



Department of Planning, Building and Code Enforcement
JOSEPH HORWEDEL, DIRECTOR

March 21, 2012

Linn Warren, Director
California Department of Housing and Community Development
1800 3rd Street
P.O. Box 952053
Sacramento, CA 94252-2053

RE: Transmittal of Annual Progress Report on the Implementation of the Envision San Jose 2040 General Plan Housing Element – January 2011 through December 2011

Dear Mr. Warren:

Enclosed, please find a copy of the Annual Progress Report on the implementation of the Envision San Jose 2040 General Plan Housing Element. This letter constitutes a formal transmittal of the Annual Progress Report to the Department of Housing and Community Development, as required by Government Code Section 65400. The progress report was accepted by the San Jose City Council on March 13, 2012.

This report covers the 2011 calendar year. It is our understanding that the next annual report is due on April 1, 2013 covering the 2012 calendar year.

Should you have any questions, please contact Laurel Prevetti at (408) 535-7901.

Sincerely,


Joseph Horwedel, Director
Planning, Building, and Code Enforcement

Attachment

cc: Glen Campora, California Department of Housing and Community Development
Paul McDougal, California Department of Housing and Community Development
Scott Morgan, California Office of Planning and Research
Leslye Corsiglia, Director, City of San Jose Housing Department



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Joseph Horwedel
Leslye Corsiglia

SUBJECT: SEE BELOW

DATE: February 24, 2012

Approved

Date

COUNCIL DISTRICT: City-Wide
SNI AREA: All

**SUBJECT: ACCEPTANCE OF THE ANNUAL PROGRESS REPORT ON THE
IMPLEMENTATION OF THE SAN JOSE GENERAL PLAN HOUSING
ELEMENT UPDATE**

RECOMMENDATION

Accept the Calendar Year 2011 Annual Progress Report on the Implementation of the San Jose 2007-14 Housing Element Update.

OUTCOME

The Council's acceptance of the Annual Progress Report is required prior to the submittal of the State-mandated report to the California Department of Housing and Community Development (HCD) and the Governor's Office of Planning and Research (OPR). Submittal of the report will allow the City to remain eligible for important State funding for housing and community development, projects, and programs.

BACKGROUND

The City of San Jose Housing Element 2007-2014 was adopted by the City Council on June 16, 2009 and certified by HCD on July 23, 2009. The Housing Element establishes the City's strategy for meeting community housing needs for the period beginning January 1, 2007 through June 30, 2014. While the Housing Element was certified as part of the City's previous San Jose 2020 General Plan, the recently Council approved Envision San José 2040 General Plan incorporates the City's current Housing Element and establishes a comprehensive policy

framework that strongly supports San Jose's residential strategies identified in the Housing Element.

State law requires jurisdictions to prepare an annual progress report on the implementation of their Housing Element and to submit it to OPR and HCD. While charter cities are not required to submit the report, all jurisdictions including charter cities must submit annual reports to qualify for certain funding programs. Accordingly, San Jose has consistently provided annual progress reports to the State on the implementation of the mandated Housing Element. With the acceptance of a completed annual report, the City of San Jose may apply for State funds such as those available through Proposition 1C, which has been an important source of funds for transit-oriented development in San Jose.

The attached report covers a 12-month period from January 2011 to December 2011. It describes the City's accomplishments toward achieving its share of the Regional Housing Needs Allocation (RHNA) and includes a status report on implementation of the City's housing-related policies, ordinances, and programs to facilitate housing opportunities in safe, livable, and complete communities.

ANALYSIS

One of the purposes of the Housing Element requirement is to prompt local governments to establish within their General Plans comprehensive goals, policies, and programs to meet the regional housing needs allocation (RHNA), which is determined by ABAG for the 101 jurisdictions in the nine-county Bay Area. San Jose's RHNA for the current planning period from January 2007 through June 2014 is 34,721 housing units, a 33 percent increase from the prior RHNA cycle and equivalent to an annual production rate of 4,630 units. Additionally, the San Jose's current RHNA is 58 percent of the total housing allocation for Santa Clara County, versus 45 percent from the previous period. Thus, San Jose's current allocation grew disproportionately relative to the County as a whole. Consistent with other Bay Area cities, much of San Jose's increase is concentrated in the Extremely Low-Income, Very Low-, and Low-Income categories in order to serve those with the greatest housing need.

Housing production in the first five years of the current RHNA cycle (from January 1, 2007 to December 31, 2011) has resulted in the development of 8,732 units, accounting for 25% of the total RHNA goal of 34,721 housing units. This means that in order to meet its seven and a half year RHNA goals, the City would need to permit 75% of its RHNA goal (or about 26,000 units) in the next two and a half years in a weak economy.

In calendar year 2011, the City did not issue any permits for affordable housing units, but added seven Extremely-Low Income units through acquisition and rehabilitation of a property. Permits were issued for the construction of 1,046 market-rate units, most of which were rentals.

For the first five years of the RHNA cycle, affordable housing constituted about 22% of the City's total number of residential units receiving building permits. Although this is an important

contribution to the supply of affordable housing, it is not enough to meet the significant demand for lower-income housing in San Jose. The Housing Department will be severely constrained in its effort to provide affordable housing in the future, as a result of the California State Supreme Court's decision in December of 2011 clearing the way for the abolishment of the State's Redevelopment Agencies (RDAs) effective February 1, 2012. The 20% tax increment from the RDA was a significant source of revenue for new construction of affordable housing. This source is now no longer available. Absent new sources of funds or other tools, the loss of this important revenue source will make it more challenging for the Housing Department to facilitate the development of affordable housing and contribute toward the City's efforts to meet its share of the regional housing needs.

The recently approved Envision San Jose 2040 General Plan includes capacity for 120,000 new housing units. Of this total capacity approximately 22,000 units have already received entitlements through the zoning or development permit stage, which counts towards the City's capacity for meeting its RHNA goal.

The Envision 2040 Plan incorporates the Housing Element as certified by HCD. In addition, through the "Urban Village" strategy and other goals and policies, the Envision 2040 Plan supports compact, mixed-use development; preserving the Urban Growth Boundary; and promoting interconnected, sustainable, and complete communities.

EVALUATION AND FOLLOW-UP

Once the Annual Progress report is accepted by the Council, it will be submitted to HCD by the State-mandated April 1, 2012, deadline.

This report focuses on the progress of implementation of the General Plan Housing Element, which was developed as part of the San Jose 2020 General Plan, but which is also maintained as a component of the Envision San Jose 2040 General Plan adopted by the City on November 1, 2011. The adopted Plan includes modifications to the Housing Element Goals, Policies and Implementation Actions developed through the Envision process, as well as policies for a General Plan Annual Review process that will provide for ongoing evaluation of the City's achievement of its Housing Element Goals in the context of the overall General Plan goals and policies.

POLICY ALTERNATIVES

Not applicable.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Although this item does not meet any of the above criteria, this report will be posted on the City's website. The individual City programs and projects described in the attachment have had appropriate public outreach per City Council policy.

