



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Joseph Horwedel  
Leslye Corsiglia

**SUBJECT:** SEE BELOW

**DATE:** March 4, 2013

Approved

Date

3/14/13

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

## RECOMMENDATION

Accept the Calendar Year 2012 Annual Progress Report on the Implementation of the San José 2007-14 Housing Element.

## 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 José 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 José 2020 General Plan, the recent Council-approved Envision San José 2040 General Plan Update incorporates the City's current Housing Element and establishes a comprehensive policy framework that strongly supports San José's residential strategies identified in the Housing Element.

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State law requires jurisdictions to prepare an annual progress report each calendar year to detail 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 José has consistently provided annual progress reports to the State on the implementation of the mandated Housing Element. The report:

- Provides an update on the progress of implementing the Housing Element, which was originally developed as part of the San José 2020 General Plan, but has since been incorporated into the City's new General Plan Envision San José 2040. Implementation items include the City's housing-related policies, ordinances, and programs to facilitate housing opportunities in safe, livable, and complete communities.
- Describes the City's accomplishments toward achieving its share of the Regional Housing Needs Allocation (RHNA).

With the acceptance of a completed annual report, the City of San José 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 José.

## **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 José'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, San José's current RHNA is 58 percent of the total housing allocation for Santa Clara County, versus 45 percent from the previous period. Thus, San José's current allocation grew disproportionately relative to the County as a whole. Consistent with other Bay Area cities, much of San José's increase is concentrated in the Extremely-Low Income (ELI), Very-Low (VLI), and Low Income (LI) categories in order to serve those with the greatest housing need.

In calendar year 2012, the City issued building permits for 3,496 units of new construction composed of 3,097 market-rate and 399 affordable units. The City also added 96 affordable units through acquisition and rehabilitation projects, for a total of 495 affordable units and 3,592 units across all incomes and unit types. (See Attachment A). The 3,592 units represent 78% of the City's annual RHNA goal of 4,630 units across all income categories. A closer look at the income categories shows that the City met 19% of its annual affordable housing goal and 150% of its annual market-rate goal.

For the first five years of the RHNA cycle, affordable housing constituted about 20% of the City's RHNA units produced. This is an important contribution to the supply of affordable

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housing. However, there is still significant unmet need for lower-income housing in San José. At the same time, key tools such as the former 20% low- and moderate-income housing fund and inclusionary housing have been removed or challenged, making it more difficult to facilitate the production of affordable housing. New affordable housing strategies at the State, regional, and local levels are currently being explored. The City will continue to participate in those efforts that will advance San José's commitment to developing a variety of housing types for different income levels and needs.

Housing production in the first six years of the current RHNA cycle (from January 1, 2007 to December 31, 2012) has resulted in the development of 12,324 residential units, accounting for 35% of the total RHNA goal of 34,721 housing units. In order to meet its seven and a half year RHNA goals, the City would need to permit the remaining 65% of its RHNA goal (or about 22,000 units) in the next one and a half years.

The recently approved Envision San José 2040 General Plan, which incorporates the HCD-certified Housing Element, 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. 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. The City is in the process of developing an urban village implementation plan to consider how affordable housing will be integrated into the planning areas.

### **EVALUATION AND FOLLOW-UP**

Upon Council's acceptance of this annual progress report, staff will submit the approved document to HCD by the State-mandated April 1, 2013 deadline.

### **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)**

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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 aligns with the City's federal Consolidated Plan and the 5-Year Housing Investment Plan to facilitate the creation of a variety of housing opportunities affordable across a range of incomes. Additionally, the Housing Element is consistent with the Envision San José 2040 General Plan's strategies, goals and policies, in particular the 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 José residents need to drive.

### CEQA

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

/s/

JOSEPH HORWEDEL, Director  
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 A: Annual Housing Element Progress Report – January 2012 - December 2012

Attachment B: Annual Element Progress Report – Housing Element Implementation Table A, Table A2, Table A3 and Table B

Attachment C: Table C Program Implementation Status

**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 3<sup>rd</sup> Floor  
San José, CA 95113

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Reporting Period: January 1, 2012 through December 31, 2012

# **Progress Report on the Implementation of the San Jose Housing Element Update - Calendar Year 2012**

February 25, 2013

## **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 and community development 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 2009-2014 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, or 4,630 total units annually across income categories.

