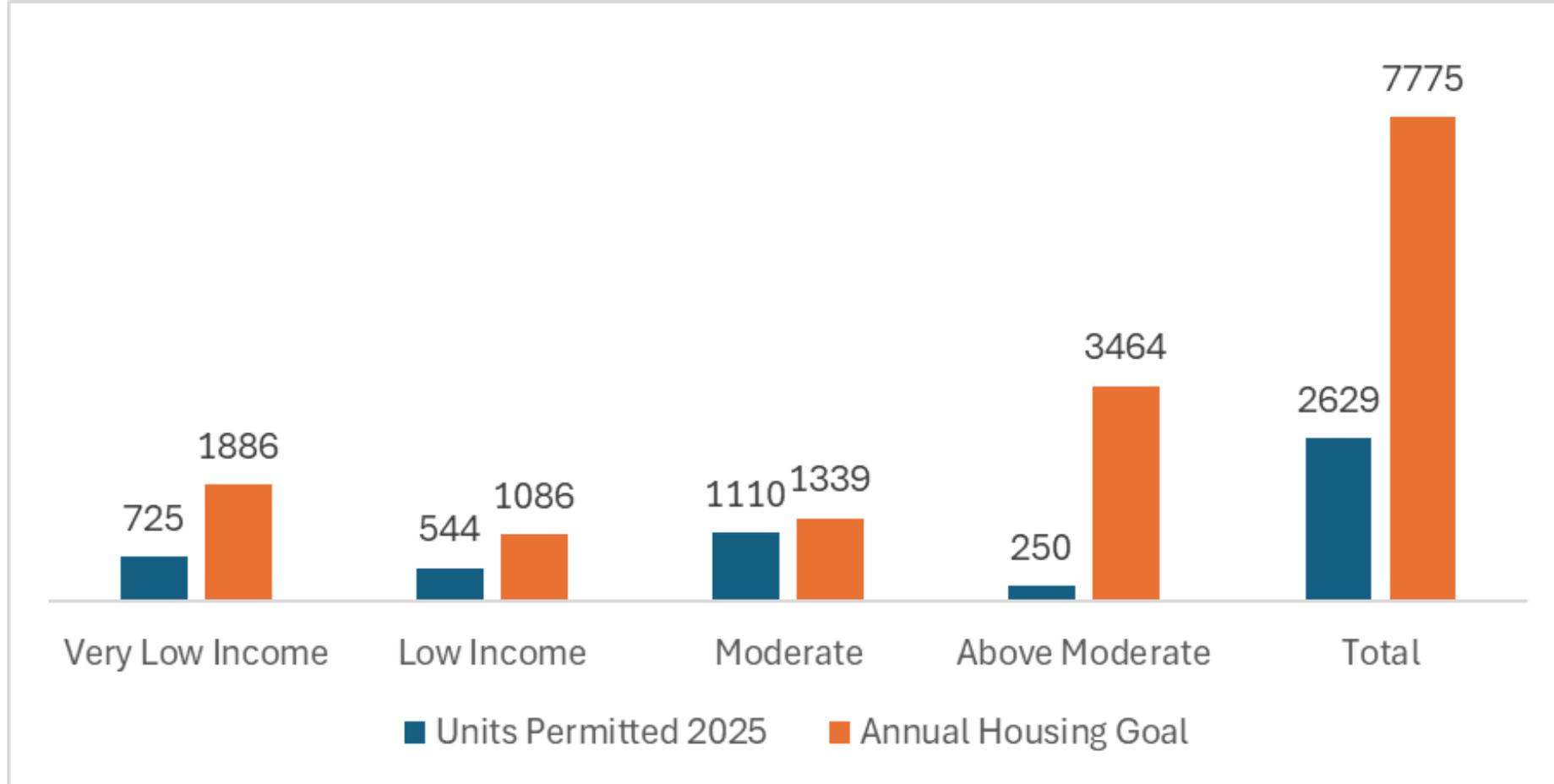
Housing Element Annual Progress Report

Key Takeaways

- 2025 housing production and cumulative RHNA progress.
- Implementation progress on Housing Element programs.
- Actions underway through the Housing Catalyst Work Plan.
- Comparison with other jurisdictions.
- Community and Economic Development Committee discussion focused on how feasibility, incentives, and implementation tools can help move entitled projects into construction.

RHNA Progress

Units Permitted in Calendar Year 2025



RHNA Progress Benchmark

City	Total RHNA Allocation (6th Cycle)	% Through 6th Cycle	Cumulative % RHNA Attained
Los Angeles	456,643	37.5%	12.8%
Oakland	26,251	25%	6.9%
Sacramento	45,580	50%	24.8%
San Diego	108,036	50%	26.8%
San Francisco	82,069	25%	5%
San José	62,200	25%	8.3%

General Plan Four-Year Review

- Significant 6th Cycle Housing Element (2023-2031) Housing Catalyst Work Items
 - *Small Multifamily Housing (P-35)*
 - *Evaluation of Urban Village Planning Process (P-40)*
- Prepare City for 7th Cycle Housing Element (2031-2040)
 - *Due January 2031*
- General Plan Task Force October 2025 to June 2026
 - *Urban village planning, residential rapacity, small multifamily*

Completed Items

- ✓ Allow “SB 9” Type Housing on Additional Properties (P-11)
- ✓ Group Homes for Seven or More Persons (P-42)
 - *January 13th City Council approval*
- ✓ Moderate-Income Housing Strategy (P-15)
 - *May 2025 CED Committee*

State Housing and Community Development Emphasis on Specific Programs

- ✓ City Infill Housing Ministerial Approval Ordinance (P-7) – **Complete**
- ✓ Housing Balance Report (I-4) – **Complete**
- Affordable Housing Tools for North San José (P-4)
 - *Reevaluate in the future based on annual cost of development*
- Diridon Affordable Housing Production Goal (P-9) – *Ongoing efforts*
- Small Multifamily Housing (P-35) – *Part of GP Four-Year Review*
- Evaluation of Urban Village Planning Process (P-40) – *Part of GP Four-Year Review*
- Review and Revise Planning Permit Conditions (P-41) – *Anticipated by fall 2026*

Key Anti-Displacement & Preservation Work Items

- ✓ Preservation and Community Development Capacity Building (N-4)
- ✓ Preservation Notice of Funding Availability (R-2)
- ✓ Soft Story Program (R-13)
 - Eviction Prevention Activities (S-12)
 - Tenant Preferences that Help Fight Displacement (S-20)

Joint Study Session: Planning Commission and Housing & Community Development Commission

On February 25, 2026, staff presented to both commissions. The discussion among the commissioners included:

- Questions about the Cost of Residential Development study
- Feasibility analysis of entitled projects for construction
- Broader housing models and pathways
- Maintaining production, preservation, and anti-displacement strategies
- Continue peer-city learning while tailoring to San José's market conditions

Newly Added Items

- ✓ Inclusionary Housing Ordinance and Program Updates (PZ-2) – **Complete**
- Mobilehome Rent Ordinance Updates (SZ-3) – In progress
- Linking Land to Capital – Entitlement and Feasibility Analysis – In progress

Next Steps

- **March 24, 2026** – Combined City Council item on Housing Catalyst Team Work Plan and Housing Element Annual Progress Report
- **April 1, 2026** – Submit Annual Progress Report to State Housing and Community Development Department
- **Ongoing** – Updates to the Housing Catalyst Team Work Plan on the PBCE dashboard

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Housing



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