COORDINATION

This memo was prepared jointly by Planning, Building and Code Enforcement and the Housing Department, and was coordinated with the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

The current certified Housing Element was developed under the San Jose 2020 General Plan framework, consistent with the Major Strategies of this General Plan, including the Housing, Growth Management, and Sustainable City Strategies. While the San Jose 2020 General Plan has been superseded by the recently approved Envision San Jose 2040 General Plan, the certified Housing Element was integrated into the new General Plan and is consistent with this Plan's strategies, goals and policies. In particular, implementation of the Housing Element is consistent with and furthers the new General Plan's Major Strategies to 1) maintain a **Greenline/Urban Growth Boundary**, 2) locate new housing and jobs into **Focused Growth** areas where existing City infrastructure, facilities, and services are located, 3) promote the development of **Urban Villages, Corridors and Regional Transit Hubs** that are mixed-use pedestrian oriented communities that include a variety of housing types in locations adjacent to transit, 4) **Design for a Healthful Community** by building "complete" communities where many of one's daily needs can be met by walking or riding a bicycle and 5) promote **Environmental Stewardship** in part by reducing energy consumption and green house gas emissions by locating housing close to jobs and transit, thereby reducing the amount that San Jose residents need to drive.

HONORABLE MAYOR AND CITY COUNCIL

February 24, 2012

Subject: Acceptance of Annual Progress Report on Housing Element

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CEQA

Not a Project, File No.PP10-069 (a). Annual Report

/s/

JOSEPH HORWEDEL

Director of Planning, Building,
and Code Enforcement

/s/

LESLYE CORSIGLIA

Director of Housing

For planning related questions, please contact Laurel Prevetti, Assistant Director at (408) 535-7901. For housing related questions, please contact Leslye Corsiglia at (408) 535-3851.

Attachment:

Annual Housing Element Progress Report – January 2011 through December 2011

Department of Housing and Community Development

ANNUAL HOUSING ELEMENT PROGRESS REPORT

City or County Name: City of San José

Mailing Address: 200 E. Santa Clara Street Tower 3rd Floor
San José, CA 95113

Contact Person: Laurel Prevetti, Assistant Director

Phone: 408-535-7901

FAX: 408-292-6055

E-mail: laurel.prevetti@sanjoseca.gov

Reporting Period: January 1, 2011 through December 31, 2011

Progress Report on the Implementation of the San Jose Housing Element Update - Calendar Year 2011

February 21, 2012

A. BACKGROUND

California State law provides that each governing body prepare an annual report on the status and progress in the implementation of its Housing Element. In response, the City of San José has submitted annual progress reports on the implementation of the Housing Element to the California Department of Housing and Community Development (HCD) for review and evaluation. By providing this information, the City qualifies for important State housing funds.

State law requires that jurisdictions include a Housing Element as one of the mandatory elements of a General Plan. The City of San Jose's current Housing Element, which was certified by HCD in July 2009, reflects the 2007-2014 planning period. The Housing Element identifies constraints to housing production, as well as establishes policies and programs in order to mitigate those constraints and to facilitate the production of housing opportunities to meet the needs of all economic segments of the community as determined through the Regional Housing Needs Allocation (RHNA) process. San Jose's allocation for the current RHNA 7.5-year planning period from 2007-2014 is 34,721 total housing units composed of both market-rate and affordable units. This equals 4,630 total units annually across income categories.

While this annual allocation significantly exceeds the annual production of housing that the City has ever achieved on any sort of sustained basis – even during strong economic conditions – the City is committed to facilitating the production of housing across income categories and to mitigating both governmental and non-governmental constraints that may unduly limit such production. To achieve these objectives, San Jose's housing strategy includes careful planning for residential land uses at appropriate locations and densities. The strategy seeks to maximize housing opportunities on infill parcels already served by the City in order to utilize existing infrastructure, and at locations served by transit. The housing strategy also seeks to provide sufficient housing opportunities for new workers in order to encourage and support continued economic development. San Jose is also planning for demographic and market shifts that indicate greater future demand for more urban forms of housing and neighborhoods.

The City's Housing Department partners with the development community and provides gap financing and technical assistance in order to facilitate the production, rehabilitation, and preservation of affordable units for lower- and moderate-income households. The Housing Department also collaborates with public, private, and non-profit partners in order to end homelessness, to serve the special needs population, to fight foreclosures and help families stay in their homes, and to ensure regional fair housing practices.

San Jose's affordable housing projects are recognized nationally for their quality designs, excellent management, community integration, and innovation. In 2011, the City was the first recipient of the Urban Land Institute's Robert C. Larson Workforce Housing Public Policy award. The City was recognized as an exemplary local government that provides ongoing and sustainable support for the production, rehabilitation or preservation of workforce housing. Additionally, Casa Feliz, a LEED Gold new construction with 60 units serving extremely low-income households, won multiple NAHRO Awards for Excellence and Merit in 2011. On the service side, the City's Foreclosure Help Center was also recognized by NAHRO with a Merit Award.

Envision San José 2040, a comprehensive update of San Jose's General Plan, was approved by the City Council on November 1, 2011. This Envision San Jose General Plan incorporates the City's current Housing Element and establishes a comprehensive policy framework that strongly supports San Jose's residential strategies identified in the Housing Element. A central component of the Plan is the development of new "Urban Villages" at strategic locations throughout the city so that the majority of housing growth in Envision 2040 is planned to occur as compact, pedestrian friendly and transit-oriented development at infill locations. The Plan also reinforces the City's environmental goals, such as preservation of the hillside areas outside of the City's Urban Growth Boundary, so that substantially all new residential development will occur within the City's current Urban Growth Boundary. The Plan includes a comprehensive and coordinated set of goals, policies, and implementation actions that link multiple objectives to promote the development of complete communities including housing for workers to support economic development, greenhouse gas reduction, and the equitable distribution of services and facilities throughout the City.

This report summarizes the City's progress towards meeting its RHNA goals and other housing objectives during the 2011 calendar year as set forth in its Housing Element. Upon City Council acceptance of the report, it will be forwarded to the California Housing and Community Development (HCD) Department and the Governor's Office of Planning and Research.

B. ANNUAL BUILDING ACTIVITY SUMMARY FOR VERY LOW-, LOW-, AND MODERATE-INCOME UNITS AND MIXED INCOME MULTIFAMILY PROJECTS (TABLE A, A2 AND A3)

2011 was a year of significant change and uncertainty in the housing market. With continuing depressed economic conditions, a weak homeownership market, budget challenges across all levels of government, and the uncertainty regarding the status of redevelopment in California, residential construction activity in San Jose remained low. In December 2011, the California State Supreme Court upheld the dissolution of redevelopment agencies (RDAs) across the State. Under the Court ruling, RDA ceased to exist as of February 1, 2012. This ruling also eliminated the 20% Low-Income Housing tax increment set-aside in the amount of \$1 billion annually, which had constituted the

primary source of affordable housing dollars in California. Absent new sources of funds or other tools, the loss of this important revenue source will make it more challenging for the Department to fund future affordable housing projects and programs and to achieve its RHNA goals.

In calendar year 2011, the City issued building permits for 1,046 market-rate units, as shown in Table A3. This represents 23% of the City's annual RHNA goal of 4,630 units across all income categories combined, and 51% of its annual above-moderate (i.e. market rate) RHNA allocation of 2,060 units.

While market-rate activity was relatively low, affordable housing activity experienced even greater challenges. No building permits were issued for below market-rate units in 2011, in large part due to the State take of redevelopment dollars for the Supplemental Education Revenue Augmentation Fund and the legal freeze on 20% funds during the deliberation on the status of redevelopment agencies in 2011. However, the City added seven Extremely Low-Income units through the acquisition and rehabilitation of a property located within the Roundtable Strong Neighborhood Initiative area in San José. Multiple affordable housing projects are in the Housing Department's pipeline but are currently awaiting identification of funding.