While this annual allocation 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, as well as access to housing for lower-income workers in occupations that support driving industries. 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 the 2012 California Redevelopment Agency (CRA) Award of Excellence in Sustainable Development, which recognizes projects and programs that are outstanding examples of the redevelopment process that have resulted in building better communities.

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 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 2012 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)**

In 2012, the housing market stabilized and showed its first signs of sustained recovery. Median housing prices increased after several years of decline, and the housing inventory has tightened. Residential permits issued are at their highest level since the beginning of this RHNA period. Interest rates continue to remain at historic lows and foreclosure rates have slowed. However, while the economic recovery has benefitted certain segments of the workforce, particularly in technology sectors, other segments of

the workforce, particularly those in lower-skill, lower-wage job, continue to face a weak labor market at risk of job or wage reductions. This latter group continues to struggle with finding housing that is affordable, and is disproportionately impacted by foreclosures. Budget challenges remain across all levels of government. This is especially true for public sector affordable housing programs, given the loss of redevelopment funds and decreases in federal funding. Additionally, San Jose's Citywide inclusionary housing ordinance is under legal challenge. However, the City is confident that the inclusionary ordinance will be upheld. Staff continues to implement existing affordable housing programs, while exploring new tools, funding mechanisms, and partnerships to help support the City's commitment towards facilitating the provision of affordable housing in order to achieve its RHNA goals.

### *Calendar Year 2012 Results*

In calendar year 2012, the City issued building permits for 3,496 units composed of 3,097 market-rate and 399 affordable units. (See Table A) The City also added an additional 96 units through the acquisition and rehabilitation of projects as shown in Table A2. This resulted in a combined total production of 3,592 units for the year – composed of 495 affordable units representing 78% of the City's annual RHNA goal of 4,630 units across all income categories. (See Table B) While the City exceeded its annual goal for above-moderate income units, it experienced challenges in the below-market income categories: San Jose facilitated the production of 19% of its affordable housing goal and 150% of its market-rate goal for the year. This disparity reflects the renewed strength of market-rate housing and the challenges in affordable housing provision.

As funding to support affordable housing has been diminished, new financing tools will be required to meet the significant need for affordable housing in San Jose and Statewide. , San Jose's rents increased nearly 8% in 2012, making it the second strongest rental market in the nation behind San Francisco<sup>1</sup>. This has resulted in many rental units growing increasingly beyond the reach of lower-income households and even many middle-class households. According to Real Facts, the average rent in San Jose for the fourth quarter of 2012, was \$1,825, with a 1bed/1bath unit costing \$1,644 and a 2bed/2bath unit averaging nearly \$2,100. Using a 30% income standard for housing costs including utilities, a San Jose service worker household would need an income of over \$65,000 to afford the rent of a one-bedroom unit, which is more than a retail salesperson, a bank teller, or a pre-school teacher typically earns.

Additionally, the strengthening housing market has made homeownership more expensive, as the median priced home is out of reach for the majority of the population. Assuming a conservative but still historically low 5% fixed mortgage rate, 20% down, a 1.25% property tax rate, and standard utilities and mortgage insurance, the current median housing value of \$584,500 (as of December 2012) requires an income of \$140,000, which is 82 percent higher than San Jose's median household income of \$77,000 (2011 American Community Survey, US Census).

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<sup>1</sup> <http://www.housingfinance.com/rent-trends/the-best-and-worst-rent-growth-markets-of-2012.aspx>

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

During calendar year 2012, the City permitted a total of 3,097 above moderate-income units. Most of the developments pulling permits were rental projects, reflecting an extremely strong rental market and rapidly rising rents. Conversely, the homeownership market has experienced a milder, more tenuous recovery: it is off its 2009 lows, but remains 25 percent below its 2007 peak. This reflects similar conditions in the overall economy, where, while there are pockets of strength, the broader recovery has taken time to find traction. This has led to a lack of confidence in household economic security, decreasing demand for for-sale homes. However, 2012 reflected a turning point for the homeownership market. Properties for sale routinely see multiple offers, and the supply of homes (both foreclosed and regular sales) has significantly decreased, leading to meaningful price increases in 2012. Additionally, relative to the high rents, it often makes more economic sense to purchase rather than rent, provided one has sufficient down-payment and access to credit. If the economy continues to strengthen, the homeownership market should continue to improve as well.

