



# Request for Policy Analysis (Council Referrals)

Department Finance Department, Housing Department Rules Date April 29, 2026 Item C3  
 Department Rep. Name/Ext. Maria Oberg (Finance), Erik Solivan (Housing) Councilmember Sponsorship Mayor Mahan, Councilmembers  
 Policy/Ordinance Subject Alternative Financing for Affordable Housing Campos, Tordillos, Cohen, and Ortiz

Staff Recommendation																	
<input checked="" type="checkbox"/>	<b>GREEN</b>	Adopt based on tradeoffs outlined on next page			<input type="checkbox"/>	<b>YELLOW</b>	Defer to a later designated date or the annual Budget Process			<input type="checkbox"/>	<b>RED</b>	Recommend Council not adopt nominated idea		<input type="checkbox"/>	<b>NEEDS CLARIFICATION OR MORE TIME TO EVALUATE</b>		
Staff Evaluation																	
Is this already underway in a department work plan?				Is this time critical or an emergency?				Will this require substantial resources, staffing, budget, strategic support, or reprioritizing existing work plan?									
<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No						
Criterion to Determine Scale of Project Complexity																	
Project complexity is determined by scoring the project in each of the 3 criteria below and then summing the score.																	
a. Low Complexity is a sum of 6 or less. b. Medium Complexity is a sum of 7 – 9. <span style="float: right;">Total Score = 8</span> c. High Complexity is a sum of 10 or greater.																	
Scoring Criterion	Low Complexity			Medium Complexity			High Complexity										
	Estimated Duration	6 – 9 months	<input checked="" type="checkbox"/> = 1	9 - 18 months	<input type="checkbox"/> = 2	More than 18 months	<input type="checkbox"/> = 3										
	Organizational Complexity (Internal)	Can easily be absorbed into existing work plan	<input type="checkbox"/> = 1	Planned work (future)	<input checked="" type="checkbox"/> = 2	Work not currently proposed	<input type="checkbox"/> = 3										
		Have staff with required skillset/knowledge	<input type="checkbox"/> = 1	Have staff with required skillset/ requires moderate research	<input checked="" type="checkbox"/> = 2	Do not have staff with required skillset/requires significant research	<input type="checkbox"/> = 3										
	(External)	Less than or equal 2 staff required	<input type="checkbox"/> = 1	3 - 4 staff required	<input checked="" type="checkbox"/> = 2	More than 5 staff required	<input type="checkbox"/> = 3										
	1 Additional department; no community outreach required	<input checked="" type="checkbox"/> = 1	2 Other departments Involved; some community outreach required	<input type="checkbox"/> = 2	3 or more departments and/or external partners involved; significant community outreach required	<input type="checkbox"/> = 3											
DEPT. Required	<input type="checkbox"/> Airport	<input type="checkbox"/> Auditor	<input type="checkbox"/> CMO	<input type="checkbox"/> OEDCA	<input type="checkbox"/> ESD	<input type="checkbox"/> Fire	<input type="checkbox"/> HR	<input type="checkbox"/> IT	<input type="checkbox"/> PRNS	<input type="checkbox"/> Police	<input type="checkbox"/> Retirement						
	<input type="checkbox"/> Attorney	<input type="checkbox"/> Clerk	<input type="checkbox"/> CMO – Budget	<input type="checkbox"/> Community Energy	<input checked="" type="checkbox"/> Finance	<input checked="" type="checkbox"/> Housing	<input type="checkbox"/> IPA	<input type="checkbox"/> Library	<input type="checkbox"/> PBCE	<input type="checkbox"/> PW	<input type="checkbox"/> DOT						

CMO Approval: /s/ Lee Wilcox Date 4/28/2026

**Analysis**

**Explain the rationale for staff recommendation, including any mitigating factors that need to be considered (recent legislative action, significant work plan changes, etc.). Please address the following as well.**

**GREEN LIGHT:** The Administration can implement this nominated idea under its current work plan. Item should be sent to Council to add to department work plan. (1) How will the idea be approached? (2) If adopted, what is its impact and/or tradeoff to the City Council Focus Area or to a department work plan, including strategic support? (3) What is the minimum viable scope to move the idea forward and reduce its complexity?

Recommendation 1. The March 11, 2026 Information Memorandum established the framework for advancing the financing ideas it outlines. The Housing Department is already evaluating alternative financing approaches to support housing production and expand affordability. This includes exploring innovative public-private partnerships that leverage existing financing tools. As part of this work, the Department is assessing whether these strategies can support projects serving households at 50% to 30% of Area Median Income (AMI), while also examining the trade-offs between deeper affordability and overall unit production. In addition, the Department is analyzing the current pipeline of market-rate projects to determine which could be accelerated into construction using these financing tools. This analysis is already being incorporated into the FY 2026-2027 Building More Housing Focus Area work plan As directed, staff will return to Council by August 2026 with policy recommendations and again by March 2027 with recommended mixed-income projects.

Recommendation 2. Lease revenue bonds, including certificates of participation, are already allowed under the City's Debt Management Policy (Council Policy 1-15). The City would normally issue lease revenue bonds, not certificates of participation, since the City has a joint powers authority, the San Jose Financing Authority. As with any type of lease revenue bonds, an issuance for affordable housing purposes would require a suitable asset as collateral.

**YELLOW LIGHT:** Administration recommends Council defer this nominated idea to a later designated date or the annual Budget Process due to (describe cost implications, workload impacts, or other factors)

**RED LIGHT:** The Administration recommends Council not to adopt this nominated idea due to (describe reason implementation would be difficult if not impossible – conflict with other laws, etc.).