Affordable housing consists of residential units for which construction or rehabilitation was either (a) financed all or in part, with loans or tax-exempt bonds approved by the City Council and Redevelopment Agency Board, or (b) provided by developers in order to meet State-mandated inclusionary housing requirements in Redevelopment Project Areas.

As funding to support affordable housing has been diminished, new creative financing tools will be important to meet the significant need for affordable housing in San Jose that still remains, especially for rental units. Average rental rates in San Jose rose 11% from 2010 to 2011, and rents in the second quarter of 2011 are the highest of any US metropolitan area (RealFacts). As a result, rental units have grown increasingly beyond the reach of lower-income households and even many middle-class households. According to Real Facts, the average rent in the fourth quarter of 2011 for a two-bedroom, two-bath property in San Jose was \$1,940. Using a 30% income standard for housing costs, a San Jose service worker household will need an income of \$77,600 to afford the rent, which is significantly more than a retail salesperson, construction worker, or a pre-school teacher can earn.

Additionally, even though the depressed housing market has made homeownership more affordable, the median priced home is still out of reach for the majority of the population. Assuming a 4.5 percent fixed mortgage rate, 20 percent down, and a 1.25 percent property tax rate, the current median housing value of \$474,500 (as of December 2011) requires an income of \$98,000, which is thirty percent higher than San Jose's median household income of \$77,000 (2010 American Community Survey, US Census).

For the first five years of the current RHNA period, San Jose issued permits for 1,967 new affordable housing units, approximately 22% of all residential permits issued by the Department of Planning, Building, and Code Enforcement. Even during these difficult economic times, it is critical to support affordable housing initiatives as an economic stimulus as well as a means of meeting affordable housing needs to support continued economic growth.

C. ANNUAL BUILDING ACTIVITY SUMMARY FOR ABOVE MODERATE-INCOME UNITS (TABLE A3)

During calendar year 2011, a total of 1,046 above moderate-income units were permitted. Most of the developments pulling permits were rental projects, reflecting a strong rental market and rapidly rising rents. Overall conditions in the residential market, particularly for homeownership, remain highly unstable due to continued instability in the labor market and overall economy. Developers have found it difficult to obtain funding for condominiums and mixed-use projects in a housing market that is expected to continue to be weak during 2012 and beyond. Beyond the lack of capital, developers have also been more reluctant to undertake the risk of developing in such an environment. Finally, the construction of new ownership units have been low due to the overhanging supply caused by the high inventory of foreclosed homes and continued weak demand for homeownership.

D. REGIONAL HOUSING NEEDS ALLOCATION PROGRESS (TABLE B)

The Association of Bay Area Governments (ABAG) is responsible for allocating the regional housing needs among each jurisdiction in the nine-county Bay Area. ABAG has determined that San Jose's fair share of the regional need for the planning period between January 1, 2007 through June 30, 2014 is 34,721 units across income categories. San Jose's allocation accounts for 58% of the total housing allocation for Santa Clara County and 16% of the nine county Bay Area region. These units are distributed among income categories as depicted in Table B and equal a total annual production goal of 4,630 total units, which is fifty percent higher than the actual annual average of 3,000 units produced in San Jose in the past thirty years.

Furthermore, while the City of San Jose surpassed its 1999-2006 RHNA goal, its ability to achieve the current RHNA goal is severely impacted by the current sluggish economy and the elimination of Redevelopment Agencies. For the first five calendar years (January 1, 2007 to December 31, 2011) of the current RHNA period, 8,732 residential units have been added. This accounts for 25% of the total RHNA goal. Looking at San Jose's progress by subcategories, the City has met 43% of its above moderate-income housing cumulative RHNA goal but only 10% of its cumulative affordable housing goal. Thus, above-moderate (i.e. market-rate) housing has been the primary driver of San Jose's progress towards meeting its overall RHNA goal, especially during the beginning of the current RHNA period. During calendar year 2011, the number of dwelling units

obtaining permits fell from the prior year's permit activity, indicating continued instability in the housing market.

The City has been proactive in planning for additional housing to meet the needs of existing and future residents. The recently approved Envision San Jose 2040 General Plan includes capacity for 120,000 new housing units. Of this total capacity, approximately 22,000 units have already received entitlements through the zoning or development permit stage, which counts towards the City's capacity for meeting its RHNA goal.

Actual construction of this pipeline will largely depend on market forces, but the City's efforts in facilitating development of housing through the implementation of housing programs and process improvements will provide critical support. Although the City has a pipeline of projects that have received entitlements, it is unclear how many of these projects will actually be built due to the current weakness in the housing market. The Housing Department will continue to work creatively in order to work through this challenging environment, including exploring strategies and financial tools to help facilitate the development of affordable housing and, therefore, its ability to proactively support the City's efforts to meet its regional housing needs.

E. PROGRAM IMPLEMENTATION STATUS (TABLE C)

Despite the challenges of the economy and of the depressed housing market, the City has nevertheless been active in creating housing opportunities through its other non-development related housing programs. For example, the City assists teachers with purchase of homes. Additionally, the City assists homebuyers through the Second Mortgage, BEGIN, and inclusionary housing program.

Additionally, San Jose continues to adopt Zoning Ordinance changes to streamline housing production and to facilitate the creation of affordable housing. In December 2009, the City adopted a citywide inclusionary housing ordinance in order to provide additional opportunities for affordable housing throughout the city. The ordinance, which will go into effect when the City issues 2,500 annual residential permits in a rolling twelve month period (out of which 1,250 units are issued outside of North San Jose area plan) or on January 1, 2013, whichever comes first, requires that 15% of the units built citywide will be affordable. This brings the City in-line with the policies of surrounding cities, many of whom already have city-wide inclusionary housing ordinances in place. Table C provides a complete list and status report on the City's programs to assist low-income renters and homebuyers.

Attachment: Annual Housing Element Progress Report – Housing Element Implementation Tables A-C.

ANNUAL ELEMENT PROGRESS REPORT Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction

City of San José

Reporting Period

1/1/2011 - 12/31/11

Table A

**Annual Building Activity Report Summary - New Construction
Very Low-, Low-, and Mixed-Income Multifamily Projects**

Housing Development Information										Housing with Financial Assistance and/or Deed Restrictions		Housing without Financial Assistance and/or Deed Restrictions
1	2	3	4					5	5a	6	7	8
Project Identifier (may be APN No., project name or address)	Unit Category	Tenure R=Renter O=Owner	Affordability by Household Incomes					Total Units per Project	Est # infill units	Assistance Programs for Each Development	Deed Restrict ed Units	Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the jurisdiction determined the units were affordable. Refer to instructions.
			Extremely Low -Income (11)	Very Low- Income	Low- Income	Moderate- Income	Above Moderate- Income			See Instructions	See Instructio ns	
(9) Total of Moderate and Above Moderate from Table A3			▶	▶	▶	▶	▶	▶	1,046			
(10) Total by income units Table A /A3			▶	▶	▶				1,046			

Table A2

Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65883.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in GC Section 65583.(c)(1)

Activity Type	Affordability by Household Incomes					TOTAL UNITS	(4) Description of Activity Including Housing Element Program Reference
	Extremely Low- Income	Very Low-Income	Low-Income	Moderate- Income			
(1) Rehabilitation Activity						0	
(2) Preservation of Units At-Risk						0	
(3) Acquisition of Units	7					7	Roundtable - Acquisition/Rehab