### **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.

While the City of San Jose surpassed its 1999-2006 RHNA goal, its ability to achieve its RHNA goals in the current cycle is impacted by the elimination of redevelopment agencies and other tools as mentioned above. However, during calendar year 2012, the number of dwelling units obtaining permits recorded its highest level since the beginning of this RHNA cycle, raising hopes of a stabilizing housing market and economy. For the first six calendar years (January 1, 2007 to December 31, 2012) of the current RHNA period, 12,324 residential units have been added. This accounts for 35% of the total RHNA goal. Looking at San Jose's progress by subcategories, the City has met 64% of its above-moderate income housing goal but only 13% 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, although affordable housing developments represented the majority of residential permits pulled during the worst of the economic recession.

In spite of reduced funding for below-market rate units, San Jose facilitated the creation of 2,462 new affordable housing units in the first six years of the current RHNA cycle, which is approximately 20% of the total RHNA units produced. These units provide important affordable housing options to San Jose's community and workforce. The City continues to advance affordable housing initiatives as in order to provide access to housing opportunities across incomes and to support economic growth in San Jose.

The City has been proactive in planning for additional housing to meet the needs of existing and future residents. In 2011, the City approved its Envision San Jose 2040 General Plan, which 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. 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)**

Table C provides a complete list and status report on the City's programs to assist low-income renters and homebuyers. The City has a variety of housing programs to address San Jose's housing needs. 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 was expected to go into effect on January 1, 2013, and would have required that 15% of the units built citywide will be affordable. However, the ordinance is currently on hold due to legal challenges. The court ruling is currently under appeal.

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



**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 (11)	Very Low-Income	Low-Income	Moderate-Income			
(1) Rehabilitation Activity						0	
(2) Preservation of Units At-Risk						0	
(3) Acquisition of Units	36	60				96	Acquisition/Rehab Projects: Taylor Oaks - 58 units; Peacock Commons - 38 units
(5) Total Units by Income	<b>36</b>	<b>60</b>	<b>0</b>	<b>0</b>		<b>96</b>	

**Table A3**

**Annual building Activity Report Summary for Above Moderate-Income Units  
(not including those units reported on Table A)**

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Units	5. Mobile Homes	6. Total	7. # of Infill units
No. of Units Permitted for <b>Moderate</b>						0	
No. of Units Permitted for <b>Above Moderate</b>	176	4	2,901	12		<b>3,093</b>	3,093

**Table B**  
**Regional Housing Needs Allocation Progress**  
**Permitted Units Issued by Affordability**

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example		2007	2008	2009	2010	2011	2012	2013	2014	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income-Level	RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8		
Extremely low	Deed Restricted	3,876	67	76	136	151	7	112		549	3,327
	Non-deed Restricted									0	
Very-Low	Deed Restricted	3,875	121	291	167	262		146		987	2,888
	Non-deed Restricted									0	
Low	Deed Restricted	5,322	288	212		45		237		782	4,540
	Non-deed Restricted									0	
Moderate	Deed Restricted	6,198	100	37	7					144	6,054
	Non-deed Restricted									0	
Above-Moderate		15,450	1,925	1,700	88	2,006	1,046	3,097		9,862	5,588
Total RHNA by COG. Enter allocation number:		<b>34,721</b>									
Total Units ▶▶▶			<b>2,501</b>	<b>2,316</b>	<b>398</b>	<b>2,464</b>	<b>1,053</b>	<b>3,592</b>	<b>0</b>	<b>0</b>	<b>12,324</b>
Remaining Need for RHNA Period ▶▶▶▶▶											<b>22,397</b>
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.											