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction

City of San José

Reporting Period

1/1/2011 - 12/31/11

Note: The City of San Jose is not able to track the affordability of non-deed restricted units. Based on economic conditions and the variety of dwelling units in the City, there are likely to be some dwelling units that are not deed-restricted that are affordable to Moderate or Low-Income households.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction

City of San José

Reporting Period

1/1/2011 - 12/31/11

Table C

Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement and development of housing, as identified in Housing Element .		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
HOMEOWNER PROGRAMS:			
Housing Rehabilitation Program – Single-Family Home Loan Program: Households earning no more than 80% of the County Area Median Income (AMI) may qualify for loans up to \$150,000 to rehabilitate their homes. Eligible properties within the City’s Strong Neighborhoods Initiative (SNI) Areas qualify for a 0% interest loan up to \$150,000. Properties not within the SNI areas may be eligible for a 3% loan. A maximum \$40,000 zero-percent loan is available to low-income (80% of AMI) owner-occupants on a City-wide basis. Qualifying rehabilitation work includes achieving compliance with the health and safety standards of the City’s Housing Code, repairing or replacing structural deficiencies, and energy conservation measures. Payments on most HPP loans may be deferred until transfer or change of title.	As a goal, 50% of HPP are to be spent in Strong Neighborhood Initiative (SNI) areas of the City which are characterized by higher concentrations of lower-income households and older housing stock in the greatest need of rehabilitation. Annual goal is to complete between 30 and 40 single-family loan projects per year. Additional emphasis is now being given to energy conservation, water conservation, and the use of recycled and Green materials in the HPP loan program. Increase the number of rehabilitation loans - the goal is for the loans to exceed 50% of total rehabilitation dollars approved each year.	Ongoing Program	Continue to implement program.
Housing Rehabilitation Program – Single-Family Homeowner Grant Program: Homeowners earning up 80% of the County Area Median Income (AMI) may apply for one-time repair grants of up to \$15,000 in SNI areas and \$5,000 in non-SNI areas. The maximum grant amount is graduated based on the income of the applicant household. This program is administered on a “Needs Basis” and primarily serves single-family owner-occupied homes. The grant is offered to owners with eligible repairs that are minor in nature providing all health and safety issues can be addressed with the grant. If more repairs are required to address health and safety needs, the applicant will be referred to the Housing Preservation Program.	Goal is to spend 50% of rehabilitation funds in SNI neighborhoods and to serve lower-income residents.	Ongoing Program	Continue to implement program.
Minor Grants for Minor Repairs, Disabled Access and Green Incentives:			
The Minor Repair Program deploys contractors to assist eligible households with urgent repair needs such as plumbing leaks, hazardous electrical, and furnace replacements in Winter. The Disabled Access grant ensures that low-income seniors and special needs clients receive adequate funding to address accessibility needs such as ramps and grab bars up to \$10,000. The Green Incentive grant will augment other rehabilitation loans and grants by offering up to \$3,500 for improvements such as insulating homes and replacing aging, inefficient appliances with new higher efficiency units. The proposed grant amount will depend on the level of green improvements - the greener the project, the higher the level of funding.	To provide emergency contractor services to mitigate health and safety emergencies for San Jose’s low-income mobilehome and single-family property owners.	Ongoing Program	Continue to implement program through contract with a nonprofit organization.
Mobilehome Repair Loan Program: Owner occupants of mobilehomes earning up to 80% of the County Area Median Income may apply for a 0% rehabilitation loan up to \$20,000. Very low-income and extremely low-income mobilehome owners may apply for a one-time grant of up to \$15,000. Qualifying rehabilitation work is limited to those measures necessary to achieve compliance with State Health and Safety standards and applicable park regulations.	Completion of approximately 120 - 140 mobilehome rehabilitations is expected annually. Mobilehome budget is to kept to within 25% of Rehabilitation budget.	Ongoing Program	Continue to implement program.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction

City of San José

Reporting Period

1/1/2011 - 12/31/11

Mobleihome Seismic Repair Program:

<p>Owner occupants of mobile homes located in previously identified mobile home parks with a high concentration of units that are not structurally braced would qualify for seismic bracing of their mobile homes. 650 individual mobile homes will be retrofitted under this FEMA/CalEMA grant. Existing Rehabilitation Program Staff, systems and standards to ensure that the retrofit work is being properly reviewed, tracked and completed in accordance with all program requirements.</p>	<p>Completion of 650 mobile-home seismic retrofits prior to October 2013.</p>	<p>Ongoing Program</p>	<p>Continue to implement program.</p>

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction

City of San José

Reporting Period

1/1/2011 - 12/31/11

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement and development of housing, as identified in Housing Element .		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
HOMEBUYER PROGRAMS:			
Neighborhood Stabilization Program:			
The Housing Trust of Santa Clara County (HTSCC), City of San Jose and Neighborhood Housing Services Silicon Valley (NHSSV) have formed the San Jose Consortium (Consortium) to apply for and administer a \$25 million grant for the NSP, made available by the Department of Housing and Urban Development (HUD) under the American Recovery and Reinvestment Act (ARRA) of 2009. The main objectives of this grant are to stabilize neighborhoods in the Target Geography by reducing the number of foreclosed or abandoned homes and residential properties and to create affordable housing opportunities for very-low, low- and moderate-income households. The Consortium will provide secondary financing to income eligible purchasers of foreclosed homes and will purchase and rehabilitate foreclosed or abandoned homes in the Target Geography.	The goal of the Consortium is to assist in the purchase of no less than 205 foreclosed properties or units for the purpose of creating affordable homes.	Half of funding (\$9.5M) Must be spent by Feb. 11, 2012 and all funding by February 11, 2013, which is on target	Achievements for calendar year 2011 include the acquisition of 33 eligible properties and the sale of 9 of these properties; 11 properties are either under contract or are on the market and the remaining 13 properties are either under construction or awaiting a Notice to Proceed. Additionally, through the funding of the 60-unit Taylor-Oaks project and the 19-unit Ford and Monterey Special Needs project, the City has met its 25% set-aside requirement
First-Time Homebuyers Mortgage Credit Certificates (MCC):			
In cooperation with the County, the City offers Mortgage Credit Certificates (MCC) to qualified buyers. An MCC enables qualified first-time buyers to reduce the amount of their federal income tax liability by a specified percentage of the interest rate they pay on their first mortgage loan. This amount is currently set at 15%.	Assist first-time homebuyers	Ongoing Program	The City plans to assume administration of its share of the MCC program next year.
Teacher Housing Program:			
This program provides a deferred equity-share loan of up to \$50,000 to low- and moderate-income San José public school teachers. The loan is offered at a zero-percent interest rate and is not due until transfer of the title to the home or in 45 years.	Assist in the recruitment and retention of San Jose K-12 public school teachers.	Available through end of CY 2011	During the first half of the calendar year 2011, the City approved and closed six homebuyer loans to teachers. The City eliminated the program as of June 30, 2011, although teachers are still served through other homeownership efforts.
Project-based Second Mortgages:			
The City provides 45-year second mortgages in varied amounts for low and moderate-income homebuyers in ownership housing projects for which the City has previously provided financial assistance for development. Moving forward, the City does not intend to provide predevelopment and construction financing for for-sale projects. Instead, the City may offer second mortgages to qualified homebuyers once the project is complete.	Assist low- and moderate-income homebuyers	No longer available	This program was eliminated as of June 30, 2011.
The Home Venture Fund (Formerly Vernal Fund):			

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<p>Private lenders entered into an agreement with NHSSV, a nonprofit organization, to provide down-payment assistance loans to both low- and moderate-income homebuyers. Loan amounts range from \$10,000 to \$60,000 per household with an average loan amount of \$40,000. Interest derived from grants is used to make interest payments on behalf of the borrower during the five-year loan deferral period. At year five, the loans are sold to NHSA and the proceeds invested into new second mortgages.</p>	<p>Assist low- and moderate-income homebuyers</p>	<p>No longer available</p>	<p>The contract expired on June 30, 2011 and was not renewed.</p>
<p>Building Equity and Growth in Neighborhoods (BEGIN): Grant funds made available through Proposition 46 and Proposition 1C are used to provide second mortgage assistance in loan amounts up to \$30,000 or 20% of the sales price (depending on specific grant terms), for low- and moderate-income first-time homebuyers in specific new-for-sale developments that have received regulatory relief from the City.</p>	<p>Assist low- and moderate-income first-time homebuyers</p>	<p>Ongoing Program</p>	<p>In 2011, the City provided 25 first-time homebuyers with BEGIN loans totaling \$1,883,006. Additionally, the Housing Department has applied for BEGIN funding for three other projects - Pepper Lane \$4.0 million, Westmount Square \$1.5 million, and City Heights \$700,000.</p>
<p>American Dream Down-Payment Initiative: As part of the Federal Home Investment Partnership (HOME) sub-program, the City of San José has received over \$600,000 since 2002 to be used for down-payment assistance for low-income first time homebuyers.</p>	<p>Assist low-income first-time homebuyers</p>	<p>No longer available</p>	<p>In 2010, the City did not receive a federal allocation of ADDI funds. This program is a subset of the federal HOME program. Funds for this program were deemed duplicative of the eligible uses of HOME funds so future funding for separate ADDI allocations are highly unlikely.</p>
<p>Redevelopment Area Inclusionary Housing Program: Through the City's Redevelopment Area Inclusionary Housing Program, housing developers in City redevelopment areas are required to provide a second mortgage to low-and/or moderate-income homebuyers to make units affordable.</p>	<p>Assist low- and moderate-income homebuyers</p>	<p>Ongoing Program</p>	<p>On July 22, 2009, the 2nd District Court of Appeal decided a case called <i>Palmer/Sixth Street Properties v. City of Los Angeles</i> (2009) 175 Cal.App.4th 1396, which calls into question the validity of inclusionary housing mandates upon rental housing projects. To address the <i>Palmer</i> case, the inclusionary housing requirements for rental housing have been suspended until such time as the limitation in the <i>Palmer</i> decision is overturned or modified by another court or by the legislature.</p>
<p>The San José State University (SJSU) Faculty and Staff Homebuyer Program: In 2006, the City entered into an agreement with San José State University to jointly-fund and administer a homeownership program for University faculty. The program was later broadened to include all SJSU full-time permanent employees. The program offers up to \$50,000 to income eligible employees in the form of a deferred repayment loan.</p>	<p>Assist in the recruitment and retention of university employees.</p>	<p>No longer available</p>	<p>This program was eliminated as of June 30, 2010.</p>
<p>WelcomeHOME Program: In August 2008, the City implemented a program that provides 30-year second mortgages of up to \$25,000 for lower-income homebuyers in the form of a deferred repayment loan. This loan may be layered with other forms of downpayment assistance to help homebuyers purchase a home within San Jose's municipal boundaries.</p>	<p>Assist lower-income homebuyers</p>	<p>Ongoing Program</p>	<p>In 2011 the City assisted 53 lower-income first-time homebuyers purchase a home through this program. The total amount of program funding was \$1,509,602, composed of \$343,500 of CalHOME funding and \$1,166,102 of HOME funding.</p>

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Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
HOMELESS SERVICES PROGRAMS:			
Emergency Shelter Grant Program (ESG):			
ESG is a federally funded program designed to be the "first step" in the prevention of homelessness. The City contracts with multiple homeless service providers to administer the ESG program. The program provides homeless persons with basic shelter and essential supportive services, such as operational costs of a shelter facility and short-term homeless prevention assistance to persons at risk of losing their housing.	Assist homeless and at-risk residents with meeting their immediate emergency needs	Ongoing Program	Will begin implementation of the Emergency Solutions Grant program.
Housing Opportunities for People with AIDS or HIV (HOPWA):			
HOPWA is a federally funded program designed to provide housing assistance and supportive services to low-income individuals and families living with HIV/AIDS. The City contracts with local service agencies to provide tenant-based rental assistance, project-based rental assistance, housing information and case management.	Assist homeless and at-risk residents with HIV/AIDS to become permanently housed.	Ongoing Program	Continue to implement program.
Housing Trust Fund:			
In June 2003, the Mayor and City Council established a Housing Trust Fund which was previously known as the Housing and Homeless Fund. Housing Trust funds can be used for a variety of activities, including assisting nonprofit homeless service providers with emergency needs, a one-time equipment purchase or emergency facility repair, or for a program that provide financial assistance, employment services, and/or case management.	Assist homeless and at-risk residents with emergency needs and to become permanently housed.	Ongoing Program	Continue to use funds to assist homeless programs, as specified under program guidelines.
Project Hope:			
Project Hope is funded by the Department of Labor to provide vocational training, case management, job readiness skills, basic skills classes, and employment assistance to homeless and at-risk youth, ex-offenders and victims of domestic violence. .	Assist homeless and at-risk residents with employment training and assistance to become self-sufficient and employed.	August 2008 - October 2011	Program ended 10/2011.
Housing Services Partnership (HSP):			
The City contracts with a local homeless services provider to administer the HSP program, which is funded by the Housing Trust Fund. This program provides homeless and at-risk residents with financial assistance in the form of first month's rent, security deposit, and one-way greyhound tickets. The program also provides permanent housing placement, homeless prevention and budget counseling, and case management.	Assist homeless and at-risk residents to attain and maintain permanent housing.	July 2005 - June 2011	Program to end 6/2012.
Homelessness Prevention and Rapid Re-Housing Program (HPRP):			

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<p>HPRP is a federally funded program through the American Recovery and Reinvestment Act (ARRA) designed to rapidly re-house homeless residents and prevent homelessness for at-risk residents. The program provides just enough short and medium-term financial assistance and case management to resolve the crises and re-stabilize the households.</p>	<p>Assist homeless and at-risk residents to be self-sufficient, prevent homelessness and become permanently housed.</p>	<p>October 2009 - October 2012</p>	<p>Program will end 10/2012.</p>
<p>Tenant-Based Rental Assistance Program (TBRA): TBRA is a federally funded HOME program designed to provide housing and support services to chronically homeless mentally ill residents. The City contracts with a local service provider to administer the TBRA program. The program provides participants with housing placement, rental assistance for up to two years, and intensive clinical case management.</p>	<p>Assist chronically homeless mentally ill residents to attain and maintain housing.</p>	<p>October 2009 - June 2013</p>	<p>Continue to Implement and oversee program. Working on a pilot program with an additional 15 clients who are chronically homeless, have substance abuse issues, and reside in the St. James Park area of San Jose.</p>