## Table C

### Program Implementation Status

<b>Program Description</b> (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> 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.
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Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
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<b>HOMEOWNER PROGRAMS:</b>			
<b>Housing Rehabilitation Program – Single-Family Home Loan Program:</b> 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 20 and 30 single-family loan projects per year. Additional emphasis is now being given to energy conservation, and the use of recycled and Green materials in the 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
<b>Housing Rehabilitation Program – Single-Family Homeowner Grant Program:</b> Homeowners earning up 80% of the County Area Median Income (AMI) may apply for a one-time grant from the City’s Housing Department to address health and safety needs, disabled access and energy efficiency. The City provides one-time repair grants of up to \$15,000 in SNI areas and \$5,000 in non-SNI areas. The maximum grant	Goal is to spend 50% of rehabilitation funds in SNI neighborhoods and to serve lower-income residents.	Ongoing Program	Continue to implement program.

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<p>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. Additional funds of up to \$5,000 may be made available for energy efficiency upgrades based on the results of an energy audit. Energy efficiency funds are provided in conjunction with other rehabilitation funding only. The program also offers grants of up to \$10,000 to ensure that low-income seniors and special needs clients receive adequate funding to address accessibility needs. . If more repairs are required to address health and safety needs, the applicant will be referred to the Housing Preservation Program.</p>			
<p><b>Minor Grants for Minor and Urgent Repair Needs</b>          Partially funded through the City's Housing Department Rebuilding Together Silicon Valley provides both direct and contracted services for minor and urgent repairs to household earning below 80% of the Areas Median Income (\$75,050 for a family of 4). The Program deploys contractors to assist eligible households with urgent repair needs such as plumbing leaks, hazardous electrical, and furnace replacements in Winter.</p>	<p>To provide emergency contractor services to mitigate health and safety emergencies for San Jose's low-income mobilehome and single-family property owners.</p>	<p>Ongoing Program</p>	<p>Continue to implement program through contract with a nonprofit organization.</p>
<p><b>Mobilehome Repair Loan Program:</b>          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</p>	<p>Completion of approximately 120 - 140 mobilehome rehabilitations is expected annually. Mobilehome budget is to kept to within 25% of Rehabilitation budget.</p>	<p>Ongoing Program</p>	<p>Continue to implement program.</p>

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Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
<p>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.</p>			
<p><b>Mobilehome Seismic Repair Program:</b>            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 mobilehome seismic retrofits prior to October 2013.</p>	<p>Ongoing Program</p>	<p>Continue to implement program until October 2013.</p>

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Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
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<b>HOMEBUYER PROGRAMS:</b>			
<b>First-Time Homebuyers Mortgage Credit Certificates (MCC):</b> 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 County will continue to administer the MCC program.
<b>Teacher Housing Program:</b> 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.	No longer available	Over 700 teachers received City loans during the term of the program. The City concluded the program as of June 30, 2011, although teachers are still served through other homeownership efforts.
<b>Project-based Second Mortgages:</b> 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	Assist low- and moderate-income homebuyers	No longer available	This program concluded June 30, 2011.

## Table C

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Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
<p>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.</p>			
<p><b>The Home Venture Fund (Formerly Vernal Fund):</b>            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>	Assist low- and moderate-income homebuyers	No longer available	The program will continue to be implemented through a contract with NHSSV.
<p><b>Building Equity and Growth in Neighborhoods (BEGIN):</b>            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>	Assist low- and moderate-income first-time homebuyers	Ongoing Program	In 2012, 13 new BEGIN loans were originated for \$1.1M of City loans.
<p><b>American Dream Down-Payment Initiative:</b>            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</p>	Assist low-income first-time homebuyers	No longer available	In 2010, the City did not receive a federal allocation of ADDI funds. This program is a

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homebuyers.			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.
<b>Redevelopment Area Inclusionary Housing Program:</b> 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.	Assist low- and moderate-income homebuyers	Ongoing Program	The City's Redevelopment Area Inclusionary Housing Program is in effect and requires affordable housing in newly constructed for-sale housing projects with more than 10 units. 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

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			overturned or modified by another court or by the legislature
<b>Citywide Inclusionary Housing Program</b> In 2010, the City of San Jose approved a Citywide Inclusionary Housing Ordinance that required affordable housing obligations on all new for-sale developers of 20 or more units	Assist low- and moderate-income homebuyers	On Hold	In 2012, the Citywide Ordinance was declared invalid by the Santa Clara County Superior Court. The City is appealing that decision.
<b>The San José State University (SJSU) Faculty and Staff Homebuyer Program:</b> In 2006, the City entered into an agreement with San José State University to jointly-fund and administers 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.	Assist in the recruitment and retention of university employees.	No longer available	This program concluded June 30, 2010.
<b>WelcomeHOME Program:</b> 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.	Assist lower-income homebuyers	Ongoing Program	In 2012, the City assisted 11 lower-income first-time buyers purchase a home through this program. The total amount of funding was \$246,000, comprised of \$221,000

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			of HOME funds and \$25,000 of CalHOME funds. Will be provided on a limited basis going forward to support NSP.

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<b>HOMELESS SERVICES PROGRAMS:</b>			
<b>Emergency Solutions Grant Program (ESG):</b> ESG is a federally funded program designed to support programs aimed at preventing and ending homelessness. The City contracts with multiple homeless service providers to administer the ESG program. The program provides homeless persons with outreach and engagement services, basic shelter and essential supportive services such as operational costs of a shelter facility, case management and temporary rental subsidies..	Assist homeless and at-risk residents with meeting their immediate emergency needs	Ongoing Program	Continue to implement program.
<b>Housing Opportunities for People with AIDS or HIV (HOPWA):</b> 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, housing information and case management to eligible households.	Assist homeless and at-risk residents with HIV/AIDS to become permanently housed.	Ongoing Program	Continue to implement program.
<b>Housing Trust Fund:</b> 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 programs that support the City's goal of ending homelessness.	Assist nonprofit homeless service providers to maintain their services by addressing their emergency equipment or facility needs and assist homeless residents with becoming permanently housed with appropriate supportive services	Ongoing Program	Continue to use funds towards the City's goal of ending homelessness

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<b>Project Hope:</b> 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.
<b>Housing Services Partnership (HSP):</b> 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.	Assist homeless and at-risk residents to attain and maintain permanent housing.	July 2005 - June 2011	Program extended through 2013 but with no additional funding
<b>Homelessness Prevention and Rapid Re-Housing Program (HPRP):</b> HPRP is funded program through the American Recovery and Reinvestment Act (ARRA). It is 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.	Assist homeless and at-risk residents to become self-sufficient, and become permanently housed.	October 2009 - October 2012	Program ended in July 2012.
<b>Tenant-Based Rental Assistance Program (TBRA):</b> The City administers three TBRA programs utilizing its federal HOME program funds as described below. The program provides participants with housing placement and rental assistance. The City funds a local	Assist chronically homeless mentally ill residents to attain and maintain housing.	October 2009 - June 2013	Continue to Implement and oversee programs.

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<p>nonprofit to provide the day to day implementation of the programs.</p> <ol style="list-style-type: none"> <li>1. TBRA I is designed to provide housing and support services to chronically homeless mentally ill residents. The City has partnered with the Santa Clara County Department of Mental Health to provide case management services to program clients.</li> <li>2. TBRA II is a pilot program targeting chronically homeless households, who have substance abuse issues, and reside in and around St. James Park in San Jose. The City has partnered with the County Department of Drug and Alcohol Services to provide case management and services to program clients.</li> <li>3. TBRA III is a pilot program targeting households residing in selected San Jose homeless encampments and other unsheltered locations. The City is partnering with several nonprofit homeless service agencies to provide case management to program clients.</li> </ol>			
<p><b>Homeless Encampment Program:</b>          The City is coordinating with outside agencies across sectors to address the homeless encampment issue in San Jose, including developing and implementing new clean-up protocols, deterrence, and prevention activities, as well as seeking additional opportunities to provide housing and services to the encampment residents.</p>	<p>Mitigate community, environmental, and health impacts of homeless encampments, while seeking alternative housing solutions for the homeless.</p>	<p>Ongoing</p>	<p>Continue to implement program</p>