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Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
NEIGHBORHOOD IMPROVEMENT PROJECTS:			
Strong Neighborhood Initiative (SNI):			
<p>The City furthered its interdepartmental neighborhood improvement efforts through the Strong Neighborhoods Initiative (SNI). An expansion of the successful Neighborhood Revitalization Strategy, SNI involves several City departments, including the Planning and Housing Departments. SNI, launched in spring of 2000, combines the efforts of several City Departments and the Redevelopment Agency to identify improvements and services needed to revitalize declining neighborhoods throughout the City. Nineteen target areas have been designated as improvement areas. Physical improvements are expected to be funded through existing City programs (including Housing Rehabilitation Programs), and Community Development Block Grants.</p>	<p>Continue to focus resources within the 19 SNI areas. Strive towards goal of spending 50% of single-family rehabilitation funds in SNI areas.</p>	<p>Ongoing Program</p>	<p>Due to the current and projected scarcity of resources, the City's Strong Neighborhoods team has shifted the efforts of the Strong Neighborhood Initiative (SNI) to the City's neediest neighborhoods. Through a comprehensive neighborhood study, the SNI Team has identified 13 Neighborhoods in Crisis. Although Housing resources will continue to be made available citywide, the various housing programs will be targeted within the 13 Neighborhoods in Crisis.</p>
Strong Neighborhoods Initiative (SNI) Project Alliance – (formerly known as Multi-Family Demonstration Projects):			
<p>Project Alliance/Special projects is a subset of the City's Strong Neighborhood Initiative program directed toward the revitalization of specific multi-family neighborhoods. Four neighborhoods have been completed for improvement through Project Alliance. These neighborhoods are Jeanne/Forestdale (Five Wounds / Brookwood Terrace), Virginia/King (Mayfair and Gateway East), Roundtable Drive Apartments (Edenvale/Great Oaks), and Underwood Apartments (Blackford). During this period, eight buildings (32 units) received exterior improvements. In addition, one 58-space mobilehome park received infrastructure upgrades that included repaving and sealing, electrical, plumbing, NG safety and re-pipe, and the replacment of security lighting with LED lighting. Funds for exterior improvement of one additional building (4 units) in the Underwood neighborhood remain. No additional funding is anticipated at this time.</p>	<p>The goals of Project Alliance include working collaboratively with property owners, tenants, various City Departments, and other entities to achieve the effective delivery of City Services, build leadership, and create an attractive, livable and sustainable community while preserving the existing affordable housing stock within that community.</p>	<p>Ongoing Program if additional funding becomes available</p>	<p>Funding for future projects is uncertain.</p>

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HOUSING DEVELOPERS / INVESTMENT PROPERTY OWNERS			
Predevelopment Loan Program:			
The Predevelopment Loan Program is designed to assist housing developers with funds necessary to explore the feasibility of a proposed housing project. Under this program, developers may apply for option fees and preliminary environmental or design studies. Interest rate to be charged will reflect the City's actual cost of funds as well as what rate is necessary to promote project feasibility. Principal and interest repayment is due at the close of escrow on construction loans or within two years.	As resources allow, invest limited amount to support future feasible development projects.	Ongoing Program subject to funding availability	Given the State's elimination of 20% Redevelopment funds, the City will assist developers of affordable housing to pursue third-party sources of predevelopment financing, if needed.
Project Development Loans for Acquisition, Construction, Permanent, and Acquisition/ Rehabilitation:			
Below-market rate gap loans and grants for acquisition, construction and permanent financing are made to both for-profit and nonprofit developers. These loans, typically subordinated to the primary lender's loan, provide funding for apartments for single-room occupancy living unit facilities (SROs), families and seniors, transitional housing, and housing for special needs populations including the homeless. Loans are made for land acquisition, construction, and permanent needs. Permanent loans are repaid out of net cash proceeds during the projects operations. Funding for the Acquisition and Rehabilitation of Existing Apartment Projects focuses on blighted properties where rehabilitation would have significant revitalizing impact on the surrounding neighborhood, on those projects with expiring Housing and Urban Development (HUD) loans and rent restrictions ("preservation" projects), on those projects involving extraordinarily low subsidy levels, and on those projects incorporating at least 10% ELI units with reasonable costs to the City. Funding for Preservation or Conservation of existing projects is considered on a case-by-case basis, seeking to maximize leveraging of non-City sources of funds and to meet the City's policy objectives of supporting ELI units.	Focus 80% of available project funds on new construction of units, 10% on acquisition/rehabilitation projects, and the remaining 10% on workouts or Year 15 renegotiations to preserve existing affordable units. Funding commitments will follow the Department's Income Allocation Policy, under which at least 30% of funds will support ELI units, 30% of funds will support VLI units, 25% of funds will support LI units, and 15% of funds will support moderate-income units.	Ongoing Program	Given the State's elimination of 20% Redevelopment funds, the City will explore a variety of creative arrangements and strategies to continue to foster the development of much-needed restricted affordable housing.
City as "Developer":			
State law stipulates that affordable housing (along with parks and public education) have priority for surplus property owned by any public agency created under State auspices. The Housing Department aggressively seeks to purchase such properties owned by the City of San Jose, the Valley Transportation Authority (VTA), CalTrans, the 19 school districts in San Jose, the Santa Clara Valley Water District and other public agencies for housing development. Properties so acquired are subsequently transferred to nonprofit and for-profit developers for the construction of affordable housing projects.	Continue to seek opportunity sites for affordable housing with a focus on rental special needs units	Ongoing Program	No new land purchases are anticipated at this time. For those sites that the Department has already acquired, those for which financing is assembled may proceed.

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Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
PROCESS IMPROVEMENTS			
Adoption of Secondary Unit Ordinance:			
<p>In 2008 the City Council permanently adopted the Secondary Unit Ordinance. The Secondary Unit Ordinance began as a pilot program on January 2, 2006 and was previously scheduled to end on October 30, 2007. This program represents a major change in the City's policies towards second units, coming after a 20-year prohibition. The pilot program served as a means of collecting data on second unit production and location, and as a way to determine whether second units have adverse impacts on surrounding neighborhoods. The program allows property owners with existing unpermitted units the ability to legalize their second unit, provided that the unit can meet the second unit ordinance criteria.</p>	<p>Continue to facilitate second unit production.</p>	<p>Ongoing Program</p>	<p>Continue program as designed and implemented</p>
2007 California Standards Code and Green Building Outreach and Training			
<p>In response to the introduction of the new 2007 edition of the California Standards Code and the City's anticipated adoption of the new code, City staff provided extensive outreach to the public and the development community about important code updates. These Codes establish the statewide codes for building construction and fire safety, and the City Council adopted the new state codes with local amendments that came into effect on January 1, 2008. The public outreach included a series of trainings for both City staff and the public on various topics in the new code. Similar outreach and trainings occur for City staff and the public to educate the public about the newly adopted Private Sector Green Building Policy and Ordinance. Staff is currently attending trainings to provide the same service to City staff and the public regarding the new California State Green Building Code standards that went into effect on January 1, 2011.</p>	<p>Such trainings were intended to facilitate a smooth the transition to the use of new code standards.</p>	<p>As needed basis</p>	<p>Outreach and training on the 2007 edition of the California Standards Code was completed in 2008. Separate outreach and training was provided for the Private Sector Green Building Policy and Ordinance in 2008 and 2009. Additional outreach and training will be provided as-needed basis for the California State Green Building Code and for future amendments.</p>
Enhanced High-Rise Design Review Process			
<p>In order to support the intensification of the Downtown and transit corridors, the City began in 2007 to administer the Enhanced High-Rise Design Review Process as part of the development review process for projects involving buildings 100 feet or greater in height. The Enhanced High-Rise Design Review Process is a public process that allows staff and decision makers to (1) apply relevant sections of the Downtown Design Guidelines developed for downtown high-rise housing to high-rise development throughout the City, (2) be advised by the City's Architectural Review Committee (ARC) regarding consistency with relevant sections of the applicable Design Guidelines, and (3) receive community input on proposed high-rise development during both the preliminary review and entitlement phases.</p>	<p>The process primarily serves as a forum where developers, design professionals, community members and City staff can work together to ensure that new developments contribute positively to the community and issues identified can be addressed effectively.</p>	<p>Ongoing</p>	<p>Continue to administer the design review process as needed.</p>
Transit-oriented Development/Mid-rise and High-rise Residential Design Guidelines			
<p>To assist in streamlining the development review process, the City adopted design guidelines for transit-oriented development and mid-rise and high-rise residential projects in September 2007. The design guidelines provide specific parameters to promote compact, urban development along major transit corridors and key employment areas. These guidelines seek to provide a common understanding of the minimum design standards in order to ensure that the review process can be conducted in as efficient a manner as possible.</p>	<p>Facilitate quality design in residential projects and streamlining of the development review process.</p>	<p>Ongoing</p>	<p>Continue to implement and revise the design guidelines as necessary.</p>

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<p>City Council Public Outreach Policy In 2005, the City Council adopted a public outreach policy to establish formal procedures in coordinating public outreach on development projects. Generally, developers are required to erect public notification signage on the project site while a development proposal is pending. In addition, for larger development proposals, a community meeting is required to gather public comments early in the development review process. The public outreach policy has been effective in helping developers and City staff engage the community early in the development review processes. Additionally, through August 2009, staff held a standing "Neighborhood Roundtable" meeting where community members provide input into Planning and Building activities.</p>	<p>Provides opportunities for all parties to achieve general consensus and resolve concerns as part of the development process.</p>	<p align="center">Ongoing</p>	<p>Continue to implement the public outreach policy as intended. Due to budgeting constraints, the Neighborhood Roundtable meeting will be replaced by a combined Developers and Neighborhood Roundtable meeting that occurs quarterly.</p>
<p>Zoning Ordinance Streamlining Amendments The City periodically reviews the Zoning Ordinance to identify outdated measures and to determine where process and other requirements can be streamlined without diminishing the City's ability to achieve its land use goals.</p>	<p>Improve user-friendliness of the Zoning Ordinance and streamline the ability to add bedrooms to existing homes to accommodate a larger living area.</p>	<p align="center">Ongoing</p>	<p>In November 2008, the City approved several amendments to the Zoning Ordinance that simplified the process for permitting small additions to existing two-family dwellings. Previously, any sized addition or enlargement of two-family dwellings requires issuance of a Site Development Permit. The new provisions allow minor additions (up to 200 square feet or 10% of the existing building area, whichever is less) to two-family dwellings with the issuance of an over-the-counter Permit Adjustment. Other Zoning Ordinance amendments took effect on January 3, 2009 that reduced the parking requirement for live/work units in Downtown and allowed single-family residences to provide a single-car, detached garage meeting specified criteria by-right, rather than requiring a Special Use Permit for the reduction from two covered spaces to one covered parking space. Streamlining ordinances in 2011 included reductions in the parking requirements for multifamily housing development.</p>
<p>Development Permit Extension Ordinance Allows the reactivation of certain expired development permits and the extension of certain development permits for a discrete period of time.</p>	<p>Provides longer terms for the validity of Planning permits, thereby giving developers more time between Planning approvals and construction commencement.</p>	<p align="center">Ongoing</p>	<p>The City Council approved this change to the Zoning Ordinance, and the change took effect on July 3, 2009. An additional extension was granted in 2010 specifically for projects in the North San Jose area, affecting approximately 8,000 potential dwelling units.</p>
<p>Option to Use Discretionary Alternate Use Policies through a Use Permit In 2007, the City Council approved a General Plan text amendment that added the ability to apply Discretionary Alternate Use Policies as through a use permit. Prior to approval of this streamlining measure, the use of DAU policies often required a Planned Development rezoning. On November 1, 2011, the City Council adopted the Envision 2040 General Plan which focuses housing growth in identified key Growth Areas and includes Land Use designations with broad flexibility to allow urban, mixed use development with no need for Discretionary Alternate Use policies, and maintains flexibility to approve mixed use development with Use Permits.</p>	<p>Facilitate streamlining of the entitlement process.</p>	<p align="center">Completed 2007 Revised on Dec, 2011 with Envision 2040 General Plan approval</p>	<p>The City Council approved the General Plan text amendment in 2007. The City Council approved the Envision San Jose 2040 General Plan Update on November 1, 2011 (effective December 1, 2011) with more flexible Land Use designations allowing discontinuation of the Discretionary Alternate Use policies to achieve needed flexibility to permit urban housing types.</p>