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<b>NEIGHBORHOOD IMPROVEMENT PROJECTS:</b>			
<b>Strong Neighborhood Initiative (SNI):</b> 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.	Continue to focus resources within the 19 SNI areas. Strive towards goal of spending 50% of single-family rehabilitation funds in SNI areas.  Check with Jacky on this one. I'm not sure what's being done with the SNI)	Ongoing Program	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 in order to strategically target three neighborhoods.
<b>Strong Neighborhoods Initiative (SNI) Project Alliance – (formerly known as Multi-Family Demonstration Projects):</b> 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	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.	Ongoing Program if additional funding becomes available.	Completing one remaining program. Future funding for projects is uncertain.

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<p>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 improvment of one additional building (4 units) in the Underwood neighborhood remain. No additional funding is anticipated at this time.</p>			
<p><b>Neighborhood Stabilization Program:</b>          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 program also provides funding for rental affordable housing developments.</p>	<p>Acquire and rehabilitate homes that were previously foreclosed or abandoned. Then, the City's partners sell the homes to moderate or low-income first-time buyers for owner-occupancy purposes. 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.</p>	<p>All funding must be spent by February 11, 2013. However, the City is allowed to continue the program for up to 5 years using NSP2 program income (residual proceeds)</p>	<p>2012 included the acquisition of 3 eligible properties, rehabilitation of 11 Properties and the sale of 23 properties; 4 properties are either under contract or closing escrow with new homebuyers. Additionally, through the funding of the 58 unit Taylor-Oaks project, 19-unit Ford and Monterey Special Needs project, and 11-units at Ford and Monterey Family the City has met its 25% set-aside requirement.</p>

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<b>HOUSING DEVELOPERS / INVESTMENT PROPERTY OWNERS:</b>			
<p><b>Predevelopment Loan Program:</b>            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 a minimum of 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.</p>	<p>As resources allow, invest limited amount to support future feasible development projects.</p>	<p>Ongoing Program subject to funding availability</p>	<p>Given the State's elimination of 20% Redevelopment funds, the City may provide limited predevelopment funds if available.</p>
<p><b>Project Development Loans for Acquisition, Construction, Permanent, and Acquisition/ Rehabilitation:</b>            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 families, seniors, small households, and 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 a</p>	<p>Focus the majority of available project funds on new construction of affordable rental projects with existing entitlements that have been stalled give the elimination of Redevelopment and shortage of other public subsidies. Consider other uses including acquisition/rehabilitation projects, and the preservation of existing affordable units.</p>	<p>Ongoing Program</p>	<p>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.</p>

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<p>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 of existing affordable 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 and fiscal sustainability.</p>			
<p><b>City as “Developer”:</b> 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 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 or leased to nonprofit and for-profit developers for the construction of affordable housing projects</p>	<p>Continue to seek opportunity sites for affordable housing with a focus on rental special needs units</p>	<p>Ongoing Program</p>	<p>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.</p>

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<b>PROCESS IMPROVEMENTS</b>			
<b>Adoption of Secondary Unit Ordinance:</b> 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.	Continue to facilitate second unit production.	Ongoing Program	Continue program as designed and implemented
<b>2007 California Standards Code and Green Building Outreach and Training</b> 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	Such trainings were intended to facilitate a smooth the transition to the use of new code standards.	As needed basis	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.

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<p>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>Additional outreach and training will be provided as-needed basis for the California State Green Building Code and for future amendments.</p>
<p><b>Enhanced High-Rise Design Review Process</b>          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>	Ongoing	<p>Continue to administer the design review process as needed.</p>
<p><b>Transit-oriented Development/Mid-rise and High-rise Residential Design Guidelines</b>          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</p>	<p>Facilitate quality design in residential projects and streamlining of the development review process.</p>	Ongoing	<p>Continue to implement and revise the design guidelines as necessary.</p>

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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.			
<b>City Council Public Outreach Policy</b> 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.	Provides opportunities for all parties to achieve general consensus and resolve concerns as part of the development process.	Ongoing	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.
<b>Zoning Ordinance Streamlining Amendments</b> 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.	Improve user-friendliness of the Zoning Ordinance and streamline the ability to add bedrooms to existing homes to accommodate a larger living area.	Ongoing	In November 2008, the City approved several amendments to the Zoning Ordinance that simplified the process for permitting small

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			<p>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,</p>
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			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.
<b>Development Permit Extension Ordinance</b> Allows the reactivation of certain expired development permits and the extension of certain development permits for a discrete period of time.	Provides longer terms for the validity of Planning permits, thereby giving developers more time between Planning approvals and construction commencement.	Ongoing	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.