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<p>Elimination of the Planned Development Zoning process requirement for certain Mixed-Use Development Projects</p>			
<p>In 2008, the City Council approved a General Plan text amendment that streamlines the development review process for some housing and mixed-use proposals by eliminating the requirement for a Planned Development Zoning. In many situations, the City's Zoning Ordinance already allows for mixed-use development with a development permit or use permit in a conventional zoning district. The General Plan text amendment updates the San José 2020 General Plan to allow development proposals to utilize more of the permit process options available in the Zoning Ordinance instead of requiring projects to undergo an extensive Planned Development Zoning process. This ability to utilize a permit process option for most housing and mixed-use proposals was preserved in San Jose's General Plan with the approval of the Envision San Jose 2040 General Plan on November 1, 2011.</p>	<p>Facilitate streamlining of the entitlement process for mixed-use development.</p>	<p>Completed 2008 Revised with Envision 2040 General Plan approval</p>	<p>The City Council approved the General Plan text amendment in 2008, and ability to utilize the Use Permit process was maintained with the approval of the Envision San Jose 2040 General Plan Update on November 1, 2011.</p>
<p>Height Limit Increase to Facilitate Use of Renewable Energy Resources</p>			
<p>This General Plan text amendment is intended to encourage utilization of renewable energy resources in the physical development of the City by making the incorporation of these resources into development more feasible to developers and property owners. By amending the text of the General Plan to allow additional height for certain structures, such as solar panels, other energy-saving devices, and roof landscaping, the text amendment better aligns the General Plan policy for building heights with the existing language of the Zoning Ordinance (revised June 2008) and streamlines efforts to implement green building measures in proposed development projects.</p>	<p>Facilitate streamlining of the entitlement process to encourage energy efficiency in residential development.</p>	<p>Completed 2008</p>	<p>The City Council approved the General Plan text amendment in 2008.</p>
<p>Transit Corridor Commercial Land Use Designation Created</p>			
<p>The Transit Corridor Commercial land use designation was intended in 2008 to expand the potential for commercial development and mixed commercial-residential development with convenient access to major job centers and to create new consumer markets in appropriate areas of the City. Vertical mixed commercial and residential uses may be allowed on sites that are of adequate size and configuration to accommodate such a mix of uses and is particularly on sites located in the Downtown Core and Frame Areas or located in designated Transit Corridors or BART Station Area Nodes, or located within a reasonable walking distance of major public transit in other intensely developed areas of the City. With the approval of the Envision San Jose 2040 General Plan, revised Land Use designations were developed including Transit Residential for densities of 50-250 DU/AC, and Urban Residential for densities between 30-95 DU/AC which encourage provision of commercial uses in with urban housing types to create complete neighborhoods.</p>	<p>Facilitate streamlining of the entitlement process for residential development above commercial uses, providing opportunities for residential uses to be located above neighborhood services with access to transit.</p>	<p>Completed 2008 Revised with Envision 2040 General Plan approval</p>	<p>The City Council approved the General Plan text amendment in 2008. The Envision San Jose 2040 General Plan maintains Land Use designations in support of the Transit Corridor Commercial goals.</p>
<p>Private Sector Green Building Policy for New Construction</p>			
<p>Council adoption of the Private Sector Green Building Policy for new construction established mandatory green building standards for private sector development that advance the City's Green Vision Goal No.4 of building or retrofitting 50 million square feet of green buildings within the next 15 years, as well as Green Vision Goal No. 2: reducing per capita energy use by 50%, Goal No. 3: receiving 100% of electrical energy from clean renewable sources, Goal No. 5: diverting 100% of waste from landfills and converting waste to energy and Goal No. 6: Recycling or beneficially reusing 100% of waste water. The policy includes two rating systems: United States Green Building Council's Leadership in Energy and Environmental Design and Build It Green's GreenPoint Rated system. The policy requires a green building checklist for all new construction. In addition, the policy mandates specific certification and point levels in three categories: commercial and industrial (25,000 square feet and more), residential high-rise, and other residential (10 units and more).</p>	<p>Facilitate energy efficiency in residential development. Green buildings have proven to enhance economic competitiveness by reducing lifecycle costs, improving worker productivity, increasing property values, attracting higher rents, and helping with the attraction and retention of talent.</p>	<p>Completed 2009</p>	<p>The City Council adopted the Private Sector Green Building Policy for New Construction in 2008, and the City Council adopted an Ordinance which implements the Private Sector Green Building Policy in 2009.</p>

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On June 23, 2009, the City Council adopted an Ordinance which implements the Private Sector Green Building Policy.

Permit Center Consolidation

All Permit Center services have been consolidated on the first floor to allow one-stop service delivery that includes Building, Planning, Fire, and Public Works services.

Maximize efficiency of specialized staff. Provide cross-functional support on a single floor rather than two. Provide development customers with certainty on where submittals will occur.

Completed
2009

Continue program as designed and implemented.

Self Help Improvements

Customers can schedule their own inspections, obtain general information and publications, and apply for simple permits online without having to contact the Call Center staff by telephone or without having to travel to City Hall.

Allow customers to serve their needs at their own convenience.

Ongoing

Continue to enhance the services and information available online.

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<p>Walk-In Submittals & Prioritized Service Delivery</p> <p>Submittals of select Planning and Building Permit applications are now accepted and processed without an appointment. Receptionist segregates customers and application submittals are prioritized.</p>	<p>Customers are provided with additional options for application submittal and are serviced more quickly.</p>	<p>Ongoing</p>	<p>Continue to enhance services provided to customers submitting development applications.</p>
<p>Envision San Jose 2040 General Plan Update</p> <p>The City has completed and the City Council has approved a community-based comprehensive update to the City's General Plan. The Envision Task Force, staff and community members spent considerable time discussing future housing needs and strategies for the City to proactively address those needs. The City has completed the Envision San Jose 2040 General Plan, including goals and policies and a Land Use / Transportation Diagram that addresses the City's goals for housing and other topics. The City completed the environmental review process for the Plan which allowed City Council consideration and approval of the Plan on November 1, 2011.</p>	<p>Draft an updated General Plan that provides adequate job and housing growth capacity to meet the City's future needs, including the establishment of new high-density, mixed-use "Urban Village" areas throughout the City.</p>	<p>Complete</p>	<p>Implement the Envision San Jose 2040 General Plan Update approved on November 1, 2011 and effective December 1, 2011.</p>
<p>Alum Rock Corridor General Plan Changes and Policy Direction</p> <p>On June 16, 2009, the City Council approved the conversion of over 55 acres of primarily General Commercial land to Transit Corridor Commercial, thereby facilitating mixed commercial-residential development on this land bordering Alum Rock Avenue. At the same time, the City Council also approved a policy document to guide staff in creating a form-based zoning for the area that, once approved, will significantly streamline the entitlement process for development of mixed commercial-residential projects in the area. In 2010, the City Council approved the Main Street Zoning District to be applied along Alum Rock Avenue.</p>	<p>Facilitate mixed commercial-residential projects along select Alum Rock Avenue properties.</p>	<p>Ongoing</p>	<p>General Plan Amendments approved in 2009. In 2010, City Council approved a form-based Zoning District to facilitate implementation objectives with grant funding to rezone properties on Alum Rock Avenue.</p>
<p>Transitional and Supportive Housing Zoning Ordinance Amendments</p> <p>On December 1, 2009, the City Council approved changes to the Zoning Ordinance to include definitions for transitional and supportive housing consistent with those provided in the California Health and Safety Code.</p>	<p>To comply with California State Legislation, Chapter 633, Statutes of 2007 (SB 2), transitional and supportive housing are explicitly treated as residential uses in the Zoning Ordinance.</p>	<p>Completed 2009</p>	<p>The City Council approved the Zoning Ordinance amendment in 2009.</p>
<p>Main Street Districts Ordinance</p> <p>The Main Street Districts Ordinance establishes MS-G Zoning District which streamlines the development review process for residential mixed use development (CUP instead of PD Zoning and permit), provides significant parking reductions for residential, and allows further parking reductions based on shared parking facilities, car share programs or unbundled parking.</p>	<p>Facilitate mixed commercial-residential projects along Neighborhood "Main Street" areas identified throughout the City. Builds on Alum Rock Corridor policy changes from 2009.</p>	<p>Completed 2010; Updated in 2011</p>	<p>The City Council approved the Zoning Ordinance amendment in 2010.</p>
<p>Historic Reuse Ordinance</p> <p>The Historic Reuse ordinance allows non-residential City Landmarks to be converted to residential use with a CUP or SUP (depending on zoning district).</p>	<p>Facilitate residential use of historic structures</p>	<p>Completed 2010</p>	<p>The City Council approved the Zoning Ordinance amendment in 2010.</p>
<p>Urban Village Zoning Districts</p> <p>Following City Council approval of the Envision San Jose 2040 General Plan, an ordinance to establish zoning district(s) to provide development standards tailored to future housing and mixed-use development types contemplated for Urban Village growth areas identified in the General Plan Update will be under development in 2012. Development of urban village zoning districts will proceed in parallel with development of several Village Plans for identified urban villages in several grant funded planning projects underway between Fall 2011 and Summer 2013,</p>	<p>Facilitate urban, transit-oriented residential and mixed-use development within Urban Village growth areas identified in the Envision San Jose 2040 General Plan</p>	<p>Under development in 2012</p>	<p>An Ordinance to establish Urban Village zoning districts is in early stages of development in February 2012, moving towards City Council review and approval in late 2012.</p>