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<p><b>Option to Use Discretionary Alternate Use Policies through a Use Permit</b>            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>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>
<p><b>Elimination of the Planned Development Zoning process requirement for certain Mixed-Use Development Projects</b>            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</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</p>

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<p>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>Envision San Jose 2040 General Plan Update on November 1, 2011.</p>
<p><b>Height Limit Increase to Facilitate Use of Renewable Energy Resources</b>            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><b>Transit Corridor Commercial Land Use Designation Created</b>            The Transit Corridor Commercial land use designation was intended in 2008 to expand the potential for commercial development and mixed</p>	<p>Facilitate streamlining of the entitlement process for residential development above commercial uses, providing opportunities</p>	<p>Completed 2008 Revised with</p>	<p>The City Council approved the General Plan text amendment in</p>

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<p>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>for residential uses to be located above neighborhood services with access to transit.</p>	<p>Envision 2040 General Plan approval</p>	<p>2008. The Envision San Jose 2040 General Plan maintains Land Use designations in support of the Transit Corridor Commercial goals.</p>
<p><b>Private Sector Green Building Policy for New Construction</b>          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</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>

## Table C

### Program Implementation Status

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> 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
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). On June 23, 2009, the City Council adopted an Ordinance which implements the Private Sector Green Building Policy.			
<b>Permit Center Consolidation</b> 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.
<b>Self Help Improvements</b> 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.
<b>Walk-In Submittals &amp; Prioritized Service Delivery</b> Submittals of select Planning and Building Permit applications are now accepted and processed without an appointment. Receptionist segregates customers and application submittals are prioritized.	Customers are provided with additional options for application submittal and are serviced more quickly.	Ongoing	Continue to enhance services provided to customers submitting development applications.

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<p><b>Envision San Jose 2040 General Plan Update</b> 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>	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.	Complete	Implement the Envision San Jose 2040 General Plan Update approved on November 1, 2011 and effective December 1, 2011.
<p><b>Alum Rock Corridor General Plan Changes and Policy Direction</b> 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>	Facilitate mixed commercial-residential projects along select Alum Rock Avenue properties.	Ongoing	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.
<b>Transitional and Supportive Housing Zoning Ordinance</b>	To comply with California State	Completed	The City Council

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Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
<b>Amendments</b> 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.	Legislation, Chapter 633, Statutes of 2007 (SB 2), transitional and supportive housing are explicitly treated as residential uses in the Zoning Ordinance.	2009	approved the Zoning Ordinance amendment in 2009.
<b>Main Street Districts Ordinance</b> 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.	Facilitate mixed commercial-residential projects along Neighborhood "Main Street" areas identified throughout the City. Builds on Alum Rock Corridor policy changes from 2009.	Completed 2010; Updated in 2011	The City Council approved the Zoning Ordinance amendment in 2010.
<b>Historic Reuse Ordinance</b> The Historic Reuse ordinance allows non-residential City Landmarks to be converted to residential use with a CUP or SUP (depending on zoning district).	Facilitate residential use of historic structures	Completed 2010	The City Council approved the Zoning Ordinance amendment in 2010.
<b>Urban Village Zoning Districts</b> 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	Facilitate urban, transit-oriented residential and mixed-use development within Urban Village growth areas identified in the Envision San Jose 2040 General Plan	Under development in 2012	An Ordinance to establish Urban Village zoning districts is in early stages of development in February 2012, moving towards City Council

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parallel with development of several Village Plans for identified urban villages in several grant funded planning projects underway between Fall 2011 and Summer 2013,			review and approval in late 2012.